LARSEN & TOUBRO

Larsen & Toubro Limited
Secretarial Department
L&T House, Ballard Estate
Narottam Morarjee Marg
Mumbai - 400 001, INDIA
Tel: +91 22 6752 5656
Fax: +91 22 6752 5893
www.Larsentoubro.com

SEC/PAM/AR/ 2016

September 6, 2016

The Secretary BSE Limited Phiroze Jejeebhoy Towers, Dalal Street, MUMBAI - 400 001 Stock Code : 500510	National Stock Exchange Of India Limited Exchange Plaza, 5th Floor Plot No.C/1, G Block Bandra-Kurla Complex Bandra (E), Mumbai - 400 051 Stock Code: LT

Dear Sir,

Sub : **Filing of Annual Report and Subsidiary Annual Report of the Company for the year ended 31st March 2016**

Pursuant to Regulation 34 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we send herewith soft copy of our Annual Report and Accounts of the Company for the year ended 31st March 2016 alongwith Notice dated May 25, 2016.

We also enclose hard copy of Annual Report of our Subsidiary Companies and Particulars of Employees as per Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

We request you to take the same on your records.

Yours faithfully,
for **LARSEN & TOUBRO LIMITED**

N. HARIHARAN
EXECUTIVE VICE PRESIDENT &
COMPANY SECRETARY
(ACS 3471)

Encl.: as above.

ISO 9001 REGISTERED
DNV
MGMT. SYS.
RvA C 024
DNV Certification B.V., The Netherlands

LARSEN & TOUBRO

TECHNOLOGY LEADERSHIP



71st Annual Report
2015-2016



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 Executive Chairman

Dear Shareholders,

The year 2015-16 saw the Indian economy charting a measured course towards objectives set out by the Government two years ago. While investment momentum is still muted in some sectors, the positives to have emerged are the incremental but important steps taken by the Government in fiscal correction, inflation containment, subsidy reduction, efforts to reinvigorate tax administration and a thrust on increased investment in key infrastructure sectors. Private sector and industrial capex, however, remains subdued on account of paucity of funds in the private sector.

The global scenario offers less cause for cheer. The world economy encountered challenges at many levels last year. These include significant volatility, Eurozone instability, depression in crude oil and commodity prices, currency depreciation in emerging markets, and a lingering slowdown in China. India's GDP growth - 7.6% as compared to 7.2% in the previous year - and reduced fiscal deficit of 3.9% sends out encouraging signals for the future.

I believe that the forthcoming year holds promise of improvement as far as investment momentum is concerned. The Government's focus on a slew of recent initiatives places your company in a favourable position. Our capabilities in high-tech design and manufacture are unmatched in industry. This enables us to extend the 'Make in India' theme to the upper end of the technological spectrum, as well as to the strategic sectors of defence, nuclear power and aerospace. Our three-decade long association with national defence

organisations ensures that we have the credentials to partner with them in the design and manufacture of defence equipment. We also possess in-house capabilities to design, equip and build the habitats of the future - Smart Cities.

Performance Overview

While new order acquisitions have been muted due to your Company's focus on disciplined bidding on infrastructure projects, the financial performance, as a whole, has been encouraging and has been lauded by Capital Markets. Order Inflows, which are the mainstay of your Company's dominance in the project business, clocked in at ₹ 136,858 crores at the Group level, which represents a decline of 12% over the corresponding inflows of the Previous Year. The muted inflows were the outcome of increased competitive price pressures in the power generation and hydrocarbon sectors.

The unexecuted Order Book stood at an all-time high of ₹ 249,949 crores and represents a 7% growth over the Order Book at the end of the Previous Year. This robust Order Book position provides your Company with multi-year forward visibility on Revenues and Margins. The Company grew revenues in 2015-16 to ₹ 102,632 crores, despite challenges faced in project execution in the form of delayed clearances and tardy progress payments from customers. This represents a 12% growth over revenues in the Previous Year. Losses incurred on Hydrocarbon projects in 2014-15 were largely avoided in 2015-16 and Profits after Tax at the Group level grew to ₹ 5,091 crores representing a growth of 7% over the corresponding Profit in 2014-15.

It gives me pleasure to announce that your Company has recommended a Dividend of ₹ 18.25 per equity share on a face value of ₹ 2 per share for the year. The corresponding dividend during the previous fiscal was at ₹ 16.25 per equity share.

Internationalisation

GCC countries, our staple international markets, are experiencing fiscal stress due to low oil prices, and opportunities in the hydrocarbon space have been reduced. Core infrastructure such as power transmission & distribution, hospitals, urban infrastructure, roads and rail networks, however, continue to see investment and these areas have yielded significant order wins for us. We are also focusing on select countries in Africa and some parts of South East Asia. We believe that the opportunity basket that is likely to be provided to us in international markets will still be sufficiently large enough to enable a healthy, geographically-diversified revenue mix. The unexecuted Order Book from international markets stood at over ₹ 70,000 crores, which translates to 28% of the total Order Book. This largely comprises orders from diverse infrastructure areas such as metro rail, power transmission & distribution, road & expressways and hydrocarbon sectors.

Going Digital at L&T

Larsen & Toubro is implementing solutions using digital technologies to make quantum improvements in all key areas of work. A major step in this direction has been the setting up of a Digital Group which will ideate, initiate and implement solutions to deliver results to the business.

The areas where solutions are being developed and deployed are Tracking and Monitoring performance on all equipment deployed at construction sites by installing sensors and gateways; improving productivity and safety of workmen through tracking and tagging; optimising logistics and material consumption through GPS and RFID; project monitoring & control through data and visuals captured in real-time, and use of modern geospatial technologies including LiDAR and UAVs for surveys.

Another key area is Analytics that will pull in the data from all these initiatives into an Analytics engine to deliver trends, actionable insights and forecast scenarios for proactive and corrective action.

As technologies and business processes evolve, the group will continue to develop breakthrough solutions and evangelize the digital transformation.

Talent Management

Your Company views its people as the cornerstone of business and its Human Resources policy is geared towards developing individuals along with the organisation. The Company has a 7-step leadership development program which aims to build a leadership pipeline at various levels of management.

Sustainable Development

Your Company is committed to conserving natural

resources and enhancing social equity to achieve sustainable progress, while creating value for stakeholders. Significant initiatives have been undertaken in the areas of climate change and water conservation. Your Company's sustainability performance in energy conservation and carbon emission intensity reduction was showcased in the UN - Paris Climate Change Summit 2015. The Company's campuses in different parts of the country are focused on becoming water-positive and zero wastewater discharge units.

Your Company's CSR programmes focus on health, education, skill development and water & sanitation interventions to contribute to a better quality of life for the needy.

The total spends on CSR initiatives in 2015-16 by your Company amounted to ₹ 120 crores under eligible items as defined in the Companies Act which translates to 2.36% of the average annual net profits of the Company over the last 3 years.

Outlook

The thrust given by the Government on core infrastructure and 'Make in India' initiatives continues to give us a healthy basket of opportunities to tap. Increased allocations by the Centre and States on infrastructure spending, higher levels of outlay by cash-rich Public Sector enterprises and significant funding of infrastructure projects by bi-lateral and multi-lateral lending agencies is propelling the investment momentum forward. Several upcoming projects provide us with a broad perspective of the opportunity horizon opening up for us in 2016-17.

Segments that hold promise in FY17 include –

1) Infrastructure:

a) **Roads** – The new political dispensation at the helm of affairs has kick-started investment in roads and FY16 saw a significant uptick in ordering of EPC road contracts by the National Highways Authority of India. We expect this impetus to continue and to be augmented by investments in specialised bridges and tunnels as well as highway orders in some Middle East countries.

b) **Railways** – In FY16, your Company continued to build on its success in bagging orders for the Dedicated Freight Corridor program currently being piloted by the Indian Railways. The balance of orders in this program are likely to be ordered out in FY17 and your Company will participate in those bids as well. Some Middle East countries are also planning investments in conventional rail networks and your Company will participate in those programs as and when the opportunity arises.

c) **Metro Rail** – Your Company has been successfully executing Metro Rail projects in multiple cities over the last few years. Urban development authorities are increasingly viewing metro rail networks as the ideal solution to urban traffic decongestion and our assessment is that this area is likely to see increased spending in FY17 and beyond, through the launch of new projects in a number of cities across the country. Execution of 2 large metro rail projects won in Saudi Arabia and Qatar in FY14 is progressing well.

d) **Urban Infrastructure** – While private sector investments in Urban Infra have seen lower investments, particularly in residential real estate, your Company continues to see a healthy pipeline of prospects in affordable housing, hospitals, office space for IT majors and facilities for educational institutions.

e) **Smart World and Communication** – Larsen & Toubro has consistently aligned its capabilities to national priorities. Presently, there is a growing need for creating Digital India and smarter, secure and intelligent solutions to enhance quality of life. This has led to the rise of smart cities, advanced security solutions and communication infrastructure.

In response to this, L&T has integrated its range of comprehensive offerings in this sector to set up a dedicated Smart World & Communication business vertical which offers end-to-end solutions as a Master Systems Integrator in the areas of Security Solutions, Communications Network and Telecom Infrastructure and Smart Infrastructure. With adequate data and superior analytics, these smart world solutions will empower city leaders and planners to make better, more informed decisions, anticipate problems to resolve them proactively, coordinate resources to operate more effectively and efficiently, thereby enhancing the overall quality of life.

f) **Water Infrastructure** – This area has seen relatively poor investments over the last decade and such under-investment in basic water management resources is leading to seasonal water shortages across the country. Recognising this critical need, the Government has increased allocations in this essential sector recently and your Company expects to see a surge in revenues from the increased spends. This will be augmented by the opening up of fresh investment avenues in the allied segments of Waste Water Management and Lift Irrigation programs.

2) Thermal Power Generation:

This sector has been constrained with overcapacity in the manufacturing of boilers and turbines, delayed environmental clearances, dearth of fuel availability, increased difficulty in obtaining water linkages as well as long-term funding. FY16, however, saw a number of projects being ordered which your Company could not win due to intense price competition. FY17 is likely to witness ordering of projects aggregating around 8-10 GW and your Company is hopeful of garnering a significant share.

3) Power Transmission & Distribution:

FY16 continued to see strong ordering by Central and State power transmission utilities as well as by countries in the Middle East. Your Company has secured major orders in this sector and expects the investment momentum to continue into FY17.

4) Hydrocarbon:

Low oil prices have dampened investments in oil production facilities. Some Government enterprises, however, continue to invest in oil production with a view to bolstering India's fuel security, offering opportunities for your Company to leverage its EPC capabilities.

With India's commitment made in Paris on climate change, investment in clean fuel projects is likely to give opportunities to the Hydrocarbon business.

We are also eyeing opportunities in the domestic fertiliser sector, as plants opt for capacity augmentation. On the international front, your Company is eyeing opportunities in gas production, processing and associated pipeline networks in the Middle East.

5) Defence Sector:

The current Government has made the most credible effort so far, to indigenise the manufacture of defence equipment. For L&T, with its long-standing association with the Ministry of Defence, extensive R&D and manufacturing muscle, this presents a major opportunity. We are participating in several bids for ships and artillery guns, among other programs. Any order wins for naval vessels will help improve the capacity utilisation at the Kattupalli Shipyard.

6) Heavy Engineering:

The domino effect of the fall in crude prices has led to shrinking orders for oil & gas projects globally and under-utilisation of manufacturing facilities for hydrocarbon equipment. The integrated steel-making & forging facility set up to meet the needs of the hydrocarbon and nuclear power sectors has also been negatively impacted. The Civil Liability for Nuclear Damages Act has been a major roadblock and the same is now being resolved with the formation of a ₹ 1,500 crore insurance pool, thus opening up opportunities for establishing new nuclear power plants in the near future, for which your Company is well placed. This could spark a resurgence in nuclear power investments which would augur well for your Company's heavy engineering business.

7) Metallurgical & Material Handling:

With global overcapacities in steel and a fall in commodity prices, investment in the ferrous and non-ferrous sectors in India has shrunk considerably. This has adversely affected a business which is already impacted by underutilisation.

Fortunately, the outlook is more positive. The green shoots of recovery in the mining sector is expected to provide a fillip to the Material Handling segment. The business expects to improve utilisation in 2016-17.

8) Electrical & Automation (E&A):

The Electrical & Automation business has registered muted growth in 2015-16 due to sluggish demand from the industrial, agriculture and building sectors. The Company's array of best-in-class low-voltage and medium-voltage products continues to provide a

competitive edge, enabling the company to make the most of the expected revival of domestic demand. During the year, your Company launched a series of contemporary Final Distribution products in the categories of MCBs (Miniature Circuit Breakers), RCCBs (Residual Current Circuit Breakers), Control Accessories and Distribution Boards as well as a full programme of Bus-bar trunking systems for modern buildings and Intelligent Controllers for agricultural markets. With a focus on operational excellence, the business expects to continue delivering profitable growth

9) Realty:

This business, which was launched by your Company a few years ago, continues to contribute to revenues and margins through delivery of superior quality projects. Projects under execution in Mumbai and Navi Mumbai are progressing well and a residential housing project launched recently in Bangalore has been received favourably by way of advance bookings. The business is slated to shortly launch another project in Chennai as well as the second phase of its project in Powai, Mumbai. With a substantial land bank for development in hand, this business is expected to deliver steady and profitable revenues over the next few years.

10) Information Technology and Technology Services (IT&TS):

The IT&TS business vertical continues to grow and prosper and your Company intends to list these businesses through Public Offerings in 2016-17. With the focus on client mining and growth seen in multiple verticals such as BFSI, Automotive, Aerospace, Industrial Products and Process Engineering sectors, the business is slated to register continued growth and profitability.

11) Financial Services:

This business, which was listed in 2011, continues to grow and had a loan book of over ₹ 57,000 crores at the end of FY16. The business is focusing on portfolio rationalisation, right-sizing of manpower, and improving the quality of assets in an effort to enhance Return on Equity.

12) Development Projects:

Your Company currently has a portfolio of concession assets in the areas of roads, power generation & transmission, and a metro rail. Most of these projects are operational and as such, the infrastructure projects portfolio is going through a major restructuring exercise for the Company to continue its efforts to become more asset light. The metro rail project in Hyderabad, which is one of the largest 'transit-oriented-development' projects in the country, is progressing satisfactorily and is likely to be fully comissioned in FY19.

13) Strategic Plans:

Your Company has recently concluded deliberations on the strategy for the next 5 years and has finalised the contours of this plan. Highlights of this plan include:

- Focus on execution of the large Order Book in hand, while selectively participating in new bids
- Gearing up to tap emerging opportunities in the Defence, Railways, Mining, Smart Cities and Digital business
- Consistently growing revenues over the plan period
- Steady reduction of Net Working Capital levels
- Exit from the General Insurance business
- Monetisation of road, port and power assets within the plan period

These steps are expected to result in improved Free Cash Flows, Profit after Tax and Return on Equity.

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

Thank You



A.M.Naik
Group Executive Chairman

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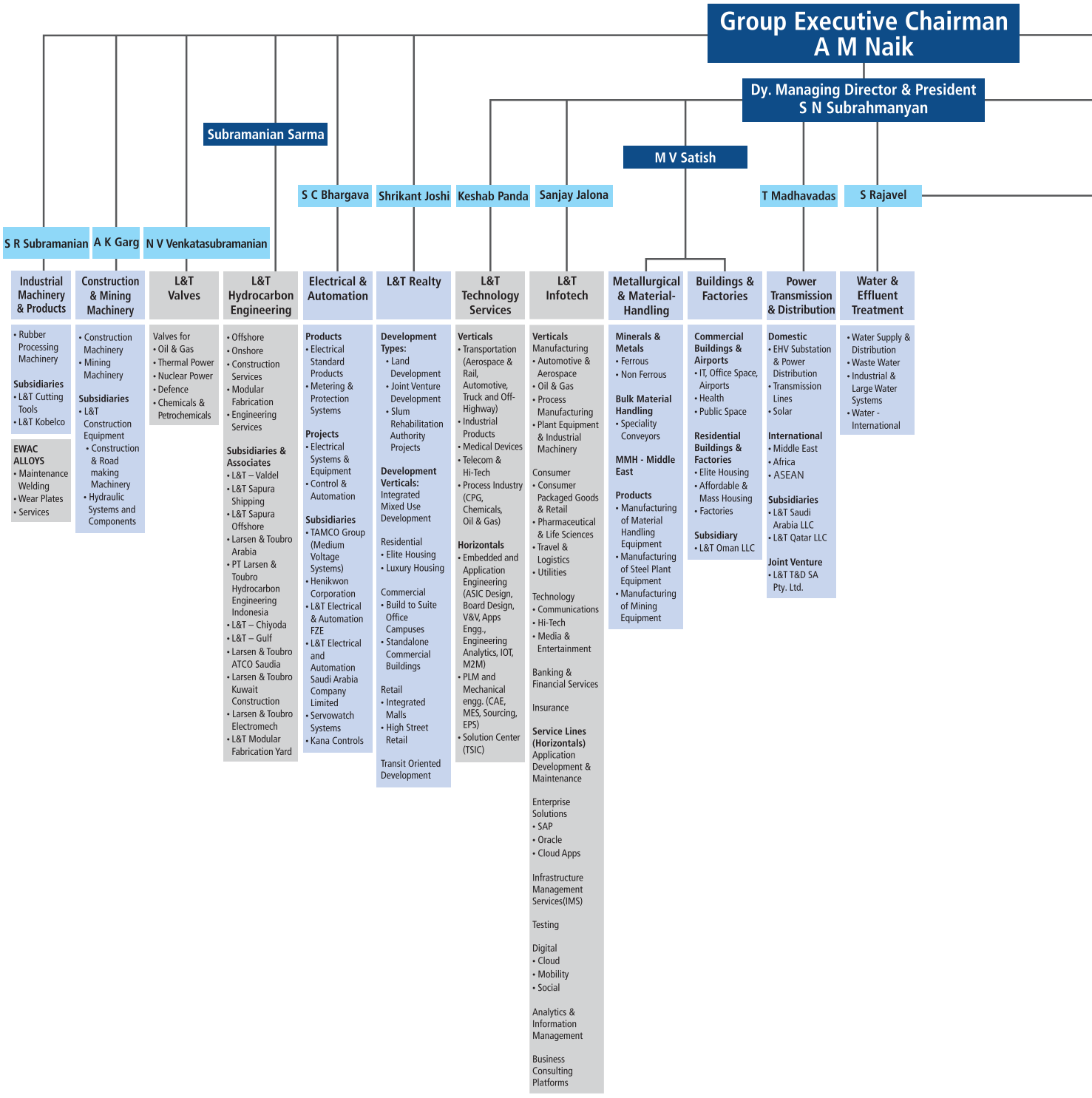
COMPANY INFORMATION

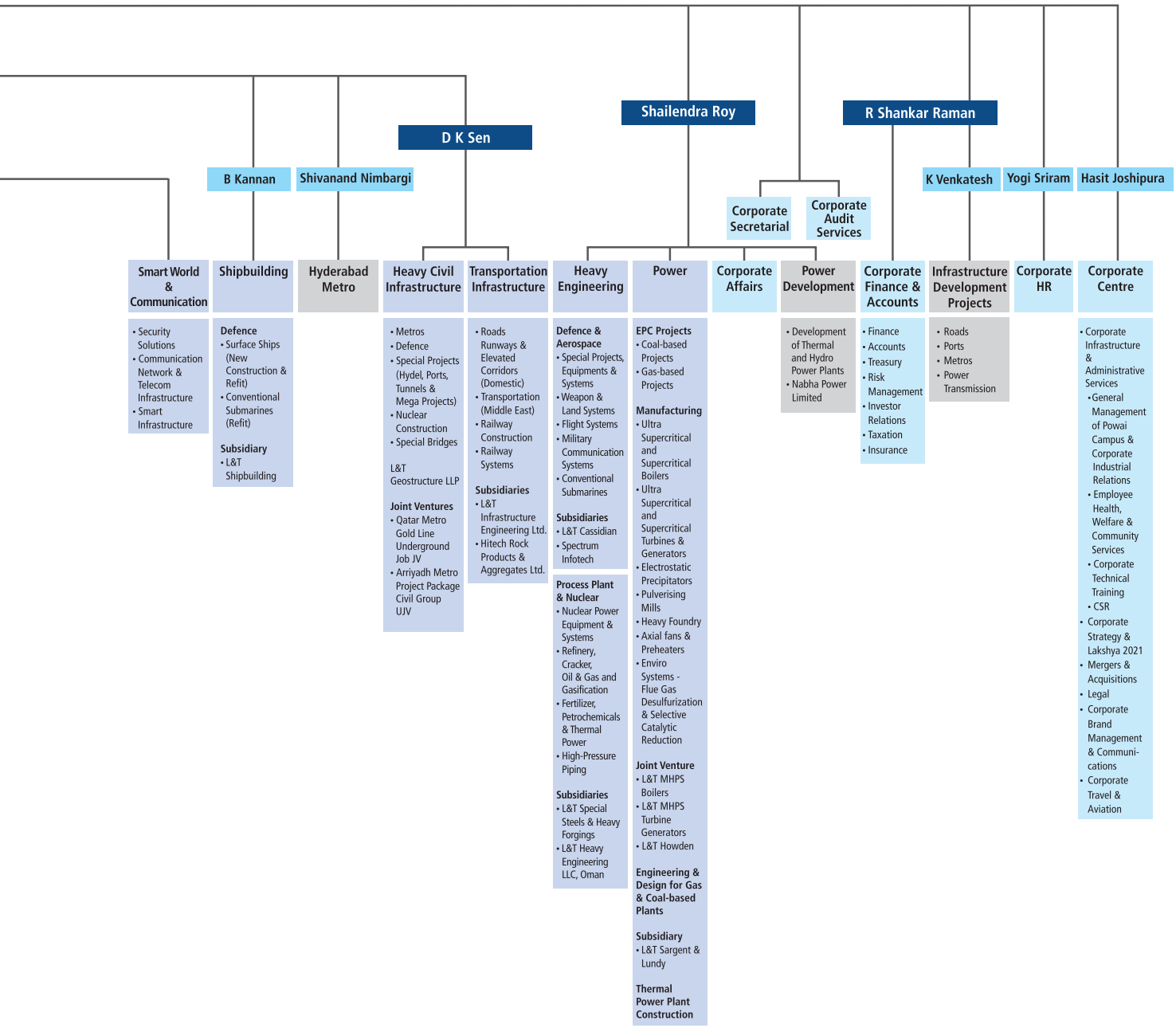
BOARD OF DIRECTORS

MR. A. M. NAIK	*Group Executive Chairman*
MR. S. N. SUBRAHMANYAN	*Deputy Managing Director & President*
MR. R. SHANKAR RAMAN	*Whole-time Director & Chief Financial Officer*
MR. SHAILENDRA ROY	*Whole-time Director & Sr. Executive Vice President (Power, Heavy Engg. & Defence)*
MR. D. K. SEN	*Whole-time Director & Sr. Executive Vice President (Infrastructure)*
MR. M. V. SATISH	*Whole-time Director & Sr. Executive Vice President (Buildings, Minerals and Metals)*
MR. M. M. CHITALE	*Independent Director*
MR. SUBODH BHARGAVA	*Independent Director*
MR. M. DAMODARAN	*Independent Director*
MR. VIKRAM SINGH MEHTA	*Independent Director*
MR. SUSHOBHAN SARKER	*Nominee of Life Insurance Corporation of India*
MR. ADIL ZAINULBHAI	*Independent Director*
MR. AKHILESH KRISHNA GUPTA	*Independent Director*
MR. BAHRAM N VAKIL	*Independent Director*
MRS. SUNITA SHARMA	*Nominee of Life Insurance Corporation of India*
MR. THOMAS MATHEW T.	*Independent Director*
MR. AJAY SHANKAR	*Independent Director*
MR. SUBRAMANIAN SARMA	*Non-Executive Director*
MRS. NAINA LAL KIDWAI	*Independent Director*
MR. SANJEEV AGA	*Independent Director*
MR. NARAYANAN KUMAR	*Independent Director*

Company Secretary	Mr. N. Hariharan
Registered Office	L&T House, Ballard Estate, Mumbai - 400 001
Auditors	M/s. Sharp & Tannan and M/s.Deloitte Haskins & Sells LLP
Solicitors	M/s. Manilal Kher Ambalal & Co.
Registrar & Share Transfer Agents	Karvy Computershare Private Limited

71st ANNUAL GENERAL MEETING AT BIRLA MATUSHRI SABHAGAR, 19, MARINE LINES, MUMBAI - 400 020 ON FRIDAY, AUGUST 26, 2016 AT 3.00 P.M.


Group Executive Chairman
A M Naik
Dy. Managing Director & President
S N Subrahmanyan
Subramanian Sarma
M V Satish
S C Bhargava
Shrikant Joshi
Keshab Panda
Sanjay Jalona
T Madhavadas
S Rajavel
S R Subramanian
A K Garg
N V Venkatasubramanian
Industrial Machinery & Products
• Rubber Processing Machinery
Subsidiaries
• L&T Cutting Tools
• L&T Kobelco
EWAC ALLOYS
• Maintenance Welding
• Wear Plates
• Services
Construction & Mining Machinery
• Construction Machinery
• Mining Machinery
Subsidiaries
• L&T Construction Equipment
• Construction & Road making Machinery
• Hydraulic Systems and Components
L&T Valves
Valves for
• Oil & Gas
• Thermal Power
• Nuclear Power
• Defence
• Chemicals & Petrochemicals
L&T Hydrocarbon Engineering
• Offshore
• Onshore
• Construction Services
• Modular Fabrication
• Engineering Services
Subsidiaries & Associates
• L&T – Valdel
• L&T Sapura Shipping
• L&T Sapura Offshore
• Larsen & Toubro Arabia
• PT Larsen & Toubro Hydrocarbon Engineering Indonesia
• L&T – Chiyoda
• L&T – Gulf
• Larsen & Toubro ATCO Saudia
• Larsen & Toubro Kuwait Construction
• Larsen & Toubro Electromech
• L&T Modular Fabrication Yard
Electrical & Automation
Products
• Electrical Standard Products
• Metering & Protection Systems
Projects
• Electrical Systems & Equipment
• Control & Automation
Subsidiaries
• TAMCO Group (Medium Voltage Systems)
• Henikwon Corporation
• L&T Electrical & Automation FZE
• L&T Electrical and Automation Saudi Arabia Company Limited
• Servowatch Systems
• Kana Controls
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
• Build to Suite Office Campuses
• Standalone Commercial Buildings
Retail
• Integrated Malls
• High Street Retail
Transit Oriented Development
L&T Technology Services
Verticals
• Transportation (Aerospace & Rail, Automotive, Truck and Off-Highway)
• Industrial Products
• Medical Devices
• Telecom & Hi-Tech
• Process Industry (CPG, Chemicals, Oil & Gas)
Horizontals
• Embedded and Application Engineering (ASIC Design, Board Design, V&V, Apps Engg., Engineering Analytics, IOT, M2M)
• PLM and Mechanical engg. (CAE, MES, Sourcing, EPS)
• Solution Center (TSIC)
L&T Infotech
Verticals
Manufacturing
• Automotive & Aerospace
• Oil & Gas
• Process Manufacturing
• Plant Equipment & Industrial Machinery
Consumer
• Consumer Packaged Goods & Retail
• Pharmaceutical & Life Sciences
• Travel & Logistics
• Utilities
Technology
• Communications
• Hi-Tech
• Media & Entertainment
Banking & Financial Services
Insurance
Service Lines (Horizontals)
Application Development & Maintenance
Enterprise Solutions
• SAP
• Oracle
• Cloud Apps
Infrastructure Management Services(IMS)
Testing
Digital
• Cloud
• Mobility
• Social
Analytics & Information Management
Business Consulting Platforms
Metallurgical & Material-Handling
Minerals & Metals
• Ferrous
• Non Ferrous
Bulk Material Handling
• Speciality Conveyors
MMH - Middle East
Products
• Manufacturing of Material Handling Equipment
• Manufacturing of Steel Plant Equipment
• Manufacturing of Mining Equipment
Buildings & Factories
Commercial Buildings & Airports
• IT, Office Space, Airports
• Health
• Public Space
Residential Buildings & Factories
• Elite Housing
• Affordable & Mass Housing
• Factories
Subsidiary
• L&T Oman LLC
Power Transmission & Distribution
Domestic
• EHV Substation & Power Distribution
• Transmission Lines
• Solar
International
• Middle East
• Africa
• ASEAN
Subsidiaries
• L&T Saudi Arabia LLC
• L&T Qatar LLC
Joint Venture
• L&T T&D SA Pty. Ltd.
Water & Effluent Treatment
• Water Supply & Distribution
• Waste Water
• Industrial & Large Water Systems
• Water - International



Subsidiary Companies

Corporate Functions

Leadership Team



A. M. Naik
Group Executive Chairman



S. N. Subrahmanyan
Dy. Managing Director &
President



R. Shankar Raman
Chief Financial Officer



S. N. Roy
Sr. Executive Vice President
(Power, Heavy Engineering
& Defence)



Subramanian Sarma
CEO & Managing Director
(L&T Hydrocarbon Engineering)



D. K. Sen
Sr. Executive Vice President
(Infrastructure)



M. V. Satish
Sr. Executive Vice President
(Buildings, Minerals & Metals)

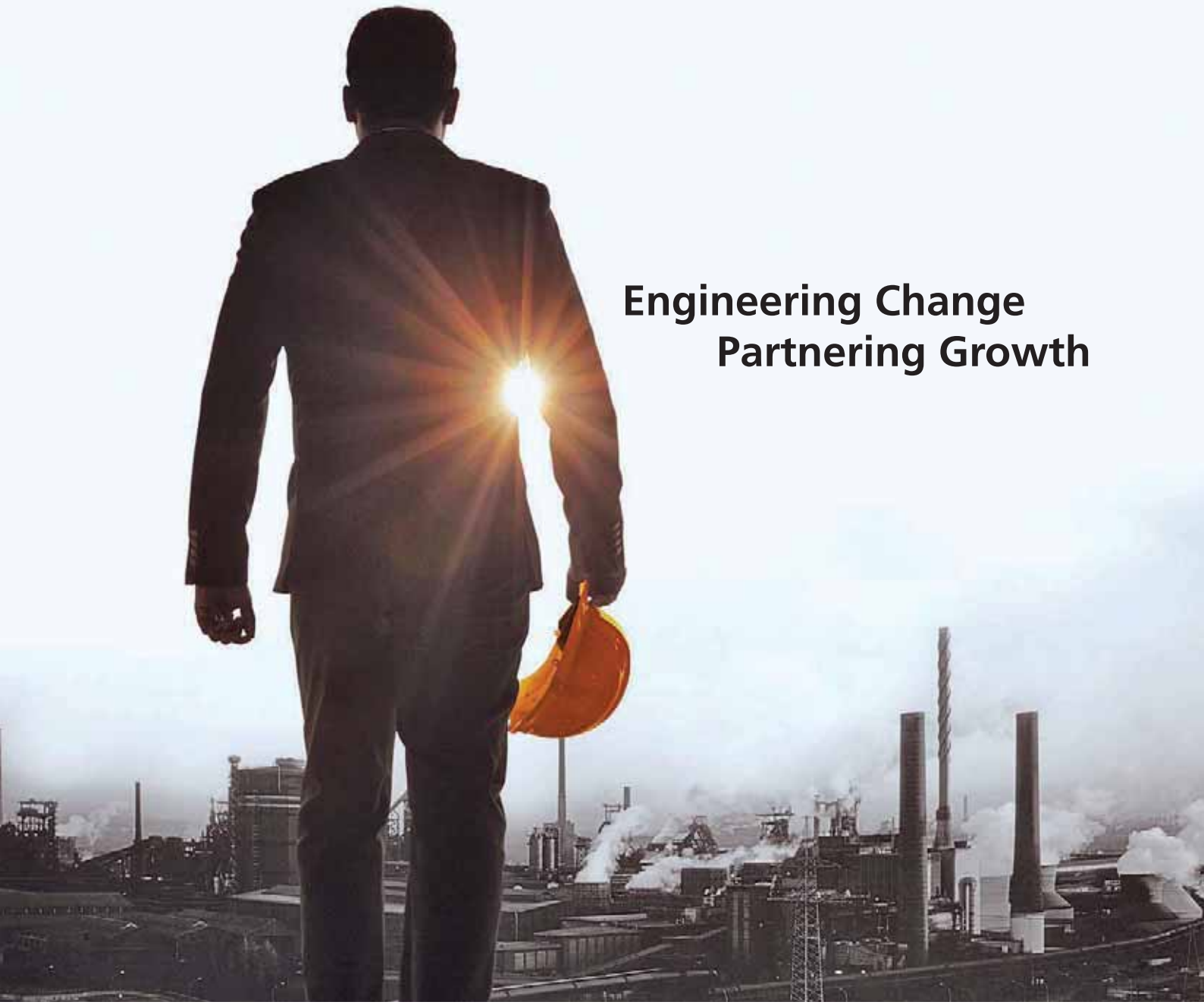


S. C. Bhargava
Sr. Vice President
(Electrical & Automation)



Hasit Joshipura
Head - Corporate Centre

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Engineering Change
Partnering Growth

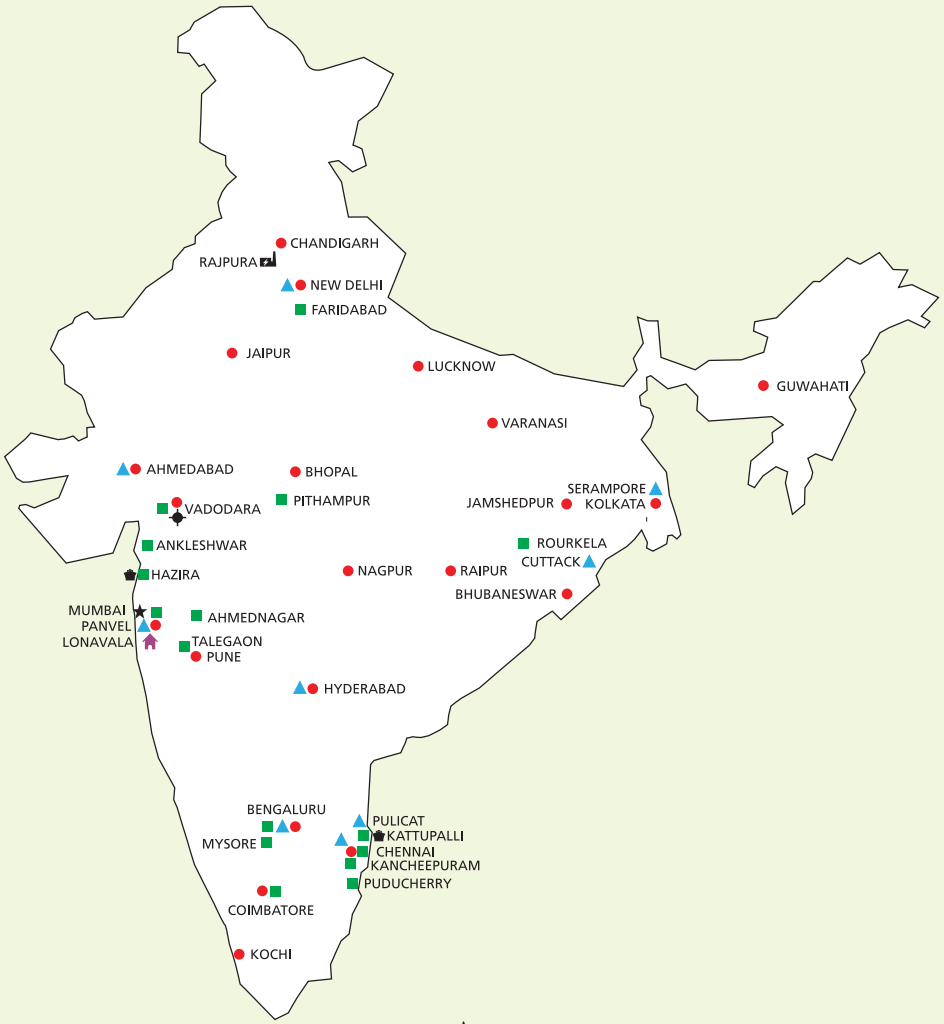
L&T partners the nation, industry and people to build a newer, brighter future. In critical sectors, we provide the technology and the engineering and construction expertise to rewrite the rules. And transform glorious vision into glittering reality.

Technology I Engineering I Projects
Construction I Manufacturing

LARSEN & TOUBRO

Regd. Office: Larsen & Toubro Limited, L&T House, N. M. Marg, Ballard Estate, Mumbai - 400 001, INDIA CIN: L99999MH1946PLC004768

Nationwide Network

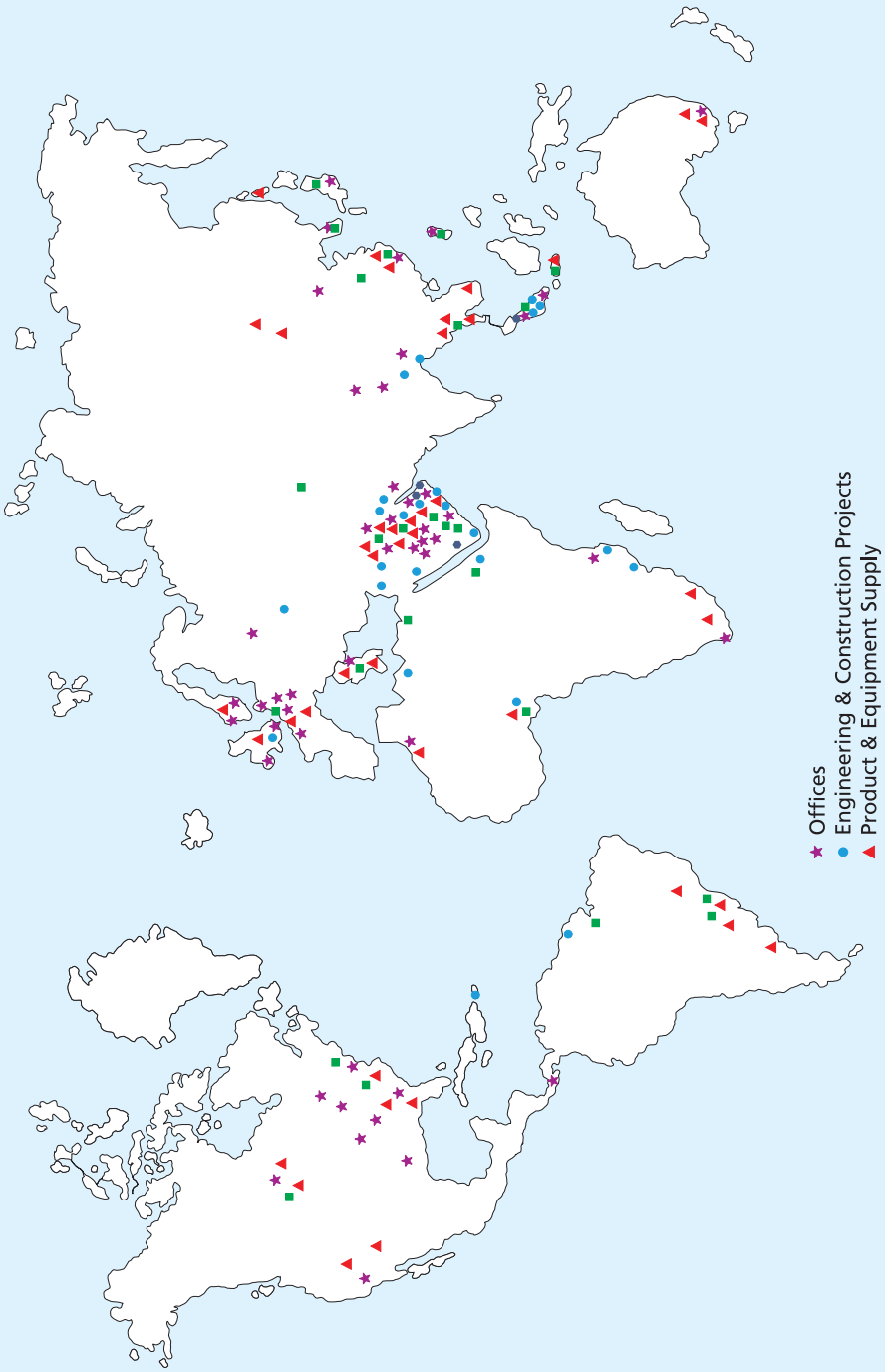


★ Registered Office
■ Campus+
Power Plant
Shipyards
● Offices
Knowledge City
Leadership Development Academy
▲ Construction Skills Training Institutes*

+ '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



Education and skill development are the foundations upon which self-sufficient livelihoods are built.

Since the Company's inception, care and concern for the underprivileged communities has been a core value at L&T. Reaching out to the disadvantaged with a view to positively impacting the quality of their lives is a spontaneous and natural process across L&T's establishments. Through our CSR programmes, we contribute to the nation's developmental agenda as well as align with the UN Social Development Goals and address the most pressing needs – water, sanitation, education, health and skill development. For our CSR programmes, the implementation process is as critical as our goals and their impact. We view our beneficiaries as partners on a journey towards betterment. Developmental plans are devised in consultation with NGOs who understand their needs best. Architects of their own future, the disadvantaged are intensely motivated to sustain our programmes – and ensure their success.

Life is a circle, and the joy we give others is our gift to ourselves.

The Joy of Clean Water

Many villages in India have to struggle for water and sanitation. The unavailability of safe drinking water leads to increasing morbidity and mortality rates. It also negatively impacts educational attainments, migration and livelihood opportunities.

Our Integrated Community







Development Programme has been launched in three states, to begin with, and focuses on holistic development in water and sanitation, education, health and skill development, based on need-assessment. We are working towards enabling water-stressed rural communities to be self-sufficient in water for drinking, sanitation and agriculture.

In several of Maharashtra's drought-prone agricultural areas, we have built check dams to ensure water supply during the dry months. Cultivating two crops a year instead of one, the villagers now need not migrate to cities for seasonal work. By helping meet the basic need for water and sanitation, we lay the foundation for progress and development.

The Joy of Learning

Our social interventions covering educational initiatives focus on providing education, developing infrastructure and enhancing the learning experience.

We enrich education in primary schools through innovative learning methodologies. We enrich the school environment by providing infrastructure ranging from building classrooms and playgrounds as well as equipping them with digital learning tools, benefitting rural and urban schools serving impoverished communities. After-hours 'Single







Our initiatives in mother-and-child care, women's health and skill development help empower underprivileged women.

Teacher' schools help children improve their learning rates. We support pre-schools, set up computer laboratories, provide teaching aids and uniforms and augment teacher capacity.
We believe that education is best imbibed when presented in ways that spark interest. We, therefore, infuse joy into learning in many small ways. Our Science-on-Wheels van visits schools, giving children the opportunity to experience the thrill of hands-on experiments. Summer camps and sports activities help pupils develop social skills. Extra-curricular outings help widen children's horizons.

The Joy of Good Health

Timely access to quality health care can be the core differential that enables families to lead productive and prosperous lives. Often, economically backward communities are further pushed into poverty due to poor health and the rising costs of medical care.

We have set up community health centres at our facilities at Ahmednagar, Chennai, Coimbatore, Kansbahal, Mumbai, Surat and Vadodara. They focus on reproductive health, and conduct diagnostic and clinical camps and programmes that support maternal and child healthcare, immunisation and health education.

Regular health check-up camps are held in schools and pre-schools.

L&T's HIV/AIDS management initiatives include awareness camps (particularly for high-risk groups), Anti-Retroviral Therapy, counselling and testing.

Artificial kidney dialysis centres for the underprivileged have been set up at L&T's Health Centres at Chennai, Mumbai, Thane and Vadodara.

By putting smiles on the faces of mothers and children, by preventing, detecting and curing disease, by educating people on matters pertaining to health, we help spread joy.

The Joy of Self-sufficiency

To empower the marginalized youth of the country with marketable skills





Learning prepares gen-next for the future.

and help the nation to reap the benefits of the demographic dividend of having a large young population, L&T has set up vocational institutes and has in place programmes that impart skills in several trades to enhance the employability of underprivileged youth.

Our Construction Skills Training Institutes at nine locations impart free training to rural and urban youth in basic construction trades. To empower underprivileged women, we organise vocational training programmes in the areas of tailoring, beautician skills, home nursing and food processing. Trade in hand, they are able to supplement their family income as well as invest in the education and health of their families, especially the children.

Vocational training enables these people to become self-sufficient, elevates their social standing and fills their lives with joy.

The Joy of L&T-eering

We are proud of our employees, our L&Teers, who contribute resources such as time and skills for the benefit of the underprivileged. All across our facilities, we have been providing employees with more and more opportunities to volunteer and boost employee engagement with a social cause.

L&Teers dedicatedly teach English and Maths to children at Community Learning Centres and have been mentoring them as well, encouraging them to realise their potential despite the odds. Short science films have been dubbed into regional languages so that many more children can access quality science education. Educational trips and creativity workshops organised by L&Teers are both entertaining and educational. Blood donations and community health camps saw the participation of many employees. L&T-ites passionately supported various causes through Marathons and melas in which items made by the underprivileged are displayed.

Volunteering activities help our people to relate better to each other as well as to the organisation, and gives them a sense of deep satisfaction.

ANNUAL BUSINESS RESPONSIBILITY REPORT 2015-16

Sustainability is our constant endeavour to create products, services and environs that will enable all L&T stakeholders, society and the planet to thrive, today and tomorrow. The Company is focused on meeting the needs of the future with the resources of the present.

This report conforms to the Business Responsibility Reporting (BRR) requirement of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR') and the National Voluntary guidelines (NVG) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs, India. Furthermore, L&T publishes its sustainability performance in a Sustainability Report which is prepared in accordance with Global Reporting Initiative (GRI) guidelines and is externally assured. All the Sustainability Reports published till date 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 2015 - 31st March 2016**
7. Sector(s) that the Company is engaged in (industrial activity code-wise):

Group	Class	Sub-Class	Description
271	2710	27104	Manufacture of electric motors, generators, transformers and electricity distribution and control apparatus
282	2824	28246	Manufacture of parts and accessories for machinery / equipment used by construction and mining industries
301	3011	30111	Building of commercial vessels, passenger vessels, ferry boats, cargo ships, tankers, tugs, hovercraft (except recreation type hovercraft), etc.
		30112	Building of warships and scientific investigation ships, etc.
		30114	Construction of floating or submersible drilling platforms
410	4100	41001	Construction of buildings carried out on own-account basis or on a fee or contract basis
421	4210	42101	Construction and maintenance of motorways, streets, roads, other vehicular and pedestrian ways, highways, bridges, tunnels and subways.
		42102	Construction and maintenance of railways and rail-bridges
422	4220	42201	Construction and maintenance of power plants
		42202	Construction / erection and maintenance of power, telecommunication and transmission lines
		42901	Construction and maintenance of industrial facilities such as refineries, chemical plants, etc.
465	4659	46594	Wholesale of construction and civil engineering machinery and equipment
681	6810	68100	Real estate activities with own or leased property
711	7110	71100	Architectural and engineering activities and related technical consultancy

8. List three key products/services that the Company manufactures/provides (as in 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: 35**
   ii. **Number of National Locations: 100**

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

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR) : ₹ 186.295 Crores

2. Total Turnover : ₹ 60415 Crores

3. Profit after taxes : ₹ 5311.46 Crores

4. Total Spending on CSR as a % of Profit after tax (%): 2.25%.

5. List of activities in which expenditure in point 4 above has been incurred:
   i. Health
   ii. Education
   iii. Skill Development
   iv. Water & Sanitation

SECTION C: OTHER DETAILS

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

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s):
Yes. The Business Responsibility (BR) initiatives of the Company are extended to the Subsidiary/Associate Companies and they are also encouraged to carry out various activities independently. Major subsidiaries such as Larsen & Toubro Infotech Limited, L&T Hydrocarbon Engineering Limited 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 Company promotes BR initiatives in its value chain. At present, less than 30% of its suppliers/ distributors participate in BR initiatives.

SECTION D: BR INFORMATION

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

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

- DIN Number: **NA**
- Name: **Dr. Hasit Joshipura**
- Designation: **Head - Corporate Centre & Member of the Executive Management Committee (EMC)**

b) Details of the BR head

S. No	Particulars	Details
1	DIN Number (If applicable)	**Not Applicable**
2	Name	**Major General Gautam Kar (Retd.)**
3	Designation	**Head Corporate Infrastructure & Administrative Services**
4	Telephone Number	**+91-22-67052447**
5	Email ID	**sustainability-ehs@Larsentoubro.com**

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

Name of principles:

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

S. No	(A) Details of Compliances (Reply in Yes/No)	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy 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.**								
4	Has the policy been approved by the Board? **Yes.** Has it been signed by MD/Owner/CEO/ Appropriate Board Director? **Signed by the Group Executive Chairman**	Y	Y	Y	Y	Y	Y	Y	Y	Y

S. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
5	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy? **Yes**.	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	**www.Lntsustainability.com**								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
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

2b. **If answer to question at Serial No. 1 against any principle, is 'No', please explain why. (Tick up to 2 options)**

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

3. **Governance related to BR**

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

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?
Yes, the Company has been publishing its Sustainability Report annually as per the Global Reporting Initiative (GRI) framework since 2008. The sustainability reports are externally assured. We are following GRI – G4 (Fourth Generation) guidelines and the 2015 report is '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

L&T is a professionally managed Indian multinational, committed to total customer satisfaction and enhancing value for all stakeholders. The Company's philosophy on corporate governance is built on a rich legacy of fair and transparent governance and disclosure practices. This includes respect for human values, individual dignity and adherence to honest, ethical and professional conduct. Our commitment to these values is articulated through the Company's Vision and policies, which are extended to the operations of all subsidiaries and associate companies.

L&T-ites are guided by the Code of Conduct (CoC), which is featured on the Company's Intranet. Every new employee is introduced to the CoC through a detailed online module of the Company's Any Time Learning (ATL) System. The critical areas of the CoC are also included in the HR Orientation Training. In a unique initiative, each individual employee of the Company is required to confirm his/her acceptance of the Code of Conduct, Corporate Governance policies and guidelines in writing or online. This is a 'once a year' requirement, which creates awareness on the CoC, policies and guidelines, and encourages employees to take responsibility for their actions.

The Board members and senior management complies with the CoC. The Group Executive Chairman makes an Annual Declaration to the shareholders on compliance with the Company's CoC by the senior management.

The CoC Apex Committee, constituted by the Executive Management Committee (EMC) of the Company, functions as the Apex Body to interact, inform, advise and coordinate with the EMC on all issues relating to the CoC. It consists of a minimum of five senior members and is required to meet at least twice a year. The Compliance Officer acts as the Ex-Officio Secretary of the Apex Committee.

The key function of the Committee is to ensure implementation of the CoC across the Company and deal with instances of non-compliance, apart from overseeing the functioning of the unit-level CoC Committees and advising the EMC. Unit-level CoC Committees consist of at least four members, headed by the Unit Head, along with Head of Accounts, Head of HR and a senior member from Operations. The Unit-level Committees are required to meet at least once in a quarter. The role of the Committee is to create awareness of the CoC, motivate employees to follow it, monitor compliance and investigate instances of non-compliance.



Sustainability Policy

At Larsen & Toubro, we are committed to fulfilling our economic, environmental and social responsibilities while conducting business. We will conserve natural resources and enhance social equity to achieve sustainable growth while serving all our stakeholders

Towards this we shall,

- Incorporate environmental and social considerations in our business operations
- Reduce adverse impact of climate change, augment energy efficiency and promote renewable energy usage
- Foster a culture of trust and caring to enhance safety and well-being of employees
- Continue to ensure good governance, ethics and transparency in our engagements with stakeholders, and advocate responsible business practices
- Partner with communities towards social interventions in the identified thrust areas
- Adopt sustainable and resource efficient processes and provide value added products and services

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LARSEN & TOUBRO

Codified policies publicly affirm the organisation's commitment, govern actions and provide clarity of direction.

The Company's Whistle Blower Policy encourages and enables employees to report, without fear, any wrongdoings or unethical or improper practice which may adversely impact the image and/or the financials of the Company, through a written report to Whistle Blowing Investigation Committee's address. The Company has established a vigil mechanism for employees and directors to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's CoC or ethics policy. The management assures maintaining anonymity of the whistleblower at all times. The policy also provides for access to the Chairman of the Audit Committee.

The Company has formulated an 'Environmental & Social Code of Conduct for Suppliers' covering specific clauses on Ethics and Transparency. More than 400 Suppliers are signatory to this code. Details relating to stakeholder complaints are included in the Director's Report Section of this Annual Report.

The Larsen & Toubro Group of Companies has set benchmarks in implementing good Corporate Governance practices. Imbibed by its employees as a way of life, these practices have created a high governance culture in the Company.

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE

Our portfolio includes products and services for the Infrastructure, Power, Heavy Engineering, Electrical & Automation (E&A), Metallurgical & Material Handling (MMH), Hydrocarbon, IT & Technology Services and Financial Services segments. In all our businesses, it is our endeavour to extend safe goods and services that contribute to sustainability throughout their life-cycle. We ensure that sustainability aspects, risks and opportunities are integrated into our engineering and design.

Our construction and infrastructure projects ensure minimal environmental impact and safe operations. All our campuses work towards reducing our environmental footprint, building a culture of safety and enhancing community value. We have 15 Green Buildings, one Green Factory, 8 water-positive campuses, and all 28 major campuses have achieved zero waste-water discharge status. Energy-efficiency and carbon footprint reduction are given substantial importance during the course of production. All the products and projects are accompanied by adequate labels and signage systems as well as Operation & Maintenance manuals. The Company offers comprehensive training to customer personnel as well.



Sustainability begins at home. Our facility at Kattupalli is one of the many LEED (Leadership in Energy and Environmental Design) certified green buildings across L&T's campuses.

Apart from these initiatives, the Company has a dedicated and expanding green products and services portfolio which is aimed at helping its customers 'Go Green'. The portfolio covers Green Buildings, Mass Rapid Transit Systems like metro and mono rail, solar power plants built on EPC basis, fuel switch projects, coal gasifiers, supercritical thermal power plants & equipment, power transmission & distribution systems, energy-saving electrical & automation solutions, etc. The Company's construction business builds Green Buildings, sourcing most construction material locally, and helps customers to reduce energy and water consumption, and utilise recycled material.

Energy-efficient products and systems from the Company's Electrical & Automation business include Power Management Systems, AC drives, smart metering systems, etc. The Heavy Engineering business manufactures coal gasifiers, utilising coal efficiently. With the aim of extending our sustainability practices to our value chain, we have formulated an Environment and Social Code of Conduct for our suppliers. It advocates environmental footprint reduction, occupational health and safety and socially-responsible business practices. The Company conducted an environmental and social assessment of selected suppliers to help them identify energy, water and resource-saving opportunities. It also conducts capacity-building programmes for vendors and sub-contractors, and provides training and technical expertise to improve operational efficiency.

In an effort to enhance local sourcing, around 80% of the Company's requirements are met by local suppliers. It evaluates various options for cost-effective and sustainable transportation of products and services, and has initiated the capture of carbon emission from material transportation. The Company works with its vendors and sub-contractors to improve and build their capacity and capability in manufacturing complex products and equipment. Introducing sustainability practices in the supply chain is a key step towards improving their environmental and social performance. This year, the Company's Heavy Engineering business initiated a business-wide environmental and social supplier assessment programme.

The Company promotes recycling and the use of alternative materials. Our products are 'engineered to order' based on specific customer requirements, limiting the scope for material recycling. We utilise alternative materials such as fly ash, crushed sand and blast furnace slag. Steel scrap, zinc waste, etc., are reclaimed as well. As a part of our sustainability roadmap, we are increasing recycling of products and industrial waste at campuses and project sites.



L&T's range of AC Drives helps industries maximize energy-efficiency.

PRINCIPLE 3: BUSINESS SHOULD PROMOTE THE WELL-BEING OF EMPLOYEES

Our employees are the force powering the Company's growth engines. It is the creative energy of our people that powers the Company, and we nurture our people with a continuous loop of training, motivation, leadership development, and growth. The Company's Corporate Human Resource Policy has a robust framework which inspires innovation and creativity. Apart from this, we have the Corporate Environment, Health & Safety (EHS) Policy, Whistle Blower Policy, Policy for Protection of Women's Rights at the Workplace and Code of Conduct covering human rights protection.



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



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

The Company is a merit-based organisation, and believes in an inclusive approach to employment. No discrimination is made on the basis of caste, religion, region, gender or physical disability.
The Company complies with the principles of the United Nations Global Compact, and human rights clauses are also included in the contracts with vendors and partners.
The Company directly employs 93 differently-abled persons.
The value chain also employs 31 differently-abled persons. The Company recognises Employee Unions and associations affiliated with different trade unions at its manufacturing facilities. 8.34% of permanent employees are covered under this category. During the year, no complaints were received relating to child labour, forced labour, involuntary labour or sexual harassment at the workplace.

L&T employees	Refer "Standalone financials – 10-year Highlights" section of Annual Report
Number of permanent women employees	2,036
Contract workmen	3,01,311

Total workforce
We provide employees with continuous training in functional and behavioural areas to groom them for the challenges of tomorrow and help realize leadership potential. Our Leadership Development Academy (LDA) at Lonavala, a unique corporate university in India, collaborates with the world's most reputed institutions to provide a global perspective for L&T's multi-tier leadership process. Apart from this, a wide range of technical, functional as well as managerial training programmes are held for the employees at Technical Training Centres in Mumbai (Madh, Mahape) and Mysuru, and at Project Management Institutes (Vadodara and Chennai).

Safety is a thrust area for the Company. Regular safety training, tool-box talks, mock drills and specific safety interventions help build a safe work culture within the organisation. New employees are given training in multiple disciplines including environment, health and safety, human rights, climate change and sustainable development. All contract workmen receive mandatory safety training before commencing work. Over 2.77 million man-hours of training was provided in FY 2015-16 to the permanent employees. The safety performance of the Company is reviewed by Board of the Company on a quarterly basis.

Our 'Working on Wellness' programme is targeted at employee health interventions in six critical areas – cancer, diabetes, cardiac disease, obesity, ergonomic issues and stress. Through counselling, awareness sessions, diagnostic camps and workshops across locations we increase awareness on these topics. The Health Risk Index questionnaire is an important tool used to assess employees' perspective and design preventive healthcare interventions. The Company constantly innovates to be an employee-friendly brand, and, last year, was ranked among the top companies to work for by a *Business Today* survey.

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF, AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALIZED

As one of India's most widely held companies with diverse and transparent shareholding, 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 processes. The Company engages with its identified stakeholders on an ongoing basis through business-level engagements and structured stakeholder engagement programmes. We maintain our focus on delivering value to all our stakeholders, especially the disadvantaged communities.

The CSR programmes run by the Company are focused primarily on those sections of the local communities which are disadvantaged, vulnerable and marginalized. We are conscious of the impact of our operations on the communities around and strive to contribute positively to improve their standard of living; through our interventions in water & sanitation, heath, education and skill development.

Further details of our CSR programmes and approach are listed in Principle 8.

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

For External Stakeholders	For Internal Stakeholders
Stakeholder-engagement sessions	Employee-satisfaction surveys
Client-satisfaction surveys	Employee engagement surveys for further improvement in employee-engagement processes
Regular business interaction, supplier, dealer and stockist meets	Circulars, messages from Corporate and Line Management
Periodic feedback mechanism	Corporate Social initiatives
Press Releases, Infodesk - an online service, dedicated email id for investor grievances	Welfare initiatives for employees and their families
AGM (Shareholders interaction)	Online News Bulletins to convey topical developments
Investors meet and shareholder visits to works	A large bouquet of print and on-line in-house magazines - Some location-specific, some business-specific, a CSR programme newsletter.
A corporate website that presents an updated picture of capabilities & activities	L&T Helpdesk, toll-free number
Access to the business media to provide information and respond to queries	

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

The Corporate Human Resource Policy of the Company is in line with the Universal Declaration of Human Rights, the ILO Core Conventions on Labour Standards and the UN Global Compact.

The Policy for Protection of Women's Rights at the Workplace sets out objectives, applicability and structure of committees and process to redress complaints.

The Company is also a member of the Global Compact Network India and is committed to honouring human rights within its operations. Apart from this, the Company complies with the applicable local laws and regulatory requirements,such as the Factories Act 1948, The Building & Other Construction Workers (Regulation of Employment & Conditions of Service) Act 1996, the Central Rules 1998 and the Industrial Disputes Act 1947.

We ensure that human rights clauses (including those that deal with child or forced labour) are extended to our sub-contractors as part of their contract documents, and are strictly adhered to within our Subsidiary and Associate companies. Employees are sensitized on human rights through induction training programmes, interactive sessions, intranet, policy manuals and posters.

We propagate our values across the supply chain through our 'Environmental & Social Code of Conduct' for our suppliers. The assessment of our key suppliers based on their environmental

and social performance helps in identification of various resource-saving opportunities, in addition to compliance with applicable environmental and social regulatory requirements.

There were no reported complaints related to human rights violations during the year.

PRINCIPLE 6: BUSINESS SHOULD RESPECT, PROTECT, AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT

The Company recognises the importance of bringing about an equitable future which is in greater harmony with the environment. Our Corporate Environment Health and Safety policy spells our commitment to conserve the environment in all areas of our operations. The Company has established a comprehensive system to identify and assess potential environmental risks and opportunities in its operations and that of its Subsidiary and Associate Companies. Its key suppliers are also encouraged to follow its practices.

We are committed to the eight missions of the National Action Plan on Climate Change (NAPCC) instituted by the Government of India. Progressively, we have been investing in products and processes that promote sustainable growth - enhancing energy security, developing low-carbon technologies for building infrastructure, spreading sustainability knowledge and increasing our green cover. The Company is focused on maximising energy-efficiency and reducing greenhouse gas (GHG) emission intensity. Our pursuit of renewable energy solutions has helped us to reduce our carbon footprint across businesses. Our other environment preservation initiatives are promotion of green building construction, enhancement of green cover, provision of solar and renewable energy solutions to customers and capacity-building for environmental management. Since 2009, the Company has been annually reporting its carbon emissions to the Carbon Disclosure Project.

The Company adheres to all pollution control standards set by regulatory bodies like Central and State Pollution Control Boards. Environmental regulatory approvals are sought prior to commencement of operations at units and project sites. Regular checks are conducted by internal and independent auditors / assessors to ensure compliance with relevant environmental regulations, and compliance reports are submitted to Central Pollution Control Board (CPCB) / State Pollution Control Boards (SPCB) whereever applicable. The Company has more than 25 Bureau of Energy Efficiency (BEE) Certified energy managers and energy auditors to conduct energy audits at its units.

The Company's Board of Directors has complete access to the information within the organisation. This includes reports on effluents or pollution issues. All manufacturing units and service sites are encouraged to develop and maintain a management system based on ISO 14001 and OHSAS 18001. During the financial year, there are no pending show cause/ legal notices from CPCB/SPCB.

As a part of a Company-wide effort to protect the environment, and in accordance with the circular issued by the Ministry of Corporate Affairs,



L&T's solar solutions help harness the unlimited power of the sun.

Government of India, shareholders have been given the option of receiving documents related to general meetings, Audited Financial Statements, etc., through e-mail instead of printed copies.

Salient features of the Company's green initiatives include:

Increasing use of renewable energy

Power Purchase Agreements at our Powai, Hazira and Chennai campuses are in place with Renewable Energy Power Producers to draw renewable energy as a substitute to fossil-fuel-generated electricity.

Carbon footprint mapping and reduction

Life cycle assessment - from cradle to gate - has been conducted for products manufactured by the Heavy Engineering business, Powai. Results show that 40% of the total carbon footprint is generated during the in-house fabrication process. The rest is caused by activities outside Company premises. Initiatives taken at the Powai campus include: investments in renewable energy, reduction in material consumption and enhancing the product's energy efficiency.

The Company plans to conduct similar studies for the green buildings constructed by its construction business, and plans to extend it to other products and services. In addition to reducing its own carbon footprint, it offers customers a bouquet of green products and services. Sales of green products and services are contributing an increasingly larger share to the Company's total revenue.

Water Conservation

The Company's water consumption intensity has declined steadily over the years. Across all the Company's manufacturing locations, various water management initiatives are in place, such as water auditing & footprint mapping, rainwater harvesting, industrial and domestic wastewater treatment and reuse. Eight of the Company's campuses have been certified as 'Water Positive' by an independent assurance provider. All 28 major units continue to be zero-wastewater-discharge units.

The Company's efforts in water conservation are supplemented by its CSR programmes and the Larsen & Toubro Public Charitable Trust by focusing on water management projects in tribal and drought-prone regions of India. Over 200 check dams were constructed in the Dahanu and Talasari blocks of Maharashtra, in collaboration with voluntary organisations. The Company's Integrated Community Development (ICD) Programmes identified water-stressed locations in Rajasthan, Maharashtra and Tamil Nadu, and initiated watershed development activities in over 30 villages to provide access to drinking water and sanitation for the impacted communities.

Fostering Biodiversity

This year, the Company planted 3.09 lakh trees across its campuses and project sites, taking its tally to 1.5 million trees in the last five years. The Company has released a guidance document on tree plantation and maintenance for its campuses and project sites. The Company understands the importance of biodiversity and need to protect nature's precious resources. Studies conducted at six campuses showed that 1565 tonnes of carbon per year are sequestered at these campuses. Several initiatives have been taken to protect biodiversity in and around units, with emphasis on growing native tree species.

PRINCIPLE 7: RESPONSIBLE PUBLIC ADVOCACY

The Company actively participates in industrial forums and professional bodies to put forth the larger interest of industry. The senior leadership team offers their expertise and insights during public





All our campuses have a green cover.

policy formulation. The Company actively partners with a number of institutions and associations, including:

- Association of Business Communicators of India
- Associated Chambers of Commerce and Industry of India (ASSOCHAM)
- Bombay Chamber of Commerce & Industry (BCCI)
- Bureau of Indian Standards (BIS)
- Construction Industry Development Council (CIDC)
- Confederation of Indian Industry, Centre of Excellence for Sustainable Development (CII-CESD)
- CII – Green Business Centre (GBC)
- Federation of Indian Chambers of Commerce and Industry (FICCI)
- Indian Electrical and Electronics Manufacturers Association
- Indian Institute of Chemical Engineers (IIChE)
- National Safety Council (NSC)
- National Fire Protection Institution (NFPI)

The Company also interacts regularly with the Indian Institute of Corporate Affairs (IICA) on CSR-related aspects and with the the Confederation of Indian Industry Centre of Excellence for Sustainable Development on sustainability policies and regulations. We are also part of the working teams on the Environmental & Recycling Council of CII, BCCI - Environment, Health & Safety (EHS) Committee.

PRINCIPLE 8: SUPPORT INCLUSIVE GROWTH

The Company's CSR policies are structured around the theme 'Building India's Social Infrastructure' with the objective of maximising their impact. Our Integrated Community Development (ICD) Programme is aligned with the UN's Sustainable Development Goals, and addresses the most pressing needs – water, sanitation, education, health and skill development.

The inclusive growth and development of communities around us are integral to our Corporate Social Responsibility Policy.The Company has identified the following thrust areas:

- Health
- Education
- Skill Development
- Water & Sanitation

CSR projects are identified and implemented by unit-level CSR teams, area/branch offices and project sites, with guidance of the CSR Committee of L&T Board.

The Ladies Clubs, formed by the wives of L&T Employees and Employee volunteers known as 'L&Teers' participate in the implementation of the Company's CSR projects. The Company collaborates with NGOs and society at large to identify the requirements of local communities before initiating any social welfare programme. Periodic impact-assessment helps monitor the benefits received by the community, and leads to augmentation of the CSR project. The Community Development Programmes are either fully adopted or supported by the Company as per the need, on a case-to-case basis. Capacity-building programmes for local administrations are also conducted to successfully run the programmes.

Our CSR Snapshot

Water & Sanitation

The unavailability of safe drinking water results in increasing morbidity and mortality rates. It also negatively impacts educational attainments, migration and livelihood opportunities. For our ICD programmes, locations for interventions were identified as water-stressed on the basis of water availability, quality and uncertainty. Further access to sanitation, health, education, availability of drinking water and Human Development Index (HDI) were also taken into consideration.

To begin with, districts and tehsils were identified in the States of Tamil Nadu, Maharashtra and Rajasthan. In these States, ICD Programmes were launched. Replicable and indigenous methods for augmenting water supply are being adopted, such as building check dams, field bunds, and soil and water conservation interventions. In addition, through the Larsen & Toubro Public Charitable Trust, we have constructed 200 check dams, which help in irrigation and ground water recharge at Talasari Block near Mumbai. The programme will also enable the community to build and utilise sanitation facilities.

Education

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

We enrich education in primary schools through innovative learning methodologies. We provide infrastructure support to schools. After-hours 'Single Teacher' schools help children improve their learning levels. We support pre-schools, set up computer laboratories, provide teaching aids and uniforms and augment teacher capacity.

Our Science-on-Wheels van visits schools, giving children the opportunity to experience the hands-on experiments. Summer camps and sports activities help pupils develop social skills.



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

Extra-curricular outings help widen children's horizons. The distribution of colorful school kits is one more step in ensuring that children have resources to study at home. Employees volunteer their time and talent to mentor these children. Currently, the Company is supporting over 250 schools across India and reaching out to over 2 lakh underprivileged children - in addition to undertaking interventions in over 100 balwadis and anganwadis.

Health

To help the economically weak stay healthy despite the high cost of healthcare, the Company has launched initiatives to provide affordable health and welfare. The Company has set up seven Community Health Centres near its key campuses. They focus on reproductive health and conduct diagnostic and clinical camps to enhance health-seeking behavior of the community.

Regular health check-up camps are held in schools and pre-schools.

The Company's HIV/AIDS management initiatives include awareness camps (particularly for high-risk groups), Anti-Retroviral Therapy, counselling and testing.

Artificial kidney dialysis centres for the underprivileged have been set up at the Company's three Health Centres. Our Community Health Centres reach out to over 3 lakh beneficiaries annually. At 13 locations we cater their needs through mobile health vans.

Skill Development

The Company has set up Construction Skills Training Institutes (CSTIs) at eight locations to impart free training to rural and urban youth in basic construction trades. In addition, the Company has set up vocational institutes and has in place programmes that impart skills in several trades to enhance the employability of underprivileged youth.

Currently, the Company runs CSTIs on its own, and has collaborated with 27 ITIs. The CSTIs provide free training in construction skills to rural and urban youth in various trades, such as bar-bending, formwork, carpentry, masonry, scaffolding and welding, etc. This training improves the skill sets of the underprivileged youth and enhances their employability. Units set up in collaboration with ITI impart industry-oriented training.

Vocational training programmes in tailoring, beautician's courses, home nursing and food processing for women are enabling them to become self-reliant. Through the CSTIs and other vocational training programmes, we have reached out to over 45,000 youth and women from underprivileged backgrounds and have provided them with viable skills.

The Company spent a sum of ₹ 119.89 Crores in FY 2015-16 towards CSR as per the Companies Act, 2013.



PRINCIPLE 9: ENGAGE WITH AND PROVIDE VALUE TO CUSTOMERS

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

Health and safety concerns are integrated at the product design stage. Our products carry suitable labeling and are accompanied by Operation & Maintenance manuals in line with relevant codes and specifications. Similar clarity is maintained across all our projects. Products are tested and benchmarked against stringent national and international standards such as the Bureau of Indian Standards, the International Organization for Standardization and the International Electro-technical Commission.
An established system of addressing customer complaints, comments and suggestions ensures regular personal interaction with clients. The system consists of regular customer meets, customer satisfaction surveys, training programmes for customer representatives and market-based research.

All our channel partners, i.e. stockists and dealers, are briefed about new product features and components. The high percentage of repeat orders is a reliable indication of customer satisfaction and confidence in L&T's products, projects and services.

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

Regarding unfair trade practices, irresponsible advertising and or anti-competitive behavior, no stakeholder has filed a case against the Company in the last five years, and there are no pending cases as on 31st March 2016.



Our R&D efforts focus on meeting customer requirements.

ANNEXURE: MAPPING TO THE SEBI FRAMEWORK

Question	Reference	
	Section	Page Number
Section A : General Information about the Company		
1. Corporate Identity Number (CIN) of the Company	AR	18
2. Name of the Company	AR	18
3. Registered Address	AR	18
4. Website	AR	18
5. Email id	AR	18
6. Financial Year Reported	AR	18
7. Sector(s) that the Company is engaged in (industrial activity code-wise)		
8. List three key products/services that the Company manufactures/provides (as in balance sheet) 9. Total number of locations where business activity is undertaken by the Company	AR	19
i. Number of International Locations (Provide details of major 5	AR	19
ii. Number of National Locations	AR	19
Markets served by the Company – Local/State/National/International	AR	19
Section B: Financial Details of the Company		
1. Paid up Capital (INR)	AR	19
2. Total Turnover (INR)	AR	19
3. Total profit after taxes (INR)		
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	AR	19
5. List of activities in which expenditure in 4 above has been incurred: -	AR	19
Section C : Other Details		
1. Does the Company have any Subsidiary Company/ Companies?	AR	19
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s) 3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities. [Less than 30%, 30-60%, More than 60%]	AR	19
Section D: BR Information		
1. Details of Director/Directors responsible for BR a) Details of the Director/Director the BR policy/policies • DIN Number • Name • Designation b) Details of the BR head • DIN Number (if applicable) • Name • Designation • Telephone number • e-mail ID	AR	20
3. Governance Related to BR Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	AR	21

Question	Reference	
	Section	Page Number
Does the Company publish a BR or a Sustainability Report? What is the Hyperlink for viewing this report? How frequently it is published?	AR	21
Section E : Principle-wise Performance		
Principle1: Ethics, Transparency and Accountability		
Does the policy relating to ethics, bribery and corruption cover only the company? Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?	AR	22-23
How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?	The details related to stakeholder complaints are included in the Director's Report Section of this Annual Report	
Principle 2 : Sustainable Products and Services		
List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	AR	23-24
For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):	AR	23-24
Does the company have procedures in place for sustainable sourcing (including transportation)?	AR	23-24
Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?	AR	23-24
If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	AR	23-24
Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	Green buildings constructed by the Building & Factories business part of Construction Business help customers to reduce energy and water consumption, utilize recycled material and locally source most of construction material. The Company is a leading EPC solution provider for Solar Photo Voltaic (PV) based power plants helping customers save on the energy bills and contribute to reduction of GHG emissions from consumption of indirect energy.	23-24

Question	Reference	
	Section	Page Number
Principle 3: Employee Well Being		
Total number of employees. Total number of employees hired on temporary/contractual/casual basis. Number of permanent women employees. Number of permanent employees with disabilities Do you have an employee association that is recognized by management? What percentage of your permanent employees is members of this recognized employee association?	AR	25
Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	AR	25
What percentage of your undermentioned employees were given safety and skill upgradation training in the last year?	AR	25
Principle 4: Valuing Marginalized Stakeholders		
Has the company mapped its internal and external stakeholders?	AR	26
Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders? Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders?	AR	26
Principle 5: Human Rights		
Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?	AR	26
How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	AR	26-27
Principle 6: Environment		
Does the policy related to Principle 6 cover only the company or extends to the Group/ Joint Ventures/Suppliers/Contractors/NGOs/others?	AR	27
Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc?	AR	27
Does the company identify and assess potential environmental risks?	AR	27
Does the company have any project related to Clean Development Mechanism?	No	-
Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N.	AR	28
Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported? Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	AR	28

Question	Reference	
	Section	Page Number
Principle 7: Policy Advocacy		
Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with: Have you advocated/lobbied through above associations for the advancement or improvement of public good?	AR	29
Principle 8: Inclusive Growth		
Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8?	AR	29
Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/government structures/any other organisation?	AR	29
Have you done any impact assessment of your initiative?	AR	29-30
What is your company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken.	AR	31
Have you taken steps to ensure that this community development initiative is successfully adopted by the community?	AR	29-30
Principle 9: Customer Welfare		
What percentage of customer complaints/consumer cases are pending as on the end of financial year.	The details related to stakeholder complaints are included in the Director's Report Section of this Annual Report.	
Does the company display product information on the product label, over and above what is mandated as per local laws?	AR	31
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	31

STANDALONE FINANCIALS-10 YEAR HIGHLIGHTS

₹ crore

Description	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
					← $$ →					
Statement of Profit and Loss										
Gross revenue from operations	60415	57558	57164	52196	53738	44296	37356	34337	25342	17938
PBDIT^^	6171	6488	6667	5473	6283	5640	4816	3922	2969	1784
Profit after tax (excluding extraordinary/exceptional items)	4766	4699	4905	4169	4413	3676	3185	2709	2099	1385
Profit after tax (including extraordinary/exceptional items)	5311	5056	5493	4384	4457	3958	4376	3482	2173	1403
Balance Sheet										
Net worth	40718	37085	33662	29291	25223	21846	18312	12460	9555	5768
Deferred tax liability (net)	203	363	410	290	133	263	77	48	61	40
Loan funds	13609	12936	11459	8478	9896	7161	6801	6556	3584	2078
Capital employed	54530	50384	45531	38059	35252	29270	25190	19064	13200	7886
Ratios and statistics										
PBDIT as % of net revenue from operations @	10.32	11.38	11.78	10.60	11.82	12.84	13.00	11.56	11.87	10.14
PAT as % of net revenue from operations $	8.89	8.87	9.71	8.50	8.38	9.01	11.82	10.26	8.69	7.97
RONW % *	13.66	14.30	17.46	16.06	18.95	19.73	28.49	31.71	29.21	27.19
Gross Debt: Equity ratio	0.33:1	0.35:1	0.34:1	0.29:1	0.39:1	0.33:1	0.37:1	0.53:1	0.38:1	0.36:1
Dividend per equity share (₹) ##	18.25	16.25	14.25	12.33	11.00	9.67	8.33	7.00	5.67	4.33
Basic earnings per equity share (₹) #	57.07	54.46	59.36	53.33	48.61	43.55	49.18	39.67	25.20	16.74
Book value per equity share (₹) ##	436.97	398.78	362.95	317.09	274.35	238.96	202.46	141.54	108.63	67.43
No. of equity shareholders	10,28,541	8,53,824	8,32,831	8,54,151	9,26,719	8,53,485	8,14,678	9,31,362	5,78,177	4,28,504
No. of employees	43,354	44,081	54,579	50,592	48,754	45,117	38,785	37,357	31,941	27,191

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

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

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

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

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

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

$$ Figures for the year 2006-07 to 2011-12 include Hydrocarbon business which has been transferred w.e.f April 1, 2013 to a wholly owned subsidiary

CONSOLIDATED FINANCIALS-10 YEAR HIGHLIGHTS

₹ crore

Description	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
Statement of Profit and Loss										
Gross revenue from operation	103522	92762	85889	75195	64960	52470	44310	40932	29819	20877
PBDIT^^	12343	11258	10730	9929	8884	7677	6423	5024	3706	2615
Profit attributable to shareholders of Parent Company (excluding extraordinary/exceptional items)	4748	4470	4547	4911	4649	4238	3796	3007	2304	1810
Profit attributable to shareholders of Parent Company (including extraordinary/exceptional items)	5091	4765	4902	5206	4694	4456	5451	3789	2325	2240
Balance Sheet										
Net worth	43992	40909	37712	33860	29387	25051	20991	13988	10831	6922
Minority Interest	6769	4999	3179	2653	1753	1026	1087	1059	923	646
Deferred tax liability (net)	(392)	(185)	337	184	82	311	153	131	122	107
Loan funds	101307	90571	80330	62672	47150	32798	22656	18400	12120	6200
Capital employed	151676	136294	121558	99369	78372	59186	44887	33578	23996	13875
Ratios and statistics										
PBDIT as % of net revenue from operations @	12.03	12.24	12.60	13.33	13.81	14.75	14.61	12.40	12.58	12.75
PAT as % of net revenue from operations $	4.96	5.18	5.76	6.99	7.30	8.56	12.40	9.35	7.89	10.92
RONW % **	12.00	12.13	13.71	16.47	17.26	19.38	31.23	30.64	26.92	38.01
Gross debt:equity ratio	2.30:1	2.21:1	2.13:1	1.85:1	1.61:1	1.31:1	1.08:1	1.32:1	1.12:1	0.90:1
Basic earnings per equity share (₹) #	54.69	51.33	52.97	56.53	51.21	49.04	61.27	43.17	26.96	26.73
Book value per equity share (₹) ##	472.12	439.93	406.65	366.59	319.64	273.97	232.04	158.84	122.87	80.92
Dividend per equity share (₹) ##	18.25	16.25	14.25	12.33	11.00	9.67	8.33	7.00	5.67	4.33

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

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

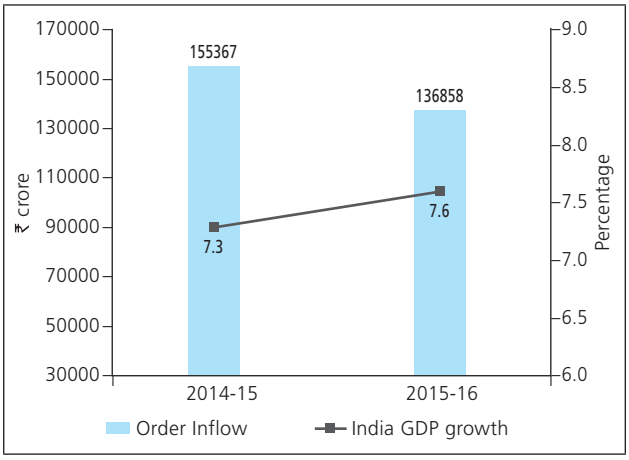
$ PAT as % of net revenue from operation = [(PAT including extraordinary/exceptional items)/(gross revenue from operation less excise duty)].

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

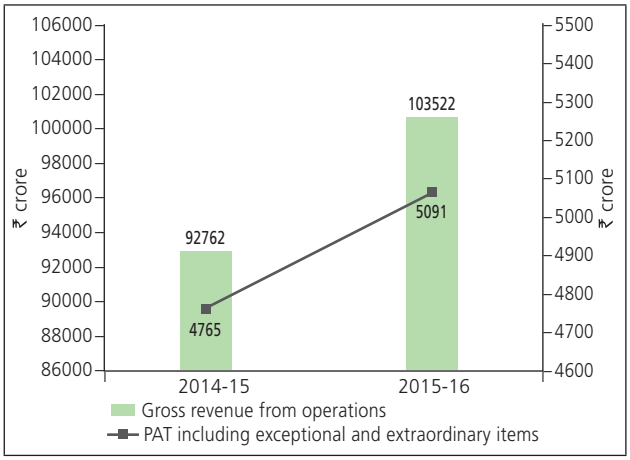
Basic earnings per equity share has been calculated including extraordinary/exceptional items and adjusted for all the years for issue of bonus shares/ restructing during the respective years.

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

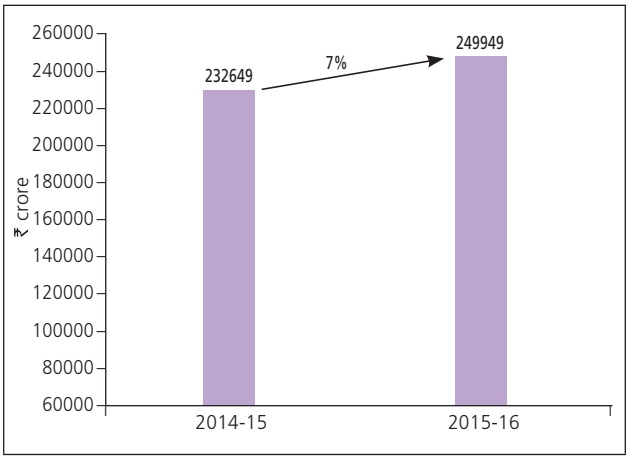
L&T CONSOLIDATED - ORDER INFLOW



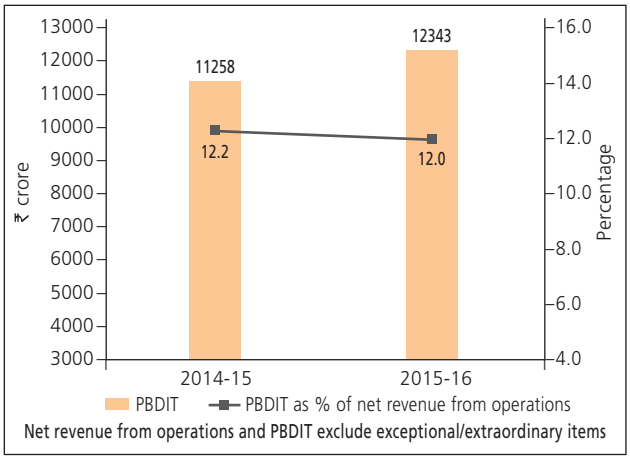
L&T CONSOLIDATED - GROSS REVENUE FROM OPERATIONS AND PAT



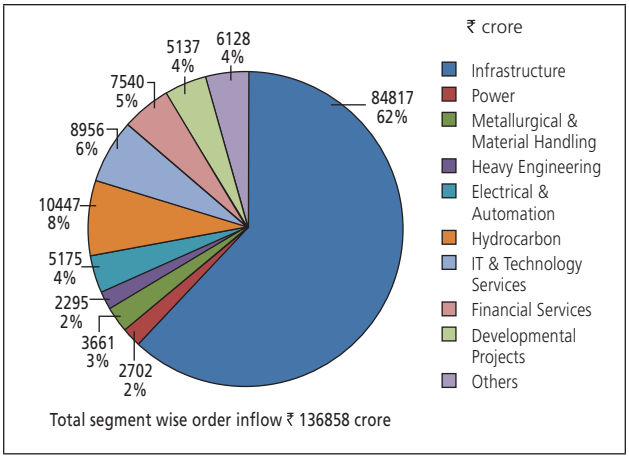
L&T CONSOLIDATED - ORDER BOOK



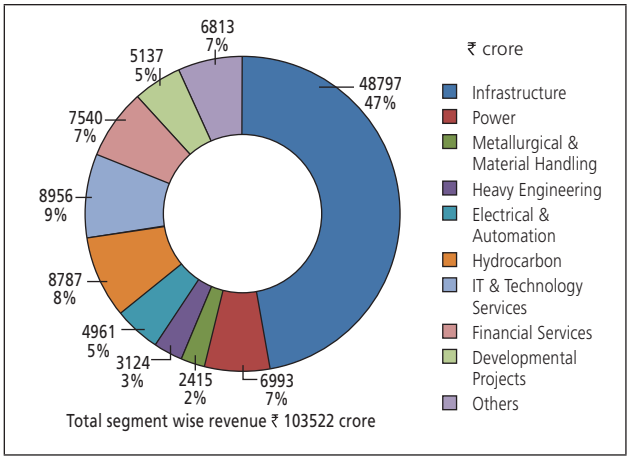
L&T CONSOLIDATED - PBDIT AS % OF NET REVENUE FROM OPERATIONS



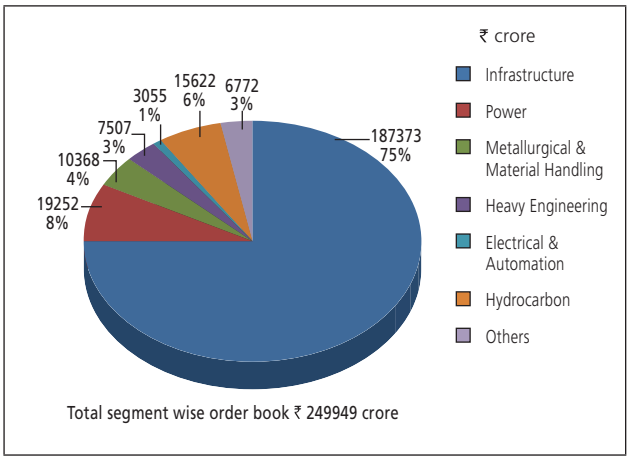
L&T CONSOLIDATED - SEGMENT-WISE ORDER INFLOW 2015-16



L&T CONSOLIDATED - SEGMENT-WISE REVENUE 2015-16

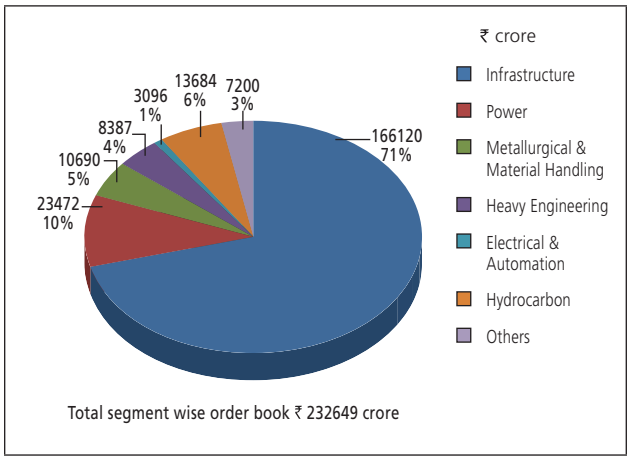


L&T CONSOLIDATED - SEGMENT-WISE ORDER BOOK 2015-16



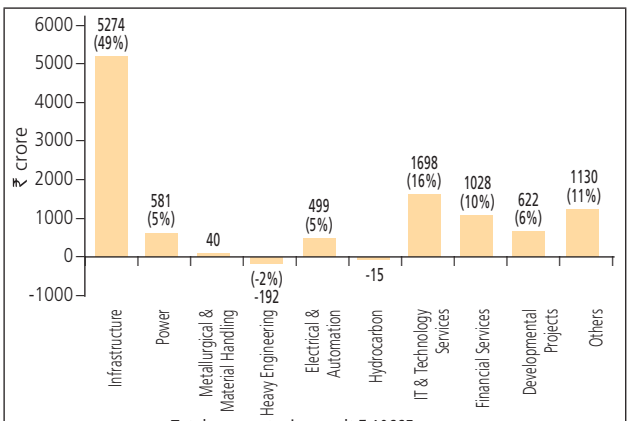
Total segment wise order book ₹ 249949 crore

L&T CONSOLIDATED - SEGMENT-WISE ORDER BOOK 2014-15



Total segment wise order book ₹ 232649 crore

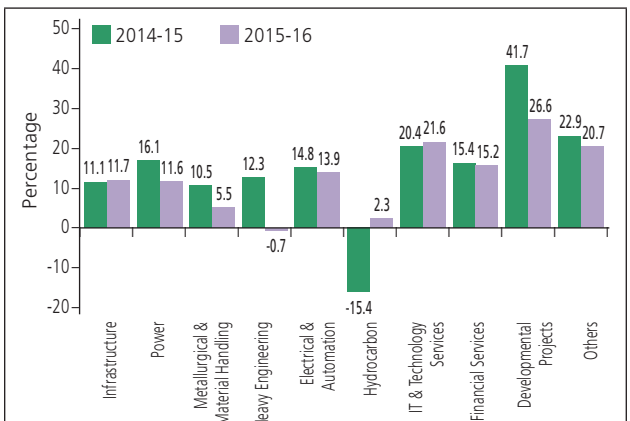
L&T CONSOLIDATED - SEGMENT-WISE RESULT 2015-16



Total segment wise result ₹ 10665 crore

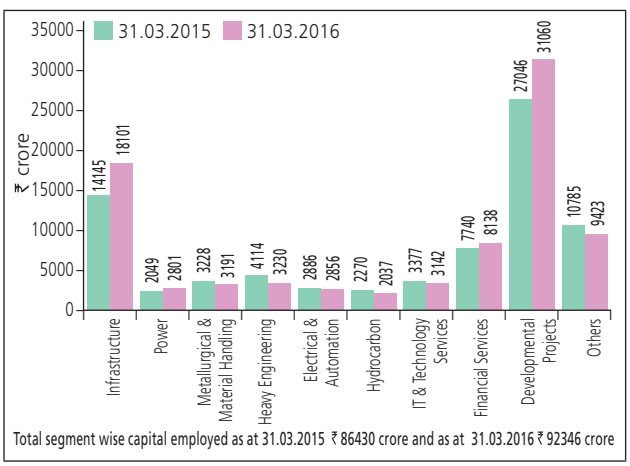
Figures in brackets represent percentage of segment result to total segment result

L&T CONSOLIDATED - SEGMENT-WISE EBIDTA MARGINS*



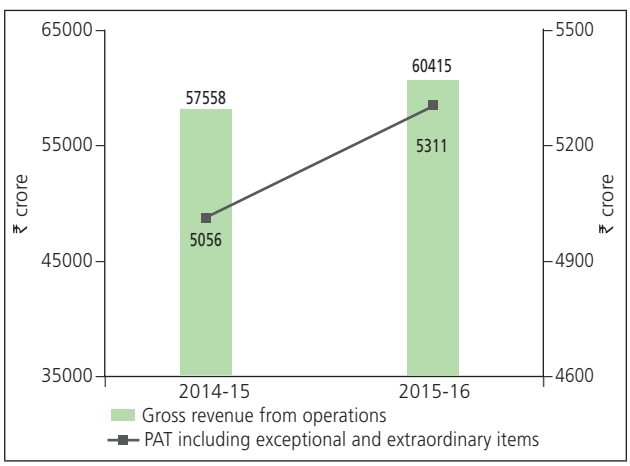
* Earnings before interest, tax, depreciation and amortisation as percentage of net segment revenue

L&T CONSOLIDATED - SEGMENT-WISE CAPITAL EMPLOYED



Total segment wise capital employed as at 31.03.2015 ₹ 86430 crore and as at 31.03.2016 ₹ 92346 crore

L&T STANDALONE - GROSS REVENUE FROM OPERATIONS AND PAT



Route Map to the AGM Venue



Birla Matushri Sabhagar,
19, Marine Lines,
Mumbai - 400 020.

LARSEN & TOUBRO LIMITED

Regd. Office : L&T House, Ballard Estate, Mumbai 400 001.
CIN : L99999MH1946PLC004768
Email : Igrc@larsentoubro.com • Website: www.larsentoubro.com
Tel.: 022-67525656 • Fax : 022-67525893

Notice

NOTICE IS HEREBY GIVEN THAT the Seventy First Annual General Meeting of **LARSEN & TOUBRO LIMITED** will be held at **Birla Matushri Sabhagar, 19, Marine Lines, Mumbai - 400 020 on Friday, August 26, 2016 at 3.00 P.M.** to transact the following business :-

1) To consider and adopt the audited financial statements of the Company for the year ended March 31, 2016 and the Reports of the Board of Directors and Auditors thereon and the audited consolidated financial statements of the Company and the Reports of the Auditors thereon for the year ended March 31, 2016;

2) To declare a dividend on equity shares;

3) To consider and, if thought fit, to pass with or without modification(s), as an **ORDINARY RESOLUTION** the following:

"**RESOLVED THAT** Ms. Sunita Sharma (DIN: 02949529) who was appointed as a Director in casual vacancy and holds office upto the date of this Annual General Meeting of the Company, 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."

4) To appoint a Director in place of Mr. S.N. Subrahmanyan (DIN: 02255382), who retires by rotation and is eligible for re-appointment;

5) To appoint a Director in place of Mr. A.M Naik (DIN: 00001514), who retires by rotation and is eligible for re-appointment;

6) To consider and, if thought fit, to pass with or without modification(s), as an **ORDINARY RESOLUTION** the following:

"**RESOLVED THAT** Mr. D.K Sen (DIN: 03554707) who was appointed as an Additional Director and holds office upto the date of this Annual General Meeting of the Company, 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 his candidature for the office of Director, be and is hereby appointed as a Director."

7) To consider and, if thought fit, to pass with or without modification(s), as an **ORDINARY RESOLUTION** the following:

"**RESOLVED THAT** Mr. M.V Satish (DIN: 06393156) who was appointed as an Additional Director and holds office upto the date of this Annual General Meeting of the Company, 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 his candidature for the office of Director, be and is hereby appointed as a Director."

8) To consider and, if thought fit, to pass with or without modification(s), as an **ORDINARY RESOLUTION** the following:

"**RESOLVED THAT** Ms. Naina Lal Kidwai (DIN: 00017806) who was appointed as an Additional Director and holds office up to the date of this Annual General Meeting of the Company, is eligible for appointment, and in respect of whom the Company has received a notice in writing from the Director 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.

RESOLVED FURTHER THAT Ms. Naina Lal Kidwai be and is hereby appointed as an Independent Director of the Company to hold office upto February 28, 2021 with effect from March 1, 2016."

9) To consider and, if thought fit, to pass with or without modification(s), as an **ORDINARY RESOLUTION** the following:

"**RESOLVED THAT** pursuant to Sections 196,197, 203 and other applicable provisions, if any, 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 appointment of Mr. S.N Subrahmanyan (DIN: 02255382) as the Deputy Managing Director and President of the Company with effect from October 1, 2015 upto and including September 30, 2020.

RESOLVED FURTHER THAT Mr. S.N Subrahmanyan in his capacity as the Deputy Managing Director and President, 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."

10) To consider and, if thought fit, to pass with or without modification(s), as an **ORDINARY RESOLUTION** the following:

"**RESOLVED THAT** pursuant to Sections 196,197, 203 and other applicable provisions, if any, 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 appointment of Mr. D.K Sen (DIN: 03554707) as the Whole-time Director of the Company with effect from October 1, 2015 upto and including September 30, 2020.

RESOLVED FURTHER THAT Mr. D.K Sen 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."

11) To consider and, if thought fit, to pass with or without modification(s), as an **ORDINARY RESOLUTION** the following:

"**RESOLVED THAT** pursuant to Sections 196,197, 203 and other applicable provisions, if any, 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 appointment of Mr. M.V Satish (DIN: 06393156) as the Whole-time Director of the Company with effect from January 29, 2016 upto and including January 28, 2021.

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 with or without modification(s), as an **ORDINARY RESOLUTION** the following:

"**RESOLVED THAT** pursuant to the provisions of Sections 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification and re-enactment thereof, for the time being in force) and in supersession of the resolution no. 11 passed by the Members at the 68th Annual General Meeting of the Company held on August 22, 2013, consent of the Company be and is hereby accorded to pay commission with effect from April 1, 2016 to the Executive Chairman, Chief Executive Officer & Managing Director, if any, Deputy Managing Director and the Whole-time Directors of the Company which together with other remuneration will be within the overall limit of 10% of the net profits of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to approve and fix/ revise suitably the commission payable to the Executive Chairman, Chief Executive Officer & Managing Director, if any, Deputy Managing Director and the Whole-time Directors

of the Company within the aforesaid limits fixed by the shareholders."

13) To consider and, if thought fit, to pass with or without modification(s), as an **ORDINARY RESOLUTION** the following:

"**RESOLVED THAT** pursuant to Sections 196,197, 203 and other applicable provisions, if any, 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, 2016 upto and including September 30, 2021.

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."

14) To consider and, if thought fit, to pass with or without modification(s), as an **ORDINARY RESOLUTION** the following:

"**RESOLVED THAT** pursuant to Sections 196,197, 203 and other applicable provisions, if any, 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. Shailendra Roy (DIN: 02144836) as the Whole-time Director of the Company with effect from March 9, 2017 upto and including July 7, 2020.

RESOLVED FURTHER THAT Mr. Shailendra Roy 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."

15) To consider and, if thought fit, to pass with or without modification(s), as an **ORDINARY RESOLUTION** the following:

"**RESOLVED THAT** Mr. Sanjeev Aga (DIN: 00022065) who was appointed as an Additional Director and holds office up to the date of this Annual General Meeting of the Company, is eligible for appointment, and in respect of whom the Company has received a notice in writing from the Director under the provisions of Section 160 of the Companies Act, 2013 proposing his candidature for the office of a Director, be and is hereby appointed as a Director.

RESOLVED FURTHER THAT Mr. Sanjeev Aga be and is hereby appointed as an Independent Director of the Company to hold office upto May 24, 2021 with effect from May 25, 2016."

16) To consider and, if thought fit, to pass with or without modification(s), as an **ORDINARY RESOLUTION** the following:

"**RESOLVED THAT** Mr. Narayanan Kumar (DIN: 00007848) who was appointed as an Additional Director and holds office up to the date of this Annual General Meeting of the Company, is eligible for appointment, and in respect of whom the Company has received a notice in writing from the Director under the provisions of Section 160 of the Companies Act, 2013 proposing his candidature for the office of a Director, be and is hereby appointed as a Director.

RESOLVED FURTHER THAT Mr. Narayanan Kumar be and is hereby appointed as an Independent Director of the Company to hold office upto May 26, 2021 with effect from May 27, 2016."

17) To consider and, if thought fit, to pass with or without modification(s), as a **SPECIAL RESOLUTION** the following:

"**RESOLVED THAT** in supersession of the resolution no. 13 passed by the Members at the 70th Annual General Meeting of the Company held on September 9, 2015 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, 2009 ('SEBI Regulations'), SEBI (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 VIII 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 3600 Crore (Rupees Three Thousand Six Hundred Crore) or US $600 Mn (US Dollars Six Hundred Million), if 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/or 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."

18) To consider and, if thought fit, to pass with or without modification(s), as a **SPECIAL RESOLUTION** the following:

"**RESOLVED THAT** pursuant to the provisions of Sections 42, 71 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, SEBI (Issue and Listing of Debt Securities) Regulations, 2008, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and subject to the provisions of the Articles of Association of the Company, approval of the members be and is hereby accorded to authorize the Board of Directors of the Company to offer or invite subscriptions for listed/unlisted secured/unsecured redeemable non-convertible debentures, in one or more series/tranches/ currencies, aggregating up to ₹ 6000 crore (Rupees Six Thousand Crore only), on private placement basis, on such terms and conditions as the Board of Directors of the Company may, from time to time, determine and consider proper and most beneficial to the Company including as to when the said Debentures be issued, the consideration for the issue, utilization of the issue proceeds and all matters connected with or incidental thereto;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

19) To ratify the appointment of M/s. Sharp & Tannan, as Statutory Auditors and fix their remuneration and for that purpose to pass with or without modification(s), as an **ORDINARY RESOLUTION** the following:

"**RESOLVED THAT** pursuant to the provisions of Section 139 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and

Auditors) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force) and pursuant to the resolution passed by the members at the 70th Annual General Meeting (AGM) of the Company held on September 9, 2015 in respect of the appointment of the auditors, M/s. Sharp & Tannan, Chartered Accountants, ICAI Registration No. 109982W (S&T), till the conclusion of the 72nd AGM, the Company hereby ratifies and confirms the appointment of S&T as the Joint Statutory Auditors of the Company, to hold office from the conclusion of the 71st AGM till the conclusion of the 72nd AGM and to be jointly and severally responsible with M/s. Deloitte Haskins & Sells LLP during the said period.

RESOLVED FURTHER THAT the Board of Directors or the Audit Committee thereof, be and are hereby authorized to decide and finalise the terms and conditions of appointment, including remuneration of the Statutory Auditors."

20) To ratify the appointment of M/s. Deloitte Haskins & Sells LLP, as Statutory Auditors and fix their remuneration and for that purpose to pass with or without modification(s), as an **ORDINARY RESOLUTION** the following:

"**RESOLVED THAT** pursuant to the provisions of Section 139 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force) and pursuant to the resolution passed by the Members of the Company at the 70th Annual General Meeting (AGM) held on September 9, 2015 in respect of the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants, ICAI Registration No. 117366W/W-100018 (DHS) till the conclusion of the 75th AGM, the Company hereby ratifies the appointment of DHS as the Joint Statutory Auditors of the Company, to hold office from the conclusion of the 71st AGM till the conclusion of the 72nd AGM and to be jointly and severally responsible with M/s. Sharp & Tannan during the said period.

RESOLVED FURTHER THAT the Board of Directors or the Audit Committee thereof, be and are hereby authorized to decide and finalise the terms and conditions of appointment, including remuneration of the Statutory Auditors. "

21) To consider and ratify the remuneration payable to Cost Auditors and for that purpose to pass with or without modification(s), 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 ₹ 11 lakh plus applicable service tax and out of pocket expenses at actuals for travelling and boarding/ lodging for the financial year ended March 31, 2017 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 2016-17."

By Order of the Board of Directors
For LARSEN & TOUBRO LIMITED

N. HARIHARAN
COMPANY SECRETARY
M.NO – A3471

Mumbai, May 25, 2016

Notes:

[a] The information required to be provided under the SEBI (Listing Obligations and Disclosure Requirements) 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 3, 6 to 18 and 21 set out above are annexed hereto.

[b] A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY, TO ATTEND AND VOTE INSTEAD OF HIMSELF, AND THAT A PROXY NEED NOT BE A MEMBER. Pursuant to Section 105 of the Companies Act, 2013 and Rule 19 of the Companies (Management & Administration) Rules, 2014, a person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than

10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

Proxies, in order to be effective, must be received at the Registered office of the Company at L&T House, Ballard Estate, Mumbai 400 001, not later than forty-eight hours before the commencement of the AGM i.e. by 3.00 p.m. on August 24, 2016.

[c] The Register of Members and Transfer Books of the Company will be closed from **Saturday, August 20, 2016 to Friday, August 26, 2016 (both days inclusive)**.

[d] Members are requested to furnish bank details, Email address, change of address etc. to Karvy Computershare Private Limited, Karvy 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 **Friday, August 19, 2016**, 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.

[e] In order to receive copies of Annual Reports and other communication through e-mail, Members are requested to register their e-mail addresses with the Company by sending an e-mail to Lntgogreen@Larsentoubro.com.

[f] All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company on all working days [except Saturdays] between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting.

[g] Members/Proxies should bring their attendance slips duly completed for attending the Meeting.

[h] Pursuant to Section 205A(5) of the Companies Act, 1956, 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
80	28.08.2009	31.03.2009	04.10.2016
81	26.08.2010	31.03.2010	02.10.2017
82	26.08.2011	31.03.2011	02.10.2018
83	24.08.2012	31.03.2012	29.09.2019
84	22.08.2013	31.03.2013	27.09.2020
85	22.08.2014	31.03.2014	27.09.2021
86	09.09.2015	31.03.2015	15.10.2022

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.

[i] **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.

[j] **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, Secretarial Standard 2 on General Meetings and Reg. 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer the facility of voting through electronic means, as an alternate, to all its Members to enable them to cast their votes electronically. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (remote e-voting) will be provided by National Securities Depository Limited (NSDL).

The facility for voting shall be made available at the AGM and the Members attending the Meeting who have not cast their vote through remote e-voting shall be able to exercise their right at the Meeting. Please note that the voting through electronic means is optional for shareholders.

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 Friday, August 19, 2016 shall be entitled to avail the facility of remote e-voting or voting at the AGM. 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 www.larsentoubro.com 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 but shall not be entitled to cast their vote again.

The remote e-voting period commences on August 23, 2016 at 9.00 A.M and ends on August 25, 2016 at 5.00 P.M. During this period, members of the Company holding shares either in physical or dematerialised form, as on the cut-off date of Friday, August 19, 2016 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter.

The Members, whose names appear in the Register of Members/list of Beneficial Owners as on **August 19, 2016**, i.e. the date prior to the commencement of 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 on the cut-off date i.e Friday, August 19, 2016 may approach the Company for issuance of the User ID and Password for exercising their right to vote by electronic means.

However, members who are already registered with NSDL for remote e-voting can use their existing user ID and password for casting their vote. In case they don't remember their password, they can reset their password by using "Forgot User Details/ Password" option available on www.evoting.nsdl.com

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

Members are requested to follow the instructions below to cast their vote through e-voting:

A. In case a Member receives an e-mail from NSDL (for Members whose e-mail addresses are registered with the Company/ Depository Participants):

   i. Open the e-mail and also open PDF file namely **"L&T remote e-voting.pdf"** with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for remote e-voting. Please note that the password is an initial password.

   ii. Open the internet browser and type the following URL: https://www.evoting.nsdl.com.

   iii. Click on Shareholder - Login.

   iv. If you are already registered with NSDL for e-voting then you can use your existing user ID and password.

   v. If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password. Click Login.

   vi. The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.

   vii. Once the remote e-voting home page opens, click on <remote e-voting> Active Voting Cycles.

   viii. Select "EVEN" (E-Voting Event Number) of Larsen & Toubro Limited. Now you are ready for e-voting as Cast Vote page opens.

ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when, prompted.

x. Upon confirmation, the message "Vote cast successfully" will be displayed.

xi. Once the vote on the resolution is cast, the Member shall not be allowed to change it subsequently.

xii. 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.

xiii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) - Shareholders and remote e-voting user manual - Shareholders, available at the downloads section of www.evoting.nsdl.com.

B. In case a Member receives physical copy of the Notice of AGM (for Members whose email addresses are not registered with the Company/Depository Participants):

i. Initial password, is provided as below, in the enclosed attendance slip:

EVEN (E-Voting Event Number)	User ID	Password

ii. Please follow all steps from SI. No. (ii) to SI. No. (xiii) above, to cast vote.

Based on the report received from the scrutinizer the Company will submit within 48 hours of the conclusion of the Meeting 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 at the Meeting. If a Member casts votes by both modes, then voting done through remote e-voting shall prevail.

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.

The results declared alongwith the Scrutinizer's report, will be posted on the website of the Company www.larsentoubro.com and on the website of NSDL 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 3, 6 to 18 and 21 of the accompanying Notice dated **May 25, 2016**.

Item No. 3:

On the recommendation of the Nomination & Remuneration Committee, Ms. Sunita Sharma (DIN: 02949529) was appointed as a Director in casual vacancy caused due to the resignation of Mr. N. Mohanraj. Pursuant to Section 161(4) of the Companies Act, 2013 Ms. Sunita Sharma will hold office up to the date of this Annual General Meeting. The Company has received a notice in writing from a member alongwith deposit of requisite amount under the provisions of Section 160 of the Companies Act, 2013 proposing the candidature of Ms. Sunita Sharma as Director.

Except Ms. Sharma, 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. 3.

The Directors recommend the Resolution for approval of the shareholders.

Item No. 6 & 10:

On the recommendation of the Nomination & Remuneration Committee, the Board of Directors appointed Mr. D.K Sen (DIN: 03554707) as an Additional Director

with effect from October 1, 2015. In terms of Section 161(1) of the Companies Act, 2013, Mr. Sen holds office as Additional Director upto the date of this Annual General Meeting. The Company has received a notice in writing from a member alongwith deposit of requisite amount under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director of the Company.

The Board of Directors, on the recommendation of the Nomination & Remuneration Committee, appointed Mr. D.K Sen as a Whole-time Director of the Company with effect from October 1, 2015 upto and including September 30, 2020, subject to the approval of the members in the Annual General Meeting.

Mr. Sen is Senior Executive Vice President – Infrastructure. Mr. Sen started his tenure at L&T in 1989 as Senior Manager (Civil & Structural Design) in EDRC Kolkata. He is also responsible for the activities of the Transportation Infrastructure business, Heavy Civil Infrastructure business and L&T Geo Structure LLP.

He holds a degree in Civil Engineering from IIT Kharagpur and a Post Graduate degree in Business Management from XLRI, Jamshedpur.

Prior to joining L&T, Mr. Sen worked for 12 years for a clutch of companies like M/s. Tata Steel, Jamshedpur, M/s. Development Consultants, Kolkata and was involved in a turnkey EPC Transmission line project in Malaysia.

His significant contributions are in the Railways sector by securing the CTP 1 & 2 & EMP 4 packages of the Dedicated Freight Corridor.

Part III, of Schedule V of the Companies Act, 2013 read with 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, 2011 and August 22, 2013 the shareholders had fixed the maximum limits within which the Board was delegated authority to decide the remuneration of the Whole-time Director of the Company. Pursuant to this, the Board has fixed the remuneration payable to Mr. D.K Sen during his tenure as Whole-time Director.

The Company has entered into an Agreement with Mr. D.K Sen appointing him as a Whole-time Director for the period from October 1, 2015 to September 30, 2020. 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 : ₹ 7,25,000 (Rupees Seven Lakh Twenty Five Thousand only) per month in the scale of ₹ 6,50,000 - ₹ 75,000 - ₹ 10,25,000 - ₹ 1,00,000 - ₹ 15,25,000 with the annual increment due on April 1 every year.

Commission : Upto 0.1% per annum of the operating net profits after tax of the Company from the year 2015-16. The Commission for 2015-16 will be on a pro-rata basis. Such Commission will be excluding extraordinary/exceptional profits or losses arising from sale of business/ assets, sale of shares in Subsidiary & Associate Companies/Special Purpose Vehicles/Joint Ventures and also from sale of strategic investments/ adjustment in valuation of strategic investments.

The actual commission will be decided based on parameters set periodically by the Nomination & Remuneration Committee/Board.

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 an Annexure to this Notice.

The agreement entered into by the Company with Mr. D.K Sen, in respect of his appointment as Whole-time Director, contains the terms and conditions of his appointment including remuneration.

The Agreement entered into with Mr. D.K Sen will be open for inspection by members at the Registered Office of the Company on all working days [except Saturdays] between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting.

Except Mr. Sen, 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. 6 & 10.

The Directors recommend the Resolutions for approval of the shareholders.

Item No. 7 & 11:

On the recommendation of the Nomination & Remuneration Committee, the Board of Directors appointed Mr. M.V Satish (DIN: 06393156) as an Additional Director with effect from January 29, 2016. In terms of Section 161(1) of the Companies Act, 2013, Mr. M.V Satish holds office as Additional Director upto the date of this Annual General Meeting. The Company has received a notice in writing from a member alongwith deposit of requisite amount under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director of the Company.

The Board of Directors, on the recommendation of Nomination & Remuneration Committee, appointed Mr. M.V Satish as a Whole-time Director of the Company with effect from January 29, 2016 upto and including January 28, 2021, subject to the approval of the members in the Annual General Meeting.

Mr. M.V Satish is Senior Executive Vice President – Buildings, Minerals and Metals. 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 Salalah greenfield airport project and the NMC Hospital in Abu Dhabi.

Part III, of Schedule V of the Companies Act, 2013 read with 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, 2011 and August 22, 2013 the shareholders had fixed the maximum limits within which the Board was delegated authority to decide the remuneration of the Whole-time Director 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 appointing him as a Whole-time Director for the period from January 29, 2016 to January 28, 2021. 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 : ₹ 7,25,000 (Rupees Seven Lakh Twenty Five Thousand only) per month in the scale of ₹ 6,50,000 - ₹ 75,000 - ₹ 10,25,000 - ₹ 1,00,000 - ₹ 15,25,000 with the annual increment due on April 1 every year.

Commission : Upto 0.1% per annum of the operating net profits after tax of the Company from the year 2015-16. The Commission for 2015-16 will be on a pro-rata basis. Such Commission will be excluding extraordinary/exceptional profits or losses arising from sale of business/ assets, sale of shares in Subsidiary & Associate Companies/Special Purpose Vehicles/Joint Ventures and also from sale of strategic investments/adjustment in valuation of strategic investments.

The actual commission will be decided based on parameters set periodically by the Nomination & Remuneration Committee/Board.

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 an Annexure to this Notice.

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

The Agreement entered into with Mr. M.V Satish will be open for inspection by members at the Registered Office of the Company on all working days [except Saturdays] between 11.00 a.m. and

1.00 p.m. up to the date of the Annual General Meeting.

Except Mr. M.V 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. 7 & 11.

The Directors recommend the Resolutions for approval of the shareholders.

Item No. 8:

On the recommendation of the Nomination & Remuneration Committee, Ms. Naina Lal Kidwai (DIN: 00017806) was appointed as an Additional Director of the Company with effect from March 1, 2016. In terms of Section 161(1) of the Companies Act, 2013, Ms. Kidwai holds office as Additional Director upto the date of this Annual General Meeting. The Company has received a notice in writing from the Director alongwith deposit of requisite amount under Section 160 of the Companies Act, 2013, proposing her candidature for the office of Director of the Company. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Ms. Kidwai is proposed to be appointed as an Independent Director up to February 28, 2021, for a period of 5 years from the date of her appointment. Pursuant to the provisions of the Companies Act, 2013 and Reg. 25(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations), she is eligible for re-appointment after February 28, 2021.

In the opinion of the Board, Ms. Kidwai fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder and LODR Regulations for her appointment as an Independent Director of the Company and is independent of the management. The copy of the letter of appointment of Ms. Kidwai as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company on all working days [except Saturdays] between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting.

The Board considers that her association would be of immense benefit to the Company and it is desirable to avail services of Ms. Kidwai as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Ms. Kidwai as an Independent Director, for the approval by the shareholders of the Company.

Except Ms. Kidwai, 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. 8.

Item No. 9 :

Shareholders had approved the appointment of Mr. S.N Subrahmanyan (DIN: 02255382) as Whole-time Director of the Company for a period of five years, with effect from July 1, 2011 upto and including June 30, 2016.

On the recommendation of the Nomination & Remuneration Committee, the Board of Directors of the Company at its Meeting held on September 21, 2015, appointed Mr. S. N. Subrahmanyan, as Deputy Managing Director & President of the Company with effect from October 1, 2015 upto and including September 30, 2020, subject to the approval of the members in the Annual General Meeting.

Mr. S. N. Subrahmanyan, 55, is a civil engineer with post graduate qualifications in business management. He joined L&T in 1984 starting off as project planning engineer, and was soon handpicked for senior responsibilities.

The Buildings & Factories business has grown rapidly under Mr. Subrahmanyan's leadership, and has executed many prestigious jobs such as construction of ICICI Bank, National Stock Exchange Buildings and Tidel Park. He is also responsible for the activities of other businesses like Power Transmission and Distribution, Water, Smart World and Communication, Metallurgical and Material Handling and Shipbuilding. Additionally he is responsible for overseeing the IT and Technology Services business of L&T and common staff functions across the Construction business.

Mr. Subrahmanyan's notable achievements include playing a pivotal role in securing and managing EPC contracts for construction of four major international airports in India at Bengaluru, Hyderabad, Delhi and Mumbai.

Part III, of Schedule V of the Companies Act, 2013 read with Secretarial Standards 2 on General Meetings provide 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, 2011 and August 22, 2013 the shareholders had fixed the maximum limits within which the Board was delegated authority to decide the remuneration of the Deputy Managing Director of the Company. Pursuant to this, the Board has fixed the remuneration payable to Mr. S. N. Subrahmanyan during his tenure as Deputy Managing Director and President.

The Company has entered into an Agreement with Mr. S.N. Subrahmanyan appointing him as the Deputy Managing Director & President for the period from October 1, 2015 to September 30, 2020. During the period of this agreement and so long as the Deputy Managing Director and President performs his services as per the terms and conditions provided by this agreement, he shall be entitled to the following:

Salary : ₹ 12,50,000 (Rupees Twelve Lakh Fifty Thousand only) per month in the scale of ₹ 10,00,000 - ₹ 1,25,000 – ₹ 16,25,000 with the annual increment due on April 1 every year.

Commission : Upto 0.25% per annum of the operating net profits after tax of the Company from October 1, 2015. The commission for 2015-16 will be on a pro-rata basis. Such commission will be excluding extraordinary/exceptional profits or losses arising from sale of business/assets, sale of shares in Subsidiary & Associate Companies/ Special Purpose Vehicles/Joint Ventures and also from sale of strategic investments/ adjustment in valuation of strategic investments.

The actual commission will be decided, based on parameters set periodically, by the Nomination & Remuneration Committee/Board.

Perquisites : ₹ 18 lakh per annum excluding free furnished accommodation or house rent 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 agreement entered into by the Company with Mr. S. N. Subrahmanyan, in respect of his appointment as Deputy Managing Director & President, contains terms and conditions of his appointment including remuneration.

Accordingly, the Resolution at Item No. 9 is proposed for approval of the members for appointment of Mr. S. N. Subrahmanyan, as the Deputy Managing Director and President as contemplated by Part III of Schedule V of the Companies Act, 2013 and other applicable provisions, if any.

The Agreement entered into with Mr. S. N. Subrahmanyan will be open for inspection by members at the Registered Office of the Company on all working days [except Saturdays] between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting.

The Board recommends approval of the appointment and remuneration of Mr. S. N. Subrahmanyan, as Deputy Managing Director and President of the Company.

Except Mr. Subrahmanyan, 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. 12:

At the Annual General Meeting of the Company held on August 26, 2011 the shareholders had approved the overall limit for payment of remuneration to Chairman & Managing Director, Chief Executive Officer & Managing Director, if any, Deputy Managing Director, if any, and Whole-time Directors of the Company within the limits and subject to the terms and conditions set out in the resolution passed at that Meeting read with the explanatory statement.

At the Annual General Meeting of the Company held on August 22, 2013 the Shareholders had approved revision in payment of commission payable to the Executive Chairman, Chief Executive Officer and Managing Director, if any, Deputy Managing Director, if any, and Whole-time Directors.

The Company has planned for a consistent profitable growth based on an identified strategy and strategic initiatives, including detailed assessment of portfolios, entity and capital structure. Significant opportunities across all business segments have been identified. During the strategic plan for the period 2016-2021 (Lakshya 2021) there will be transition of leadership. The Company needs to attract and retain competent leaders for sustained growth.

The Nomination & Remuneration Committee revises the commission payable to the Executive Chairman, Chief Executive Officer & Managing

Director, if any, Deputy Managing Director and Whole-time Directors based on overall performance of the Company, the concerned business and the performance of the individual director.

Considering the above, it is proposed to give flexibility and authority to the Board to fix/ revise the amount of commission payable to Executive Chairman, Chief Executive Officer & Managing Director, if any, Deputy Managing Director and Whole-time Directors of the Company.

The commission payable will, however, continue to be subject to the condition that the total managerial remuneration shall not exceed 5% of the net profits of the Company for each of the Managing/Whole-time Directors of the Company and 10% of the net profits of the Company for all the Managing/Whole-time Directors of the Company.

The Board of Directors of the Company appoints/re-appoints the Executive Chairman, Chief Executive Officer & Managing Director, if any, Deputy Managing Director and Whole-time Directors on the Board after receiving recommendation from the Nomination & Remuneration Committee, subject to the approval of the members in General Meeting.

Specific approval of the members will be sought for appointment/ re-appointment and other remuneration of the Executive Chairman/Chief Executive Officer & Managing Director/Deputy Managing Director/Whole-time Directors individually in General Meetings.

In order to fix/revise appropriately the remuneration payable to the Executive Chairman, Chief Executive Officer & Managing Director, if any, Deputy Managing Director and Whole-time Directors from time to time, the Board of Directors recommend passing a Resolution to authorize the Board to approve and fix/revise suitably the commission payable to the Executive Chairman, Chief Executive Officer & Managing Director, if any, Deputy Managing Director and Whole-time Directors from time to time.

In the event of loss or inadequacy of profits in any financial year, the remuneration payable to the Executive Chairman, Chief Executive Officer & Managing Director, if any, Deputy Managing Director and Whole-time Directors shall not exceed the maximum limits prescribed under Schedule V of the Companies Act, 2013.

The Board recommends passing of the Ordinary Resolution set out at Item No. 12 of the Notice convening the Meeting.

Mr. A.M. Naik, Group Executive Chairman of the Company, Mr. S. N. Subrahmanyan, Deputy Managing Director & President, Mr. R. Shankar Raman, Mr. Shailendra Roy, Mr. D.K Sen and Mr. M.V Satish who are the Whole-time Directors of the Company, may be deemed to be concerned or interested in the resolution at Item No. 12 insofar as it relates to commission payable to them.

Item No. 13:

On the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company, it is proposed to re-appoint Mr. R. Shankar Raman (DIN: 00019798), as a Whole-time Director of the Company with effect from October 1, 2016 upto and including September 30, 2021, 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 qualified as a Chartered Accountant in May 1983 and became a Graduate of the Institute of Cost & Works Accountants of India in 1986. Over the past 33 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 is a member of National CFO Council of Confederation of Indian Industries. He had participated and presented papers in several conventions/ seminars both in India and abroad.

Part III, of Schedule V of the Companies Act, 2013 read with 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 Meetings of the Company held on August 26, 2011 and August 22, 2013, the shareholders have fixed the maximum limits within which the

Board was delegated authority to decide the remuneration of Whole-time Directors of the Company.

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 1, 2016 to September 30, 2021. During the period of the above 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 ₹ 6,50,000 - ₹ 75,000 - ₹ 10,25,000 - ₹ 1,00,000 - ₹ 15,25,000 with the annual increment due on April 1 every year.

Commission : Upon the resolution in item no. 12 coming into effect, the commission will be paid as fixed by the Nomination & 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 agreement to be entered into by the Company with Mr. R. Shankar Raman, in respect of his appointment as Whole-time Director, will contain the terms and conditions of his appointment including remuneration.

The draft Agreement to be entered into with Mr. R. Shankar Raman will be open for inspection by members at the Registered Office of the Company on all working days [except Saturdays] between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting.

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

Except Mr. 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. 13.

Item No. 14 :

On the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company, it is proposed to re-appoint Mr. Shailendra Roy (DIN: 02144836), as a Whole-time Director of the Company with effect from March 9, 2017 upto and including July 7, 2020, subject to the approval of the members in the Annual General Meeting.

Mr. Roy is Senior Executive Vice President – Power, Heavy Engineering and Defence. He holds a Bachelor of Technology degree and started his career in 1975 as an Engineer with Bharat Heavy Electricals Limited's manufacturing unit at Hardwar.

Mr. Roy's notable contribution in the Company includes the Company's entry into Railway business, Power Development and growth of new business ventures.

Part III, of Schedule V of the Companies Act, 2013 read with 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, 2011 and August 22, 2013, the shareholders have fixed the maximum limits within which the Board was delegated authority to decide the remuneration of Whole-time Directors of the Company.

The Company will enter into an Agreement with Mr. Shailendra Roy appointing him as a Whole-time Director for the period from March 9, 2017 to July 7, 2020. During the period of the above 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 : ₹ 10,25,000 (Rupees Ten Lakh Twenty Five Thousand only) per month in the scale of ₹ 6,50,000 - ₹ 75,000 - ₹ 10,25,000 - ₹ 1,00,000 - ₹ 15,25,000 with the annual increment due on April 1 every year.

Commission : Upon the resolution in item no. 12 coming into effect, the commission will be paid as fixed by the Nomination & 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 an Annexure to this Notice.

The agreement to be entered into by the Company with Mr. Shailendra Roy, in respect of his appointment as Whole-time Director, will contain the terms and conditions of his appointment including remuneration.

The draft Agreement to be entered into with Mr. Shailendra Roy will be open for inspection by members at the Registered Office of the Company on all working days [except Saturdays] between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting.

The Board recommends approval of the appointment and remuneration of Mr. Shailendra Roy, as Whole-time Director of the Company.

Except Mr. Roy, 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. 14

Item No. 15:

On the recommendation of the Nomination & Remuneration Committee, Mr. Sanjeev Aga (DIN: 00022065) was appointed as an Additional Director of the Company with effect from May 25, 2016. In terms of Section 161(1) of the Companies Act, 2013, Mr. Aga holds office as Additional Director upto the date of this Annual General Meeting. The Company has received a notice in writing from the Director alongwith deposit of requisite amount under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director of the Company. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Aga is proposed to be appointed as an Independent Director for a term up to May 24, 2021, for a period of 5 years from the date of his appointment. Pursuant to the provisions of the Companies Act, 2013 and Reg. 25(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations), he is eligible for re-appointment after May 24, 2021.

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 appointment as an Independent Director of the Company and is independent of the management. The copy of the letter of appointment of Mr. Aga as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company on all working days [except Saturdays] between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting.

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

Except Mr. 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. 15.

Item No. 16:

On the recommendation of the Nomination & Remuneration Committee, Mr. Narayanan Kumar (DIN: 00007848) was appointed as an Additional Director of the Company with effect from May 27, 2016. In terms of Section 161(1) of the Companies Act, 2013, Mr. Kumar holds office as Additional Director upto the date of this Annual General Meeting. The Company has received a notice in writing from the Director alongwith deposit of requisite amount under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director of the Company. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Kumar is proposed to be appointed as an Independent Director for a term up to May 26, 2021, for a period of 5 years from the date of his appointment. Pursuant to the provisions of the Companies Act, 2013 and Reg. 25(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations), he is eligible for re-appointment after May 26, 2021.

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 appointment as an Independent Director of the Company and is independent of the management. The copy of the letter of appointment of Mr. Kumar as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company on all working days [except Saturdays] between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting.

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

Except Mr. 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. 16.

Item No. 17:

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 and debt raising would be another source of funds, it is prudent for the Company to have 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. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 also provide 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 VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ('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 VIII 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 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 the BSE Limited / National Stock Exchange of India Limited.

The Shareholders through a resolution passed at their Meeting held on September 9, 2015, had approved issue of Securities for an aggregate sum up to US$600 Million or INR 3600 Crore, if higher. 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 the same.

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. 17.

Item No. 18:

The Company is into the business interalia of manufacturing of industrial goods, heavy engineering, infrastructure projects and other activities which require a sizeable investment and continuous expenditure. The Company intends to explore different avenues for garnering this financing requirement including by way of issuance of debt instruments.

Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 deals with private placement of securities by a company. Sub-rule (2) of the said Rule 14 states that in case of an offer or invitation for subscription to non-convertible debentures on private placement basis, the Company shall obtain prior approval of its shareholders by means of a special resolution only once in a year for all the offers or invitations for such debentures during the year.

In order to meet the financial needs of business in a prudent manner the Company may offer or invite subscription for secured/unsecured/ redeemable/non-convertible debentures, in one or more series/ tranches/currencies on private placement, issuable / redeemable at par or otherwise.

The shareholders through a resolution passed at their Meeting held on September 9, 2015, approved issue of debentures upto an amount not exceeding ₹ 6000 crore in aggregate. However, such resolution is valid only for a period of 12 months from the date on which the approval is granted by the shareholders. Accordingly, the Shareholders' approval is sought for the period of next 12 months from the date of passing this resolution. This resolution is an enabling resolution and authorizes the Board of Directors of the Company to offer or invite subscription for non-convertible debentures, as may be required by the Company, from time to time for a year from the date of passing this resolution.

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. 18.

Item No. 21:

In accordance with the provisions of Section 148 of the Companies Act, 2013 ('the Act') and the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Amendment 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 2016-17, at a remuneration of ₹ 11 lakhs plus applicable service tax 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 members 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. 21.

By Order of the Board of Directors
For LARSEN & TOUBRO LIMITED,

N. HARIHARAN
COMPANY SECRETARY
M.NO – A3471

Mumbai, May 25, 2016

The route map for the venue of the Annual General Meeting of the Company is given on page 40 of this Annual Report 2015-16

(ANNEXURE TO NOTICE DATED MAY 25, 2016)

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	**Ms. Sunita Sharma**	**Mr. A. M. Naik**	**Mr. D. K. Sen**	**Mr. M. V. Satish**
Date of Birth	March 9, 1959	June 9, 1942	March 19, 1956	February 12, 1957
Date of Appointment on the Board	April 1, 2015	November 23, 1989	October 1, 2015	January 29, 2016
Qualifications	Masters	B.E (Mech.)	B.Sc Engg. (Civil), MBA (Finance)	BE (Civil)
Expertise	Vast Experience in Insurance and Housing Finance	Diverse and vast experience in general management, Technology and Engineering & Construction	Vast experience in Design and Engineering, Business Development, Tendering and construction	Vast experience in Construction, Business Development, Contracts Management and Property Development in India and GCC region
Directorships held in other public companies including private companies which are subsidiaries of public companies (excluding foreign companies)	1. LIC Housing Finance Limited 2. LIC Nomura Mutual Fund AMC Ltd. 3. LICHFL Asset Management Company Limited 4. LICHFL Financial Services Limited 5. LICHFL Care Homes Limited 6. Bhushan Steel Limited	1. Larsen & Toubro Infotech Limited 2. L&T Technology Services Limited 3. L&T Realty Limited	L&T Infrastructure Engineering Limited	Nil
Memberships/ Chairmanships of committees across all companies	**Chairperson** **Audit Committee** LICHFL Care Homes Limited **Stakeholders Relationship Committee** Larsen & Toubro Limited **Corporate Social Responsibility Committee** LICHFL Care Homes Limited **Member** **Nomination & Remuneration Committee** LIC Nomura Mutual Fund AMC Limited **Stakeholders Relationship Committee** LIC Housing Finance Limited **Corporate Social Responsibility Committee** LIC Housing Finance Limited	**Member** **Nomination & Remuneration Committee** 1. Larsen & Toubro Limited 2. Larsen & Toubro Infotech Limited 3. L&T Technology Services Limited	**Member** **Corporate Social Responsibility Committee** Larsen & Toubro Limited	Nil
Number of Meetings attended during the year	7 of 9	9 of 9	2 of 2	2 of 2
Shareholding of Non-Executive Directors	100*	Not Applicable	Not Applicable	Not Applicable
Relationships between directors inter-se	Nil	Nil	Nil	Nil

* Jointly with LIC

(ANNEXURE TO NOTICE DATED MAY 25, 2016)

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	Ms. Naina Lal Kidwai	Mr. S. N. Subrahmanyan	Mr. R. Shankar Raman	Mr. Shailendra Roy
Date of Birth	April 16, 1957	March 16, 1960	December 20, 1958	September 18, 1952
Date of Appointment on the Board	March 1, 2016	July 1, 2011	October 1, 2011	March 9, 2012
Qualifications	Bachelor's in Economics, Chartered Accountant and MBA	B.Sc, Engg. (Civil) & MBA Finance	B.Com, ACA and Grad. CWA	B. Tech
Expertise	Vast Experience in the area of Banking	Vast Experience in Design and Build (D&B) contracts, PPP Projects, Engineering and Construction Industry	Vast experience in the Finance, Taxation, Risk Management, Legal and Investor Relations	Vast experience in Thermal Power, Heavy Engineering, Defence & Aerospace Industry
Directorships held in other public companies including private companies which are subsidiaries of public companies (excluding foreign companies)	1. Cipla Limited 2. Max Financial Services Limited 3. Shakti Sustainable Energy Foundation 4. Altico Capital India Private Limited	1. Larsen & Toubro Infotech Limited 2. L&T Technology Services Limited 3. L&T Metro Rail (Hyderabad) Limited	1. L&T Infrastructure Development Projects Limited 2. L&T General Insurance Company Limited 3. L&T Finance Holdings Limited 4. L&T Investment Management Limited 5. Larsen & Toubro Infotech Limited 6. L&T Hydrocarbon Engineering Limited 7. L&T Seawoods Limited 8. L&T Realty Limited 9. L&T Metro Rail (Hyderabad) Limited	1. L&T Power Development Limited 2. L&T-Sargent & Lundy Limited 3. Nabha Power Limited 4. L&T-MHPS Boilers Private Limited 5. L&T-MHPS Turbine Generators Private Limited 6. Raykal Aluminium Company Private Limited 7. L&T Special Steels and Heavy Forgings Private Limited 8. L&T-Howden Private Limited 9. L&T Power Limited
Memberships/ Chairmanships of committees across all companies	**Member** **Audit Committee** 1. Cipla Limited 2. Altico Capital India Private Limited **Nomination & Remuneration Committee** 1. Max Financial Services Limited 2. Altico Capital India Private Limited **Stakeholders Relationship Committee** Cipla Limited	**Chairman** **Stakeholders Relationship Committee** Larsen & Toubro Infotech Limited **Corporate Social Responsibility Committee** Larsen & Toubro Infotech Limited **Member** **Audit Committee** Larsen & Toubro Infotech Limited **Nomination & Remuneration Committee** Larsen & Toubro Infotech Limited	**Member** **Audit Committee** 1. L&T Finance Holdings Limited 2. L&T General Insurance Company Limited 3. L&T Infrastructure Development Projects Limited 4. L&T Investment Management Limited 5. L&T Realty Limited 6. L&T Seawoods Limited **Nomination & Remuneration Committee** 1. L&T Seawoods Limited 2. L&T Realty Limited 3. L&T Investment Management Limited 4. L&T Infrastructure Development Projects Limited **Stakeholder Relationship Committee** L&T Finance Holdings Limited	**Member** **Nomination & Remuneration Committee** 1. L&T-Sargent & Lundy Limited 2. L&T-MHPS Turbine Generators Private Limited 3. L&T-MHPS Boilers Private Limited 4. L&T Power Development Limited 5. Nabha Power Limited 6. L&T Special Steels and Heavy Forgings Private Limited 7. L&T Howden Private Limited **Stakeholders Relationship Committee** Larsen & Toubro Limited **Corporate Social Responsibility Committee** L&T Power Development Limited

Name of the Director	Ms. Naina Lal Kidwai	Mr. S. N. Subrahmanyan	Mr. R. Shankar Raman	Mr. Shailendra Roy
			Corporate Social Responsibility Committee 1. Larsen & Toubro Limited 2. L&T Seawoods Limited 3. L&T Investment Management Limited 4. L&T Infrastructure Development Projects Limited	
Number of Meetings attended during the year	Not Applicable	8 of 9	9 of 9	9 of 9
Shareholding of Non-Executive Directors	100	Not Applicable	Not Applicable	Not Applicable
Relationships between directors inter-se	Nil	Nil	Nil	Nil

(ANNEXURE TO NOTICE DATED MAY 25, 2016)

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. Sanjeev Aga	Mr. Narayanan Kumar
Date of Birth	February 1, 1952	January 28, 1950
Date of Appointment on the Board	May 25, 2016	May 27, 2016
Qualifications	B.SC (Hons. In Physics), MBA	B.E (Electronics)
Expertise	Vast Experience in Telecom Sector	Industrailist
Directorships held in other public companies including private companies which are subsidiaries of public companies (excluding foreign companies)	1. UFO Moviez India Limited 2. Pidilite Industries Limited 3. Idea Cellular Limited 4. Mahindra Holidays & Resorts Limited 5. Manjushree Technopak Limited 6. Subex Limited 7. Mahindra Logistics Limited	1. Bharati Infratel Limited 2. Entertainment Network (India) Limited 3. Times Innovative Media Limited 4. MRF Limited 5. Take Solutions Limited 6. Mphasis Limited 7. eG Innovations Private Limited 8. Madhura Kumar Properties Private Limited 9. N.K Trading and Consultancy Private Limited 10. Madhuram Narayanan Centre for Exceptional Children 11. Cubbon Road Properties Private Limited 12. Nani Palkhivala Arbitration Centre 13. Singapore India Partnership Foundation 14. Aegon Life Insurance Company Limited
Memberships/ Chairmanships of committees across all companies	**Chairman** **Shareholders Grievance Committee** 1. Pidilite Industries Limited 2. Idea Cellular Limited 3. Subex Limited **Audit Committee** 1. Subex Limited 2. Mahindra Holidays & Resorts Limited 3. Mahindra Logistics Limited **Nomination & Remuneration Committee** 1. Subex Limited 2. Mahindra Logistics Limited	**Chairman** **Audit Committee** 1. Mphasis Limited 2. Entertainment Network (India) Limited **Nomination & Remuneration Committee** 1. Bharati Infratel limited 2. Entertainment Network (India) Limited **Corporate Social Responsibility Committee** Bharati Infratel Limited **Shareholders/Investors Grievance Committee** Take Solutions Limited **Member** **Audit Committee** 1. Times Innovative Media Limited 2. Aegon Life Insurance Company Limited **Nomination & Remuneration Committee** 1. Times Innovative Media Limited 2. Aegon Life Insurance Company Limited
Number of Meetings attended during the year	Not Applicable	Not Applicable
Shareholding of Non-Executive Directors	3000	1000*
Relationships between directors inter-se	Nil	Nil

* Acquired on 10th June, 2016

Board Report

Dear Members,

The Directors have pleasure in presenting their 71st Annual Report and Audited Financial Statements for the year ended March 31, 2016.

FINANCIAL RESULTS

Particulars	2015-16 ₹ crore	*2014-15 ₹ crore*
Profit before depreciation, exceptional and extra ordinary items & tax	7127.71	7352.21
Less: Depreciation, amortisation, impairment and obsolescence	998.88	1009.74
	6128.83	6342.47
Add: Transfer from Revaluation Reserve	–	1.59
Profit before exceptional and extraordinary items and tax	6128.83	6344.06
Add: Exceptional Items	560.28	357.16
Profit before tax	6689.11	6701.22
Less: Provision for tax	1377.65	1645.04
Profit for the period carried to Balance Sheet	5311.46	5056.18
Add: Balance brought forward from previous year	3429.11	333.45
Less: Dividend paid for the previous year (Including dividend distribution tax)	2.15	2.20
Less: Depreciation charged against retained earnings	6.14	86.28
Add: Reversal of deferred tax on depreciation charged against retained earnings	2.13	29.33
Balance available for disposal (which the directors appropriate as follows)	8734.41	5330.48
Debenture Redemption Reserve	156.50	256.50
Proposed dividend	1699.95	1510.54
Dividend Tax	140.88	134.33
	1997.33	1901.37
Balance to be carried forward	6737.08	3429.11
Dividend	1699.95	1510.54

The Directors recommend payment of final dividend of ₹ 18.25 per share of ₹ 2/- each on 93,14,78,845 shares.

CAPITAL & FINANCE

During the year under review, the Company allotted 19,16,784 equity shares of ₹ 2/- each upon exercise of stock options by the eligible employees under the Employee Stock Option Schemes.

The Company issued Non-Convertible Debentures (NCDs) worth ₹ 1,000 crore. At maturity, repayment of NCDs worth ₹ 600 crore was also made. The Company tied up a long-term foreign currency loan of USD 25 million, and also completed part repayment of a foreign currency long term debt of USD 5.83 million as per schedule. In addition, the Company prepaid foreign currency loans worth USD 50 million.

CAPITAL EXPENDITURE

As at March 31, 2016 the gross tangible and intangible assets including leased Assets, stood at ₹ 13,297.13 crore and the net tangible and intangible assets, including leased assets, at ₹ 7,668.59 crore. Capital Expenditure during the year amounted to ₹ 776 crore.

DEPOSITS

The Company does not have any unclaimed deposits as of date. All unclaimed deposits have been transferred to Investor Education & Protection Fund.

DEPOSITORY SYSTEM

As the members are aware, the Company's shares are compulsorily tradable in electronic form. As on March 31, 2016, 97.90% of the Company's total paid up capital representing 91,18,73,781 shares are in dematerialized form. 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.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

The Company sends letters to all shareholders, whose dividends are unclaimed so as to ensure that they receive their rightful dues.

During the year, the Company has transferred a sum of ₹ 1,51,31,245 to Investor Education & Protection Fund, the amount which was due & payable and remained unclaimed and unpaid for a period of seven years as provided in Section 205C(2) of the Companies Act, 1956. Despite the reminder letters sent to each shareholder, this amount remained unclaimed and hence was transferred. Cumulatively, the amount transferred to the said fund was ₹ 14,56,60,404 as on March 31, 2016.

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. These subsidiaries include companies in general insurance, power, real estate, infrastructure and manufacturing sectors. The details of investments in subsidiary companies during the year are as under:

A) Shares subscribed/acquired during the year:

Name of the company	Type of Shares	No. of shares
L&T General Insurance Company Limited	Equity	8,50,00,000
L&T Global Holdings Limited, United Arab Emirates	Equity	1,000
L&T Hydrocarbon Engineering Limited	Preference	26,00,00,000
L&T Metro Rail (Hyderabad) Limited	Equity	4,92,643
L&T Power Development Limited	Equity	38,34,00,000
L&T Realty Limited	Preference	64,83,00,000
L&T Seawoods Limited	Preference	13,22,50,000
L&T Shipbuilding Limited	Preference	133,18,60,000
L&T Uttaranchal Hydropower Limited	Preference	60,47,50,000
LTH Milcom Limited	Equity	1,13,340
Larsen & Toubro Saudi Arabia LLC, Saudi Arabia	Equity	625
Marine Infrastructure Developer Private Limited	Equity	9,990

B) Equity shares sold/transferred during the year:

Name of the Company	Number of shares
L&T Finance Holdings Limited	8,52,26,706
L&T Infocity Limited	2,40,30,000
L&T Natural Resources Limited	50,000
L&T Powergen Limited	50,000
L&T Sapura Offshore Private Limited	6,000
L&T Sapura Shipping Private Limited	9,53,11,850
L&T Solar Limited	50,000
L&T-Gulf Private Limited	40,00,016
L&T-Valdel Engineering Limited	11,79,000
Larsen & Toubro International FZE, United Arab Emirates	1,829
PNG Tollway Limited	2,15,43,340
JSK Electricals Limited	21,20,040
L&T-Chiyoda Limited	45,00,000
Rishi Consfab Private Limited	27,04,000
Salzer Electronics Limited	26,79,808

The Company has formulated a policy on the identification of material subsidiaries and the same is placed on the website at http://investors.larsentoubro.com/Listing-Compliance.aspx. The Company does not have any material subsidiaries.

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

A statement containing the salient features of the financial statement of subsidiary/associate/joint venture companies is provided on pages 390 to 399 of this Annual Report.

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

The Company has disclosed the full particulars of the loans given, investments made or guarantees given or security provided on pages 263 to 265 of this Annual Report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

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

All the related party transactions were in the ordinary course of business and at arm's length. The Audit Committee has approved all related party transactions for the FY 2015-16 and estimated transactions for FY 2016-17.

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

STATE OF COMPANY AFFAIRS

The gross sales and other income for the financial year under review were ₹ 62,821 crore as against

₹ 59,841 crore for the previous financial year registering an increase of 5%. The profit before tax from continuing operations including extraordinary and exceptional items was ₹ 6,689 crore for the financial year under review as against ₹ 6,701 crore for the previous financial year, registering a decrease of 0.18%. The profit after tax from continuing operations including extraordinary and exceptional items of ₹ 5,311 crore for the financial year under review as against ₹ 5,056 crore for the previous financial year, registering an increase of 5%.

AMOUNT TO BE CARRIED TO RESERVE

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

DIVIDEND

The Directors recommend payment of dividend of ₹ 18.25 (912.50%) per equity share of ₹ 2/- each on the share capital.

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

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

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

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

RISK MANAGEMENT POLICY

The Risk Management Committee comprises of Mr. A. M. Naik, Mr. S. N. Subrahmanyan and Mr. R. Shankar Raman. Mr. A. M. Naik is the Chairman of the Committee.

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

A detailed note on risk management is given under financial review section of the Management Discussion and Analysis on pages 217 to 219 of this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY

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

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

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

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

Mr. K. Venkataramanan retired as the Chief Executive Officer and Managing Director of the Company on September 30, 2015 pursuant to his superannuation from the services of the Company. The Board places on record its appreciation of the immense contribution by Mr. K. Venkataramanan as the Chief Executive Officer and Managing Director of the Company.

Mr. M. V. Kotwal retired as the Whole-time Director of the Company on August 26, 2015 pursuant to his superannuation from the services of the Company. The Board places on record its appreciation of the immense contribution by Mr. M. V. Kotwal as a Whole-time Director of the Company.

Mr. Swapan Dasgupta resigned as Nominee Director of the Company on May 15, 2016. The Board places on record its appreciation of the immense contribution by Mr. Swapan Dasgupta as Director of the Company.

The Board has appointed Mr. Subramanian Sarma as a Non-Executive Director of the Company w.e.f. August 19, 2015.

During the year the Board has appointed Mr. S. N. Subrahmanyan as Deputy Managing Director and President of the Company w.e.f October 1, 2015 for a period of 5 years, subject to approval of the shareholders.

The Board has appointed Mr. D. K. Sen as a Whole-time Director w.e.f. October 1, 2015 for a period of 5 years, subject to approval of the shareholders.

The Board has appointed Mr. M. V. Satish as a Whole-time Director of the Company w.e.f. January 29, 2016

for a period of five years, subject to approval of the shareholders.

The Board has appointed Ms. Naina Lal Kidwai as an Independent Director of the Company from March 1, 2016 to February 28, 2021, subject to the approval of the shareholders. Ms. Naina Lal Kidwai, appointed as an Additional Director, will hold office till the ensuing AGM and is eligible for appointment.

The Board has appointed Mr. Sanjeev Aga as an Independent Director of the Company from May 25, 2016 to May 24, 2021, subject to the approval of shareholders. Mr. Sanjeev Aga, appointed as Additional Director, will hold office till the ensuing AGM and is eligible for appointment.

The Board has appointed Mr. Narayanan Kumar as an Independent Director of the Company at its Meeting dated May 25, 2016 with effect from May 27, 2016 to May 26, 2021, subject to the approval of shareholders. Mr. Narayanan Kumar, appointed as Additional Director, will hold office till the ensuing AGM and is eligible for appointment.

Mr. S. N. Subrahmanyan and Mr. A.M Naik retire by rotation at the ensuing AGM and being eligible offers themselves for re-appointment. Mrs. Sunita Sharma who was appointed as a Director in casual vacancy caused due to the resignation of Mr. N. Mohanraj holds office till the conclusion of the ensuing AGM and being eligible offers herself for re-appointment.

It is proposed to re-appoint Mr. R. Shankar Raman as a Whole-time Director of the Company for a period of 5 years from October 1, 2016 to September 30, 2021, subject to the approval of the shareholders.

It is proposed to re-appoint Mr. Shailendra Roy as a Whole-time Director of the Company for the period March 9, 2017 to July 7, 2020, subject to the approval of the shareholders.

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

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

The Company has also disclosed on its website http://investors.larsentoubro.com/Listing-Compliance.aspx details of the familiarization programs formulated 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 Board Report. Members are requested to refer to page 79 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 & 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 81 to 83 of this Annual Report.

COMPANY POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION

The Company has in place a Nomination & Remuneration Committee in accordance with the requirements of the Companies Act, 2013 read with the rules made thereunder and Regulation 19 of the SEBI (Listing Obligations & 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 83 to 85 of this Annual Report.

The Committee has formulated a policy on Director's appointment and remuneration including recommendation of remuneration of the key managerial personnel and other employees, composition and the criteria for determining qualifications, positive attributes and independence of a Director. The Committee has formulated a 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. The same are also displayed on the website of the Company www.larsentoubro.com

EXTRACT OF ANNUAL RETURN

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

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 judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

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

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

e) The Directors have laid down an adequate system of internal financial 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.

ADEQUACY OF INTERNAL FINANCIAL CONTROL

The Company has designed and implemented a process driven framework for Internal Financial Controls ("IFC") within the meaning of the explanation to Section 134(5)(e) of the Companies Act, 2013. For the year ended March 31, 2016, 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 would have a material effect on the Company's operations.

PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND DIRECTORS

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

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

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

The inputs given by all the Directors were discussed in the meeting of the Independent Directors held on April 11, 2016, as per Schedule IV of the Companies Act, 2013. The performance evaluation of the Board, Committees, Chairman and Directors was also reviewed by the Nomination & Remuneration Committee and the Board.

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 details of employees receiving remuneration exceeding ₹ 5 lakh per month or ₹ 60 lakh per annum is provided in Annexure 'G' forming part of this report. In terms of Section 136(1) of the Act and the rules made thereunder, the Report and Accounts are being sent to the shareholders excluding the aforesaid Annexure. Any Shareholder interested in obtaining a copy of the same may write to the Company Secretary. None of the employees listed in the said Annexure is related to any Director of the Company.

COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND ANNUAL GENERAL MEETINGS

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

PROTECTION OF WOMEN AT WORKPLACE

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. This has been widely disseminated. There were no cases of sexual harassment received by the Company in 2015-16.

OTHER 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 SEBI (Share Based Employee Benefits) Regulations, 2014.

The disclosures relating to ESOPs required to be made under the provisions of the Companies Act, 2013 and the rules made thereunder and the SEBI (Share Based Employee Benefits) Regulations, 2014 are provided on the website of the Company www.larsentoubro.com.

A certificate obtained from the Statutory Auditors, confirming compliance with the Companies Act, 2013 and the above Regulations is reproduced below :

AUDITORS' CERTIFICATE ON EMPLOYEE STOCK OPTION SCHEMES

We have examined the books of account and other relevant records and based on the information and explanations given to us, certify that in our opinion, the Company has implemented the Employees Stock Option Schemes in accordance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the resolutions of the Company in general meetings held on 26 August 1999, 22 August 2003 and 25 August 2006.

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

FIRDOSH D. BUCHIA
Partner
Mumbai, May 25, 2016 *Membership No.38332*

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

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 Act. The policy provides for adequate safeguards against victimisation of persons who avail the same and provides for direct access to the chairperson of the Audit Committee. The Audit Committee of the Company oversees the implementation of the Whistle-Blower Policy.

The Company has disclosed information about the establishment of the Whistle Blower Policy on its website http://investors.larsentoubro.com/corporategovernance.aspx. During the year, no personnel has been declined access to the Audit Committee, wherever desired.

BUSINESS RESPONSIBILITY REPORTING

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

As per Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a separate section on Business Responsibility Report forms a part of this Annual Report (refer pages 18 to 35).

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

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

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

CONSOLIDATED FINANCIAL STATEMENTS

Your Directors have pleasure in attaching the Consolidated Financial Statements pursuant to Section 129(3) of the Companies Act, 2013 and Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and prepared in accordance with the Accounting Standards prescribed by the Institute of Chartered Accountants of India (ICAI), in this regard.

The Auditors report to the shareholders does not contain any qualification, observation or adverse comment.

SECRETARIAL AUDIT REPORT

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

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

STATUTORY AUDITORS

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

In accordance with provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the Company had appointed them for a period of two years from conclusion of 70th Annual General Meeting till the conclusion of 72nd Annual General Meeting. A proposal for ratifying their appointment from the conclusion of the 71st AGM till the conclusion of the 72nd AGM has been included in the Notice of the ensuing AGM.

In view of the mandatory rotation of auditor requirement and to ensure smooth transition during this period, M/s. Deloitte Haskins & Sells LLP [ICAI Registration No. 117366W/W-100018] was appointed as Statutory Auditors for a period of 5 continuous years from the conclusion of 70th Annual General Meeting till the conclusion of 75th Annual General Meeting of the Company. A proposal for ratifying their appointment from the conclusion of the 71st AGM till the conclusion of the 72nd AGM has been included in the Notice of the ensuing AGM.

Both the Auditors will be jointly and severally responsible during the financial year 2016-17.

Sharp & Tannan and Deloitte Haskins & Sells LLP, have informed the Company that their appointment if made would be within the limits prescribed under Section 141 of the Companies Act, 2013.

The Auditors have confirmed that they have subjected themselves to the peer review process of ICAI and hold valid certificate issued by the Peer Review Board of the ICAI.

The Auditors have also furnished a declaration confirming their independence as well as their arm's length relationship with the Company as well as declaring that they have not taken up any prohibited non-audit assignments for the Company.

REPORTING OF FRAUD

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

COST AUDITORS

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 May 25, 2016, has approved the appointment of M/s R. Nanabhoy & Co., Cost Accountants as the Cost Auditors for the Company for the financial year ending March 31, 2017 at a remuneration of ₹ 11 lakhs.

The Report of the Cost Auditors for the financial year ended March 31, 2016 is under finalization and will be filed with the MCA within the prescribed period.

A proposal for ratification of remuneration of the Cost Auditor for financial year 2016-17 is placed before the shareholders.

ACKNOWLEDGEMENT

Your Directors take this opportunity to thank the customers, supply chain partners, employees, Financial Institutions, Banks, Central and State Government authorities, Regulatory authorities, Stock Exchanges and all the various stakeholders for their continued co-operation and support to the Company. Your Directors also wish to record their appreciation for the continued co-operation and support received from the Joint Venture partners/ Associates.

For and on behalf of the Board

A. M. Naik
Group Executive Chairman
(DIN: 00001514)

Mumbai, May 25, 2016

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:

- Maintaining Plant power factor at more than 99% using Automatic Power Factor Correction Unit to get incentive on Energy bill.
- Replacement of Memco diode based welding machines with zuper arc inverter welding machines at Kancheepuram factory.
- Automation of shop floor, gangway, street lights to prevent energy wastages.
- Process cooling tower fan operation converted from manual mode to Automatic mode operation through low cost automation.
- Compressed air optimization through "Tag your Leak" survey.
- Installation of dedicated portable compressor at under-carriage shop & detachment of air connection from central compressor to save air consumption.
- Conducting awareness campaign, observing 'Walk-to-Work' day on 2nd Saturday of every month at Kansbahal works.
- Reactive power compensation to maintain Power Factor at Unity.
- Maximizing 3rd shift Utilization.
- Auto switching of Plating tanks heaters to eliminate practice of keeping heaters 'ON' in 3rd shift.
- Movement/presence detectors at shop floor.
- VFD Installation for Air Compressor
- Replacement of conventional MH Lamps by LED lamps in working areas at projects as well as for street lights
- Optimizing Working hours reduced from 17 hrs to 9 hrs
- Installation of HVLS Fan
- Auto Timer for Mechanical presses to avoid idle running
- Use of Flood light LED instead of Halogen in campuses
- Retrofitting of LED fixtures in place of CFL Fixtures
- Use of Power Management System for monitoring & control
- Close monitoring of lighting system by providing dedicated team to avoid unwanted lighting power.
- Use of natural cooling during winter
- Synchronization of lifts for effective use
- Optimization of Air Compressor operation by connecting 200 cfm Air Compressor exclusively for Shot Blasting Operation.
- Replacing existing aged inefficient Split AC units with energy efficient units
- Utilization of Chiller for HVAC System – Campus FMD initiated and control the chiller running hour for HVAC need during holidays and extended working hours
- Automation in Galvanizing Furnace in order to maintain constant Air-Fuel Ratio & Maintain working Temperature
- Providing Magnetic Resonators in order to increase the combustion Efficiency of Fuel (LPG).
- Replacement of 20 years old Acid Fumes Blowers (100HPx2Nos.) with Energy Efficient Blowers of 50HPx2Nos with improved suction of Fumes.
- Replacement of rotor resistance controlled starter to Drive controller starter for EOT cranes resulting smooth operation and energy saving.
- Introduction of VSD based compressor
- Conversion of Process cooling tower fan operation from manual mode to automatic mode operation through low cost automation.
- Installation of diffusers and blowers in waste water treatment plants instead of conventional surface aerators, which will lead to energy savings by 12 - 15%.

- Use of photo electric sensors for lighting control in Integrated Urban Utility Projects/Industrial Township Projects.
- Installation of solar street lighting in Integrated Urban Utility Projects/Industrial Township Projects.
- Water conserved compared to previous year & power saved
- Use of Small Solar Generating sets for area and security post lighting. Also few weigh bridges are powered by solar electric generation sets.
- Use of Hybrid Lighting Masts thereby saving on fuel and energy.

(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 at Kancheepuram factory
- Installing Solar panels on Rooftop
- Solar street at ESE campus
- Use of natural lights in cafeteria.
- Solar Panels installed at project sites.
- Power generation through Solar Roof top PV installation.
- Annual Power Generation through 1.5 KW solar system (KWHR) & Solar Stand-alone system
- Shift towards usage of power generated through windmill power

(iii) Capital investment on energy conservation equipments:

- Energy conservation initiatives to be taken in water circulating pumps
- Explore the opportunities for installation of "Stand by Loss" Automation arrangement for critical plant and machinery
- Energy conservation in Air handling units
- Spread awareness campaign for water conservation in line with Energy conservation
- Proposal for replacing all lamps with LED for High mast towers
- Installation of Astronomical intelligent controller for light mast towers
- To replace old welding machines with new machines with inverter technology to reduce no load loss and overall consumption

[B] TECHNOLOGY ABSORPTION:

(i) Efforts made towards technology absorption:

- Various models of semi-mobile skid mounted crushing unit (with Feeder Breaker, Roll Crusher & Impactor) have been developed to meet specific applications for crushing.
- Separation of Sand by air classifier.
- Adaptation of mobile crushing technology.
- Development of new, cost-optimized meter platforms that offer better features, development and integration of modules to facilitate remote communication of meter data over Radio/GSM.
- Development of Pre-Paid Meters, Smart Meters, Protective Relays and Panel Meters.
- Local RMU manufacturing.
- Tie-up with Italian company for L&T branded Solar inverter.
- Strategic alignment with IOmniscient (Australian company) for its video analytics speciality.
- Introduction of "SMART Comm" solution.
- Introduction of 52"Hydraulic Tire Curing Press, 45" Tire Curing Press (TCP), 104" Tire Curing Press and 42" Bladder Curing Press.
- Tyre building machines for Off the road tyres.
- Large Truck radial Multi stage tire building
- Tyre plant Automation Systems.
- Development of newer variants of Wheel Loader and Compactors designed for ease of use, simpler handling and easier maintenance.
- Development of 5.5 M Sensor Asphalt Paver Development.
- Development of Pneumatic Tire Roller & Skid Steer Loaders.
- Indigenization of various components for Rubber Processing Machinery by designing, developing specifications and adapting to international conditions.
- Mechanistic and volumetric evaluation of asphalt layers of major highway projects in India.

- Development of cement grouted bituminous macadam for high speed corridors, expressways, aprons and ports.
- Development of emulsion based cold mixes with recycled aggregates for base and binder courses in highway projects.
- Industrial scale production of stockpile, all weather cold pot-hole mix for infra project sites.
- Development of special testing facility for preformed fillers in rigid pavements.
- Development of alternate curing techniques for conventional concrete.
- Development air cured, no cement Geo-polymer concrete for structural applications.
- Development of high strength (M100) Self-Consolidating Concrete.
- Development of low cement and impermeable Plastic concrete for Dam structures.
- Development of special testing facility for water proofing sealants.
- Development of dry mortar for buildings.
- Development of indigenous cementitious grout for precast application.
- Mechanical Studies on light weight concrete for structural application.
- Development of polymer modified mortar for multilevel carparks.
- Mechanical studies on Grouted bar coupler systems.
- Mechanical studies on special Macalloy and FRP Rebars.
- Development of SCC piles for solar power fields
- Development of smart measuring system for application in construction sites.
- Development of precast sandwich panels for buildings
- Seismic qualification tests on different types of horizontal connections of precast shear wall panels using splice sleeve coupler and corrugated GI dowel tubes.
- Horizontal connection system with stretchable PVC hose for horizontal connection of shear wall panels.
- Project scale production and application of pumpable dry cement mortar at New Delhi.
- Use of special economical mix design of cold mix with RAP as a substitute of conventional DBM layer in Odisha Project.
- Use of in-house developed cold pot-hole mix instead of proprietary products for pavement rectification works in the CMRL project site after the Chennai Floods.
- Use of in-house developed self-compacting concrete in pile foundations of major 3 solar power projects of Tamil Nadu and Andhra Pradesh.
- Use of impermeable plastic concrete in Dam project, Andhra Pradesh.
- Release of a comprehensive handbook on precast construction for buildings to promote mass buildings with latest, time and cost effective precast concrete technology.
- Rectification of distressed concrete structure due to chemical fumes through special SCC.
- Application of light weight concrete in institutional buildings.
- Combustion air Blower control through Drive at Galvanizing by replacing the starter with drive control (VFD) so as to adjust motor speed according to the requirements.
- Magnetic resonators – for Streamlining LPG flow and reducing the consumption (at galvanizing) through Installation of Magnetic resonators in order to increase the combustion Efficiency of Fuel (LPG).
- Testing of a tower of height 101.3 metres and voltage rating of 380kV for a utility client in Saudi Arabia which stands as the tallest tower tested in India as on date.
- Installation of Pressure Transducer in Airline through Pressure Transducer and VFD control Air Pressure by modifying the electrical circuit, utilizing feedback of Transducer to control the RPM of Motor through VFD and maintaining

constant line pressure of 6 bar in Airline by controlling the Motor RPM.

- Automatic air fuel ratio & temperature control of galvanizing furnace through Human Machine Interface (HMI) system which comprise automatic LPG flow control valve, VFD controlled Combustion Air Blower, VFD controlled Flue Gas Blower & Temperature sensors
- Developing in-house design of 70m high reinforced earth wall for Kannur International Airport project.
- Mechanization of track laying implemented for faster progress of work and better quality with reduced workforce
- In-house Ballast less track design being successfully implemented.
- Simulation in Design through initiated adoption of the e-trax Simulation Software for design, analysis, optimization, operation & automation of AC railway traction power systems
- In-house 3D modelling of Traction Power System using AutoCAD software for electrical clearance study of traction system
- Automatic Generation of OHE Construction & Traction Supply Control Post Drawing and Bill of Material using Bentley-Power Rail V8i software thereby reduction of 50% of man-days as compared to conventional method and achieving 100% accuracy.
- Use of renewable energy for powering CCTV cameras, on pilot basis, by integration of solar photovoltaic modules with junction poles at Mumbai City Surveillance Project.
- Development of an Innovative Test Lab as part of a larger Center of Excellence for testing software applications at Mumbai.
- Development of printed circuit switch board for CNC Gas cutting machine & assembly of components done in-house.
- Indigenous development of rewinding process for High frequency grinders for AG7 Model of Fein & Bosch makes.
- Servicing of Chopper assembly which is a major spare in Hypertherm power source imported from Germany by replacing alternate indigenous spares.
- Introduction of Automatic loading system of 12m ISMC channels in Section shearing machine.
- Introduction of Common Heater arrangement and single stage regulator in CO2 gas manifold system to reduce the gas consumption.
- Implementation of Electrically adjustable inverter feed drive instead of mechanical variation system
- Installation of Impregnate Painting System for Timber Beam
- Development of De-coiling machine unloading rack opening automation.
- Development of Prima 12R & Prima 13 Plus machine fixed blade modified with split type to reduce the cost and material.
- Modification and fixing angular plates through use of triangular and rectangular rings to avoid damage.
- Water consumption reduced to arrest the leakage and unwanted usage. (E,g. we reduce the water consumption 1,32,000 litres per month compare to previous year)
- Modified the Prima 12 R machine Bending gear intermediate gear to avoid the frequent breakdown and also reduced cost.
- Development of Boom Cylinder locking system in Pick and Carry crane to avoid the frequent breakdown and oil leakage.
- Use of Modular Construction Technology in Nuclear Power Plant Construction
- Modular construction technology is being adopted for the erection of 6mm thick carbon steel liner panels for IC wall and top dome lining for Kakrapar Nuclear Power Plant in Gujarat. This technology reduced the project duration leading to early commissioning.
- Development and use of Hinged Launching Girder in metro rail project.
- A segmental bridge launching girder with hinge mechanism has been developed and adopted in metro construction projects. This Launching girder is capable of erecting bridges in congested urban environment with sharp radius of curvature (radius up to 130m) without need for ground supports and thus leading to efficient design and

construction with least disturbance to existing traffic flow.

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

- Development of new range of products (Sand Plant) to meet specific application requirement for crushing.
- Development of printed circuit switch board for CNC Gas cutting machine & assembly of components done in-house.
- Indigenous development of rewinding process for High frequency grinders for AG7 Model of Fein & Bosch makes.
- Introduction of new products like New 1-phase Meter with IrDA, 3-Phase Meter with IrDA, 1-Phase Pre-Paid Meter (Taurus), 3-phase Pre-Paid Meter (Atria), 1-Phase Smart Meter (Aurora), 3-Phase Smart Meter (Regor), 3-Phase Digital Panel Meter (Nova) , New Trip Supervision Relay (TCS01-nX) & Motor Protection Relay (MPR200).
- Introduction of L&T's Outdoor Compact substation- N-Qube following Franchisee model.
- Introduction of a new variant to the GIS (Gas insulated switchgear) family.
- Continuous product development in the switchgear business at its various Department of Scientific & Industrial Research, Ministry of Science & Technology accredited R&D facilities in India and filing 114 Patent, 12 Trademark, 37 Design and 1 Copyright applications in India and 2 foreign patent applications.
- Expansion of switchgear product range and offerings to the infrastructure sector.
- Identification of major causes of pre-mature failure of asphalt layers of pavements and suggesting suitable preventive and rectification techniques.
- Development of in-house developed stockpile, all weather cold pot-hole mix which was 25% cheaper than any proprietary product available in the market.
- Use of Cement grouted bituminous macadam as a cost effective and durable solution to many pavement related issues like rutting, pot holes, cracking, etc.
- Use of Emulsion based cold mixes with Reclaimed Asphalt Pavement materials as they are more environmental friendly over conventional bituminous mixes.
- Use of alternate curing techniques to reduce/ eliminate the usage of water for concrete curing.
- Use of Geo polymer concrete which ensures elimination of cement from construction activities.
- Use of the high strength self-consolidation concrete is very essential for high rise building and congested reinforced section especially in girders and segment of metro rail projects.
- Use of in-house developed pumpable dry mortar which is found to be 40% cheaper than proprietary products.
- Use of economical indigenous developed testing gadgets as worthy substitutes for costly foreign imports.
- Economical and cost effective piles in solar projects thus saving time.
- Alternate and economical connection systems connections of precast shear wall panels
- Stretchable PVC hose for horizontal connection of shear wall panels is cost effective and construction friendly
- Use of Fixed-Bed Biofilm Activated Sludge (FBAS) in Bhatpara Wastewater Treatment Plant, West Bengal. The plant has better aesthetics as the reactor is covered by the plant racks. The plant also has smaller carbon foot print and lower operating cost.
- Implementation of Ultra Violet (UV) disinfection system for secondary treated wastewater. This is preferred over the conventional chlorination system which has harmful side effects due to the presence of carcinogens in residual chlorine.
- Use of Vortex Grit Removal in Sewage Treatment Plant which is preferred over the conventional grit removal system for its high grit
- Stopping the loading & unloading function of Air Compressor.

(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)	Cone Crusher from ARD (UK)	2015-16	Under absorption - The technology transfer for manufacturing and application of cone crusher is underway. Cone crushers as per ARD technology are to be manufactured and put into operation for testing and experiment.
b)	Dry Sand Making Systems, Air Screens, Vertical Shaft Impactors (VSI) and Jaw Crushers (STJ) from KEMCO, Japan.	2013-14	Manufacturing Technology of Sand Plant has been absorbed. Application technology is in the process of absorption. Sand manufacturing plant is under manufacturing now. It is to be installed and operation is to be studied for Indian crusher dust.

(iv) Expenditure incurred on Research & Development:

₹ crore

	2015-16
Capital	53.93
Recurring	149.62
Total	**203.55**
Total R&D expenditure as a percentage of total turnover	0.34%

[C] FOREIGN EXCHANGE EARNINGS AND OUTGO:

₹ crore

	2015-16
Foreign Exchange earned	11089.03
Foreign Exchange saved/deemed exports	916.28
Total	**12005.31**
Foreign Exchange used	11284.10

Annexure 'B' to the Directors' Report

A. CORPORATE GOVERNANCE

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

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

B. COMPANY'S CORPORATE GOVERNANCE PHILOSOPHY

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

C. THE GOVERNANCE STRUCTURE

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

(i) **Strategic Supervision –** by the Board of Directors comprising the Executive Directors, Non-Executive Directors and Independent Directors.

(ii) **Executive Management –** by the Corporate Management comprising of the Group Executive Chairman, the Deputy Managing Director, 4 Executive Directors, 1 Non-Executive Director, 3 Senior Managerial Personnel and one Advisor to the Chairman.

(iii) **Strategy & Operational Management –** by the Independent Company Boards of each Independent Company (IC) comprising of representatives from the Company Board, Senior Executives from the IC and independent members.

(iv) **Operational Management –** by the Business Unit (BU) Heads.

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

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

a. Board of Directors (the Board):

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

b. Executive Management Committee (EMC):

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

c. Group Executive Chairman (GEC):

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

d. Executive Directors (ED)/Senior Management Personnel:

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

e. Non-Executive Directors (NED)/Independent Directors:

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

f. Independent Company Board (IC Board):

As a part of Lakshya 2016, the Company developed an Organisation Structure to include Hybrid Holding Company. Accordingly, 10 Independent Companies (ICs) (not legal entities) were created. These ICs are managed by their internal "Board" comprising of Senior Executives, Non-Executive Director/Independent Director of the Company's Board and 2-3 Independent external Members. This structure has enabled the Company to empower people and achieve substantial growth in the business.

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

E. BOARD OF DIRECTORS

a. Composition of the Board:

The Company's policy is to have an appropriate mix of Executive, Non-Executive & Independent Directors. As on March 31, 2016, the Board comprised of the Group Executive Chairman, the Deputy Managing Director & President, 4 Executive Directors, 4 Non-Executive Directors (3 representing financial institutions) and 10 Independent Directors. The composition of the Board, as on 31st March, 2016, is in conformity with the provisions of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 in this respect.

b. Meetings of the Board:

The Meetings of the Board are generally held at the Registered Office of the Company at L&T House, Ballard Estate, Mumbai - 400 001 and also if necessary, in locations, where the Company operates. The Meetings of the Board have been held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings. During the year under review, 9 meetings were held on April 3, 2015, April 4, 2015, May 2, 2015, May 30, 2015, May 31, 2015, July 31, 2015, September 21, 2015, October 30, 2015 and January 29, 2016.

The Independent Directors held two meetings during the financial year on July 30, 2015 and September 21, 2015 primarily to discuss succession planning and functioning of the ICs and the IC Boards.

The Independent Directors also met on April 11, 2016 to discuss the performance evaluation of the Board, Committees, Chairman and the individual Directors.

The Company Secretary prepares the agenda and the explanatory notes, in consultation with the Group Executive Chairman and circulates the same in advance to the Directors. Every Director is free to suggest

inclusion of items on the agenda. The Board meets at least once every quarter, inter alia, to review the quarterly results. Additional Meetings are held, when necessary. Presentations are made on business operations to the Board by Independent Company/Business Units. Senior management personnel are invited to provide additional inputs for the items being discussed by the Board of Directors as and when necessary. The Minutes of the proceedings of the Meetings of the Board of Directors are noted and the draft minutes are circulated amongst the Members of the Board for their perusal. Comments, if any, received from the Directors are also incorporated in the Minutes, in consultation with the Group Executive Chairman. Thereafter the minutes are signed by the Chairman of the Board at the next meeting.

The following is the composition of the Board of Directors as on March 31, 2016. Their attendance at the Meetings during the year and at the last Annual General Meeting is as under:

Name of Director	Category	Meetings held during the year	No of Board Meetings attended	Attendance at last AGM
Mr. A. M. Naik	GEC	9	9	YES
Mr. K. Venkataramanan @	CEO & MD	7	6	YES
Mr. M. V. Kotwal #	ED	6	6	YES
Mr. S. N. Subrahmanyan*	DMD	9	8	NO
Mr. R. Shankar Raman	ED	9	9	YES
Mr. Shailendra Roy	ED	9	9	YES
Mr. D. K. Sen $	ED	2	2	NA
Mr. M. V. Satish %	ED	1	1	NA
Mr. M. M. Chitale	ID	9	9	YES
Mr. Subodh Bhargava	ID	9	9	NO
Mr. M. Damodaran	ID	9	8	NO
Mr. Vikram Singh Mehta	ID	9	8	YES
Mr. Sushobhan Sarker (Note 1)	NED	9	8	YES
Mr. Adil Zainulbhai	ID	9	8	YES
Mr. Akhilesh Gupta	ID	9	8	NO
Mr. Bahram Vakil	ID	9	4	NO
Mr. Swapan Dasgupta (Note 2)!	NED	9	9	NO
Mrs. Sunita Sharma (Note 1)	NED	9	7	YES
Mr. Thomas Mathew T.	ID	9	9	YES
Mr. Ajay Shankar	ID	5	5	YES
Mr. Subramanian Sarma &	NED	3	3	NO
Ms.Naina Lal Kidwai^	ID	–	–	NA

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

Note: 1. Representing equity interest of LIC
2. Representing equity interest of SUUTI

& appointed as a Director w.e.f. 19.08.2015
@ retired as a director w.e.f. 30.09.2015
$ appointed as a Director w.e.f. 01.10.2015
^ appointed as a Director w.e.f. 01.03.2016

retired as a director w.e.f. 26.08.2015
* Whole-time Director upto 30.09.2015 and appointed as DMD w.e.f. 01.10.2015
% appointed as a Director w.e.f. 29.01.2016
! ceased to be a Director w.e.f 15.05.2016

GEC – Group Executive Chairman
ED – Executive Director
NED – Non-Executive Director

DMD - Deputy Managing Director & President
CEO & MD – Chief Executive Officer and Managing 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 25 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

As on March 31, 2016, the number of other Directorships & Memberships/Chairmanships of Committees of the Board of Directors are as follows:

Name of Director	No of other company Directorships	No. of Committee Membership	No. of Committee Chairmanship
Mr. A. M. Naik	3	–	–
Mr. S. N. Subrahmanyan	3	–	–
Mr. R. Shankar Raman	9	7	–
Mr. Shailendra Roy	9	3	–
Mr. D. K. Sen	1	–	–
Mr. M. V. Satish	–	–	–
Mr. M. M. Chitale	9	3	4
Mr. Subodh Bhargava	7	3	1
Mr. M. Damodaran	4	5	2
Mr. Vikram Singh Mehta	6	1	–
Mr. Sushobhan Sarker	2	2	–
Mr. Adil Zainulbhai	7	2	2
Mr. Akhilesh Gupta	1	–	–
Mr. Bahram Vakil	5	4	–
Mr. Swapan Dasgupta@	1	1	–
Mrs. Sunita Sharma	6	1	2
Mr. Thomas Mathew T.	4	2	–
Mr. Ajay Shankar	1	1	–
Mr. Subramanian Sarma	1	–	–
Ms. Naina Lal Kidwai	2	2	–

@ ceased to be a Director w.e.f May 15, 2016

- Committee memberships include memberships of Audit Committee and Stakeholders' Relationship Committee in all public limited companies (whether listed or not) and excludes private limited companies, foreign companies and Section 8 companies.
- The Committee Chairmanships/Memberships are within the limits laid down in Regulation 26 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

c. Information to the Board:

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

- Annual revenue budgets and capital expenditure plans
- Quarterly results and results of operations of ICs and business segments
- Financing plans of the Company
- Minutes of meeting of Board of Directors, Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee
- Details of any joint venture, acquisitions of companies or collaboration agreement
- Quarterly report on fatal or serious accidents or dangerous occurrences, any material effluent or pollution problems
- Any materially relevant default, if any, in financial obligations to and by the Company or substantial non-payment for goods sold or services rendered, if any
- Any issue, which involves possible public or product liability claims of substantial nature, including any Judgment or Order, if any, which may have strictures on the conduct of the Company

- Developments in respect of human resources
- Compliance or Non-compliance of any regulatory, statutory nature or listing requirements and investor service such as non-payment of dividend, delay in share transfer, etc., if any

d. Post-meeting internal communication system:

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

F. BOARD COMMITTEES

The Board currently has 5 Committees: 1) Audit Committee, 2) Nomination & Remuneration Committee, 3) Stakeholders' Relationship Committee, 4) Corporate Social Responsibility Committee and 5) Risk Management Committee. The terms of reference of the Board Committees are governed by relevant legislation and/or determined by the Board from time to time. The Board is responsible for constituting, assigning and co-opting the members of the Committees. The meetings of each Board Committee are convened by the Company Secretary in consultation with the respective Committee Chairman. The role and composition of these Committees, including the number of meetings held during the financial year and the related attendance are provided below.

1) Audit Committee

i) Terms of reference:

The role of the Audit Committee includes the following:

- 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 Directors' Responsibility Statement to be included 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.
- 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, frequency and performance 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 & background, etc. of the candidate.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- The recommendation for appointment, remuneration and terms of appointment of 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.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the company, wherever necessary.
- Evaluation of internal financial controls and risk management systems.
- Monitoring the end use of funds raised through public offers and related matters.

Minutes of the Audit Committee Meetings are circulated to the Board of Directors and discussed, if necessary.

ii) Composition:

The Audit Committee of the Board of Directors was formed in 1986 and as on March 31, 2016 comprised three Independent Directors and 1 Non-Executive Director.

iii) Meetings:

During the year ended March 31, 2016, 8 meetings of the Audit Committee were held on April 11, 2015, May 29, 2015, July 31, 2015, October 29, 2015, November 7, 2015, January 28, 2016, February 15, 2016 and March 18, 2016.

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

The attendance of Members at the Meetings was as follows:

Name	Status	No. of meetings during the year	No. of Meetings Attended
Mr. M. M. Chitale	Chairperson	8	8
Mr. M. Damodaran	Member	8	8
Mr. Akhilesh Gupta #	Member	3	2
Mr. Sushobhan Sarker	Member	8	6
Mr. Bahram Vakil @	Member	5	0

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

ceased to be a member w.e.f. 31.07.2015

@ appointed as a member w.e.f.31.07.2015

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

The Whole-time Director & Chief Financial Officer and Internal Auditor are permanent invitees to the Meetings of the Audit Committee. The Company Secretary is the Secretary to the Committee.

iv) Internal Audit:

The Company has an internal corporate audit team consisting of Chartered Accountants, Cost Accountants and Engineers. Over a period of time, the Corporate Audit department has acquired in-depth knowledge about the Company, its businesses, its systems & procedures, which knowledge is now institutionalized. The Company's Internal Audit function is ISO 9001:2008 certified. The Head of Corporate Audit Services is responsible to the Audit Committee. The staff of Corporate Audit department is rotated periodically.

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

2) Nomination & Remuneration Committee (NRC)

i) Terms of reference:

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

ii) Composition:

The Committee has been in place since 1999. As at March 31, 2016, the Committee comprised of 3 Independent Directors and the Group Executive Chairman.

iii) Meetings:

During the year ended March 31, 2016, 7 meetings of the Nomination & Remuneration Committee were held on April 3, 2015, May 30, 2015, July 31, 2015, September 21, 2015, October 30, 2015, January 29, 2016 and February 23, 2016.

The attendance of Members at the Meetings was as follows:

Name	Status	No. of meetings during the year	No. of Meetings Attended
Mr. Subodh Bhargava	Chairperson	7	7
Mr. A. M. Naik	Member	7	7
Mr. Adil Zainulbhai	Member	7	6
Mr. Thomas Mathew T. $	Member	6	6

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

$ appointed as a member w.e.f. 03.04.2015

iv) Board Membership Criteria:

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

While evaluating the suitability of a Director for re-appointment, besides the above criteria, the NRC considers the past performance, attendance & participation

in and contribution to the activities of the Board by the Director.

The Independent Directors comply with the definition of Independent Directors as given under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. 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 Regulation 16(1)(b) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

All the Independent Directors give a certificate confirming that they meet the "independence criteria" as mentioned in Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

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

v) Remuneration Policy

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

The Company pays remuneration to Executive Directors by way of salary, perquisites & retirement benefits (fixed components) & commission (variable component), based on recommendation of the NRC, approval of the Board and the shareholders. The commission payable is based on the performance of the business/ function as well as qualitative factors. The commission is calculated with reference to net profits of the Company in the financial year subject to overall ceilings stipulated under Section 197 of the Companies Act, 2013.

The Independent Directors/Non-Executive Directors are paid remuneration by way of commission & sitting fees. The Company pays sitting fees of ₹ 50,000 per meeting of the Board and ₹ 25,000 per meeting of the Committee to the Independent Directors/ Non-Executive Directors for attending the meetings of the Board & Committees. The commission is paid subject to a limit not exceeding 1% p.a. of the profits of the Company as approved by shareholders (computed in accordance with Section 197 of the Companies Act, 2013).

The commission to 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 (Listing Obligations & Disclosure Requirements) Regulations, 2015, the criteria for payment to Independent Directors/Non-Executive Directors is made available on the investor page of our corporate website www.larsentoubro.com

Performance Evaluation Criteria for IDs:

The performance evaluation questionnaire covers specific criteria with respect to the Board & Committee composition, structure, culture, effectiveness of the Board and Committees, functioning of the Board and Committees, information availability, etc. It also contains specific criteria for evaluating the Chairman and individual Directors.

vi) Details of remuneration paid/payable to Directors for the year ended March 31, 2016:

(a) Executive Directors:

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

₹ crore

Names	Salary	Perquisites	Retirement Benefits	Commission
Mr. A. M. Naik	3.58	38.85	5.75	17.96
Mr. K. Venkataramanan@	14.73	2.77	22.43	3.37

₹ crore

Names	Salary	Perquisites	Retirement Benefits	Commission
Mr. M. V. Kotwal#	8.58	0.84	15.35	1.82
Mr. S. N. Subrahmanyan	1.63	7.53	3.06	9.90
Mr. R. Shankar Raman	1.38	3.23	2.18	6.90
Mr. Shailendra N. Roy	1.15	3.03	1.47	4.40
Mr. D. K. Sen$*	0.44	0.06	0.69	2.11
Mr. M. V. Satish%*	0.15	0.05	0.24	0.73

The above amounts include gratuity, leave encashment, perquisite on ESOP allotment and tax on ESOPs borne by employer

retired as a director w.e.f. 26.08.2015
@ retired as a director w.e.f. 30.09.2015
$ appointed as a Director w.e.f. 01.10.2015
% appointed as a Director w.e.f. 29.01.2016
* remuneration after assuming office as Director

- Notice period for termination of appointment of Deputy 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.

(b) Non-Executive Directors:

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

₹ crore

Names	Sitting Fees for Board Meeting	Sitting Fees for Committee Meeting	Commission	Total
Mr. M. M. Chitale	0.045	0.020	0.455	0.520
Mr. Subodh Bhargava	0.045	0.017	0.555	0.618
Mr. M. Damodaran	0.040	0.020	0.375	0.435
Mr. Vikram Singh Mehta	0.040	0.010	0.352	0.402
Mr. Sushobhan Sarker	0.040	0.015	0.229*	0.284
Mr. Adil Zainulbhai	0.040	0.015	0.435	0.490
Mr. Akhilesh Gupta	0.040	0.005	0.198	0.243
Mr. Bahram Vakil	0.020	NIL	0.067	0.087
Mr. Swapan Dasgupta@	0.045	–	0.150*	0.195
Ms. Sunita Sharma	0.035*	0.005*	0.127*	0.167
Mr. Thomas Mathew T.	0.045	0.015	0.320	0.380
Mr. Ajay Shankar	0.025	0.005	0.205	0.235
Mr. Subramanian Sarma	NIL	NIL	NIL	NIL
Ms. Naina Lal Kidwai	–	–	–	–

* Payable to respective Institutions they represent.
@ ceased to be a Director w.e.f May 15, 2016

Details of shares and convertible instruments held by the Independent Directors/Non-Executive Directors as on March 31, 2016 are as follows:

Names	No. of Shares held
Mr. M. M. Chitale	1,629
Mr. Subodh Bhargava	750
Mr. M. Damodaran	150
Mr. Vikram Singh Mehta	885
Mr. Sushobhan Sarker *	150
Mr. Adil Zainulbhai	100
Mr. Akhilesh Gupta	200
Mr. Bahram Vakil	4,441
Mr. Thomas Mathew T.	100
Mr. Subramanian Sarma$	100
Mr. Swapan Dasgupta *@	100
Ms. Sunita Sharma *	100
Mr. Ajay Shankar	100
Ms. Naina Lal Kidwai	100

* held jointly with the Institution they represent
$ 84,000 stock options were granted during the year
@ ceased to be a Director w.e.f May 15, 2016

3) Stakeholders' Relationship Committee (SRC):

i) Terms of reference:

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

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

ii) Composition:

As on March 31, 2016, the Stakeholders' Relationship Committee comprised of 1 Non-Executive Director, 1 Independent Director and 1 Executive Director.

iii) Meetings:

During the year ended March 31, 2016, 4 meetings of the Stakeholders' Relationship Committee were held on May 30, 2015, July 31, 2015, October 30, 2015 and January 29, 2016.

The attendance of Members at the Meetings was as follows-

Name	Status	No. of meetings during the year	No. of Meetings Attended
Ms. Sunita Sharma	Chairperson	4	2
Mr. Ajay Shankar #	Member	2	2
Mr. Shailendra Roy	Member	4	4
Mr. S. N. Subrahmanyan @	Member	2	2

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

@ ceased to be a member w.e.f. 21.09.2015

appointed as a member w.e.f. 21.09.2015

Mr. N. Hariharan, Company Secretary is the Compliance Officer.

iv) Number of Requests/Complaints:

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

During the year, the Company/its Registrar's received the following complaints from SEBI/Stock Exchanges and queries from shareholders, which were resolved within the time frames laid down by SEBI.

Particulars	Opening Balance	Received	Resolved	Pending*
Complaints:				
SEBI/Stock Exchange	1	50	49	2
Shareholder Queries:				
Dividend Related	174	7899	7632	441
Transmission/ Transfer	22	988	1007	3
Demat/Remat	2	64	66	0

* Investor queries shown outstanding as on March 31, 2016 have been subsequently resolved. The substantial increase in number of queries is on account of the Company's repeated reminders to shareholders regarding unclaimed shares and dividends.

The Board has delegated the powers to approve transfer of shares to a Share Transfer Committee of Executives comprising of four Senior Executives. This Committee held 48 meetings during the year and approved the transfer of shares lodged with the Company.

4) Corporate Social Responsibility Committee (CSR Committee):

i) Terms of reference:

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

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

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

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

ii) Composition:

As on March 31, 2016, the CSR Committee comprised of 1 Independent Director and 2 Executive Directors.

iii) Meetings:

During the year ended March 31, 2016, 4 meetings of the CSR Committee were held on April 7, 2015, June 30, 2015, December 11, 2015 and March 22, 2016.

The attendance of the Members at the Meetings was as follows-

Name	Status	No. of meetings during the year	No. of Meetings Attended
Mr. Vikram Singh Mehta	Chairperson	4	4
Mr. M. V. Kotwal @	Member	2	2
Mr. R. Shankar Raman	Member	4	4
Mr. D. K. Sen%	Member	2	2

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

@ ceased to be a member w.e.f. 26.08.2015

% appointed as a member w.e.f. 01.10.2015

G. OTHER INFORMATION

a) Directors' Familiarisation Programme:

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

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

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.

This information is also available on the website of the Company www.larsentoubro.com.

b) Information to directors:

The Board of Directors has complete access to the information within the Company, which inter alia, includes items as mentioned on Pages 80 to 81 in this Annexure to the Directors' Report.

Presentations are made regularly to the Board/ NRC/Audit Committee (AC) (minutes of AC, NRC, SRC and CSR Committee are circulated to the Board), where Directors get an opportunity to interact with senior managers. Presentations, inter alia, cover business strategies, management structure, HR policy, management development and succession planning, quarterly and annual results, budgets, treasury policy, review of Internal Audit, risk management framework, operations of subsidiaries and associates, etc.

Independent Directors have the freedom to interact with the Company's management. Interactions happen during Board/Committee meetings, when senior company personnel are asked to make presentations about performance of their Independent Company/Business Unit, to the Board. Such interactions also happen when these Directors meet senior management in IC meetings and informal gatherings.

c) Risk Management Framework:

Please refer to Page 66 of the Board Report.

d) Vigil Mechanism/Whistle Blower Policy :

Please refer to Page 69 of the Board Report.

e) Statutory Auditors:

Please refer to Page 70 of the Board Report.

f) 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 Group Executive Chairman 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.

A. M. Naik
Group Executive Chairman

Date: May 25, 2016
Place: Mumbai

g) General Body Meetings:

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

Financial Year	Date	Time
2014-2015	September 9, 2015	3.00 p.m.
2013-2014	August 22, 2014	3.00 p.m.
2012-2013	August 22, 2013	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 September 9, 2015:

- To approve raising of capital through QIP's by issue of shares/convertible debentures/ securities upto an amount of USD 600 million or ₹ 3600 crore.
- To approve raising of debentures upto ₹ 6000 crore.

Annual General Meeting held on August 22, 2014:

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

Annual General Meeting held on August 22, 2013:

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

h) Disclosures:

1. During the year, there were no transactions of material nature with the Directors or the Management or relatives or the related parties that had potential conflict with the interests of the Company.
2. Details of all related party transactions form a part of the accounts as required under AS 18 and the same are given on pages 274 to 287 of the Annual Report.
3. The Company has followed all relevant Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 while preparing the Financial Statements.
4. The Company makes presentations to Institutional Investors & Equity Analysts on the Company's performance on a quarterly basis. The same is also available on our website www.larsentoubro.com.
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 policy for determining material subsidiaries and related party transactions is available on our website www.larsentoubro.com.
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 217 to 219 of the Annual Report.

i) Means of communication:

Financial Results	Quarterly & Annual Results are published in prominent daily newspapers viz. The Financial Express, The Hindu Business Line & Loksatta. The results are also posted on the Company's website: www.larsentoubro.com.
News Releases	Official news releases are sent to stock exchanges as well as displayed on the Company's website: www.larsentoubro.com.
Website	The Company's corporate website www.larsentoubro.com provides comprehensive information about its portfolio of businesses. Section on "Investors" serves to inform and service the Shareholders allowing them to access information at their convenience. 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 and Accounts of the Company and subsidiaries are available in downloadable formats. The entire Annual Report and Accounts of the Company will also be made available on the websites of the Stock Exchanges.
Filing with Stock Exchanges	Information to Stock Exchanges is now being also filed online on NEAPS for NSE and BSE Online for BSE.
Annual Report	Annual Report is circulated to all the members and all others like auditors, debenture trustee, secretarial auditor, equity analysts, etc.
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 displayed on the website.

B. UNCLAIMED SHARES

The Company does not have any unclaimed shares 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 (Listing Obligations & Disclosure Requirements) Regulations, 2015, 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. The balance unclaimed share certificates will be transferred to the Unclaimed Suspense Account as required under the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 shortly.

The eligible shareholders are entitled to claim the shares from the said account upon giving necessary documents.

C. GENERAL SHAREHOLDERS' INFORMATION

a) Annual General Meeting:

The Annual General Meeting of the Company has been convened on Friday, August 26, 2016 at Birla Matushri Sabhagar, Marine Lines, Mumbai – 400 020 at 3.00 p.m.

b) Financial calendar:

1. Annual Results of 2015-16	May 25, 2016
2. Mailing of Annual Reports	Third week of July, 2016
3. First Quarter Results	During the last week of July 2016 *
4. Annual General Meeting	August 26, 2016
5. Payment of Dividend	August 30, 2016
6. Second Quarter results	During last week of October 2016 *
7. Third Quarter results	During last week of January 2017 *

* Tentative

c) Book Closure:

The dates of Book Closure are from Saturday, August 20, 2016 to Friday, August 26, 2016 (both days inclusive) to determine the members entitled to the dividend for 2015-2016.

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 traded on London Stock Exchange.

e) Listing Fees to Stock Exchanges:

The Company has paid the Listing Fees for the year 2016-2017 to the above Stock Exchanges.

f) Custodial Fees to Depositories:

The Company has paid custodial fees for the year 2016-2017 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

g) Stock Code/Symbol:

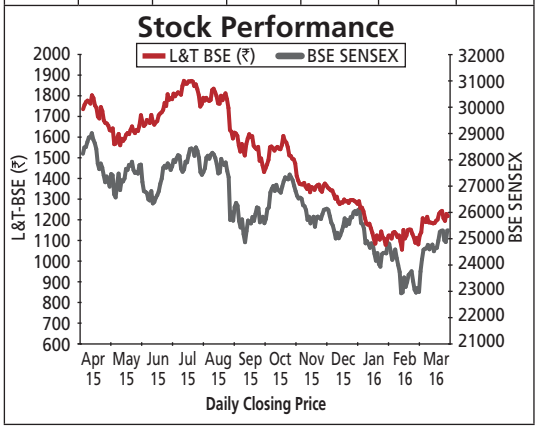
The Company's equity shares/GDRs are listed on the following Stock Exchanges and admitted for trading in London Stock Exchange:

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

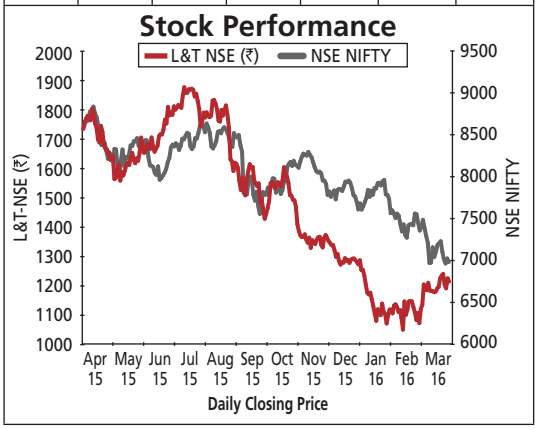
The Company's shares constitute a part of BSE 30 Index of the BSE Limited as well as NIFTY Index of the National Stock Exchange of India Limited.

h) Stock market data for the year 2015-2016:

Month	L&T BSE Price (₹)			BSE SENSEX		
	High	Low	Month Close	High	Low	Month Close
2015						
April	1820.00	1626.75	1632.50	29094.61	26897.54	27011.31
May	1668.35	1545.35	1655.35	28071.16	26423.99	27828.44
June	1816.90	1642.10	1782.75	27968.75	26307.07	27780.83
July	1886.25	1741.05	1789.55	28578.33	27416.39	28114.56
August	1844.15	1575.00	1605.30	28417.59	25298.42	26283.09
September	1630.00	1413.15	1466.70	26471.82	24833.54	26154.83
October	1610.40	1400.00	1411.15	27618.14	26168.71	26656.83
November	1404.00	1325.55	1374.05	26824.30	25451.42	26145.67
December	1383.00	1265.50	1275.65	26256.42	24867.73	26117.54
2016						
January	1291.25	1070.00	1102.20	26197.27	23839.76	24870.69
February	1174.65	1016.60	1079.25	25002.32	22494.61	23002.00
March	1248.15	1081.00	1216.20	25479.62	23133.18	25341.86



Month	L&T NSE Price (₹)			NIFTY		
	High	Low	Month Close	High	Low	Month Close
2015						
April	1819.95	1625.60	1631.30	8844.80	8144.75	8181.50
May	1669.75	1543.60	1654.45	8489.55	7997.15	8433.65
June	1817.00	1643.00	1782.80	8467.15	7940.30	8368.50
July	1888.00	1737.85	1791.25	8654.75	8315.40	8532.85
August	1844.20	1575.00	1602.90	8621.55	7667.25	7971.30
September	1629.60	1412.35	1466.25	8055.00	7539.50	7948.90
October	1610.00	1400.00	1410.75	8336.30	7930.65	8065.80
November	1404.00	1326.00	1374.60	8116.10	7714.15	7935.25
December	1382.90	1264.50	1275.45	7979.30	7551.05	7946.35
2016						
January	1291.00	1069.10	1101.65	7972.55	7241.50	7563.55
February	1174.95	1016.05	1076.00	7600.45	6825.80	6987.05
March	1249.00	1081.00	1216.70	7777.60	7035.10	7738.40



i) Registrar and Share Transfer Agents (RTA):

Till 31st May 2016:

Sharepro Services (India) Private Limited,
Unit : Larsen & Toubro Limited
Samhita Warehousing Complex,
Bldg. No.13 A B, 2nd Floor,
Off Sakinaka Telephone Exchange Lane,
Andheri – Kurla Road, Sakinaka,
Mumbai – 400 072.

From 1st June 2016:

Karvy Computershare Pvt. Ltd.
Karvy Selenium Tower B, Plot 31-32,
Gachibowli, Financial District, Nanakramguda,
Hyderabad, Telengana - 500 032

j) Share Transfer System:

The share transfer activities under physical mode are carried out by the RTA. Shares in physical mode which are lodged for transfer are processed and returned within the stipulated time. The share related information is available online.

Physical shares received for dematerialization are processed and completed within a period of 21 days from the date of receipt. Bad deliveries are promptly returned to Depository Participants (DP's) under advice to the shareholders.

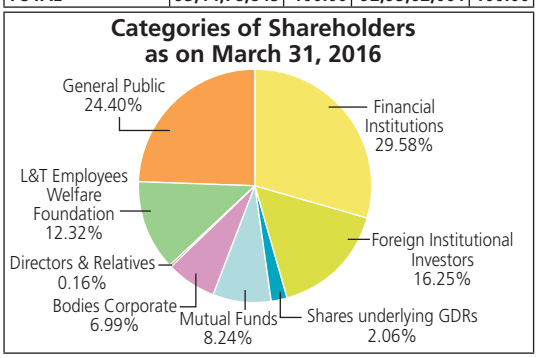
As required under Regulation 40 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a certificate on half yearly basis confirming due compliance of share transfer formalities by the Company from Practicing Company Secretary has been submitted to Stock Exchanges within stipulated time.

k) Distribution of Shareholding as on March 31, 2016:

No. of Shares	Shareholders		Shareholding	
	Number	%	Number	%
Upto 500	9,53,125	92.67	7,58,02,734	8.14
501 – 1000	41,339	4.02	2,93,65,987	3.15
1001 – 2000	18,779	1.83	2,64,24,188	2.84
2001 – 3000	5,857	0.57	1,45,49,239	1.56
3001 – 4000	2,468	0.24	86,04,177	0.92
4001 – 5000	1,540	0.15	69,57,960	0.75
5001 – 10000	2,851	0.28	1,98,17,891	2.13
10001 & ABOVE	2,581	0.25	74,99,56,669	80.51
TOTAL	**10,28,540**	**100.00**	**93,14,78,845**	**100.00**

l) Categories of Shareholders is as under:

Category	31.03.2016		31.03.2015	
	No. of Shares	%	No. of Shares	%
Financial Institutions	27,55,72,334	29.58	28,00,34,611	30.12
Foreign Institutional Investors	15,13,62,292	16.25	15,61,72,982	16.80
Shares underlying GDRs	1,92,13,684	2.06	2,12,66,473	2.29
Mutual Funds	7,67,74,808	8.24	5,44,05,173	5.85
Bodies Corporate	6,50,66,088	6.99	7,29,24,831	7.85
Directors & Relatives	14,49,515	0.16	25,11,947	0.27
L&T Employees Welfare Foundation	11,47,52,281	12.32	11,16,06,174	12.01
General Public	22,72,87,843	24.40	23,06,39,870	24.81
TOTAL	**93,14,78,845**	**100.00**	**92,95,62,061**	**100.00**

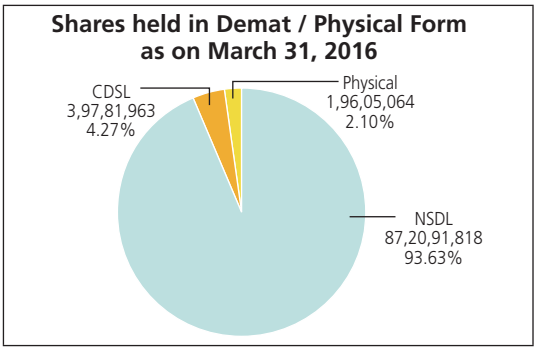


m) Dematerialization of shares & Liquidity:

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

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

	No. of shares	% of total capital issued
Held in dematerialized form in NSDL	87,20,91,818	93.63
Held in dematerialized form in CDSL	3,97,81,963	4.27
Physical	1,96,05,064	2.10
Total	**93,14,78,845**	**100.00**



Except for 11,47,52,281 shares which are held by L&T Employees Welfare Foundation, the remaining shares are freely tradeable in the market.

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

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

The Company has the following Foreign Currency Convertible Bonds outstanding as on March 31, 2016:

0.675% USD 200 million Foreign Currency Convertible Bonds due 2019		
(i)	Principal Value of the Bonds issued	USD 200 million
(ii)	Principal Value of Bonds converted to GDRs since issue.	NIL
(iii)	Principal Value of Bonds outstanding as at March 31, 2016	USD 200 million
(iv)	Underlying Equity Shares/GDR's issued pursuant to conversion as per (ii) above	NIL
(v)	Underlying Equity Shares/GDR's that may be issued pursuant to conversion notices in respect of (iii) above	63,46,986 shares

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

o) Listing of Debt Securities:

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

p) Debenture Trustees (for privately placed debentures)

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

q) Plant Locations:

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

r) Address for correspondence:

Larsen & Toubro Limited
L&T House, Ballard Estate, Mumbai - 400 001.
Tel. No. (022) 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:

Till May 31, 2016:

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

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

From June 1, 2016:

1. Karvy Computershare Pvt. Ltd.
Unit : Larsen & Toubro Limited
Karvy 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
E-Mail : einward.ris@karvy.com
Website : www.karvycomputershare.com

2. Karvy Computershare Pvt. Ltd.
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

s) Investor Grievances:

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

t) Securities Dealing Code:

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has suitably modified its Securities Dealing 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 on the basis of unpublished price sensitive information. Under this Code, Designated Persons (Directors, Advisors, Officers and other concerned employees/persons) are prevented from dealing in the Company's shares during the closure of Trading Window. To deal in securities beyond specified limit, permission of Compliance Officer is also required. All the Designated Employees are also required to disclose related information periodically as defined in the Code. Directors and designated employees who buy and sell shares of the Company are prohibited from entering into an opposite transaction i.e sell or buy any shares of the Company during the next six months following the prior transactions. Directors and designated employees are also prohibited from taking positions in the derivatives segment of the Company's shares.

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

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

u) 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 had designed in-house training workshops on Corporate Governance with the help of an external faculty covering basics of Corporate Governance as well as internal policies and compliances under Code of Conduct, Whistle Blower Policy, Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, SEBI Insider Trading Regulations, etc. Workshops were conducted during the last year to create a batch of trainers across various businesses. These trainers have in turn conducted training/ awareness sessions within their business and covered more than 41,000 employees in supervisory and above cadre since last year. A similar session was also conducted for senior management by external experts on Compliance & Governance.

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

v) ISO 9001:2008 Certification:

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

w) Secretarial Audit as 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.

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

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 & 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, 2016 and that to the best of our knowledge and belief, we state that;

(a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;

(ii) these statements present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.

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

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

Yours sincerely,

R. Shankar Raman
Chief Financial Officer

A. M. Naik
Group Executive Chairman

Place: Mumbai
Date: May 25, 2016

Auditors Certificate on Compliance of Conditions of Corporate Governance

To the members of Larsen & Toubro Limited

We have examined the compliance of conditions of corporate governance by Larsen & Toubro Limited for the year ended 31 March 2016 as stipulated in Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015 ('the Regulations').

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

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

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

FIRDOSH D. BUCHIA
Partner
Membership No. 38332

Mumbai, May 25, 2016

Annexure 'C' to the Board Report

CSR ACTIVITIES FOR 2015-16

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

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

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

- Water & Sanitation – may include but not limited to watershed development -making clean drinking water available, promoting rain water harvesting , soil and moisture conservation, enhancing ground water levels by facilitating community management of water resources for improving conditions related to sanitation, health ,education and livelihoods of communities through an integrated approach .
- Education - may include but not limited to education infrastructure support to educational Institutions, educational programs & nurturing talent at various levels.
- Health - may include but not limited to community health centres, mobile medical vans, dialysis centres, general and specialized health camps and outreach programs, support to HIV/ AIDS, Tuberculosis control programs.
- Skill Development - may include but not limited to vocational training such as skill building, computer training, women empowerment, support to ITI's, support to specially abled (infrastructure support & vocational training), Construction Skills Training Centres and providing employability skills to women and youth.

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

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

2. Composition of the CSR Committee.

The CSR Committee of the Board was re-constituted on September 21, 2015 on account of the vacancy arising due to retirement of Mr M.V. Kotwal and Mr. D.K. Sen was appointed in his place. It comprises of one Independent Director and two Executive Directors. The Company Secretary acts as Secretary to the Committee.

The present Committee comprises of Mr. Vikram Singh Mehta as Chairman, Mr. R. Shankar Raman and Mr. D.K. Sen as members and Mr. N. Hariharan as the Secretary of the Committee.

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

The average net profit of the Company for the last three financial years is ₹ 5073 crore.

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

The Company was required to spend an amount of ₹ 101.46 crore as CSR expenditure during the financial year 2015-16.

5. Details of CSR spent during the financial year:

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

The Company was required to spend ₹ 101.46 crore during the financial year 2015-16. As against this mandate, the Company spent ₹ 119.89 crore towards various activities for the benefit of the community. This exceeds the required spend by ₹ 18.43 crore. The CSR spend for FY 2015-16 is 2.36% of the average net profit under Section 198 of the Companies Act, 2013.

In addition to the above spend, a contribution of 3.78 crore was made by the Company towards the Prime Minister's National Relief Fund towards earthquake relief efforts at Nepal.

b. Amount unspent, if any:

Nil

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

As per table enclosed

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

NA

7. CSR Committee Responsibility Statement:

The CSR Committee hereby affirms that:

- The Company has duly formulated a CSR Policy Framework which includes formulation of a CSR Theme, CSR budget and roles and responsibilities of the Committee as well as the various internal committees formed for implementation of the CSR policy;
- The Company has constituted a mechanism to monitor and report on the progress of the CSR programs;
- The activities undertaken by the Company as well as the implementation and monitoring mechanisms are in compliance with its CSR objectives and CSR policy.

S. N. SUBRAHMANYAN	**VIKRAM SINGH MEHTA**
Deputy Managing Director	Chairman – CSR Committee

S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programes 1. Local Area or other 2. Specify the state and district where projects or program was undertaken	Amount outlay (budget) project or programe wise (₹ In Lakh)	Direct expenditure on projects or programs (₹ In Lakh)	Overhead (₹ In Lakh)	Cumulative expenditure upto the reporting period (₹ In Lakh)	Amount spent: direct or through implementing agency
1	School support programme-Enhancing the quality of education and learning levels in government schools/ schools running for children from underprivileged backgrounds (teachers training, play way methods, support for English and Mathematics, capacity building, promoting extra curricular activities)	Education	Gujarat (Surat, Vadodara), Karnataka (Bangalore, Mysore, Bijapur), Maharashtra (Mumbai, Thane), Faridabad, Odisha (Kansbhal, Sundergarh, Rayagada), Tamil Nadu (Coimbatore, Cuddalore, Nilgiris), Uttar Pradesh (Mirzapur)	513.94	495.11	64.76	559.88	Implementing agencies
2	Community based programmes-Study Centres/ balwadis/anganwadis run for developing pre school foundation, promoting healthy and hygienic environment for education, developing the learning levels of children at par with their mainstream grades and providing nutritional supplements	Education	Karnataka (Bangalore), West Bengal (Kolkata), Maharashtra (Mumbai, Thane, Pune), Tamil Nadu (Chennai), Assam (Guwahati)	155.76	154.29	20.46	174.75	Implementing agencies
3	Providing infrastructre support for education (drinking water and sanitation facilities,renovation of classrooms, water proofing of school buildings, providing furnitures and light fittings, donation of computers, upgradation of libraries, playground development)"	Education	Andhra Pradesh (Hyderabad, Visakahapatnam, Anantapur), Bihar (Patna), Gujarat (Surat, Ahmedabad, Mahesana, Surendranagar), Jharkhand (Jamshedpur), Karnataka (Mysore, Ramanagar), Kerala (Ernakulam), Madhya Pradesh (Bhopal, Raisen), Maharashtra (Ahmednagar, Pune, Raigad) New Delhi, Odisha (Bhubaneswar), Puducherry, Rajasthan (Jaipur, Jaiselmer, Banswara, Pali, Sojat, Jhunjhunu, Churu, Udaipur), Tamil Nadu (Noombal, Dindigul, Pudukkottai, Katpadi, Tiruchirappalli, Thoothukudi), Uttar Pradesh (Lucknow), West Bengal (Birbhum, North 24 Parganas)	374.54	333.22	43.72	376.94	Direct
4	Providing educational aids to children- books, stationary, sports equipments, uniforms, school bags, shoes, wollen clothes, raincoats etc"	Education	Andhra Pradesh(Hyderabad, Visakahapatnam), Bihar (Purnia), Chandigarh, Himachal Pradesh (Solan), Gujarat (Vadodara, Vyara, Kutch), Jharkhand (Sahibganj, Jamshedpur), Karnataka (Magadi), Kerala (Ernakulam), Madhya Pradesh (Khandwa), Maharashtra (Pune, Mumbai, Nagpur, Palghar), New Delhi, Odisha (Angul, Jajpur, Sambalpur), Punjab (Ludhiana), Rajasthan (Banswara, Jaipur, Chittorgarh), Tamil Nadu (Viluppuram, Kancheepuram, Chennai), Uttar Pradesh (Lucknow), West Bengal (Kolkata, Sultanpur)	63.72	31.42	4.48	35.90	Direct

S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programes 1. Local Area or other 2. Specify the state and district where projects or program was undertaken	Amount outlay (budget) project or programe wise (₹ In Lakh)	Direct expenditure on projects or programs (₹ In Lakh)	Overhead (₹ In Lakh)	Cumulative expenditure upto the reporting period (₹ In Lakh)	Amount spent: direct or through implementing agency
5	Awareness programmes (health and hygiene, road safety, career guidance, personality development)	Education	Maharashtra (Pune), Kerala (Kannur)	3.50	0.18	0.41	0.59	Implementing agencies
6	Community Health Centres (running multi-specialty center offering diagnostic services including family planning, gynecological, pediatric, immunization, chest & TB, ophthalmic consultation, dialysis services, HIV/AIDS awareness, detection, treatment, counseling services at free / nominal cost to the community)	Health	Maharashtra (Mumbai, Ahmednagar), Gujarat (Surat, Dang)	333.60	298.95	39.26	338.21	Direct
7	Health Camps (general, eye, dental, vaccinations) and health awareness	Health	Andhra Pradesh (Hyderabad, Visakahapatnam), Chhattisgarh (Raigarh), Gujarat (Vadodara, Ahmedabad), Jharkhand (East Singbhum, Jamshedpur), Karnataka (Bengaluru), Madhya Pradesh (Sidhi, Khandwa), Maharashtra (Mumbai, Nagpur, Ahmednagar), New Delhi (Faridabad), Orissa (Bhubaneswar), Rajasthan (Jaipur, Banswara, Churu, Udaipur), Tamil Nadu (Coimbatore, Vellore, Thoothukudi), Uttar Pradesh (Lucknow, Lalitpur), West Bengal (Kolkata)	80.92	56.07	7.69	63.76	Direct
8	Health Camps (general, eye, dental, vaccinations) and health awareness	Health	Andhra Pradesh (Hyderabad, Visakahapatnam), Chandigarh (Mohali), Gujarat (Surat), Karnataka (Bangalore), Kerala (Kochi), Madhya Pradesh (Bhopal), Maharashtra (Mumbai, Pune, Palghar), New Delhi, Orissa (Kansbhal), Rajasthan (Jaipur), Tamil Nadu (Chennai, Kancheepuram), West Bengal (Kolkata)	69.58	49.52	6.84	56.36	Implementing agencies
9	Blood donation camps	Health	Andhra Pradesh (Hyderabad, Visakahapatnam), Chandigarh (Chandigarh), Gujarat (Baroda), Jharkhand (Jamshedpur), Karnataka (Bangalore), Madhya Pradesh (Bhopal, Udaipura), Maharashtra (Ahmednagar, Pune, Thane, Nagpur), Orissa (Bhubaneswar), Tamil Nadu (Chennai, Coimbatore), Uttar Pradesh (Lucknow), West Bengal (Kolkata)	7.40	6.35	1.23	7.57	Implementing agencies
10	Infrastructure support to medical centres	Health	New Delhi, Maharashtra (Ahmednagar), Kerala (Kannur)	16.50	16.05	2.49	18.54	Direct

S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programes 1. Local Area or other 2. Specify the state and district where projects or program was undertaken	Amount outlay (budget) project or programe wise (₹ In Lakh)	Direct expenditure on projects or programs (₹ In Lakh)	Overhead (₹ In Lakh)	Cumulative expenditure upto the reporting period (₹ In Lakh)	Amount spent: direct or through implementing agency
11	Construction Skill Training Institute - CSTI	Skill Building	Andhara Pradesh (Hyderabad), Gujarat (Ahmedabad), Maharashtra (Panvel), Karnataka (Bangalore), Orissa (Cuttack), Tamil Nadu (Kanchipuram, Pulicat), Delhi (Pilkhuwa), West Bengal (Kona, Srirampore)	3456.12	2530.49	446.48	2976.97	Direct
12	Computer training for youth	Skill Building	Andhara Pradesh (Visakahapatnam), Gujarat (Surat)	29.00	28.16	4.06	32.22	Implementing agencies
13	Vocational Training	Skill Building	Gujarat (Vadodara), Madhya Pradesh (Malwa), Rajasthan (Jaipur), Tamil Nadu (Chennai, Nilgiri), Uttar Pradesh (Lucknow), West Bengal (Kolkata)	91.79	91.37	12.28	103.64	Implementing agencies
14	Women empowerment through vocational training	Skill Building	Andhra Pradesh (Hyderabad), Gujarat (Vadodara), Faridabad, Orissa (Kansbhal, Sundagarh)	11.35	9.58	1.65	11.23	Implementing agencies
15	Skill building for differntly abled	Persons with disabilities	Andhra Pradesh (Visakahapatnam), Gujarat (Surat), Faridabad, Jharkhand (East Singbhum, Serikela, Kharswan), Karnataka (Bangalore), Kerala (Ernakulam), Madhya Pradesh (Khandwa), New Delhi (Faridabad), Orissa (Kansbhal, Puri), Rajasthan (Jaipur), Tamil Nadu (Chennai, Coimbatore), Uttar Pradesh (Lucknow), West Bengal (Kolkata)	67.39	61.07	8.34	69.41	Implementing agencies
16	Basic infrastructure support in the community (Water, Health, Sanitation, roads etc.)	Community Development	Andhra Pradesh (Visakahapatnam), Gujarat (Kutch, Vadodara, Surendranagar), Jharkhand (Jamshedpur), Karnataka (Benguluru), Maharashtra (Ahmednagar, Nagpur), Orissa (Jharsuguda), Rajasthan, Tamil Nadu (Dindigul, Thoothukudi), Uttarakhand (Rudra Prayag, Neemuch)	134.42	114.99	15.35	130.34	Direct
17	**Integrated Community Development Programme	Community Development	Rajasthan (Rajsamand, Udaipur), Maharashtra (Ahmednagar), Tamil Nadu (Coimbatore)	651.00	643.98	83.46	727.44	Implementing agencies
18	Development of gardens and maintenance of public spaces	Environment	Karnataka (Bangalore), Maharashtra (Ahmednagar, Nashik, Mumbai, Thane), Gujarat (Surat, Vadodara)	319.55	159.26	21.10	180.36	Direct

S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programes 1. Local Area or other 2. Specify the state and district where projects or program was undertaken	Amount outlay (budget) project or programe wise (₹ In Lakh)	Direct expenditure on projects or programs (₹ In Lakh)	Overhead (₹ In Lakh)	Cumulative expenditure upto the reporting period (₹ In Lakh)	Amount spent: direct or through implementing agency
19	Tree plantation and environment protection	Environment	Andhra Pradesh (Hyderabad,Visakahapatnam), Gujarat (Narmada, Kutch, Surendranagar, Jamnagar, Ahmedabad), Karnataka (Bangalore), Kerala (Ernakulam), Madhya Pradesh (Udaipura, Khandwa, Bhopal), Maharashtra (Mumbai, Ahmednagar, Palgarh, Pune, Nagpur), New Delhi, Orissa (Bhubaneswar), Rajasthan (Jaipur, Baran), Tamil Nadu (Kalpakkam, Chennai, Cuddalore), Uttar Pradesh (Lucknow)	75.78	62.67	8.55	71.22	Direct
20	Awareness programmes-environment, energy conservation,road safety	Environment	Jharkhand (East Singbhum, Serikela, Kharswan), Tamil Nadu (Chennai), Maharashtra (Nagpur)	1.15	1.04	0.54	1.58	Implementing agencies
21	Employee Volunteering	Employee volunteering	PAN India	47.31	45.58	6.33	51.90	Direct
22	Donation to Prime Minister's Fund for Swachh Bharat Abhiyan			6000.00	6000.00	0	6000.00	
			Total	**12504.32**	**11189.35**	**799.46**	**11988.81**	

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 2015-16, the percentage increase in remuneration of each Director & Company Secretary during the financial year 2015-16 and comparison of the remuneration of each of the Key Managerial Personnel against the performance of the company

₹ crore

Name of the Director/ KMP	2015-16				
	Designation	Total Remuneration	Ratio of remuneration of director to the median remuneration $	Percentage increase in Remuneration	Comparison of the Remuneration of the KMP against the performance of the Company
A M Naik	Group Executive Chairman	66.14	1004.77	142.14	Profit before tax decreased by 0.2% and Profit after tax increased by 5.0% in the financial year 2015-16
K Venkataramanan	Chief Executive Office & Managing Director	43.30	657.70	#	
M V Kotwal	Whole-time Director & President (Heavy Engineering)	26.59	403.89	##	
S N Subrahmanyan	Deputy Managing Director & President	22.12	336.04	72.44	
R Shankar Raman	Whole-time Director & Chief Financial Officer	13.69	208.01	32.12	
Shailendra N Roy	Whole-time Director & Senior Executive Vice President (Power, Heavy Engineering & Defence)	10.05	152.66	27.26	
D K Sen	Whole-time Director & Senior Executive Vice President (Infrastructure)	3.29	50.01	*	
M V Satish	Whole-time Director & Senior Executive Vice President (Buildings, Minerals & Metals)	1.17	17.74	**	
M M Chitale	Independent Director	0.52	7.90	15.56	The siting fees were ₹ 50,000/- for Board meetings and ₹ 25,000/- for Committee meetings during the year. The remuneration policy is given in Annexure 'B' of this Board Report. Please refer to page 84 of the Annual Report.
Subhodh Bhargava	Independent Director	0.62	9.39	16.98	
M Damodaran	Independent Director	0.44	6.61	2.33	
Vikram Singh Mehta	Independent Director	0.40	6.11	(16.67)	
Sushobhan Sarker^	Nominee of Life Insurance Corporation of India	0.28	4.31	(9.68)	
Adil Zainulbhai	Independent Director	0.49	7.44	40.00	
Akhilesh Gupta	Independent Director	0.24	3.69	14.29	
Bahram N Vakil	Independent Director	0.09	1.32	###	
Swapan Dasgupta	Non-Executive Director	0.20	2.96	####	
Sunita Sharma^	Nominee of Life Insurance Corporation of India	0.17	2.54	####	
Thomas Mathew T	Independent Director	0.38	5.77	@	
Ajay Shankar	Independent Director	0.23	3.57	@@	
Subramanian Sarma	Non-Executive Director	NIL	NIL		
Naina Lal Kidwai	Independent Director	NIL	NIL		
N Hariharan	Company Secretary	0.98	N.A.	9.66	

$ 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 2015-16.

\# Details not given as K Venkataramanan was a Director for only part of the financial year 2015-16 i.e. upto 30.09.2015.

Details not given as M V Kotwal was a Director for only part of the financial year 2015-16 i.e. upto 26.08.2015.

Details not given as Bahram N Vakil was a Director only from 16.03.2015.

Details not given as Swapan Dasgupta and Sunita Sharma was a Director from 01.04.2015.

@ Details not given as Thomas Mathew T was a Director for only part of the financial year 2015-16 i.e. w.e.f. 03.04.2015.

@@ Details not given as Ajay Shankar was a Director for only part of the financial year 2015-16 i.e. w.e.f. 30.05.2015.

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

* Details not given as D K Sen was a Director for only part of the financial year 2015-16 i.e. w.e.f. 01.10.2015.

** Details not given as M V Satish was a Director for only part of the financial year 2015-16 i.e. w.e.f. 29.01.2016.

B) Percentage increase in the median remuneration of all employees in the financial year 2015-16:
The median remuneration of employees of the Company during the financial year was ₹ 6.58 lakh. In the financial year, there was an increase of 9.35% in the median remuneration of employees;

C) Number of permanent employees on the rolls of Company as on 31st March 2016
There were 43354 permanent employees on the rolls of Company as on March 31, 2016;

D) Explanation on the relationship between average increase in remuneration and company performance
The average increase in remuneration per employee was 7.2%.The Profit after Tax for the year 2015-16 increased by 5.0%.The average increase in remuneration per employee is in line with normal pay revisions and variable component forming integral part of remuneration which is linked to individual performance apart from Company's performance.

E) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company
The remuneration of Key Managerial Personnel for the year increased by 93.6% and the Profit after Tax increased by 5.0%.The remuneration to Key Managerial Personnel is designed to be competitive in the market for highly qualified executives.

F) Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies
The market capitalisation as on 31st March, 2016 was ₹ 1,11,097 crore (₹ 1,59,791 crore as on 31st March, 2015). The price earnings ratio of the Company was 21.31 as at 31st March, 2016 and was 31.56 as at 31st March, 2015.

The Company had made a public issue of fully convertible debentures in November 1989 @ ₹ 300 per debenture. These debentures were fully converted into 5 equity share of ₹ 10 each in tranches in 1992. Taking into consideration the adjustments for the demerger of the cement business in June 2004, bonus issues in 1:1 ratio in October 2006 and October 2008 and bonus issue in 1:2 ratio in July 2013, the closing share price of the Company at BSE Limited on 31st March 2016, at ₹ 1216.20 per equity share of face value ₹ 2 each is 243 times the price of the share issued in 1992.

G) Average percentile increase already made in the salaries of the employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in managerial remuneration
Average percentage increase made in the salaries of employees other than the managerial personnel for the year 2015-16 was 7.5% whereas there is increase in the managerial remuneration by 93.6% because a substantial portion of managerial remuneration is linked to Company performance during the financial year 2015-16 and also includes perquisite value of employee stock options exercised during the year. As stated above, the Profit after Tax for the year 2015-16 increased by 5.0% directly impacting the variable component of managerial remuneration.

H) The key parameters for any variable component of remuneration availed by the directors
The key parameters for the variable component of remuneration availed by the Key Management Personnel are (a) profit after tax of the Company and (b) profit after tax of the respective business divisions (including subsidiary and associate companies of those business divisions) and (c) leadership initiatives undertaken during the year. The variable component of remuneration also includes perquisite value of employee stock options granted by the company (including subsidiary companies).

These parameters are approved by the Board of Directors based on the recommendations of the Nomination & Remuneration Committee and resolution passed by Annual General Meeting as per the Remuneration Policy for Key Management Personnel. The variable component of remuneration of Key Management Personnel is subject to maximum limit approved by the shareholders in the Annual General Meeting.

The non-executive directors are paid remuneration by way of commission & sitting fees. The Company pays sitting fees of ₹ 50,000 per meeting of the Board and ₹ 25,000 per meeting of the Committee to the non-executive directors for attending the meetings of the Board & Committees. The commission is paid as per limits approved by shareholders, subject to a limit not exceeding 1% p.a. of the profits of the Company (computed in accordance with Section 198 of the Companies Act, 2013). The commission to non-executive directors is distributed broadly on the basis of their attendance, contribution at the Board, the Committee meetings,Chairmanship of Committees and participation in meetings of the business divisions. In the case of nominees of Financial Institutions,the commission is paid to the Financial Institutions.

Annexure 'E' to the Board Report

To,
The Members,
Larsen & Toubro Limited
CIN L99999MH1946PLC004768
L& T House,
Ballard Estate,
Mumbai –400 001.

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

Management's Responsibility

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

Auditor's Responsibility

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

Disclaimer

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

For **S. N. ANANTHASUBRAMANIAN & CO.**
Company Secretaries
Firm Registration No.P1991MH040400

S. N. ANANTHASUBRAMANIAN
Partner
C.P No: 1774

Date: May 12, 2016
Place: Thane

Form No. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 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 –400 001

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2016, 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 2016 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder and the applicable provisions of Companies Act, 1956;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 upto 14th May 2015/Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective 15th May 2015);

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - **Not Applicable as the Company has not issued further capital during the financial year under review**;

   d. The Securities and Exchange Board of India (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, 1998 - **Not applicable as the Company has not bought back/proposed to buy-back any of its securities during the financial year under review.**

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

We have also examined compliance with the applicable 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 and made effective 1st July 2015;

(ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 made effective 1st December 2015.

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

We further report that: -

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

We further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), we are of the opinion that there are adequate systems and processes in place in the Company which is commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines: -

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

We further report that the Company has on 24th September 2015, issued and allotted 10,000 Unsecured Non-Convertible Debentures aggregating to ₹1000 crore.

For **S. N. ANANTHASUBRAMANIAN & CO.**
Company Secretaries
Firm Registration No.P1991MH040400

S. N. ANANTHASUBRAMANIAN
Partner
C.P No: 1774

Date: May 12, 2016
Place: Thane

Annexure 'F' to the Board Report

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31, 2016

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

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L99999MH1946PLC004768
ii)	Registration Date	February 7, 1946
iii)	Name of the Company	LARSEN & TOUBRO LIMITED
iv)	Category	PUBLIC LIMITED COMPANY
v)	Sub-Category of the Company	
vi)	Address of the Registered office and contact details	L&T HOUSE, N. M. MARG, BALLARD ESTATE, MUMBAI - 400 001 TEL : 022-6752 5656 FAX: 022-6752 5893
vii)	Whether listed company	LISTED
viii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	SHAREPRO SERVICES (INDIA) PRIVATE LIMITED; UNIT-LARSEN & TOUBRO LIMITED, SAMHITA WAREHOUSING COMPLEX, BLDG. NO. 13 A B, 2ND FLOOR, OFF SAKINAKA TELEPHONE EXCHANGE LANE, ANDHERI KURLA ROAD, SAKI NAKA, MUMBAI - 400 072. TEL : 022-6772 0300/6772 0400 FAX: 022-2859 1568/2850 08927

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Construction of Buildings	410	
2	Construction of Roads and Railways	421	
3	Construction of Utility Projects	422	

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

S. No	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	BHILAI POWER SUPPLY COMPANY LIMITED	9TH FLOOR, AMBADEEP BUILDING, 14, KASTURBA GANDHI MARG, CONNAUGHT PLACE, NEW DELHI-110001	U74899DL1995PLC070704	SUBSIDIARY	99.90	Section 2(87)(ii)
2	CHENNAI VISION DEVELOPERS PRIVATE LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U70101TN2008PTC068877	SUBSIDIARY	100.00	Section 2(87)(ii)
3	CONSUMER FINANCIAL SERVICES LIMITED	UNIT NO.505 & 506, DLF TOWER B, DISTRICT CENTRE, JASOLA, NEW DELHI-110025	U67120DL2001PLC199088	SUBSIDIARY	66.71	Section 2(87)(ii)
4	EWAC ALLOYS LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U74999MH1962PLC012315	SUBSIDIARY	100.00	Section 2(87)(ii)

S. No	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
5	FAMILY CREDIT LIMITED	TECHNOPOLIS, 7TH FLOOR, A- WING, PLOT NO. - 4, BLOCK - BP, SECTOR - V, SALT LAKE, KOLKATA-700091	U65910WB1993FLC060810	SUBSIDIARY	66.71	Section 2(87)(ii)
6	GDA TECHNOLOGIES LIMITED	NO.9-A, CHINTHAMANI NAGAR, K.K. PUDUR, COIMBATORE-641038	U72200TZ1997PLC008145	SUBSIDIARY	94.96	Section 2(87)(ii)
7	HENIKWON CORPORATION SDN. BHD	2A-03-2, LORONG BATU NILAM 4A, BANDAR BUKIT TINGGI, 41200, KLANG, SELANGOR, MALAYSIA	161535-W	SUBSIDIARY	100.00	Section 2(87)(ii)
8	HI-TECH ROCK PRODUCTS & AGGREGATE LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U14290TN2008PLC065900	SUBSIDIARY	100.00	Section 2(87)(ii)
9	KANA CONTROLS GENERAL TRADING & CONTRACTING COMPANY WLL	OFFICE NO. 14, 5TH FLOOR, AL-FARWANIYA, BLOCK NO. 44, BLDG. NO. 6, GHASHAM FAHED AL-BASMAN, KUWAIT	10292	SUBSIDIARY	49.00	Section 2(87)(i)
10	KESUN IRON AND STEEL COMPANY PRIVATE LIMITED	L&T ENERGY CENTRE, NEAR CHHANI JAKAT NAKA, VADODARA, GUJARAT - 390002	U27100GJ2009PTC055901	SUBSIDIARY	95.00	Section 2(87)(ii)
11	KUDGI TRANSMISSION LIMITED	BUILDING NO. 3, 2ND FLOOR, SUDEEP PLAZA, MLU SECTOR-II, POCKET 4, DWARKA, NEW DELHI - 110075	U40106DL2012GOI245339	SUBSIDIARY	97.45	Section 2(87)(ii)
12	L&T - GULF PRIVATE LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U74140MH2008PTC177765	SUBSIDIARY	50.0002	Section 2(87)(ii)
13	L&T ACCESS DISTRIBUTION SERVICES LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U65100TN2011PLC083348	SUBSIDIARY	66.71	Section 2(87)(ii)
14	L&T AHMEDABAD-MALIYA TOLLWAY LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U45203TN2008PLC069211	SUBSIDIARY	97.45	Section 2(87)(ii)
15	L&T ARUNACHAL HYDROPOWER LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U40300MH2010PLC204778	SUBSIDIARY	100.00	Section 2(87)(ii)
16	L&T AVIATION SERVICES PRIVATE LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U62100MH2009PTC196917	SUBSIDIARY	100.00	Section 2(87)(ii)
17	L&T BPP TOLLWAY LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U45203TN2011PLC080786	SUBSIDIARY	97.45	Section 2(87)(ii)
18	L&T CAPITAL COMPANY LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U67190MH2000PLC125653	SUBSIDIARY	100.00	Section 2(87)(ii)
19	L&T CAPITAL MARKETS LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U67190MH2013PLC240261	SUBSIDIARY	66.71	Section 2(87)(ii)
20	L&T CASSIDIAN LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U29253MH2011PLC216258	SUBSIDIARY	74.00	Section 2(87)(ii)
21	L&T CHENNAI TADA TOLLWAYS LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U45309TN2008PLC066938	SUBSIDIARY	97.45	Section 2(87)(ii)

S. No	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
22	L&T CONSTRUCTION EQUIPMENT LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U29119MH1997PLC109700	SUBSIDIARY	100.00	Section 2(87)(ii)
23	L&T CUTTING TOOLS LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U28920MH1952PLC008893	SUBSIDIARY	100.00	Section 2(87)(ii)
24	L&T DECCAN TOLLWAYS LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U45203TN2011PLC083661	SUBSIDIARY	97.45	Section 2(87)(ii)
25	L&T DEVIHALLI HASSAN TOLLWAY LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U45203TN2010PLC075491	SUBSIDIARY	97.45	Section 2(87)(ii)
26	L&T ELECTRICAL & AUTOMATION FZE	WAREHOUSE NO. FZS2ABO5 262158, JEBEL ALI FREE ZONE, DUBAI, UNITED ARAB EMIRATES	107673	SUBSIDIARY	100.00	Section 2(87)(ii)
27	L&T ELECTRICAL AND AUTOMATION SAUDI ARABIA COMPANY LIMITED LLC	MH-4, PLOT NO. 17+19, IIND INDUSTRIAL CITY, DAMMAM, P.O. BOX 77186, AL KHOBAR 31952, KINGDOM OF SAUDI ARABIA	2050051589	SUBSIDIARY	75.00	Section 2(87)(ii)
28	L&T ELECTRICALS AND AUTOMATION LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U31501MH2007PLC176667	SUBSIDIARY	100.00	Section 2(87)(ii)
29	L&T FINANCE HOLDINGS LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	L67120MH2008PLC181833	SUBSIDIARY	66.71	Section 2(87)(ii)
30	L&T FINANCE LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U65990MH1994PLC083147	SUBSIDIARY	66.71	Section 2(87)(ii)
31	L&T FINCORP LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U65910MH1997PLC108179	SUBSIDIARY	66.71	Section 2(87)(ii)
32	L&T GENERAL INSURANCE COMPANY LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U66030MH2007PLC177117	SUBSIDIARY	100.00	Section 2(87)(ii)
33	L&T HALOL-SHAMLAJI TOLLWAY LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U45203TN2008PLC069210	SUBSIDIARY	97.45	Section 2(87)(ii)
34	L&T HIMACHAL HYDROPOWER LIMITED	RAMA COTTAGE, KANLOG, SHIMLA-171001	U40102HP2010PLC031697	SUBSIDIARY	100.00	Section 2(87)(ii)
35	L&T HOUSING FINANCE LIMITED	UNIT NO.505 & 506, DLF TOWER B, DISTRICT CENTRE, JASOLA, NEW DELHI-110025	U45200DL1994PLC198639	SUBSIDIARY	66.71	Section 2(87)(ii)
36	L&T HOWDEN PRIVATE LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U31401MH2010PTC204403	SUBSIDIARY	50.10	Section 2(87)(ii)
37	L&T HYDROCARBON ENGINEERING LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U11200MH2009PLC191426	SUBSIDIARY	100.00	Section 2(87)(ii)
38	L&T IDPL TRUSTEE MANAGER PTE. LTD.	8 CROSS STREET, #10-00, PWC BUILDING, SINGAPRE (048424)	201326418G	SUBSIDIARY	97.45	Section 2(87)(ii)
39	L&T INFORMATION TECHNOLOGY SERVICES (SHANGHAI) CO., LTD.	ROOM 1100, BUILDING 2, NO.1388, XINGXIAN ROAD, JIADING DISTRICT, SHANGHAI	310000400714060 (JIADING)	SUBSIDIARY	94.96	Section 2(87)(ii)

S. No	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
40	L&T INFOTECH FINANCIAL SERVICES TECHNOLOGIES INC	2810, MATHESON BLVD EAST SUITE 500, MISSISSAUGA, ONL4W 4X7 CANADA	770556-5	SUBSIDIARY	94.96	Section 2(87)(ii)
41	L&T INFRA DEBT FUND LIMITED	3B, LAXMI TOWERS, C - 25, 'G' BLOCK, BANDRA - KURLA COMPLEX, BANDRA (EAST), MUMBAI-400051	U67100MH2013PLC241104	SUBSIDIARY	66.71	Section 2(87)(ii)
42	L&T INFRA INVESTMENT PARTNERS ADVISORY PRIVATE LIMITED	3B, LAXMI TOWERS, C - 25, 'G' BLOCK, BANDRA - KURLA COMPLEX, BANDRA (EAST), MUMBAI-400051	U67190MH2011PTC218046	SUBSIDIARY	66.71	Section 2(87)(ii)
43	L&T INFRA INVESTMENT PARTNERS TRUSTEE PRIVATE LIMITED	3B, LAXMI TOWERS, C - 25, 'G' BLOCK, BANDRA - KURLA COMPLEX, BANDRA (EAST), MUMBAI-400051	U65900MH2011PTC220896	SUBSIDIARY	66.71	Section 2(87)(ii)
44	L&T INFRASTRUCTURE DEVELOPMENT PROJECTS LANKA (PRIVATE) LIMITED	NO.5 – 4/1, 19TH LANE, COLOMBO - 03, SRI LANKA	N(PVS)45877	SUBSIDIARY	93.44	Section 2(87)(ii)
45	L&T INFRASTRUCTURE DEVELOPMENT PROJECTS LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U65993TN2001PLC046691	SUBSIDIARY	97.45	Section 2(87)(ii)
46	L&T INFRASTRUCTURE ENGINEERING LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U74140TN1998PLC039864	SUBSIDIARY	100.00	Section 2(87)(ii)
47	L&T INFRASTRUCTURE FINANCE COMPANY LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U67190TN2006PLC059527	SUBSIDIARY	66.71	Section 2(87)(ii)
48	L&T INTERSTATE ROAD CORRIDOR LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U45203TN2006PLC058735	SUBSIDIARY	97.45	Section 2(87)(ii)
49	L&T INVESTMENT MANAGEMENT LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U65991MH1996PLC229572	SUBSIDIARY	66.71	Section 2(87)(ii)
50	L&T KOBELCO MACHINERY PRIVATE LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U29253MH2010PTC210325	SUBSIDIARY	51.00	Section 2(87)(ii)
51	L&T KRISHNAGIRI THOPUR TOLL ROAD LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U45203TN2005PLC057930	SUBSIDIARY	97.45	Section 2(87)(ii)
52	L&T KRISHNAGIRI WALAJAHPET TOLLWAY LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U45203TN2010PLC075446	SUBSIDIARY	97.45	Section 2(87)(ii)
53	L&T METRO RAIL (HYDERABAD) LIMITED	1-Q4-A1, CYBER TOWER, HITEC CITY, MADHAPUR, HYDERABAD, ANDHRA PRADESH-500081	U45300AP2010PLC070121	SUBSIDIARY	97.48	Section 2(87)(ii)
54	L&T MODULAR FABRICATION YARD LLC	PO BOX 236, P.C 322, FALAZ AL QABAIL, SOHAR, SULTANATE OF OMAN	1001910	SUBSIDIARY	65.00	Section 2(87)(ii)
55	L&T MUTUAL FUND TRUSTEE LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U65993MH1996PLC211198	SUBSIDIARY	66.71	Section 2(87)(ii)

S. No	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
56	L&T OVERSEAS PROJECTS NIGERIA LIMITED	252E, MURI OKUNOLA STREET, VICTORIA ISLAND, LAGOS, NIGERIA	601723	SUBSIDIARY	100.00	Section 2(87)(ii)
57	L&T PANIPAT ELEVATED CORRIDOR LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U45203TN2005PLC056999	SUBSIDIARY	97.45	Section 2(87)(ii)
58	L&T PORT KACHCHIGARH LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U45203TN2008PLC067551	SUBSIDIARY	97.45	Section 2(87)(ii)
59	L&T POWER DEVELOPMENT LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U40101MH2007PLC174071	SUBSIDIARY	100.00	Section 2(87)(ii)
60	L&T POWER LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U40100MH2006PLC160413	SUBSIDIARY	100.00	Section 2(87)(ii)
61	L&T RAJKOT-VADINAR TOLLWAY LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U45203TN2008PLC069184	SUBSIDIARY	97.45	Section 2(87)(ii)
62	L&T REALTY FZE	EXECUTIVE SUITE, P.O.BOX 121576, SAIF ZONE,SHARJAH, U.A.E.	02 - 01 - 05714	SUBSIDIARY	100.00	Section 2(87)(ii)
63	L&T REALTY LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U74200MH2007PLC176358	SUBSIDIARY	100.00	Section 2(87)(ii)
64	L&T SAMAKHIALI GANDHIDHAM TOLLWAY LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U45203TN2010PLC074501	SUBSIDIARY	97.45	Section 2(87)(ii)
65	L&T SAMBALPUR - ROURKELA TOLLWAY LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U45206TN2013PLC093395	SUBSIDIARY	97.45	Section 2(87)(ii)
66	L&T SAPURA OFFSHORE PRIVATE LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U11200TN2010PTC077214	SUBSIDIARY	60.00	Section 2(87)(ii)
67	L&T SAPURA SHIPPING PRIVATE LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U61100TN2010PTC077217	SUBSIDIARY	60.00	Section 2(87)(ii)
68	L&T SEAWOODS LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U45203MH2008PLC180029	SUBSIDIARY	100.00	Section 2(87)(ii)
69	L&T SHIPBUILDING LIMITED	GROUND FLOOR, TC-1 BUILDING, L&T CONSTRUCTION CAMPUS, MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U74900TN2007PLC065356	SUBSIDIARY	97.00	Section 2(87)(ii)
70	L&T SOLAR LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U40109MH2010PLC205058	SUBSIDIARY	100.00	Section 2(87)(ii)
71	L&T SOUTH CITY PROJECTS LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U70101TN2006PLC058866	SUBSIDIARY	51.00	Section 2(87)(ii)

S. No	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
72	L&T SPECIAL STEELS AND HEAVY FORGINGS PRIVATE LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U27109MH2009PTC193699	SUBSIDIARY	74.00	Section 2(87)(ii)
73	L&T TECHNOLOGY SERVICES LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U72900MH2012PLC232169	SUBSIDIARY	100.00	Section 2(87)(ii)
74	L&T TECHNOLOGY SERVICES LLC	200, WEST ADAMS STREET, CHICAGO, ILLINOIS-60606	0479598-9	SUBSIDIARY	100.00	Section 2(87)(ii)
75	L&T THALES TECHNOLOGY SERVICES PRIVATE LIMITED	RR V TOWER, 6TH FLOOR, 33A, DEVELOPED PLOTS, SIDCO INDUSTRIAL ESTATE, GUINDY, CHENNAI-600032	U72200TN2006PTC059421	SUBSIDIARY	74.00	Section 2(87)(ii)
76	L&T TRANSPORTATION INFRASTRUCTURE LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U45203TN1997PLC039102	SUBSIDIARY	98.12	Section 2(87)(ii)
77	L&T TRUSTEE COMPANY PRIVATE LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U74990MH2009PTC193936	SUBSIDIARY	100.00	Section 2(87)(ii)
78	L&T UTTARANCHAL HYDROPOWER LIMITED	VILLAGE BEDUBAGAR, P.O. AUGUSTMUNI, RUDRAPRAYAG, UTTARAKHAND - 246421	U31401UR2006PLC032329	SUBSIDIARY	100.00	Section 2(87)(ii)
79	L&T VADODARA BHARUCH TOLLWAYS LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U45203TN2005PLC058417	SUBSIDIARY	97.45	Section 2(87)(ii)
80	L&T VALVES LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U74999MH1961PLC012188	SUBSIDIARY	100.00	Section 2(87)(ii)
81	L&T VISION VENTURES LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U74210TN2006PLC061845	SUBSIDIARY	68.00	Section 2(87)(ii)
82	L&T VRINDAVAN PROPERTIES LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U70200TN2011PLC081100	SUBSIDIARY	66.71	Section 2(87)(ii)
83	L&T WESTERN ANDHRA TOLLWAYS LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U45203TN2005PLC057931	SUBSIDIARY	97.45	Section 2(87)(ii)
84	L&T WESTERN INDIA TOLLBRIDGE LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U45203TN1999PLC042518	SUBSIDIARY	97.45	Section 2(87)(ii)
85	L&T-MHPS BOILERS PRIVATE LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U29119MH2006PTC165102	SUBSIDIARY	51.00	Section 2(87)(ii)
86	L&T-MHPS TURBINE GENERATORS PRIVATE LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U31101MH2006PTC166541	SUBSIDIARY	51.00	Section 2(87)(ii)
87	L&T-SARGENT & LUNDY LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U74210MH1995PLC088099	SUBSIDIARY	50.0001	Section 2(87)(ii)
88	L&T-VALDEL ENGINEERING LIMITED	NO 19, PRIMROSE ROAD, BANGALORE, KARNATAKA 560025	U74210KA2004PLC035094	SUBSIDIARY	100.00	Section 2(87)(ii)

S. No	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
89	LARSEN & TOUBRO (EAST ASIA) SDN. BHD	SUITE 702, 7TH FLOOR, WISMA HANGSAM, JALAN HANG LEKIR, 50000 KUALA LUMPUR, MALAYSIA	390357-T	SUBSIDIARY	30.00	Section 2(87)(i)
90	LARSEN & TOUBRO ATCO SAUDIA LLC	AL-TURKI BUILDING, KING KHALED STREET, P.O. BOX 91, DAMMAM	2050055625	SUBSIDIARY	75.00	Section 2(87)(ii)
91	LARSEN & TOUBRO ELECTROMECH LLC	P.O. BOX 1999, RUWI, POSTAL CODE 112, MUSCAT	1/04445/1	SUBSIDIARY	65.00	Section 2(87)(ii)
92	LARSEN & TOUBRO HEAVY ENGINEERING LLC	P.O. BOX 281, POSTAL CODE 325, W LIWA, SULTANATE OF OMAN	1042928	SUBSIDIARY	70.00	Section 2(87)(ii)
93	LARSEN & TOUBRO HYDROCARBON INTERNATIONAL LIMITED LLC	P.O. BOX 6391, AL KHOBAR 34423, KINGDOM OF SAUDI ARABIA	2051053464	SUBSIDIARY	100.00	Section 2(87)(ii)
94	LARSEN & TOUBRO INFOTECH CANADA LIMITED	2810, MATHESON BLVD EAST SUITE 500, MISSISSAUGA, ONL4W 4X7 CANADA	1415026	SUBSIDIARY	94.96	Section 2(87)(ii)
95	LARSEN & TOUBRO INFOTECH GMBH	EURO-ASIA BUSINESS CENTRE, MESSE-ALLEE 2, D-04356, LEIPZIG, GERMANY	HRB15958	SUBSIDIARY	94.96	Section 2(87)(ii)
96	LARSEN & TOUBRO INFOTECH LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U72900MH1996PLC104693	SUBSIDIARY	94.96	Section 2(87)(ii)
97	LARSEN & TOUBRO INFOTECH LLC	1220, N. MARKET ST., SUITE 806, WILMINGTON, DE 19801, USA	270596763	SUBSIDIARY	94.96	Section 2(87)(ii)
98	LARSEN & TOUBRO INTERNATIONAL FZE	OFFICE LOB 16 G 08, POST BOX 41558, HAMRIYAH FREE ZONE, SHARJAH, UNITED ARAB EMIRATES	0067	SUBSIDIARY	100.00	Section 2(87)(ii)
99	LARSEN & TOUBRO KUWAIT CONSTRUCTION GENERAL CONTRACTING COMPANY, WITH LIMITED LIABILITY	PLOT NO. 3, BUILDING NO.1, SHARQ, KUWAIT	117668	SUBSIDIARY	49.00	Section 2(87)(i)
100	LARSEN & TOUBRO LLC	113, BARKSDALE PROFESSIONAL CENTRE, NEWARK CITY, COUNTRY OF NEW CASTLE, G56 ZIP CODE-19711, U.S.A	6 DEL.C 18-101	SUBSIDIARY	100.00	Section 2(87)(ii)
101	LARSEN & TOUBRO OMAN LLC	P.O. BOX 1127, RUWI, POSTAL CODE 112, SULTANATE OF OMAN	1/40304/4	SUBSIDIARY	65.00	Section 2(87)(ii)
102	LARSEN & TOUBRO QATAR LLC	P.O. BOX 24399, SH. THAMOUR BLDG., MEZZANINE FLOOR, AL-HANDASA AREA, NEAR JAIDAH FLYOVER, B RING ROAD, DOHA, QATAR	27454	SUBSIDIARY	49.00	Section 2(87)(i)
103	LARSEN & TOUBRO READYMIX AND ASPHALT CONCRETE INDUSTRIES LLC	JEBEL ALI INDUSTRIAL AREA, JEBEL ALI, DUBAI	583119	SUBSIDIARY	49.00	Section 2(87)(i)
104	LARSEN & TOUBRO SAUDI ARABIA LLC	P.O. BOX NO.20, RIYADH 11351, KINGDOM OF SAUDI ARABIA 11351	1010154437	SUBSIDIARY	100.00	Section 2(87)(ii)

S. No	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
105	LARSEN & TOUBRO TANDD SA (PTY) LIMITED	2ND FLOOR, 4 PENCARROW CRESCENT, LA LUCIA RIDGE OFFICE ESTATE, SOUTH AFRICA 4019	2010/018159/07	SUBSIDIARY	72.50	Section 2(87)(ii)
106	LARSEN AND TOUBRO INFOTECH SOUTH AFRICA (PTY) LIMITED	6TH FLOOR, 119 HERTZOG BOULEVARD, FORESHORE, CAPETOWN, SOUTH AFRICA 8001	2011/007226/07	SUBSIDIARY	71.12	Section 2(87)(ii)
107	LARSEN TOUBRO ARABIA LLC	ALMADA TOWER, PRINCE TURKI STREET, AL KHOBAR, SAUDI ARABIA	2051049523	SUBSIDIARY	75.00	Section 2(87)(ii)
108	MUDIT CEMENT PRIVATE LIMITED	UNIT NO.505 & 506, DLF TOWER B, DISTRICT CENTRE, JASOLA, NEW DELHI-110025	U26942DL1990PTC041941	SUBSIDIARY	66.71	Section 2(87)(ii)
109	NABHA POWER LIMITED	PO BOX NO-28, NEAR VILLAGE NALASH, RAJPURA, PATIALA, PUNJAB-140401	U40102PB2007PLC031039	SUBSIDIARY	100.00	Section 2(87)(ii)
110	PNG TOLLWAY LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U45203TN2009PLC070741	SUBSIDIARY	72.77	Section 2(87)(ii)
111	PT TAMCO INDONESIA	JALAN RAYA PASAR SERANG, NO. 15, KANDANG RODA, CIKARANG BEKASI 17330, INDONESIA	C2-18.177.HT.01.01.HT 94	SUBSIDIARY	100.00	Section 2(87)(ii)
112	PT. LARSEN & TOUBRO HYDROCARBON ENGINEERING INDONESIA	THE CITY TOWER, 12TH FLOOR, UNIT 1-N, J1.MH., THAMRIN NO.81, CENTRAL JAKARTA, INDONESIA 10310	AHU-0110258.AH.01.09	SUBSIDIARY	95.00	Section 2(87)(ii)
113	RAYKAL ALUMINIUM COMPANY PRIVATE LIMITED	ANNAPURNA COMPLEX, 559, LEWIS ROAD, BHUBANESWAR, ODIHSA-751014	U13203OR1999PTC005673	SUBSIDIARY	75.50	Section 2(87)(ii)
114	SERVOWATCH SYSTEMS LIMITED	THE WOODROPE BUILDING, WOODROLFE ROAD, TOLLESBURY, MALDONESSEX CM9 8SE, UNITED KINGDOM	2159287	SUBSIDIARY	100.00	Section 2(87)(ii)
115	SPECTRUM INFOTECH PRIVATE LIMITED	L&T HOUSE, 38, CUBBON ROAD, BANGALORE, KARNATAKA-560001	U72200KA1995PTC018112	SUBSIDIARY	100.00	Section 2(87)(ii)
116	TAMCO ELECTRICAL INDUSTRIES AUSTRALIA PTY LTD	31, KITCHEN ROAD, DANDENONG, VICTORIA 3175, AUSTRALIA	ACN006140512	SUBSIDIARY	100.00	Section 2(87)(ii)
117	TAMCO SWITCHGEAR (MALAYSIA) SDN BHD	UNIT C508, BLOCK C, KELANA SQUARE, JALAN SS7/26, KELANA JAYA 47301, PETALING JAYA SELANGOR DAR UL EHSAN, MALAYSIA	775268-H	SUBSIDIARY	100.00	Section 2(87)(ii)
118	THALEST LIMITED	ENDEAVOUR HOUSE, BENTALLS INDUSTRIAL ESTATE, HOLLOWAY ROAD, MALDON, ESSEX, C9 4ER, UNITED KINGDOM	01201246	SUBSIDIARY	100.00	Section 2(87)(ii)
119	L&T GLOBAL HOLDINGS LIMITED	UNIT 7, LEVEL 3, GATE PRECINCT, BUILDING 2, DUBAI INTERNATIONAL FINANCIAL CENTRE, P.O BOX 63671, DUBAI, UAE	CL2106	SUBSIDIARY	100.00	Section 2(87)(ii)

S. No	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
120	MARINE INFRASTRUCTURE DEVELOPER PRIVATE LIMITED	GROUND FLOOR, TC 1 BUILDING, L&T CONSTRUCTION COMPLEX, MOUNT POONAMALLE ROAD, MANAPAKKAM, CHENNAI - 600089	U74999TN2016PTC103769	SUBSIDIARY	100.00	Section 2(87)(ii)
121	L&T INFORMATION TECHNOLOGY SPAIN SOCIEDAD LIMITADA	C/JOSE ABASCAL, 56 2ND FLOOR, MADRID	B87472072	SUBSIDIARY	94.96	Section 2(87)(ii)
122	L&T NATURAL RESOURCES LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U74900MH2008PLC182601	SUBSIDIARY	100.00	Section 2(87)(ii)
123	L&T POWERGEN LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U40103MH2010PLC209313	SUBSIDIARY	100.00	Section 2(87)(ii)
124	L&T INFOTECH AUSTRIA GMBH LLC	c/o, OBERHAMMER, RECHTSANWALTE GMBH, KARLSPLATZ, 3/1, VIENNA	FN435491D	SUBSIDIARY	94.96	Section 2(87)(ii)
1	FEEDBACK INFRAPRIVATE LIMITED	311, 3RD FLOOR,VARDHAMAN PLAZA, POCKET 7, PLOT NO. 6, SECTOR 12, DWARKA , NEW DELHI -110078	U74899DL1990PTC040630	ASSOCIATE	16.89	Section 2(6)
2	GUJARAT LEATHER INDUSTRIES LIMITED	NO 3001, GIDC INDUSTRIAL ESTATE, ANKLESHWAR, GUJARAT	U18104GJ1978SGC003134	ASSOCIATE	50.00	Section 2(6)
3	INDIRAN ENGINEERING PROJECTS AND SYSTEMS KISH (LLC)	POST BOX 1267, NEHA APARTMENT, BAZAAR-E-DANOOS, KISH ISLAND, IRAN	3744	ASSOCIATE	50.00	Section 2(6)
4	INTERNATIONAL SEAPORTS (HALDIA) PRIVATE LIMITED	FLAT NO. 27, 5TH FLOOR, KOHINOOR BUILDING, 105, PARK STREET, KOLKATA 700016	U45205WB1999PTC090733	ASSOCIATE	21.74	Section 2(6)
5	L&T CAMP FACILITIES LLC	P. O. BOX 44357, DUBAI, UNITED ARAB EMIRATES	600640	ASSOCIATE	49.00	Section 2(6)
6	L&T-CHIYODA LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U28920MH1994PLC083035	ASSOCIATE	50.00	Section 2(6)
7	LARSEN & TOUBRO QATAR & HBK CONTRACTING LLC	P. O. BOX 1362, DOHA, QATAR	28634	ASSOCIATE	24.50	Section 2(6)
8	MAGTORQ PRIVATE LIMITED	NO. 58-C, SIPCOT INDUSTRIAL COMPLEX, HOSUR, TAMIL NADU 635126	U02520TZ1989PTC002458	ASSOCIATE	42.85	Section 2(6)
9	GRAMEEN CAPITAL INDIA PRIVATE LIMITED	402, 36 TURNER ROAD,BANDRA WEST, MUMBAI - 400050	U65923MH2007PTC168721	ASSOCIATE	23.87	Section 2(6)

IV. SHARE HOLDING PATTERN

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt (s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
e) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other....	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A)(1):-	0	0	0	0.00	0	0	0	0.00	0.00
(2) Foreign									
a) NRIs -Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other –Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other....	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A)(2):-	0	0	0	0.00	0	0	0	0.00	0.00
Total shareholding of Promoter (A) =(A)(1)+(A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	54,399,863	5,310	54,405,173	5.85	76,771,070	3,738	76,774,808	8.24	0.17
b) Banks/FI	237,695,842	43,205	237,739,047	25.58	237,142,389	41,177	237,183,566	25.46	-0.43
c) Central Govt	609,148	0	609,148	0.07	1,314,715	0	1,314,715	0.14	0.08
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	42,708,526	0	42,708,526	4.59	41,071,676	0	41,071,676	4.41	-0.19
g) FIIs	156,132,914	40,068	156,172,982	16.80	101,334,166	40,068	101,374,234	10.88	-5.92
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(1):-	491,546,293	88,583	491,634,876	52.89	457,634,016	84,983	457,718,999	49.14	-3.75
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	74,346,035	304,497	74,650,532	8.03	65,995,102	305,763	66,300,865	7.12	-0.91
ii) Overseas	0	3,432	3,432	0.00	0	3,432	3,432	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	163,550,672	19,885,971	183,436,643	19.73	182,938,555	18,745,440	201,683,995	21.65	1.92

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	13,911,234	0	13,911,234	1.50	11,172,991	0	11,172,991	1.20	-0.30
c) Others (specify)									
i) Directors & Relatives	2,509,799	2,148	2,511,947	0.27	1,449,165	350	1,449,515	0.16	-0.11
ii) Foreign Nationals	364,782	20,826	385,608	0.04	392,713	20,826	413,539	0.04	0.00
iii) Foreign Portfolio Investors	22,419,444	0	22,419,444	2.41	49,988,226	0	49,988,226	5.37	2.95
iv) Non-Residents	7,288,071	447,627	7,735,698	0.83	8,354,814	426,504	8,781,318	0.94	0.11
v) Trust	111,588,408	17,766	111,606,174	12.01	114,734,515	17,766	114,752,281	12.32	0.31
vi) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(2):-	395,978,445	20,682,267	416,660,712	44.82	435,026,081	19,520,081	454,546,162	48.80	3.97
Total Public Shareholding (B)=(B)(1)+ (B)(2)	887,524,738	20,770,850	908,295,588	97.71	892,660,097	19,605,064	912,265,161	97.94	0.23
C. Shares held by Custodian for GDRs & ADRs	21,266,473	0	21,266,473	2.29	19,213,684	0	19,213,684	2.06	-0.23
Grand Total (A+B+C)	908,791,211	20,770,850	929,562,061	100.00	911,873,781	19,605,064	931,478,845	100.00	0.00

(ii) Shareholding of Promoters

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

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

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

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

Sl. No.	Name of shareholer	Date of transaction	Shareholding at the beginning (01.04.2015) / end of the year 31.03.2016			Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
			No. of shares	% of total Shares of the Company	In crease / Decrease in shareholding	No. of shares	% of total Shares of the Company
1	**LIFE INSURANCE CORPORATION OF INDIA**	At the beginning of the year	155522285	16.73			
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer/ bonus/ sweat etc.)	10.04.2015			(280000)	155242285	16.69
		17.04.2015			(127466)	155114819	16.68
		22.05.2015			(60000)	155054819	16.67
		29.05.2015			(75000)	154979819	16.66
		05.06.2015			(163000)	154816819	16.64
		12.06.2015			(393141)	154423678	16.60
		19.06.2015			(303305)	154120373	16.57
		26.06.2015			(584014)	153536359	16.50
		30.06.2015			(114510)	153421849	16.49
		10.07.2015			(138774)	153283075	16.48
		17.07.2015			(111068)	153172007	16.46
		31.03.2016				153172007	16.44
		At the end of the year				153172007	16.44
2	**L&T EMPLOYEES WELFARE FOUNDATION**	At the beginning of the year	111606174	12.01			
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer/ bonus/ sweat etc.)	29.01.2016			3146107	114752281	12.32
		31.03.2016				114752281	12.32
		At the end of the year				114752281	12.32
3	**ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OFTHE UNIT TRUST OF INDIA**	At the beginning of the year	75925962	8.17			
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer/ bonus/ sweat etc.)	10.04.2015			600	75926562	8.17
		17.04.2015			(600)	75925962	8.16
		22.05.2015			600	75926562	8.16
		29.05.2015			(500)	75926062	8.16
		05.06.2015			500	75926562	8.16
		31.03.2016				75926562	8.15
		At the end of the year				75926562	8.15

Sl. No.	Name of shareholer	Date of transaction	Shareholding at the beginning (01.04.2015) / end of the year 31.03.2016		In crease / Decrease in shareholding	Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
			No. of shares	% of total Shares of the Company		No. of shares	% of total Shares of the Company
4	**HDFC TRUSTEE COMPANY LIMITED-HDFC EQUITY FUND**	At the beginning of the year	19251170	2.07			
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer/ bonus/ sweat etc.)	10.04.2015			376784	19627954	2.11
		17.04.2015			(50000)	19577954	2.11
		24.04.2015			2165	19580119	2.11
		01.05.2015			296592	19876711	2.14
		08.05.2015			20000	19896711	2.14
		15.05.2015			159990	20056701	2.16
		22.05.2015			1073	20057774	2.16
		29.05.2015			1883	20059657	2.16
		05.06.2015			28	20059685	2.16
		12.06.2015			25865	20085550	2.16
		19.06.2015			1957	20087507	2.16
		26.06.2015			31864	20119371	2.16
		30.06.2015			15000	20134371	2.16
		10.07.2015			15058	20149429	2.17
		17.07.2015			(174125)	19975304	2.15
		24.07.2015			(96058)	19879246	2.14
		31.07.2015			(50000)	19829246	2.13
		07.08.2015			(6906)	19822340	2.13
		14.08.2015			(36625)	19785715	2.13
		28.08.2015			(1279)	19784436	2.13
		04.09.2015			20352	19804788	2.13
		11.09.2015			144729	19949517	2.14
		18.09.2015			2298	19951815	2.14
		25.09.2015			36	19951851	2.14
		30.09.2015			187625	20139476	2.16
		09.10.2015			(96194)	20043282	2.15
		16.10.2015			(4906)	20038376	2.15
		23.10.2015			9915	20048291	2.15
		30.10.2015			157151	20205442	2.17
		06.11.2015			69500	20274942	2.18
		13.11.2015			1444	20276386	2.18
		20.11.2015			3912	20280298	2.18
		27.11.2015			295	20280593	2.18
		04.12.2015			829	20281422	2.18
		11.12.2015			9156	20290578	2.18
		18.12.2015			127326	20417904	2.19
		25.12.2015			301606	20719510	2.22
		31.12.2015			85112	20804622	2.23
		08.01.2016			34661	20839283	2.24

Sl. No.	Name of shareholer	Date of transaction	Shareholding at the beginning (01.04.2015) / end of the year 31.03.2016			Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
			No. of shares	% of total Shares of the Company	In crease / Decrease in shareholding	No. of shares	% of total Shares of the Company
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer/ bonus/ sweat etc.)	15.01.2016			(228538)	20610745	2.21
		22.01.2016			25339	20636084	2.22
		29.01.2016			1090	20637174	2.22
		05.02.2016			(280181)	20356993	2.19
		12.02.2016			171640	20528633	2.20
		19.02.2016			(176723)	20351910	2.18
		26.02.2016			381	20352291	2.18
		04.03.2016			173803	20526094	2.20
		11.03.2016			1866	20527960	2.20
		18.03.2016			(49531)	20478429	2.20
		25.03.2016			(6769)	20471660	2.20
		31.03.2016			1397	20473057	2.20
		31.03.2016				20473057	2.20
		At the end of the year				20473057	2.20
5	**GENERAL INSURANCE CORPORATION OF INDIA**	At the beginning of the year	17481186	1.88			
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer/ bonus/ sweat etc.)	12.06.2015			(2000)	17479186	1.88
		19.06.2015			(50000)	17429186	1.87
		26.06.2015			(48000)	17381186	1.87
		16.10.2015			(31186)	17350000	1.86
		23.10.2015			(30000)	17320000	1.86
		12.02.2016			101930	17421930	1.87
		19.02.2016			43751	17465681	1.88
		26.02.2016			25000	17490681	1.88
		04.03.2016			(10681)	17480000	1.88
		11.03.2016			(150000)	17330000	1.86
		18.03.2016			(110000)	17220000	1.85
		25.03.2016			(60000)	17160000	1.84
		31.03.2016			(40000)	17120000	1.84
		31.03.2016				17120000	1.84
		At the end of the year				17120000	1.84
6	**ICICI PRUDENTIAL VALUE DISCOVERY FUND**	At the beginning of the year	6318799	0.68			
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer/ bonus/ sweat etc.)	10.04.2015			(318995)	5999804	0.65
		17.04.2015			(100000)	5899804	0.63
		24.04.2015			(52718)	5847086	0.63
		01.05.2015			25261	5872347	0.63
		08.05.2015			329611	6201958	0.67
		15.05.2015			35004	6236962	0.67

Sl. No.	Name of shareholer	Date of transaction	Shareholding at the beginning (01.04.2015) / end of the year 31.03.2016			Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
			No. of shares	% of total Shares of the Company	In crease / Decrease in shareholding	No. of shares	% of total Shares of the Company
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer/ bonus/ sweat etc.)	22.05.2015			871	6237833	0.67
		29.05.2015			41062	6278895	0.68
		05.06.2015			(40844)	6238051	0.67
		12.06.2015			(15994)	6222057	0.67
		19.06.2015			(481943)	5740114	0.62
		26.06.2015			(153248)	5586866	0.60
		30.06.2015			(76826)	5510040	0.59
		10.07.2015			(40751)	5469289	0.59
		17.07.2015			(118)	5469171	0.59
		31.07.2015			(67000)	5402171	0.58
		07.08.2015			27303	5429474	0.58
		14.08.2015			(379677)	5049797	0.54
		21.08.2015			(102926)	4946871	0.53
		28.08.2015			116122	5062993	0.54
		04.09.2015			351730	5414723	0.58
		11.09.2015			48564	5463287	0.59
		18.09.2015			507302	5970589	0.64
		25.09.2015			500714	6471303	0.70
		30.09.2015			700157	7171460	0.77
		09.10.2015			184262	7355722	0.79
		16.10.2015			58230	7413952	0.80
		23.10.2015			(65288)	7348664	0.79
		30.10.2015			191738	7540402	0.81
		06.11.2015			2074733	9615135	1.03
		13.11.2015			717308	10332443	1.11
		20.11.2015			588967	10921410	1.17
		27.11.2015			57259	10978669	1.18
		04.12.2015			166163	11144832	1.20
		11.12.2015			481718	11626550	1.25
		18.12.2015			1059589	12686139	1.36
		25.12.2015			442	12686581	1.36
		31.12.2015			489361	13175942	1.41
		08.01.2016			437209	13613151	1.46
		15.01.2016			1184520	14797671	1.59
		22.01.2016			1147196	15944867	1.71
		29.01.2016			(137443)	15807424	1.70
		05.02.2016			(609839)	15197585	1.63
		12.02.2016			42273	15239858	1.64
		19.02.2016			190378	15430236	1.66
		26.02.2016			(193838)	15236398	1.64
		04.03.2016			13095	15249493	1.64

Sl. No.	Name of shareholer	Date of transaction	Shareholding at the beginning (01.04.2015) / end of the year 31.03.2016			Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
			No. of shares	% of total Shares of the Company	In crease / Decrease in shareholding	No. of shares	% of total Shares of the Company
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer/ bonus/ sweat etc.)	11.03.2016			(25772)	15223721	1.63
		18.03.2016			(318361)	14905360	1.60
		25.03.2016			(299806)	14605554	1.57
		31.03.2016			28251	14633805	1.57
		31.03.2016				14633805	1.57
		At the end of the year				14633805	1.57
7	**ICICI PRUDENTIAL LIFE INSURANCE COMPANY LTD**	At the beginning of the year	12360295	1.33			
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer/ bonus/ sweat etc.)	10.04.2015			84735	12445030	1.34
		17.04.2015			77739	12522769	1.35
		24.04.2015			46581	12569350	1.35
		01.05.2015			(80396)	12488954	1.34
		08.05.2015			280765	12769719	1.37
		15.05.2015			589488	13359207	1.44
		22.05.2015			33054	13392261	1.44
		29.05.2015			(87326)	13304935	1.43
		05.06.2015			(240718)	13064217	1.40
		12.06.2015			(138719)	12925498	1.39
		19.06.2015			68799	12994297	1.40
		26.06.2015			(59918)	12934379	1.39
		30.06.2015			(74925)	12859454	1.38
		10.07.2015			85054	12944508	1.39
		17.07.2015			(617204)	12327304	1.33
		24.07.2015			(281269)	12046035	1.29
		07.08.2015			19921	12065956	1.30
		14.08.2015			10732	12076688	1.30
		21.08.2015			13240	12089928	1.30
		28.08.2015			205050	12294978	1.32
		04.09.2015			(442863)	11852115	1.27
		11.09.2015			117200	11969315	1.29
		18.09.2015			(279020)	11690295	1.26
		25.09.2015			(117400)	11572895	1.24
		30.09.2015			(14746)	11558149	1.24
		09.10.2015			(47713)	11510436	1.24
		16.10.2015			(256168)	11254268	1.21
		23.10.2015			(8555)	11245713	1.21
		30.10.2015			35401	11281114	1.21
		06.11.2015			(5158)	11275956	1.21
		13.11.2015			15639	11291595	1.21

Sl. No.	Name of shareholer	Date of transaction	Shareholding at the beginning (01.04.2015) / end of the year 31.03.2016			Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
			No. of shares	% of total Shares of the Company	In crease / Decrease in shareholding	No. of shares	% of total Shares of the Company
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer/ bonus/ sweat etc.)	20.11.2015			(18582)	11273013	1.21
		27.11.2015			87324	11360337	1.22
		04.12.2015			57791	11418128	1.23
		11.12.2015			(125)	11418003	1.23
		18.12.2015			186257	11604260	1.25
		25.12.2015			(6071)	11598189	1.25
		31.12.2015			99439	11697628	1.26
		08.01.2016			(54512)	11643116	1.25
		15.01.2016			(16389)	11626727	1.25
		22.01.2016			218520	11845247	1.27
		29.01.2016			75309	11920556	1.28
		05.02.2016			269028	12189584	1.31
		12.02.2016			929351	13118935	1.41
		19.02.2016			584132	13703067	1.47
		26.02.2016			39292	13742359	1.48
		04.03.2016			15091	13757450	1.48
		11.03.2016			56906	13814356	1.48
		18.03.2016			4140	13818496	1.48
		25.03.2016			178629	13997125	1.50
		31.03.2016			27276	14024401	1.51
		At the end of the year				14024401	1.51
8	**GOVERNMENT OF SINGAPORE**	At the beginning of the year	12951043	1.39			
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer/ bonus/ sweat etc.)	10.04.2015			45835	12996878	1.40
		24.04.2015			(3880)	12992998	1.40
		01.05.2015			(128461)	12864537	1.38
		08.05.2015			(58351)	12806186	1.38
		05.06.2015			51385	12857571	1.38
		12.06.2015			(6411)	12851160	1.38
		10.07.2015			220852	13072012	1.41
		24.07.2015			(36919)	13035093	1.40
		31.07.2015			(128114)	12906979	1.39
		07.08.2015			127183	13034162	1.40
		21.08.2015			(14349)	13019813	1.40
		28.08.2015			231981	13251794	1.42
		04.09.2015			340697	13592491	1.46
		11.09.2015			(136564)	13455927	1.45
		30.09.2015			79455	13535382	1.45
		09.10.2015			285710	13821092	1.49
		23.10.2015			(4814)	13816278	1.49

Sl. No.	Name of shareholer	Date of transaction	Shareholding at the beginning (01.04.2015) / end of the year 31.03.2016			Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
			No. of shares	% of total Shares of the Company	In crease / Decrease in shareholding	No. of shares	% of total Shares of the Company
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer/ bonus/ sweat etc.)	30.10.2015			(387807)	13428471	1.44
		06.11.2015			(10678)	13417793	1.44
		13.11.2015			239574	13657367	1.47
		20.11.2015			(7614)	13649753	1.47
		27.11.2015			(145344)	13504409	1.45
		04.12.2015			32751	13537160	1.46
		11.12.2015			(21093)	13516067	1.45
		18.12.2015			(247683)	13268384	1.43
		31.12.2015			(25647)	13242737	1.42
		08.01.2016			80472	13323209	1.43
		15.01.2016			(4649)	13318560	1.43
		22.01.2016			113894	13432454	1.44
		29.01.2016			290947	13723401	1.48
		05.02.2016			338508	14061909	1.51
		12.02.2016			(51506)	14010403	1.51
		19.02.2016			(132591)	13877812	1.49
		04.03.2016			(77996)	13799816	1.48
		11.03.2016			(63994)	13735822	1.48
		31.03.2016			40645	13776467	1.48
		31.03.2016				13776467	1.48
		At the end of the year				13776467	1.48
9	**ABU DHAABI INVESTMENT AUTHORITY -BEHAVE**	At the beginning of the year	10181638	1.10			
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer/ bonus/ sweat etc.)	10.04.2015			7500	10189138	1.10
		24.04.2015			201200	10390338	1.12
		22.05.2015			(42900)	10347438	1.11
		29.05.2015			(312595)	10034843	1.08
		05.06.2015			(144326)	9890517	1.06
		12.06.2015			90991	9981508	1.07
		19.06.2015			8385	9989893	1.07
		26.06.2015			(7696)	9982197	1.07
		10.07.2015			73899	10056096	1.08
		17.07.2015			55058	10111154	1.09
		24.07.2015			13391	10124545	1.09
		31.07.2015			(112500)	10012045	1.08
		14.08.2015			46178	10058223	1.08
		28.08.2015			(38397)	10019826	1.08
		04.09.2015			(124561)	9895265	1.06
		18.09.2015			(37435)	9857830	1.06
		25.09.2015			(510974)	9346856	1.00

Sl. No.	Name of shareholer	Date of transaction	Shareholding at the beginning (01.04.2015) / end of the year 31.03.2016			Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
			No. of shares	% of total Shares of the Company	In crease / Decrease in shareholding	No. of shares	% of total Shares of the Company
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer/ bonus/ sweat etc.)	16.10.2015			(69991)	9276865	1.00
		30.10.2015			59334	9336199	1.00
		13.11.2015			(32076)	9304123	1.00
		20.11.2015			(20520)	9283603	1.00
		27.11.2015			(324689)	8958914	0.96
		04.12.2015			(119632)	8839282	0.95
		15.01.2016			10166	8849448	0.95
		22.01.2016			78043	8927491	0.96
		29.01.2016			(795000)	8132491	0.87
		05.02.2016			(158500)	7973991	0.86
		26.02.2016			(19788)	7954203	0.85
		04.03.2016			(30245)	7923958	0.85
		18.03.2016			526742	8450700	0.91
		25.03.2016			612015	9062715	0.97
		31.03.2016				9062715	0.97
		At the end of the year				9062715	0.97
10	**THE NEW INDIA ASSURANCE COMPANY LIMITED**	At the beginning of the year	9012316	0.97			
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer/ bonus/ sweat etc.)	17.04.2015			(5000)	9007316	0.97
		22.05.2015			(35000)	8972316	0.96
		29.05.2015			(36000)	8936316	0.96
		05.06.2015			(44691)	8891625	0.96
		12.06.2015			(11809)	8879816	0.95
		19.06.2015			(67500)	8812316	0.95
		26.06.2015			(70000)	8742316	0.94
		30.06.2015			(25000)	8717316	0.94
		10.07.2015			(40000)	8677316	0.93
		24.07.2015			(2500)	8674816	0.93
		31.07.2015			(2894)	8671922	0.93
		07.08.2015			(24900)	8647022	0.93
		14.08.2015			(18833)	8628189	0.93
		21.08.2015			(12500)	8615689	0.93
		11.09.2015			(20000)	8595689	0.92
		18.09.2015			(36903)	8558786	0.92
		13.11.2015			25000	8583786	0.92
		20.11.2015			28000	8611786	0.92
		27.11.2015			11234	8623020	0.93
		04.12.2015			7500	8630520	0.93
		11.12.2015			28266	8658786	0.93
		31.12.2015			12500	8671286	0.93

Sl. No.	Name of shareholer	Date of transaction	Shareholding at the beginning (01.04.2015) / end of the year 31.03.2016			Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
			No. of shares	% of total Shares of the Company	In crease / Decrease in shareholding	No. of shares	% of total Shares of the Company
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer/ bonus/ sweat etc.)	08.01.2016			30000	8701286	0.93
		15.01.2016			24601	8725887	0.94
		22.01.2016			25000	8750887	0.94
		29.01.2016			7899	8758786	0.94
		31.03.2016				8758786	0.94
		At the end of the year				8758786	0.94
11	**HDFC STANDARD LIFE INSURANCE COMPANY LIMITED**	At the beginning of the year	7838382	0.84			
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer/ bonus/ sweat etc.)	10.04.2015			4471	7842853	0.84
		17.04.2015			20092	7862945	0.85
		24.04.2015			(43560)	7819385	0.84
		01.05.2015			67355	7886740	0.85
		08.05.2015			(8829)	7877911	0.85
		15.05.2015			33058	7910969	0.85
		29.05.2015			16775	7927744	0.85
		05.06.2015			(67647)	7860097	0.84
		12.06.2015			(26044)	7834053	0.84
		19.06.2015			25830	7859883	0.84
		26.06.2015			(5722)	7854161	0.84
		30.06.2015			(50859)	7803302	0.84
		10.07.2015			(89098)	7714204	0.83
		17.07.2015			53000	7767204	0.83
		24.07.2015			10644	7777848	0.84
		31.07.2015			20840	7798688	0.84
		07.08.2015			(184897)	7613791	0.82
		14.08.2015			(54891)	7558900	0.81
		21.08.2015			34988	7593888	0.82
		28.08.2015			32748	7626636	0.82
		04.09.2015			(20742)	7605894	0.82
		11.09.2015			33535	7639429	0.82
		18.09.2015			(4865)	7634564	0.82
		25.09.2015			(95154)	7539410	0.81
		30.09.2015			(61640)	7477770	0.80
		09.10.2015			(9214)	7468556	0.80
		16.10.2015			56	7468612	0.80
		23.10.2015			(3040)	7465572	0.80
		30.10.2015			(19855)	7445717	0.80
		06.11.2015			(67234)	7378483	0.79

Sl. No.	Name of shareholer	Date of transaction	Shareholding at the beginning (01.04.2015) / end of the year 31.03.2016			Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
			No. of shares	% of total Shares of the Company	In crease / Decrease in shareholding	No. of shares	% of total Shares of the Company
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer/ bonus/ sweat etc.)	13.11.2015			(105351)	7273132	0.78
		20.11.2015			15792	7288924	0.78
		04.12.2015			231	7289155	0.78
		11.12.2015			(54096)	7235059	0.78
		18.12.2015			(562878)	6672181	0.72
		25.12.2015			(220151)	6452030	0.69
		31.12.2015			200118	6652148	0.71
		08.01.2016			(300689)	6351459	0.68
		15.01.2016			39809	6391268	0.69
		22.01.2016			(10738)	6380530	0.69
		29.01.2016			(20000)	6360530	0.68
		05.02.2016			344	6360874	0.68
		12.02.2016			(64519)	6296355	0.68
		19.02.2016			(71196)	6225159	0.67
		26.02.2016			(312608)	5912551	0.63
		04.03.2016			(128085)	5784466	0.62
		11.03.2016			(34597)	5749869	0.62
		18.03.2016			20901	5770770	0.62
		25.03.2016			396	5771166	0.62
		31.03.2016			(20000)	5751166	0.62
		31.03.2016				5751166	0.62
		At the end of the year				5751166	0.62
12	**SBI LIFE INSURANCE CO. LTD**	At the beginning of the year	6831696	0.73			
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer/ bonus/ sweat etc.)	10.04.2015			33273	6864969	0.74
		17.04.2015			(356178)	6508791	0.70
		24.04.2015			(85263)	6423528	0.69
		01.05.2015			(185554)	6237974	0.67
		08.05.2015			(240790)	5997184	0.64
		15.05.2015			(63089)	5934095	0.64
		22.05.2015			24013	5958108	0.64
		29.05.2015			(118377)	5839731	0.63
		05.06.2015			245159	6084890	0.65
		12.06.2015			50015	6134905	0.66
		19.06.2015			(2731)	6132174	0.66
		26.06.2015			7321	6139495	0.66
		30.06.2015			(22)	6139473	0.66
		10.07.2015			(22044)	6117429	0.66
		17.07.2015			(64160)	6053269	0.65
		24.07.2015			(123031)	5930238	0.64

Sl. No.	Name of shareholer	Date of transaction	Shareholding at the beginning (01.04.2015) / end of the year 31.03.2016		In crease / Decrease in shareholding	Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
			No. of shares	% of total Shares of the Company		No. of shares	% of total Shares of the Company
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer/ bonus/ sweat etc.)	31.07.2015			(118251)	5811987	0.62
		07.08.2015			(91140)	5720847	0.62
		14.08.2015			(10108)	5710739	0.61
		21.08.2015			(40615)	5670124	0.61
		28.08.2015			44033	5714157	0.61
		04.09.2015			(33394)	5680763	0.61
		11.09.2015			(259021)	5421742	0.58
		18.09.2015			(22432)	5399310	0.58
		25.09.2015			(162674)	5236636	0.56
		30.09.2015			(5617)	5231019	0.56
		09.10.2015			128475	5359494	0.58
		16.10.2015			25360	5384854	0.58
		23.10.2015			127706	5512560	0.59
		30.10.2015			(44914)	5467646	0.59
		06.11.2015			(123086)	5344560	0.57
		13.11.2015			207729	5552289	0.60
		20.11.2015			59996	5612285	0.60
		27.11.2015			101350	5713635	0.61
		04.12.2015			(36061)	5677574	0.61
		11.12.2015			(24205)	5653369	0.61
		18.12.2015			66873	5720242	0.62
		25.12.2015			1582	5721824	0.62
		31.12.2015			9155	5730979	0.62
		08.01.2016			11606	5742585	0.62
		15.01.2016			111300	5853885	0.63
		22.01.2016			214513	6068398	0.65
		29.01.2016			148777	6217175	0.67
		05.02.2016			(284906)	5932269	0.64
		12.02.2016			(310004)	5622265	0.60
		19.02.2016			(59582)	5562683	0.60
		26.02.2016			(112230)	5450453	0.59
		04.03.2016			(76907)	5373546	0.58
		11.03.2016			(94109)	5279437	0.57
		18.03.2016			(84251)	5195186	0.56
		25.03.2016			2411	5197597	0.56
		31.03.2016			(126238)	5071359	0.55
		31.03.2016				5071359	0.54
		At the end of the year				5071359	0.54

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the top 10 shareholders		**No. of shares**	**% of total Shares of the Company**	**No. of shares**	**% of total Shares of the Company**
1	**A. M. NAIK**	At the Beginning of the year	1,025,000	0.11		
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc):					
		At the end of the year			1,025,000	0.11
2	**S. N. SUBRAHMANYAN**	At the beginning of the year	37,056	0.00		
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc):	27.08.2015 (ESOP Exercise)	35,000	0.00	72,056	0.01
		At the End of the year			72,056	0.01
3	**R. SHANKAR RAMAN**	At the beginning of the year	159,000	0.02		
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc):	27.08.2015 (ESOP Exercise)	15,000	0.00	174,000	0.02
		At the End of the year			174,000	0.02
4	**SHAILENDRA N. ROY**	At the beginning of the year	45,350	0.00		
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc):	27.08.2015 (ESOP Exercise)	10,000	0.00	55,350	0.01
		At the End of the year			55,350	0.01
5	**D. K. SEN**	As on date of appointment as Director	30,703	0.00		
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc):					
		At the End of the year			30,703	0.00
6	**M. V. SATISH**	As on date of appointment as Director	42,875	0.00		
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc):					
		At the End of the year			42,875	0.00

Sl. No.			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the top 10 shareholders		No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
7	**M. M. CHITALE**	At the beginning of the year	1,629	0.00		
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc):					
		At the End of the year			1,629	0.00
8	**SUBODH BHARGAVA**	At the beginning of the year	750	0.00		
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc):					
		At the End of the year			750	0.00
9	**M. DAMODARAN**	At the beginning of the year	150	0.00		
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc):					
		At the End of the year			150	0.00
10	**VIKRAM SINGH MEHTA**	At the beginning of the year	885	0.00		
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc):					
		At the End of the year			885	0.00
11	**SUSHOBHAN SARKER jointly with Life Insurance Corporation of India**	At the beginning of the year	150	0.00		
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc):					
		At the End of the year			150	0.00
12	**ADIL ZAINULBHAI**	At the beginning of the year	100	0.00		
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc):				-	
		At the End of the year			100	0.00

Sl. No.			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the top 10 shareholders		No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
13	**AKHILESH GUPTA**	At the beginning of the year	200	0.00		
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc):				-	
		At the End of the year			200	0.00
14	**BAHRAM VAKIL**	At the beginning of the year	3,640	0.00		
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc):	29.05.2015	700	0.00	4,340	0.00
		11.11.2015	101	0.00	4,441	0.00
		At the End of the year			4,441	0.00
15	**SWAPAN DASGUPTA jointly with specified undertaking of the Unit Trust of India @**	As on date of appointment as Director	-	0.00		
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc):	15.05.2015	100	0.00	100	0.00
		At the End of the year			100	0.00
	@ ceased to be a Director w.e.f May 15, 2016					
16	**SUNITA SHARMA jointly with Life Insurance Corporation of India**	As on date of appointment as Director	-	0.00		
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc):	15.05.2015	100	0.00	100	0.00
		At the End of the year			100	0.00
17	**THOMAS MATHEW T.**	As on date of appointment as Director	100	0.00		
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc):					
		At the End of the year			100	0.00

Sl. No.			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the top 10 shareholders		No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
18	AJAY SHANKAR	As on date of appointment as Director	-	0.00		
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc):	10.07.2015 (Market Purchase)	100	0.00	100	0.00
		At the End of the year			100	0.00
19	SUBRAMANIAN SARMA	As on date of appointment as Director	-	0.00		
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc):	07.10.2015 (Market Purchase)	100	0.00	100	0.00
		At the End of the year			100	0.00
20	NAINA LAL KIDWAI	As on date of appointment as Director	-	0.00		
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc):	25.03.2016 (Market Purchase)	100	0.00	100	0.00
		At the End of the year			100	0.00
21	N. HARIHARAN	At the beginning of the year	23,140	0.00		
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc):					
		At the End of the year			23,140	0.00

V. INDEBTEDNESS

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

₹ crore

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	664.04	12272.55	–	12936.59
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	8.62	149.46	–	158.08
Total (i+ii+iii)	**672.66**	**12422.01**	**–**	**13094.67**

₹ crore

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Change in Indebtedness during the financial year				
Addition	8417.70	19621.89	–	28039.59
Reduction	8572.52	19270.17	–	27842.69
Exchange gain/(loss)	(11.32)	(463.48)	–	(474.80)
Interest accrued but not due	0.08	38.57	–	38.65
Net Change	**(143.42)**	**853.77**	**–**	**710.35**
Indebtedness at the end of the financial year				
i) Principal Amount	520.54	13087.75	–	13608.29
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	8.70	188.03	–	196.73
Total (i+ii+iii)	**529.24**	**13275.78**	**–**	**13805.02**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

₹ Crore

Sl. no.	Particulars of Remuneration	Name of MD/WTD/Manager								Total Amount
		A M NAIK	K VENKATARAMANAN*	M V KOTWAL^	S N SUBRAHMANYAN	R SHANKAR RAMAN	SHAILENDRA ROY	D K SEN@	M V SATISH#	
1	Gross salary									
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3.58	14.73	8.58	1.63	1.38	1.15	0.44	0.15	31.64
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	38.85	2.77	0.84	7.53	3.23	3.03	0.06	0.05	56.36
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2	Stock Option	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3	Sweat Equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Commission - as % of profit - others, specify…	17.96	3.37	1.82	9.90	6.90	4.40	2.11	0.73	47.19
5	Others (Contribution to Provident Fund & Superannuation Fund)	5.75	22.43	15.35	3.06	2.18	1.47	0.69	0.24	51.17
	Total (A)	**66.14**	**43.30**	**26.59**	**22.12**	**13.69**	**10.05**	**3.29**	**1.17**	**186.35**
	Ceiling as per the Act									**615.88**

* Retired as a Director on September 30, 2015
^ Retired as a Director on August 26, 2015
@ Appointed as a Director w.e.f October 1, 2015
# Appointed as a Director w.e.f January 29, 2016

B. REMUNERATION TO OTHER DIRECTORS

₹ Crore

Sl. no.	Particulars of Remuneration	Name of Directors							Total Amount
		M M CHITALE	SUBODH BHARGAVA	M DAMODARAN	VIKRAM SINGH MEHTA	SUSHOBHAN SARKER*	ADIL ZAINULBHAI	AKHILESH GUPTA	
1	Independent Directors								
	Fee for attending board/ committee meetings	0.065	0.063	0.060	0.050		0.055	0.045	**0.338**
	Commission	0.455	0.555	0.375	0.352		0.435	0.198	**2.370**
	Others, please specify								
	Total (1)	**0.520**	**0.618**	**0.435**	**0.402**		**0.490**	**0.243**	**2.708**
2	Other Non-Executive Directors								
	Fee for attending board/ committee meetings					0.055			**0.055**
	Commission *					0.229			**0.229**
	Others, please specify								
	Total (2)					**0.284**			**0.284**
	Total (B)=(1+2)	**0.520**	**0.618**	**0.435**	**0.402**	**0.284**	**0.490**	**0.243**	**2.992**

₹ Crore

Sl. no.	Particulars of Remuneration	Name of Directors							Total Amount
		BAHRAM VAKIL	SWAPAN DASGUPTA* !	SUNITA SHARMA*	THOMAS MATHEW T@	AJAY SHANKAR#	SUBRMANIAN SARMA$	NAINA LAL KIDWAI^	
1	Independent Directors								
	Fee for attending board/ committee meetings	0.020			0.060	0.030		0.000	**0.110**
	Commission	0.067			0.320	0.205		0.000	**0.592**
	Others, please specify								
	Total (1)	**0.087**			**0.380**	**0.235**		**0.000**	**0.702**
2	Other Non-Executive Directors								
	Fee for attending board/ committee meetings		0.045	0.040			0.000		**0.085**
	Commission *		0.150	0.127			0.000		**0.277**
	Others, please specify								
	Total (2)		**0.195**	**0.167**			**0.000**		**0.362**
	Total (B)=(1+2)	**0.087**	**0.195**	**0.167**	**0.380**	**0.235**	**0.000**	**0.000**	**1.064**
	Total Managerial Remuneration (A) + (B)								**190.406**
	Overall Ceiling as per the Act								**677.48**

@ Appointed as a Director w.e.f. April 3, 2015

Appointed as a Director w.e.f. May 30, 2015

$ Appointed as a Director w.e.f. August 19, 2015

^ Appointed as a Director w.e.f March 1, 2016

* Commission is payable to the respective Institutions they represent

! Ceased to be a Director w.e.f May 15, 2016

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

₹ Crore

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary (N. Hariharan)	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Not Applicable	0.905	Not Applicable	**0.905**
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		0.008		**0.008**
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961		–		**–**
2	Stock Option		–		**–**
3	Sweat Equity		–		**–**
4	Commission - as % of profit - others, specify…		–		**–**
5	Others (Contribution to Provident Fund & Superannuation Fund)		0.063		**0.063**
	Total		**0.976**		**0.976**

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

Management Discussion and Analysis 2015-16

Overview of World Economy:
World economic output is recovering at a slow pace with the expectations of achieving sub 3% growth in calendar year 2016. Though emerging economies from Asia could continue to drive growth, there is a potential downside risk in terms of continued slow growth in China, weak domestic consumption in Japan, volatile currency movements and sustained level of low commodity prices. There is an uncertainty over the future growth prospects of commodity driven economies like Brazil and Russia. GCC countries are also facing fiscal weakening from low crude oil prices.

The world economy is witnessing subdued corporate profits and investments, sluggish exports and manufacturing activities, and lower commodity prices. Credit growth is tepid and accommodative policies adopted by central bankers have not yet yielded the desired outcome. Prevailing fragile business sentiment is also adversely impacted by geopolitical tensions, protectionist policies adopted by some of the countries and climate & environmental concerns.

Overview of Indian Economy:
Amidst the low global growth environment, the Indian economy showed resilience and grew by 7.6% for the year 2015-16, driven mainly by the service sector. Agriculture, Forestry and Fishing sector, which employs more than 50% of labour force of the country grew by 1.2%. Despite a muted agricultural growth occasioned by poor monsoons, India's domestic consumption remains strong on the back of favorable demographics.

India has been a beneficiary of low oil prices which has helped to improve the Government's fiscal position and has improved the profitability of PSU oil & gas marketing companies. Decline in the oil prices also underpinned lower Inflation by offsetting higher food inflation caused by poor monsoon in the previous year. Consequently, RBI has reduced interest rates by 75 basis points during 2015-16 as compared to 50 basis points in 2014-15. The INR has depreciated against the US Dollar by around 6.5% (from a level of ₹ 62 to a level of ₹ 66) during 2015-16. FII flows were net negative in Debt & Equity markets in 2015-16 echoing the anticipation of interest rate hikes by the US Fed. China's currency devaluation stance added to weakness of the INR.

The fall in commodity prices has also had a negative impact on the Indian economy in terms of reduced profitability of metal and mining companies leading to financial stress of several businesses. This has resulted in a curtailment of fresh capital investments and some defaults in servicing debt obligations.

Capital investment spending in India has been muted. There is a strong intent from the Government to push investments and growth. However, policy implementation is progressing at a measured pace. 2016-17 appears more promising mainly due to the expectations of a good monsoon and revival of the investment cycle led by favorable government policies such as increased budgetary allocations on infrastructure projects, pushing investment through cash rich PSUs, thrust on 'Make In India', increased drive on building a strong domestic manufacturing base for Defence equipment, emphasis on increasing investments in nuclear power, initiatives to revive weak state power distribution utilities through the 'UDAY' scheme, focus on build out of Smart Cities, 'Power for All' programs and robust plans to increase investments in metro rails and roads. It is also expected that the GST Bill will be passed in parliament in 2016-17.

Business Scenario:
The Company sees good prospects in the domestic economy with the thrust on infrastructure development. The Company has invested in building up the capacities over the years and has also mapped the emerging opportunities with the internal capabilities. Increase in the pace of implementation of various initiatives by the government and revival of the investment cycle would be

conducive for achieving the growth aspirations of the Company.

The Company has identified key focus areas and strategic initiatives to make the most out of the upcoming opportunities. Major thrust areas are enumerated below:

Key performance themes and focus areas for 2016-17.

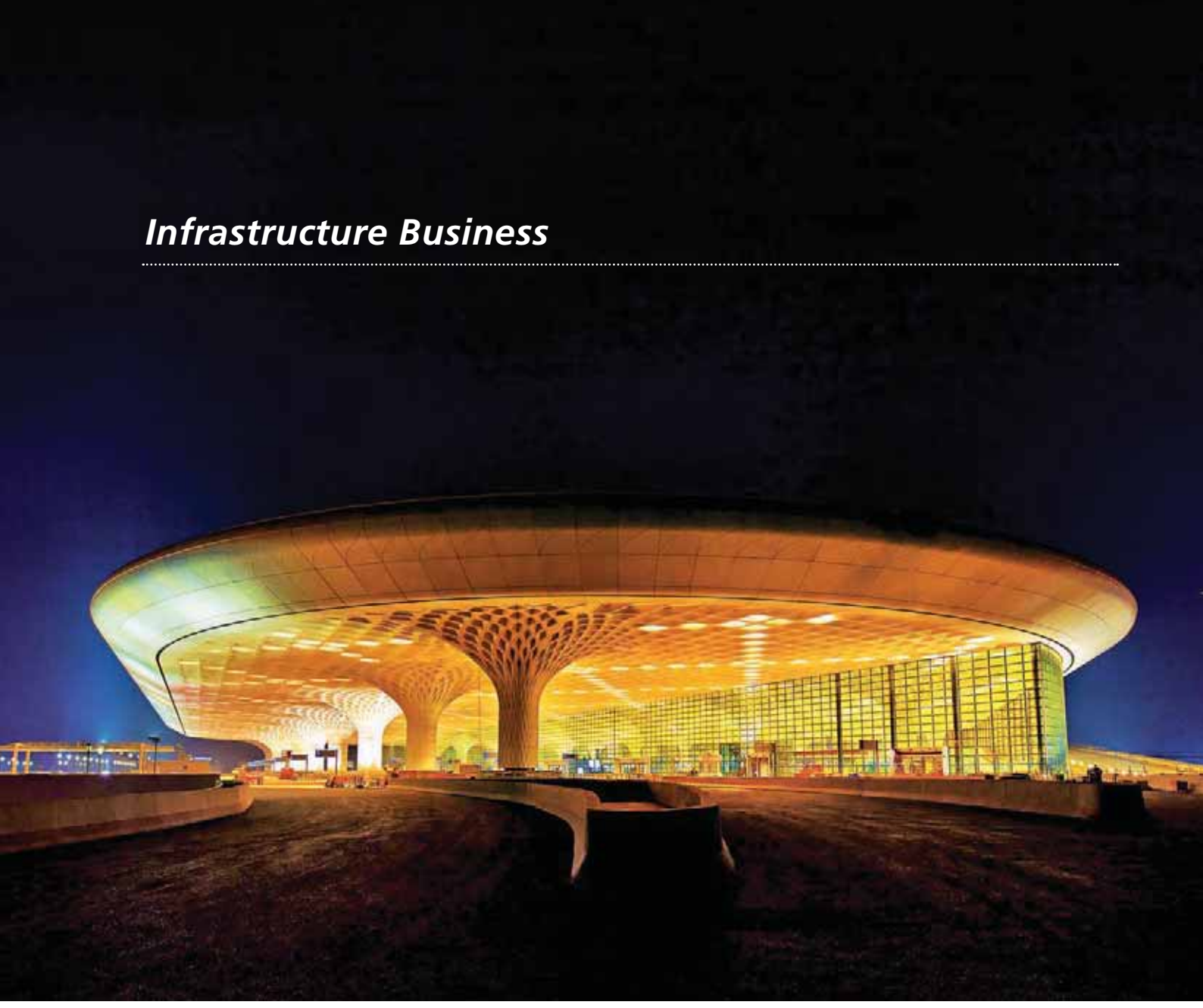
- **Cost competitiveness through operational efficiency:** The Company is analysing all the aspects of its operations to improve efficiency and competitiveness on an ongoing basis. Operational Excellence programs are underway for identified areas of cost reduction and productivity improvements without compromising on quality of products and services. Employees and subcontractors play a very vital role in Company's endeavor on performance improvements and are well sensitised, motivated and connected through a collaborative approach.

- **Working capital reduction:** Working capital requirements have been on the rise given the tight liquidity position and tepid business environment. Special efforts are being taken to release cash blocked in working capital. The aim is to make each project cash positive and self-funded during the execution cycle. The focus will be on faster collections from the customers.

- **Maximise benefits to the stakeholders through business value unlocking:** The Company has invested in building capacities in nuclear power forgings, shipbuilding as well as in some business segments having longer gestation periods such as power plants, ports and roads concessions. It also has created a significant scale in service businesses in the areas of financial services and information technology. All these businesses have a potential to generate promising returns as the growth cycle of Indian economy picks up. The company is continuously exploring opportunities to unlock value from these businesses to maximise returns to its stakeholders.

- **Project execution within time schedule and costs:** The Company has a large order book of close to ₹ 2500 billion to be executed over the next few years. On-going projects are led by proficient project managers, project directors and sponsors, ensuring timely project execution within targeted costs. Improved monitoring of projects under execution for achieving profitable growth is one of the major thrust areas.

Infrastructure Business



Terminal 2, Mumbai International Airport - an iconic structure which integrates world-class design, architecture and operational efficiency. L&T has built several airports in India and in the Middle East.

Infrastructure Business Scenario - India:
The Indian E&C sector continues to remain highly pro-cyclical. On an aggregate level, some improvements have been witnessed after many quarters of stagnant or negative growth however, interest cost remains high. Government-led CAPEX has just started to pick up through disbursement of new orders. The construction industry appears to be at the far end of the recovery curve with delays for Government investments to trickle down as revenue.

Competitive Landscape: Many companies have resorted to the sale of assets to tide over debt obligations. Overall, the industry CAPEX upturn continued to be elusive, given the existing overcapacity and inability to invest further. Overall competition among existing players has become more intensive.

Going forward, there is a strong possibility of the CAPEX cycle recovering within 2-3 quarters.

Companies with strong balance sheet and execution capabilities are likely to sail through the current scenario.

Middle East:
Middle East economies are posting lower growth figures. The sustained low and falling oil prices

have affected their economies adversely and continue to pose a challenging scenario. Almost all GCC countries are resorting to fiscal consolidation measures, trying to diversify the economy and increase their revenue streams. With oil fiscal breakeven point for balance budget for GCC countries like Saudi Arabia, Oman and UAE hovering around $90~$100/bbl, and Qatar and Kuwait between $50~ $55/bbl, most of the Middle East countries are raising debt from domestic and international sources while preserving their currency peg. Geopolitical uncertainties continue to be the worry spot. However, most of the GCC players including Qatar, UAE, and Oman continue to pursue long term infrastructure development programs which augers well for the construction industry.



DLF Mall of India, near Delhi.

Global:
Current trend shows that the global Construction Industry could continue to perform modestly. There have been marked cancellations of a number of projects in the Middle East owing to lower oil revenues. Global contractors are focusing outside home markets and consequently flocking to select growth markets, resulting in fierce competition. MENA order awards have seen only a moderate pick-up during Q1 of calendar 2016 Y-o-Y and some sluggishness remains.

Impact of Digital technologies:
Digital technologies have the potential to create new business models, dramatically alter business processes and improve operations. While this has been demonstrated and visible in many consumer facing sectors, the opportunities in construction projects and manufacturing are also significant.

L&T proposes to implement digital technology solutions to make significant improvements in the key areas of work. The 'Digital Group' has been formed which will extensively focus on conceiving, initiating and implementing digital solutions to facilitate desired business results. Digital solutions are being developed for better project monitoring and controls by installing sensors and gateways on all the equipment deployed at project sites for tracking and monitoring the performance. Other major areas where digital solutions would be implemented are improvement in workmen productivity and safety through tagging and tracking, use of GPS and RFID for tracking to optimise logistics and material consumption, capturing of real-time data and visuals from the project sites through the use of mobile application and modern geospatial technologies including LiDAR & UAVs for surveys, analysis of data pulled in from all the initiatives into digital engine to deliver trend, actionable insights and forecast scenarios. The Group will continue to develop breakthrough solutions for business transformation with the evolving technologies and business processes.

BUILDINGS AND FACTORIES

Overview:
L&T's Buildings & Factories (B&F) is a business vertical that has the requisite expertise to undertake Engineering, Procurement and Construction (EPC) of airports, IT parks, office buildings, institutional spaces, hospitals, stadiums, hotels, elite residential buildings, high rise structures, mass housing complexes, factory structures, cement plants and industrial warehouses. The business is pioneer in offering Total engineering solutions right from concept to commissioning across all the business lines cited above.

The competitive advantages of the business include dedicated engineering design centres, competency cells, advanced formwork systems, mechanised project execution, wide network of consultants and vendors, digitised project control and a talented pool of employees.

Business Environment:
Year 2015-16 continued to be challenging for the construction industry. Many of the customers of the business deferred their investment plans due to the liquidity crunch and low demand in the realty sector. In the international arena, the dip in crude oil prices had a major impact on investments in GCC region. The slowdown in China due to excess inventory has



The 1600-bed multi-specialty Safdarjung Hospital, Delhi.

impacted the manufacturing sector in India. Initiatives like 'Make in India' and 'Housing for All' have led to major investment plans. However, the pace of development has been far from satisfactory.

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

Significant Initiatives:
The business implemented operational excellence initiatives across all levels to enhance profitability, like the introduction of value engineering techniques to cut down costs and improve productivity. Project cycle times were brought down by embracing technology and mechanised execution. The organisation was strengthened to improve the operational efficiency.

Safety is imbibed as a 'way of life' and implemented across all projects to educate and sensitise all stakeholders on hazardous project activities and corresponding preventive measures. A safety innovation school was set up to impart the EHS related training. This school is the first-of-its-kind by any construction company in India.

A team of experts has been formed to study futuristic businesses and formulate suitable strategies for a competitive edge.

The projects executed by the business continued to bag various awards and recognitions during 2015-16. Four projects secured awards from The Royal Society For Prevention of Accidents (RoSPA). Four projects secured awards from the British Safety Council. Ten projects secured awards from the National Safety Council, India. Two projects secured awards from the Indian Concrete Institute. Two projects secured the Construction Week Smart Project of the Year award.

Major Orders Secured and Under Execution:
The business has secured prestigious projects in almost all their business lines like IT parks, office buildings, residential, factories, etc.

Leadership has been maintained in the construction of IT parks and office spaces in the country. Major projects were secured in the northern and southern parts of India.

Major orders were secured from its esteemed customers for the construction of elite high rise residential towers in western and southern India.

Some of the key projects commissioned by the business



Cognizant Technology Solutions, Chennai.

this year are IT facilities and campuses for IT companies, international airports at Chandigarh and Cochin, hospitals and medical colleges for ESIC, NMC and the Government of West Bengal, high rise residential towers in various parts of the country and cement plants for Orient and Wonder Cement.

Outlook:
The GoI has a deep focus towards improving the country's infrastructure and has taken some good measures for improving the country's economy. The business is upbeat on this scenario and well positioned to capture the momentum. A few positive factors are as follows:

- The realty sector will stimulate growth in view of easing out of interest rates, relaxation in FDI norms and revival of investor sentiments.
- 'Housing for all' coupled with rapid urbanisation and a rising middle class will drive demand for affordable houses.
- The 'Make in India' initiative is expected to bolster the manufacturing industry.
- Rising healthcare quality and awareness are expected to generate more investments.
- Strong IT & BPO industry growth will drive commercial space requirements.

In the international arena, though falling oil prices may have some impact on the Middle East economy, the business is hopeful that infrastructure spending will continue for stadiums, metro systems and healthcare related projects.



Oberoi Sky City at Borivali, Mumbai. L&T builds elite, mass and affordable housing complexes on a turnkey basis.

The business is poised for sustained growth in the forthcoming years against the backdrop of a reviving economy, an improving business climate, a healthy order book, a wide customer network, a strong organisational setup, an efficient supply chain management, requisite resources and a skilled workforce.

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

Against stiff competition from international players, LTO successfully secured a major airport project.

The Oil price impact has limited the investment plans in the country. LTO is witnessing limited business prospects in segments like hospitals and commercial buildings. However, considering company's past performance, it is confident of maintaining the business portfolio in the region.

HEAVY CIVIL INFRASTRUCTURE

Overview:
Heavy Civil Infrastructure business undertakes Design, Engineering, and Construction of projects in the Metro, Nuclear, Hydel, Ports, Special Bridges, Tunnels and Defence segments. The goal of the business is to become a total infrastructure solutions provider, not just in India, but overseas as well. The in-house design strength and unique Construction Methodology Cell gives the business an edge over its competitors and help it serve the customers needs from concept to commissioning.



L&T's construction expertise has been offered for the elevated and underground sections of the Chennai Metro, including ballastless track work and a massive depot.

Business Environment:
The current year witnessed a mixed performance by the business. Revenue and order book remained strong regardless of a low-spirited market. Margins have improved overall, driven by strong cost cutting, restructuring and efficiency improvement initiatives.

Despite the GoI's attempts to boost growth through several measures in the infrastructure segment, there was a slump faced primarily due to distressed demand from the infrastructure sector. However, major orders materialised in the third and fourth quarter with the GoI's boost on foreign funding.

The business increased its market share in both the Metros and Special Bridges segments. The business grew faster than its competitors in the sector. A major order from the Bihar State Road Development Corporation Limited (BSRDCL) for the Design & Construction of a Greenfield Six-Lane extra-dosed cable bridge over the river Ganga near Kachchi Dargah (Bihar) was a crowning achievement.

One of the goals of the business as part of the new medium term business plan is to revitalise and reinforce core construction operations. Being adaptable to meet market shifts, the business has established a sound construction work system to raise productivity levels. The business plans to leverage the development of an automated system in the construction sector. This will reinforce the competitive advantage of the business and expand the portfolio.

In the International market – more particularly in the Middle East – the infrastructure industry did not show robust growth due to decline in oil prices. Moreover, GCC is promoting participation of the private sector via PPPs to compensate for the deficit. Bhutan and Bangladesh have proved promising for the Hydro Power and Special Bridge segments.

Metro Rail and Defence Sectors:
Metro rail projects in India are booming rapidly, especially in Tier 2 cities, but the environment is becoming more challenging due to commoditisation of the elevated metro projects. This has influenced the strategic outlook towards the business resulting in enhanced focus towards underground metro projects.

The Chennai Elevated Metro, the Delhi – Badarpur to Faridabad Corridor and the Hyderabad Metro Stage 2 have been successfully handed over.

Riyadh and Doha Metro projects which are being operated with a JV structure are progressing reasonably.

The Indian Defence industry is a strategically important sector. The current profile of infrastructure



Tunnel-boring on the Doha Metro.



Tunnel on the Beawar-Pali-Pindwara road project.

held by the Indian Armed Forces suggests the Government needs to make serious efforts towards upgrading defence resources, by the modernisation, upgradation and maintenance of the existing setup and that has helped the business to see immense opportunities. With massive investments planned by the Ministry of Defence, opportunities are abundant and the business is well placed and well equipped to offer turnkey design and build proposals for the entire Defence sector. The business has recently bagged an order for a project to resurface and extend the Air force runway at Hyderabad.

Nuclear and Special Bridges: India is fast-tracking its shift towards nuclear power. The Government of India has planned to source 25 percent of its electricity from nuclear reactors by 2050. The nuclear business of the company has seen some potential orders - IGCAR for the construction of a Fast Reactor Fuel Cycle Facility at Kalpakkam.

There have been developments on the tie-ups of the business with global players since India's nuclear power agency has cleared a long-delayed nuclear policy for reactors, marking a significant leap in the country's ambitious plans to become one of the world's top nuclear power generators.

The bridge over the river Ganga in Patna, Bihar, once constructed, will be the longest extra-dosed bridge in India. The business has entered the international market by winning the contract for the construction of the Rupsha Bridge in Khulna, Bangladesh.

In the coming years, this segment is poised for further growth. Many bridge projects are expected across India.

Hydel, Ports & Tunnels sector:
Hydel: Domestic Hydro projects are stuck at various levels due to pending clearances and local protests. However, some opportunities pertaining to construction of barrages are expected in Telangana. A conducive working environment is available at Bhutan where existing projects are progressing well. In Nepal, public sector undertakings and private players are showing interest for the development of Hydro Projects.

Tunnels: The GoI is focusing on developing strategic and all weather tunnels. Opportunities may also arise for Underground Storage Caverns for crude oil storage and "Under Sea Tunnels". Opportunities also exist in the Middle East region but low oil prices may delay these projects.

Ports: The GoI has launched the 'Sagar Mala Project' initiative and is focusing on the upgradation and development of new ports. Opportunities are expected for Marine Infrastructure projects involving Dry-docks, Marine intake structures and Defence Naval Base projects as well.



The majestic 9.76-km Kachi Dargah Bridge across the mighty Ganga in Bihar will be India's longest extradosed bridge.



The barrage being built on the Kharkai river in Eastern India.



L&T is building the Kakrapar Nuclear Power Plant in Gujarat - the latest in its 5-decade association with India's nuclear power programme.

Significant Initiatives
During the year, IC has taken several initiatives to improve operational efficiency as a prime focus as under:

Engineering Design and Research Centre: On the Engineering front, the business undertook key initiatives towards digitisation, automation and adoption of modular techniques for construction. Building Information Modelling (BIM) and design automation are being implemented across business segments to provide optimal solutions. Modular construction techniques were successfully implemented in Nuclear Power Plant construction resulting in significant time optimisation.

Risk Management: The business emphasises on achieving the corporate strategic objectives by following best practices in Risk Management.

A paradigm shift has occurred in the way the business views risk management and the trend has moved towards a holistic view of risk management. The business has developed an efficient Conflict Management System which expedites resolution of issues with clients. The business has also initiated an analysis of mitigated activities depending on project specifics and disputes. The business believes in the re-evaluation of the project status when significant changes occur (scope, delivery method and schedule).

Environment Health & Safety (EHS): Striving to achieve a goal of 'zero harm', the business has launched the Corporate EHS Strategic Plan 2015-16 with key EHS deliverables that have been implemented across all its operations. As part of the EHS Strategy, the following significant initiatives were taken up during 2015-16:

- Successful recertification of EHS Integrated Management Systems conforming to international standards: OHSAS 18001 & ISO 14001.
- Key EHS training initiatives include IOSH Managing Safely certification courses for Project Heads, NEBOSH certification courses for Project EHS In-charges and online EHS certification courses for all technical employees.
- EHS Risk Management is an integral part of the EHS management system and the business has revamped the IMS procedure and introduced monthly EHS Risk Management audits to facilitate and monitor implementation across all its projects.
- Precast elements lifting strategy was launched with inputs from all stakeholders and training workshops were held at relevant projects to facilitate implementation.

Many EHS awards and honours are received at different levels and categories from national and internationally renowned organisations.

Workmen Management Centre: During 2015-16, the business trained 8045 subcontractors' workmen at various sites through 'On Job Training' (OJT) programs on form work, bar bending and masonry by experienced trainers to enhance their skill level for speedy and effective execution of jobs while emphasising on safety, quality and productivity.

Quality Department: The business aims for excellence in quality, increasing the satisfaction of customers and other stakeholders through effective goal deployment, cost reduction and process improvements.

The business has started the Quality Management System transition to ISO 9001: 2015, which allows the implementation of best practices in the industry. Monthly direct customer feedback on product quality from projects has been its praxis.

A new product of polycarbonate-based admixture for water conservation in concreting, in-house resistance heating techniques for preheating of pipe joints of massive sizes and the use of semiautomatic welding processes in nuclear projects such as GMAW (Gas Metal Arc Welding) were added into its standard practices.

Training is a necessary parameter for growth and the business has prioritised the training of its staff on the latest QMS. Also, the setting up of an in-house facility for welder's qualification instead of testing by external providers has been initiated.

People Power: Growth in operations is helping the business to grow people internally and moving towards a role-based organisation. All talent investments are focused on increasing productivity, efficiencies, building a robust leadership pipeline and an orientation towards mega projects. The Frontline Supervisor Trainees program has taken root and continues to add value to the business.

The Organisation Transformation initiative through OD Labs continues and till date, the business has covered around 500 employees. The business has also started the Institution-building initiative 'THIRD-i', which aims to build a future-ready business. 65 employees have been identified as part of the leadership building initiative for tackling mega projects. Year 2016-17 will be the Year of the People with special focus on engagement and building the leadership pipeline.



The Ganga riverfront project in Bihar.

Outlook

The international market has truncated, particularly in the Middle East, which continues to face its adverse impact because of declining oil prices. Unless the GCC countries revamp their business strategies, the construction sector might do a volte-face on its growth plan.

On the domestic front, the Union Budget 2016 indicated a positive outlook towards the Infrastructure sector. The budget included the formation of a National Investment and Infrastructure Fund with an annual allocation of USD 3.25 bn.

The Indian nuclear market has picked up pace both in the implementation of Indigenous PHWR and imported LWR programs. The special bridges market continues to boom. Good business prospects are seen in the Western and Eastern parts of India. The elevated metros market has become commoditised. Though the business sees ample opportunities in Tier-II cities, its participation will be very selective on large size orders. Underground Metros will be the main playing field of the business. The thrust of the Government of India on Defence spending continues and there is an expectation that prospects will materialise. The prospects of hydropower market on the domestic front continues to be bleak with growing concerns of environmental issues, land acquisition problems and local agitations. The underground space is going to be the key market for the business in the years to come. The business expects increased domestic investments for "All Weather Tunnels".

The business is focusing on increased diversity in man power. Diversity is the key to increased involvement, commitment, and a better understanding of the needs of clients and society.

The business is confident of achieving the revenue targets for

2016-17 backed by a strong order book. The business is resilient on efficiency and cost control which remain key drivers of profit and performance.

Major Subsidiary Company
L&T Geostructure LLP (LTGS):
L&T GeoStructure LLP (LTGS) is a subsidiary entity - a Joint Venture with Transworld Infraprojects Private Limited. The Company has a strong and professional foundation specialist team with the knowledge of design, equipment and methods to execute and supervise sophisticated works. L&T Geostructure was formed in 2012-13 to focus on marine foundations, deep foundation-supported bridges, deep shafts and other ground-related business. LTGS also has expertise in the areas of large diameter piling, diaphragm walls, cut-off walls, secant pile walls, sheet piles, intake structures, ground improvement, hard-rock boring and water retaining structures.

Major orders secured in 2015-16 by LTGS include Multi-cargo berth at Ennore for Chettinad International Bulk Terminal Ltd, plastic cut-off wall for Polavaram dam, Andhra Pradesh (secured by Bauer-L&T Geo JV), LNG marine facilities at Ennore for IOCL and General Cargo berth II at Ennore, Tamilnadu.

LTGS has achieved 4.5 million safe man-hours during 2015-16. The business has executed first-of-its-kind multi chamber cellular intake well for the river linking using diaphragm wall technology in Pattisam project in Andhra Pradesh. Successful installation of 80 T reinforcement cage was done for a diaphragm wall which is first-of-its-kind in the country. The business also executed shore protection works for a length of 2.2 Km using sheet piles for the river Tapti.

TRANSPORTATION INFRASTRUCTURE

Overview:
Transportation Infrastructure business comprises Roads, Runways (Airside Infrastructure) & Elevated Corridors (RREC), Railways Construction, Railways Systems & International Infrastructure. It has sustained growth over the past years by securing some prestigious orders in the Roads & Railways sectors despite a slightly sluggish domestic economic growth.

The business has vast experience in Project Management, Engineering Design and Construction Management which gives it a competitive edge over its competitors. The business has a pan India presence and also in GCC countries. It has multiple projects, Engineering Design Centres in Mumbai, Faridabad and Chennai and an Offshore Engineering Centre in Mumbai to cater to international projects besides Area Offices in India/GCC countries. In addition, it has a Competency Development centre at Kanchipuram, and also undertakes training of workmen at CSTI, Ahmedabad.



Artist's impression of the Al Wakrah Bypass Road in Qatar.

Business environment:
The Road business (RREC) has been successful in expanding its customer base during the year by securing various orders for the construction of highways.

Major orders received by the road business are:

- From Kanyakumari to Mukkola (length 87 Km).
- 4-Lane road from Yadgiri to Warangal (length 96 Km).
- Addahole to Bantawal road project (length 63 Km).
- Development of road infrastructure for Dholera smart city.

The Railway Business has been awarded a major order by DFCCIL (Dedicated Freight Corridor Corporation of India Limited) for laying of tracks from Iqbalgarh to Vadodara, a total of 725 TKm (CTP 3R project) and electrification of 897 Tkm from Vadodara to JNPT, Mumbai (EMP 16 project). The Railways business has also secured a major order from DFCCIL for signalling and telecommunications works from Vadodara to JNPT (STP 17) for a length of 897 Tkm.

On International front, the Railway Business Group has secured the first external order of Riyadh Metro Line 1&2 Track works for 152 TKm.

The projects successfully completed during the year include Hosur-Krishnagiri Road Project (60 Km, 6 Lane Highway in Tamil Nadu), Kandla-Mundra Road Project (71 Km, 4 Lane highway in Gujarat), Samakhiali-Gandhidham Road Project (56 Km, 6 Lane Highway in Gujarat), Manmad-Rahuri - Daund Railway Electrification Project (334 TKm), Rajpura composite works Project (48 TKm), DMRC CE07 Line 2 & 6 OHE (37 Km), KMDA 4 ROBs and Flyover (1.1 Km) in Kolkata and Chennai Metro Stage 1 Track works (38 Km).



A flyover built by L&T.



The new track construction machine is capable of laying 2 km of tracks per day, setting a benchmark in high-speed rail construction on the Western Dedicated Freight Corridor project.

During the year, the business secured 8 International Safety awards - 2 RoSPA Gold, 2 RoSPA Silver, 4 British Safety Council awards and 2 prestigious safety awards from National Safety Council (NSC), India.

Significant Initiatives:
The thrust on operational excellence continued through digitalisation of equipment for quality improvement, timely completion, cost optimisation, efficient resource utilisation and enhancement of safety measures by adopting improved engineering models like Inclinometers, Compactometers, GPS system and LIDAR surveys etc.



Metro electrification & signaling project.

On the international front, the business is exploring new markets such as East Africa and Kuwait through business tie-ups with local partners. Special focus is being given to the selection of international consortium partners to be pre-qualified for mega projects in the GCC countries. Various strategic initiatives have been undertaken in the international business to strengthen procurement, asset management & cost control teams to provide immediate onshore support to projects.

Outlook:
With signs of a recovery in the Roads sector, new projects are being awarded. On the domestic front, the prospects for pipeline looks bright. The Government has given a thrust to accelerate the development of infrastructure. Lower oil prices have fulled the growth of the domestic market. The rate of road construction has been targeted to increase from the current rate of

17 Km per day currently to 40 Km per day and the Government has plans of awarding 1,00,000 Km of National Highways which is a 20% rise over last year.

The Ministry of Road Transport & Highways has taken up a detailed review to improve road connectivity to coastal / border areas, backward areas, religious places and tourist places under 'Bharat Mala' program. In addition, there are Connectivity Improvement Programs for Char-Dham (Kedarnath, Badrinath, Yamunothri and Gangothri in Uttarakhand). Prospects of Navi Mumbai, MoPA Goa and Dholera are also on the horizon.

In the Railway Budget, the capital expenditure for 2016-17 has been pegged at ₹ 1.21 Lakh crore.

The Railway Budget has announced fast tracking of projects like track laying (new/doubling/tripling projects), Railway Electrification projects, gauge conversion, last miles connectivity projects and emphasis on decongesting existing routes mainly targeting port connectivity. Commissioning of the 2,600 Km of Broad Gauge track and 2,000 Km of Railway Electrification is also proposed in 2016-17. Three more new freight corridors (North –South, East – West and East coast) totalling about 5,700 Km with an estimated value of ₹ 2.7 Lakh crore have been proposed in the Railway Budget.

Metro Rail Projects in Tier 2 cities and high speed railway lines between Ahmedabad and Mumbai will provide more business opportunities for this segment.

On the International front, drop in oil prices has affected the construction business. However, it is expected that Qatar and Kuwait will continue to invest in infrastructure development and GCC will invest in rail infrastructure such as long distance rail projects.

POWER TRANSMISSION & DISTRIBUTION

Overview:

L&T's Power Transmission and Distribution business is a leading EPC player in the field of Power Transmission and Distribution and Solar businesses, offering integrated solutions and end-to-end services ranging from design, manufacturing, supply, installation and commissioning of Transmission Lines, Substations, Underground Cable Networks (both Power and Control), Distribution Networks, Infrastructure Electric Projects, Solar PV plants in both domestic and international markets.

Extra High Voltage Substation Systems & Power Distribution Business Unit focuses on providing turnkey solutions for Extra High Voltage Air Insulated / Gas Insulated Substations for Utilities and Power Plants, EHV Cable Networks, and Utility Power Distribution and Power Quality Improvement works, complete Electrical, Instrumentation & Communication (EI&C) solutions for various infrastructure projects such as airports, metros, OFC networks, etc.

Transmission Line business offers turnkey EPC solutions in Overhead lines for Power Evacuation and Transmission, bolstered by its state-of-the-art tower manufacturing units at Puducherry and Pithampur supplying over 1.3 lakh tones of tower components annually. Further capacity enhancement is envisaged at Kanchipuram which is expected to be operationalised by mid of 2016-17. The Testing and Research station at Kanchipuram accredited by NABL is one of the largest in Asia and is also amongst renowned testing centre in the world. (NABL: National Accreditation Board for Testing and Calibration Laboratories)

Solar business provides single point EPC turnkey solution for solar PV related projects. Experience spans across all terrains (sandy, rocky, etc.), all technologies (Thin Film Frameless and Framed, Crystalline, Tracker, etc.) and various contract structures including Turnkey EPC, Integrated Lump sum Turnkey (iLSTK) and Balance of Systems (BoS) Contracts. The business unit provides the Optimised Power Plant Design and are channel partners of MNRE with the highest Rating in the System Integrator and Renewable Energy Service Company (RESCO) categories.

The international units of the business in Middle East, Africa and ASEAN offer complete solutions in the field of Power Transmission and Distribution including High Voltage Substations, Power Transmission Lines, Extra High Voltage Cabling and Electrical, Instrumentation and Controls (EI&C) works for Infrastructure projects such as Airports, Oil & Gas Industries etc. in UAE, Qatar, Kuwait, Oman, Saudi Arabia, Bahrain, Algeria, Kenya, Ethiopia, Malaysia and Thailand.

Business Environment:
In 2015-16, the distribution sector in India maintained the momentum it gained during the past two years backed by several governmental initiatives. Supported by central funding agencies, state utilities have laid emphasis on strengthening their respective distribution networks for better efficiency, accountability and management. The business did well to capitalise on these opportunities and was successful in maintaining its leadership position.

The EHV substation related opportunities in 400kV & 765kV GIS/AIS segments were steady as central and select state utilities were concentrating on Power System Strengthening Schemes to meet their demands. Though there were positive signs on the policy front, the general lack of investments in conventional power generation and industry segments continued.

The interest shown by major players in transmission corridors awarded through the Tariff based Competitive Bidding (TBCB) process marks the advent of changing clientele from utility-based to investor-based. State Utilities are increasingly concentrating on strengthening the transmission network aided by funding from multilateral agencies.

Transmission line projects have been executed for the Central Transmission Utilities like PGCIL, NHPC, etc. and for various State Transmission Utilities like those in Uttar Pradesh, Chhattisgarh, West Bengal, Punjab, Tamil Nadu, etc.

The business has dedicated and experienced construction teams to take up projects at various voltage levels and is presently executing various projects at 765kV AC, 400kV AC & 800kV HVDC levels across the country.



India's first 1200 kV Air-insulated Substation at Bina in Madhya Pradesh.

In the Middle East, though the macro economic and political scenarios were mixed during 2015-16, the business witnessed significant investments aided by FIFA 2022 related investments in Qatar, Expo 2020 related plans in UAE and stable T&D investment plans by Kuwait and Oman. Key focus on Saudi Arabia has resulted in substantial growth for its T&D business as its central power utility has gone ahead with its vast expansion plans so as to meet its demand forecast. Spend cuts induced by the oil price drop and continuing unrest in neighbouring regions caused a sense of anxiety in the business climate. However, the business secured 51 substations, 633 Km of overhead lines and 624 Km of cabling projects in the year.

The African market has started opening up in northern and Sub-Saharan region, with the business establishing its presence in Algeria, Kenya, Malawi and Ethiopia and selectively pursuing identified focus countries.

The efforts by the business in the ASEAN market for T&D business yielded results providing breakthrough orders in Malaysia and Thailand. The ASEAN market is steadily opening up opportunities for the business with new power generation and evacuation schemes to meet the electricity demands in the region.

The large scale investments made in improving the T&D network in Odisha providing opportunities for major orders for the domestic segment of the business. It could secure several packages in different phases of the Odisha Distribution System strengthening project related works. The urban and rural electrification orders from Uttar Pradesh, West Bengal and Odisha under the erstwhile Restructured Accelerated Power Development and Reforms Program (RAPDRP) and Rajiv Gandhi Grameen Vidyutikaran

Yojna (RGGVY) schemes too are noteworthy. Apart from securing the 765kV Aligarh GIS order, the business also secured a STATCOM order which is a breakthrough project in terms of technology.

In the Transmission Line business, major orders have been secured from the private sector in Chattisgarh and Telangana regions. Another major order from KPTCL for the 400kV D/C Quad line in the Bellary region also involves design and testing of towers. An order has been secured from the Tamil Nadu Transmission Corporation Limited (TANTRANSCO) for a 107Km long 400kV D/C Quad line from Kamudhi to Karaikudi. The Kanchipuram Testing centre has been booking orders from reputed global customers like Dominion Virginia Power from USA, Rohas from Malaysia, etc. Having secured orders from Power Grid Corporation of India Limited (PGCIL) and the state utilities of Bihar, Madhya Pradesh and West Bengal, the business has emerged as one of the largest market share holders in 2015-16.

The Middle East business sustained its winning streak by securing major EHV GI substation orders in Qatar including 3 packages from its key customer, KAHRAMAA. Another significant order was for design and build of 5 substations with associated cabling from Lusail. The business has also secured several Substation and Transmission Line projects at the 132kV level in Saudi Arabia. EHV GIS orders from private customers were secured in UAE.

The business continues to make good strides in its Africa initiative. The business received two major substation orders in the East African market: one for constructing a 400kV AI Substation (AIS) in Addis Ababa, the capital city of Ethiopia from Ethiopian Electric Power and the other for a 400kV Substation at Lilongwe in Malawi from Millenium Challenge Account, an organisation funded by US Government.

There were breakthroughs in the ASEAN market through four major orders. In Malaysia, a 500kV Transmission Line order from Tenaga Nasional Berhad (TNB) and two 275kV GI & AI substations from Sarawak Energy Berhad (SEB) were secured. In Thailand, a 500kV Transmission Line order from Electricity Generating Authority of Thailand (EGAT) was received.

The business is proud to have been given an opportunity to light up thousands of households in economically backward areas and electrify hundreds of villages. In a large number of towns, it has improved the power quality



230 kV double-circuit transmission line at Abu Ali, Saudi Arabia. L&T is the industry leader in turnkey construction of power transmission and distribution systems in India and the Middle East.



One of the many 400 kV Gas-insulated Substations installed by L&T.

and significantly reduced AT&C losses through distribution reform projects. The key substation projects commissioned include major EHV substations viz. 765kV GIS at Varanasi, 400kV GIS at Nagapattinam and Narendra for PGCIL; 400 kV AIS at Karamadai and Karavalur for TANTRANSCO; 220kV GIS for HPPTCL.

In the Transmission Line business, a major portion of India's first +/-800kV HVDC corridor project viz. 800kV HVDC TL from Biswanath Chariyali to Tangla was commissioned. 400 kV D/C RAPP - Sujalpur Transmission Line for Sterlite Power Grid Ventures Limited (202Km) was commissioned well ahead of schedule. Other projects commissioned include 765kV Gwalior to Jaipur Transmission Line (TL) of PGCIL (128Kms), 400kV D/C (Quad) Barh - Gorakhpur TL of PGCIL (178Km), 400kV D/C (Quad) Kurukshetra – Jalandhar TL of PGCIL (133Km), 400kV D/C Kutta-Kozhikode TL of PGCIL (99Km) over an extremely hilly and difficult terrain, 220kV D/C Varahi - Kavoor TL of PGCIL (117Km), 220kV Gadag-Bagalkot TL of KPTCL (102Km) and 220 kV & 132kV Lines for MPPTCL (225Km). The TLTRS facility at Kanchipuram achieved a major milestone by successfully testing the Saudi Electricity Company's tower measuring 101.3m high, the tallest tower ever to be tested.

The Solar business commissioned 200 MWp – a rare feat to be accomplished by an EPC in a year. It commissioned India's largest tracker based solar PV plant in Tamil Nadu.

In the International market, the Middle East business commissioned 18 substations, 2 cable projects and an Overhead Transmission Line. Having qualified for the highest voltage levels in its lines of business, it also added five new customers.

Significant Initiatives:
Having identified Digitalisation as a key enabler, the business rolled out mobility device based project monitoring tools in its Saudi Arabia projects. Several operational excellence initiatives in the areas of on-time delivery, profitability enhancement, effectiveness checks of process implementation, working capital management and risk management were pursued. The domestic back office for engineering and design to cater to international projects has been strengthened. A new Transmission Line Tower manufacturing facility is also proposed.

To enhance safety in its operations, the initiatives undertaken include upgrading Safe Operating Procedures (SOPs) for Transmission Lines, EHV Substations and Distribution projects to reflect changing work methods and mechanisation, adoption of Sagging



India's first 765 kV Gas-insulated Substation, at Pune.

Bridge (Stringing Working Platform) technique and the use of motorised winch machines in place of tractors, in final sag activities and enhanced training on Behavior-based Safety, Safety Audit and Training the trainers.

The Solar business rolled out tracker technology on a large scale in one of its projects. It also tested other technological advancements such as Seasonal Tilt technology and E-W technology.

As part of its internationalisation strategy to expand into key African and ASEAN economies, the business has strengthened its talent base to execute ongoing jobs, vigorously pursuing emerging potential and creating corporate brand awareness and preference. The business intends to develop long-term relationships with its customers and fosters strategic partnerships and alliances with key vendors and OEMs.

Such initiatives promptly earned awards and recognitions for the business during the year. These include:

- Utkrishtata Puraskar award from PGCIL.
- Earth Care Award for Innovations in Climate change from JSW - TOI.
- Plaque of Honor for successful completion and appreciation certificate for implementation of safety norms from Bengal Aerotropolis Projects Limited (BAPL).
- Appreciation Certificate for quality from Karnataka Power Transmission Corporation Limited (KPTCL).
- Best Infrastructure Project of the Year Award from Dossier Awards Oman 2015.
- RoSPA Safety Awards for 9 projects.
- British Safety Council Awards for 6 projects.

Outlook:

The focus of the Central government on visible results in key programs such as 'Electricity for All', 'Make in India', etc., augur well for the growth for Power Transmission & Distribution business. The improving financial health of State Utilities thanks to the Ujwal DISCOM Assurance Yojana will mean increased distribution opportunities through Integrated Power Development Scheme (IPDS) and Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) schemes. To reduce AT&C losses in general and especially in cyclone affected areas, there is continued focus on converting overhead lines to underground cables. Further, the business expects continued investments in the Extra High Voltage substation segment from PGCIL and select state utilities especially in 765kV & 400 kV levels with thrust on GIS. Some of the states are planning EHV cable links too. Power quality improvement projects such as STATCOM, new clientele out of TBCB players, state utilities strengthening their networks with funding from multilateral funding agencies etc. are expected to provide much needed impetus.

However, GoI's push towards mobilisation of major equipment and material for distribution projects in a centralised manner may significantly reduce the package size available for the EPCs and increase the physical scatter of work scope for a given package size.

In the Transmission Business, while the state and central utilities will continue to award routine packages for grid strengthening, major transmission packages shall also be witnessed through Tariff based Competitive Bidding.

While intensified competition, strategic median packaging

and reverse auction in PGCIL projects may become a dampener, Transmission Lines for solar parks and lift irrigation schemes, reconductoring packages and multi circuit lines with High Transmission Low Sag (HTLS) conductors are expected to provide new opportunities. Statutory changes in land acquisition will have an impact on the Right of Way clearances in transmission line projects. Commodity prices having bottomed out late in 2015-16, the emerging upward trend may exert pressure on costs.

With its experience and expertise, the business is in an ideal position to exploit opportunities in both transmission and distribution.

The business is poised to pursue opportune prospects in Solar PV plants in the backdrop of GWs of planned solar capacity addition, solar parks being created by states like Telangana and Karnataka, favourable policy changes through Renewable Energy Act, etc.

In the Middle East, the business is cautiously optimistic in its outlook. The slow recovery of the oil price is not expected to hamper investments in the T&D sector though there may be policy measures like taxation and currency de-pegging. Infrastructure development will continue as part of diversifying the economy and aided by events like FIFA 2022. GCC grid formation, upgradation to higher voltage levels, integration of renewable energy sources to the existing power grid and interconnections of transmission networks are expected to fuel growth in power distribution throughout the Middle East. New investment opportunities may unfold with Aramco's stock divestment plans. Though the de-subsidising of oil prices may increase the input costs in medium term, such expectation hastens decision making on project awards to take advantage of lower commodity prices. While competition from European players may intensify, the established credentials of the business in terms of prequalification and project delivery will help maintain its leadership position.

Africa's economic growth has been impressive and is predicted to remain robust. To sustain and support high growth rates expected for sub-Saharan Africa through economic diversification and industrial development, closing the current gap in power infrastructure will be crucial. Regional integration, such as power pools, system strengthening projects and promotion of renewable generation could shape the energy landscape in sub-Saharan Africa. There are visible commitments from Governments to expand installation capacity and increase electrification access rates substantially. The eagerness from multilateral funding institutions to sponsor infrastructure projects either directly through utilities or through infrastructure developers bodes well. The business has established its presence in some of the key growth economies of Africa and is currently executing Transmission and Distribution projects. The business is concentrating on key economies of Africa that have a clear road map to build Substations and Transmission Lines to meet increasing demand.

Power Infrastructure is being ramped up by the ASEAN countries driven by growth prospects attributable to regional economic integration and strategic location. The rising power demand paves the way for significant investments in grid interconnections, grid development and strengthening in countries such as Malaysia, Thailand, Myanmar and Indonesia.

The overall outlook for the PT&D sector remains promising on both the domestic and international fronts. The business looks forward to consolidate its position in established markets and gain significantly in new growth areas; ably supported by its initiatives on cost leadership and smart delivery.



L&T's rural electrification expertise has brought electricity to over 24,000 Indian villages.



L&T's capability in executing projects for power distribution includes switchyards.

Major Subsidiary Company:
Larsen & Toubro Oman LLC (LTO)
LTO, set up in collaboration with Muscat Trading Company (Zubair Corporation Group), provides engineering, construction and contracting services in the Sultanate of Oman. LTO made its maiden venture into Oman in 1994 and has completed 22 years, emerging as one of the leading construction companies. During the past year, the Company managed to bag a slew of projects including a major 400kV cabling and OHL project and maintained a healthy order inflow.

The business expects a stable political and economic scenario in Oman with growing opportunities in the T&D segment.

Larsen & Toubro Saudi Arabia LLC (LTSA)
LTSA is a wholly-owned subsidiary providing engineering, construction and contracting services in the sphere of T&D in the Kingdom of Saudi Arabia. During the past year, the Company had secured orders for a sizeable number of projects involving 15 Substations and 2 Overhead Lines from SEC.

With a stable political environment and the continuing need for strengthening of Transmission & Distribution network, LTSA is well poised to garner sizeable opportunities in the coming year.

WATER & EFFLUENT TREATMENT

Overview:
The Water & Effluent Treatment (WET) business caters to turnkey infrastructure projects including water supply and distribution, desalination plants, water management systems, wastewater networks, water and wastewater treatment plants, industrial and large water systems, lift irrigation and canal rehabilitation.

Over 20 million people in India have benefited from L&T's water infrastructure projects. With an experience of constructing over 51,000 Kms of water and wastewater pipeline networks and more than 4,000 MLD of water, wastewater and effluent treatment plants, the business is India's largest water infrastructure organisation.

Business Environment:
The per capita water availability in the country is rapidly decreasing due to increase in population and consumption.

The GoI has plans to prevent the contamination of surface water bodies by stopping the untreated wastewater flowing into it. It also plans to adopt modern irrigation techniques so that the dependency on monsoon can be reduced.

Industries are planning to recycle and reuse their effluents by adopting advanced treatment



Water pre-treatment plant for a power plant in Sagardighi, West Bengal.

technologies thereby reducing the consumption of fresh water requirement for their day to day processes.

Projects Commissioned and Orders Received: The Water & Effluent Treatment business has commissioned several important water projects in 2015-16. These include Vellore Combined Water Supply Scheme -(Pkg I) with a 181 MLD Water Treatment Plant for Vellore Corporation which will provide drinking water to 24 lakh people in Vellore District, Jawai Cluster Project comprising water supply from five offtakes which will benefit 5 lakh people; State-of-the-art STP at the President Estate of The President of India for re-use of 20 lakh litres of water for horticulture works, upgradation and rehabilitation of Bhagirathi Treatment Plant (500 MLD) at Delhi; Storm Water Project at Varanasi and Mathura for Uttar Pradesh Jal Nigam Limited, Raw Water Intake & Pipeline Package for JaiPrakash Power Ventures Ltd, and the 241 MLD Doha South Sewage Treatment Plant, Qatar for Public Works Authority (ASHGHAL).

The business has also been successful in securing orders from various domains like lift irrigation, drinking water supply, plant water systems, common effluent treatment plants, municipal wastewater collection and treatment and integrated urban infrastructure.



Thermal desalination plant.

On the International front, the business has secured orders in Qatar and Oman.

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



Hanamapur Lift Irrigation Project, Karnataka.



Water-treatment plant for Vellore Water Supply Scheme, Tamil Nadu.

- Foray into Specialised WTP & Desalination with Technology Partnerships.
- Participation in Mega Lift Irrigation System tenders, in which water is not transported by natural flow but is lifted with pumps or by other means.
- Focus on Zero Liquid Discharge (ZLD) process as along with combined effluent treatment packages in various states and industries across India.
- Upcoming medium to large scale STP tenders will improve the quality of urban life.

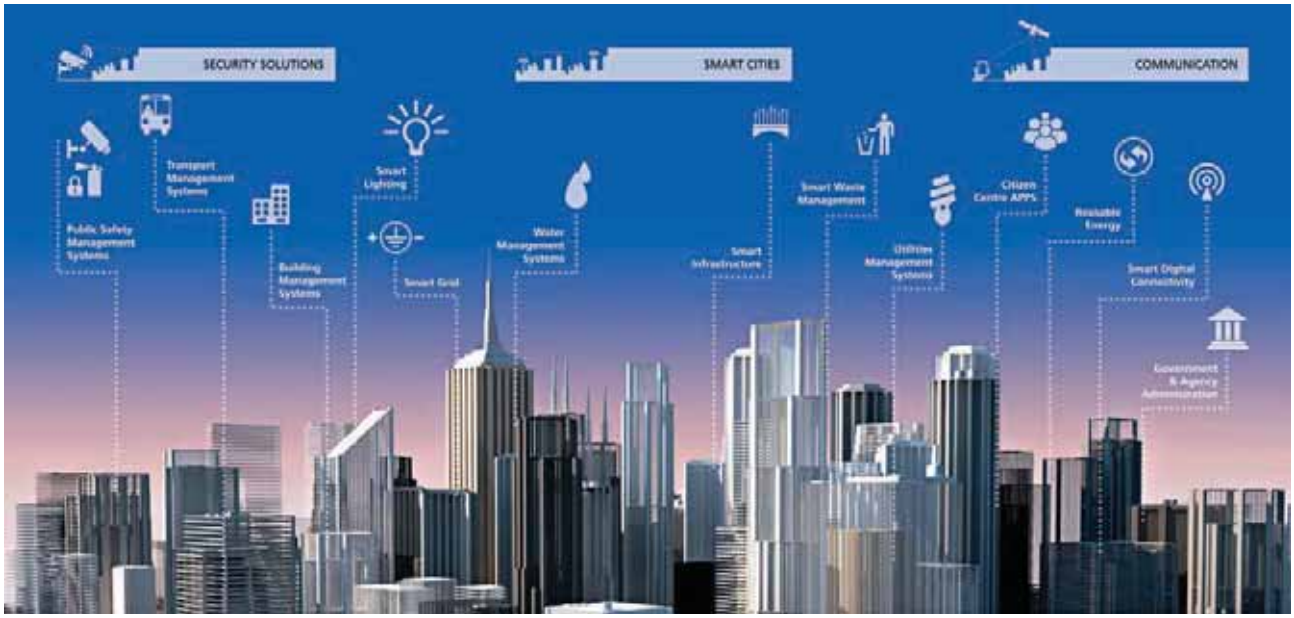
Outlook:
Large investments have been proposed by multi-lateral funding agencies for irrigation, integrated urban utilities and CETPs in India. The GoI is committed to accord high priority to water conservation and its management. Nearly 500 cities and towns are expected to be covered under the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) for the development of urban infrastructure. Coming to irrigation, mega projects have been proposed across major states along with proposals to connect rivers with 15,000 Km of canals. The government has already set in motion an integrated Ganga conservation plan - 'Namami Gange' which envisages investments for sewage infrastructure across several urban habitations along the river. Stringent implementation of pollution norms is in place to encourage setting up of common effluent treatment plants. To this effect Pradhan Mantri Krishi Sinchayee Yojana (PMKSY) has been formulated with the vision of extending the coverage of irrigation 'Har Khet ko Pani' and improving water use efficiency 'More Crop per Drop' in a focused manner with end-to-end solutions for source creation, distribution, management, field application and extension activities. The Delhi - Mumbai Industrial Corridor (DMIC) is India's most ambitious infrastructure program aiming to develop new industrial cities as 'Smart Cities' and converging next generation technologies across infrastructure sectors. The program envisages the development of infrastructure linkages like power plants, assured water supply, high capacity transportation and logistics facilities.

In the International market, opportunities have been identified for desalination and sewage treatment plants in GCC. FIFA 2022 in Qatar and Expo 2020 in UAE are triggering water infrastructure prospects in the Middle East. Similar water infrastructure prospects are also visible in KSA, Kuwait and African countries.

SMART WORLD & COMMUNICATION (SWC)

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

The Smart World & Communication business provides turnkey services and Operations & Maintenance as a Master Systems Integrator in the areas of city surveillance, intelligent traffic management systems,



To create smart cities, L&T offers integrated capabilities from L&T Construction, L&T Electrical & Automation, L&T Infotech and L&T Technology Services.

transport & logistics, border security, communication networks, telecom infrastructure, building management systems, smart grids and smart city development.

Business Environment:
Security Solutions Business
The various solutions offered by this business includes City Surveillance Systems, Intelligent Traffic Management Systems (ITMS), Border/Coastal Security Systems, Security and Management Systems for Critical Infrastructure - ports, airports, metros, IT parks and public buildings.

Several of these systems have been executed by the infrastructure business in various projects across the country.

The business commissioned the prestigious project for the Home Department, Gujarat by installing City Surveillance & Intelligent Traffic Management Systems for three cities – Ahmedabad, Gandhinagar and Vadodara. The business also executed a unique project facilitating better surveillance and management of critical infrastructure at Sabarmati Jail in Gujarat. The business is currently executing India's largest city surveillance project comprising 6,000 cameras at over 1,500 locations in Mumbai City.

The Security Solutions business segment has secured the largest surveillance project in respect to camera installation for Hyderabad and Cyberabad City. The project is city's first step towards a Safe Smart City.

It has also secured the first standalone Intelligent Traffic Management Project implementation for Hyderabad.

Communication Network & Telecom Infrastructure Business:
This business offers total solutions in areas of Wired and Wireless Networks including OFC, Emergency Response Systems, Fixed Broad Band, Satellite and Microwave RF Links, ICT / Data Centre Infrastructure, Emergency Response Systems including Dial-100, Early Warning Dissemination System and Communication Network for Metro Rails.

The business has huge experience in optical fiber cabling projects and enjoys excellent track record of installation of telecom towers and other associated works on a turnkey basis. The business has proven expertise in providing state-of-the-art IT & communication systems for airports, metros, power plants and factories. The business is currently executing the first-of-its-kind communication network at a



High-technology surveillance systems ensure 24x7 security.

pan India level for IAF connecting 131 Air Force locations.

This business segment secured the comprehensive Metro communication package for the Lucknow Metro and is also executing the TETRA communication network for the Delhi Metro.

Smart Infrastructure Business:
This business segment, as a Master Systems Integrator, offers both infrastructure creating expertise, backed by state-of-the-art IT capabilities. The business has executed many projects that include most of the sub systems of the SMART city offerings like CCTV systems, VMS, Video Analytics, Access Control Systems, Telecom Systems and Command Control Centre Systems. These projects, which were being executed independently, have now been brought under one umbrella to create smart infrastructure.

The business commissioned India's First Smart City Project – Jaipur Smart City with Wi-Fi, Cameras, Interactive Kiosks, REGS and Parking Information Systems at selected locations with a central command and control centre.

Outlook:
Year 2016-17 looks promising for the business, as the new Government has provided a fillip to safe and smart cities and other digital initiatives.

Security Solutions Business:
The trigger for the surveillance business, will essentially come from the initiatives taken by State Police Departments and State Industrial Development Authorities given that the safety of people is a State subject. Central Government assistance is also committed by MoH to those state governments which take up the 'safe' initiative. Good inroads have been made into this segment in the last three years.

Communication Network & Telecom Infrastructure Business:
The Bharat Net program plans to connect 2.52 lakh Gram Panchayats across the country through high speed digital network. Seven states have offered to come up with a State or SPV approach to take this initiative forward.

Apart from this, the plan outlay for the Department of Telecom for 2016-17 includes funds for an OFC based network for the Defence services. This, together with other initiatives of various government departments will provide future opportunities.

The Union Budget has a healthy allocation for Metro projects where the business has made an entry with the LMRC project here. The focus here is on communication systems such as Radio equipment, FOTS, PA&PIDS, Clock and other surveillance equipment. The business will be active in this segment. Allied to the communication elements is the 'Automatic Fare Collection system' that requires tie-ups with a few technology players. Metro projects are funded by agencies such as JICA and DMRC, which improves the level of safety in undertaking these jobs.

Smart Infrastructure Business:
The Plan outlay in the Union Budget 2016 of the Ministry of Urban Development is ₹ 21100 crore which includes ₹ 7205 crore for Smart Cities and Atal Mission for Rejuvenation & Urban Transformation (AMRUT).

The Government has already unveiled the list of cities under the

'Smart Cities Mission'. Apart from the Government's Smart Cities Mission, many cities like Naya Raipur and different SEZ corridors have plans for implementation of smart elements. Some of these cities are focusing on pilot smart city projects to secure a qualification.

Countries like USA, Japan, Germany and France are eager to provide investments and technological support for the development of many of these smart cities across India.

Leveraging the diversity and depth of L&T Construction's expertise in water supply, wastewater, solar, etc., the Smart Infrastructure business plans to get into new areas like solid waste management and all other smart elements like parking systems, intelligent traffic management systems, etc.

The business is well positioned to collaborate with State level municipal corporations and governments to share its experiences in Jaipur which include the safe city initiative and dedicated surveillance projects.

Power Business



2x800 MW supercritical thermal power plant at Krishnapatam, Andhra Pradesh. L&T has manufactured critical equipment for supercritical power plants across India.

Overview:
Power business provides integrated concept-to-commissioning of coal and gas-based power plants on turnkey basis.

The business has project management centres in Vadodara, Faridabad and Chennai along with state-of-the-art manufacturing facilities in Hazira for ultra-supercritical / supercritical Boilers, Turbines & Generators, Axial Fans, Air-Preheaters and Electrostatic Precipitators. These factories, coupled with talented staff and decades of unparalleled experience in executing complex projects, are its competitive advantage in building the best-in-class power assets in India and abroad.

During the year, capacity worth 2,228 MW built by the business achieved commercial operation. The business has also made significant headway in Bangladesh by winning three prestigious projects for gas-based plants, one each in the last three years.

Business Environment:
The business environment was a mixed bag during the year with promising as well as challenging developments.

The domestic market witnessed a sharp increase in tendering activity

in 2015-16. Projects worth 21 GW were decided either through bidding or nomination route. Out of this, close to 10 GW were awarded out, with formal orders for the rest yet to be placed. This increased activity was, however, marred by severe competitive pressures with aggressive pricing by competitors. The year also saw the rise of a trend of multiple state-owned utilities placing orders on nomination basis (Close to 6 GW) bypassing the established norm of inviting competitive bids.

During the year, the business fully established its footprint in Bangladesh by securing its third EPC order in as many years for BPDB 400 MW Bibiyana CCPP. In the previous years, it won orders for NWPGCL 360 MW Bheramara CCPP and BPDB 225 MW Sikalbaha CCPP in Bangladesh.

The execution of the current coal and gas-based projects on hand also progressed satisfactorily in 2015-16, with internal execution records being surpassed in terms of time taken for achievement of major project milestones like erection of boiler structures and ceiling girder jack-up.

Significant Initiatives:
The business has recently drawn up Lakshya 2021 – its 5 year strategic plan. Under this exercise, major strategic initiatives have been identified which will lead the business to greater success under the plan period. These initiatives have been drawn up after detailed deliberations and reviews both internally as well as with external consultants to maximise the benefits to the company.



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

An aggressive cost reduction exercise has been initiated under this plan, to improve the profitability of its current project portfolio and improve its competitiveness for future bids.

Exports – of products, services and projects – have been selected as another major focus area. The business has made significant progress in cultivating overseas customers for its engineering wing as well as supply of boiler and turbine components.

During the year, the business also initiated groundwork for firming up technology partnerships in new areas like Flue Gas Desulphurisation (FGD) and Selective Catalytic Reduction (SCR) and is well placed to take advantage of emerging opportunities.

Outlook:
The power sector in the country is in a state of flux today. The country's growth and proactive government policies are expected to provide much needed boost to the sector. On the other hand, the increasing focus on nuclear power and renewables like solar can fundamentally alter the power source mix in the nation.

Notwithstanding the emergence of these alternative sources, coal will remain the mainstay of the domestic power sector. The primary concern, however, will continue to be the supply glut in the coal power segment. There are prospects worth ~7 GW in the domestic coal market for 2016-17, against the annual domestic manufacturing capacity of 24 GW. While this overcapacity will continue to keep prices under pressure, the business expects the irrational pricing to finally ebb, as competitors may bid responsibly because of the mounting financial distress evident from their books in 2015-16.

For 2016-17, the situation is expected to improve on policy and economic fronts. On the policy side, the Government has issued rules on environmental protection relating to curbing the emissions



Supercritical turbine being assembled at L&T's Hazira Campus.

of coal-based power plants. These are expected to open up new high-value business opportunities for FGD and SCR. The company is getting geared to offer these as part of its product portfolio. The Ujjwal Discom Assurance Yojana (UDAY) implemented by the Central Government is also expected to provide relief to the sector by de-stressing the discom balance sheets and reviving demand. The Government also plans to bid out at least two UMPPs during 2016-17 to developers. This will generate sizeable market for the business in subsequent periods.

The domestic gas-based power plant market is not expected to revive in the near future considering the already stranded commissioned capacity. However, the South East Asian market is expected to generate opportunities for gas based plants in the coming year. With the good experience of three Bangladesh projects under execution, the company is preparing to enter these new markets in South East Asia.

Major Subsidiary Companies:

L&T-MHPS BOILERS PRIVATE LIMITED (LMB):

LMB is a joint venture incorporated in India of L&T, with a 51% stake and Mitsubishi Hitachi Power Systems Limited (MHPS) Japan, with 49% stake, for the engineering, design, manufacture, erection and commissioning of ultra-supercritical/ supercritical boilers in India. The manufacturing hub of LMB is at Hazira, Gujarat; while it has established design and engineering centers at Faridabad and Chennai. The company can manufacture ultra-supercritical/supercritical boilers up to a single unit of 1000 MW at its Hazira complex.

Projects under execution have achieved several milestones with stamp of quality and performance this year.

The manufacturing facility at Hazira has installed and commissioned its first robotic system for boiler component welding. The robotic system is being used to manufacture hanger tubes used in super heater and reheater coils of boilers.

The Company further strengthened its position in export market with prestigious orders from MHPS, Japan for supplying pulverizers, proving its cost competitiveness while matching global quality standards. LMB is committed to execute the current jobs within schedule and is also focusing on increasing exports jobs for pulverizers and pressure parts.

L&T-MHPS TURBINE GENERATORS PRIVATE LIMITED (LMTG):

LMTG is a joint venture incorporated in India of L&T and Mitsubishi Hitachi Power Systems Limited (MHPS), Japan and Mitsubishi Electric Corp. (MELCO). L&T has a 51% stake in the joint venture, with MHPS holding 39% and MELCO holding 10% stake. The company has a state-of-the-art manufacturing facility at Hazira, Gujarat for the manufacture of 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.

The year saw satisfactory execution progress as planned for the projects on hand – both domestic and exports. The company has made consistent efforts to reduce costs, product improvisation of bringing in more efficient models, indigenization and optimization of facilities. Today the company is much better equipped to meet the competitive market.

Export has become a thrust area for the Company with its high quality

standards and competitiveness being appreciated. The Company has also been on the lookout for additional revenue streams like spares and services, which is bearing fruit and is well-poised to grow in future.

L&T-SARGENT & LUNDY LIMITED (LTSL):
The Company is a joint venture of L&T and Sargent & Lundy LLC, USA (S&L), a global consulting firm in power industry. L&T's stake is just over 50% in the joint venture. LTSL's main Design Centres are located in Vadodara and Faridabad.

LTSL offers the complete gamut of Power Plant Engineering and Consultancy services - from concept to commissioning. Its experience list includes overseas projects in USA, Middle East, Africa, and South East Asia. Besides having considerable expertise in gas-based and sub-critical coal based power projects, LTSL is also involved in engineering of ultra-supercritical/ supercritical coal-based projects and forms the engineering base for L&T's thrust on turnkey execution of ultra-supercritical/supercritical technology. As of now, it has engineered around 21,000 MW of generation capacity of gas-turbine based power plants and around 22,000 MW of generation capacity of coal-based power plants across the globe.

New customers added to its client list this year included a well-known IPP based in Singapore, S. Korean EPC contractor, Turkish EPC contractor, a major European institutional investor, a power investor based in Singapore, two cement manufacturers based in Saudi Arabia and a major Infrastructure player based in Japan.

Breakthrough orders were received in new areas of business in international Lender's Engineering Assignment funded by IFC, Transmission & Distribution, Substation Engineering and Renewables (Solar) and R&M segments.

L&T HOWDEN PRIVATE LIMITED (LTH):
The Company is a joint venture of L&T and Howden Group, UK. L&T has 50.1% stake in the joint venture. The company supplies high end fans and air pre-heaters for thermal power plants. The Company has a state-of-the-art facility for manufacture of fans and air pre-heaters at Hazira, Gujarat along with a fan testing facility. It also has a design and engineering center at Faridabad.

In addition to LMB orders, the Company has bagged major orders from other Boiler OEMs. The Company will continue to pursue fresh equipment prospects from boiler OEMs as well as aftermarket orders from utilities. The recent environmental rules requiring FGDs will further boost demand for the Company's axial fans.

Metallurgical & Material Handling Business



Integrated Steel Plant, Kalinganagar, Odisha.

Overview:
Metallurgical and Material Handling (MMH) business provides EPC (Engineering, Procurement & Construction) solutions for ferrous (beneficiation, iron & steel making), non-ferrous (aluminium, copper, lead and zinc) as well as bulk material handling systems in the power, port, steel and mining sectors. The business also offers specialised conveying systems and Ash Handling Plant (AHP) solutions to the power plants sector. It has comprehensive and robust design and engineering capabilities to cater to EPC needs across all disciplines. It also has in-house facilities which design, manufacture and supply large range of products like surface miners, crushing systems, apron feeders and sand manufacturing plants. It also undertakes customised manufacturing of critical machinery for the steel, power, mining and other industrial sectors. These manufacturing facilities are located at Kansbahal (Odisha) and Kanchipuram (Tamil Nadu).

Business Environment:
Stagnant growth in demand, coupled with the onslaught of cheap imports from China and East Europe had highly stressed profit margins for Indian steel producers in spite of the low raw material prices. Debt serviceability had been a major

concern in the year 2015-16 for a majority of the steel and power companies. All these factors have impacted investments in new projects with no major steel and power plant expansions announced by companies.

Recent Government initiatives like Safe Guard Duty (SGD), Minimum Import Price (MIP) and bringing transparency in mining allocation, coupled with an upward trend in global steel prices have brought some hope for the steel and power sectors and investments in the mining sector have commenced. However, there are risks associated with the positive sentiment on steel which include raw material and steel price volatility, removal of regulatory support by the Government under the pressure from WTO, significant rise in domestic utilisation rates and weak demand which can all play spoil sport.

Coal India has been able to achieve the production of 536 million MT in 2015-16. The Coal Ministry plans to become self-sufficient in power plant fuel in next two to three years. Major investments in Coal Handling and Washery are likely in the near future by CIL, SCCL, MDOs, etc.

India's iron ore production is expected to reach 199 million MT by 2020, opening opportunities in beneficiation and material handling sectors. Investments are planned for iron ore handling and beneficiation plants by the operators of captive mines namely SAIL and TATA.

The emphasis of all steelmakers will be on improving operational efficiencies. This is expected to lead to investments in rebuilds and de-bottlenecking.



L&T offers eco-friendly sand-making machinery and systems in consortium with Japanese major Kemco.

A thrust on ordering Ultra Mega Power Projects (UMPPs) of 6000-8000 MW is expected in 2016-17. This will provide opportunities to MMH for Coal Handling Plants (CHPs) and AHPs.

Major orders booked and executed during the year: The business managed to stay ahead of its competitors in major bids in 2015-16 which include Beneficiation Plant for SK Mines near Udaipur, Large Tank Package for Emirates Global Aluminium at Abu Dhabi, AHP for NTPC at Tanda and Petcoke handling package for IOCL Paradip and ORPIC Oman.

The business is currently executing major metallurgical projects for Tata Steel Limited at Jamshedpur, for SAIL at Rourkela and Bokaro and for SK Mines near Udaipur. Material Handling packages for RRVUNL at Chhabra, NTPC Khargone, NTPC Tanda, MPPGCL Malwa, Reliance Jamnagar, for Adani at Kandla and Mundra, Northern and Mahanadi Coal field jobs at Nighai, Khadia and Lingaraj and 10 other packages are concurrently under execution for various other customers. GCC projects under execution cover customers like ORPIC, EGA, joint venture by SENAAT & JFE and others.

Plants commissioned across various business units during the year 2015-16 are Blast Furnace, Coke Oven Battery, Sinter Plant, Steel Melt Shop, Hot Strip Mill, Material Handling Package and Power Distribution System for Tata Steel at Kalinganagar; Material Handling Package for Tata Steel at Jamshedpur; Sinter Plant for SAIL at Bhilai, Emirates Steel HSM storage at Abu Dhabi; Drywall Gypsum Board plant for USG and

Zawawi Minerals at Oman, NCL at Block-B; Bucket Wheel Excavators at Neyveli, CHP for NTPL-Tuticorin, UPRVUNL-Anpara, GCEL-Raikheda and BIDCO-Lalitpur.

The Product business is fully equipped to manufacture high-end equipment involving heavy fabrication, precision machining and critical assembly and testing.

In the year 2015-16, Kansbahal received a repeat order from Rio Tinto for a 1600 TPH rotary breaker type crusher for Mount Thorley Mines at Singleton, Australia. This was based on satisfactory performance of the first machine supplied in 2014-15. Another prestigious international order from Awam Minerals, Oman for custom-built skid mounted gypsum crushing plant was successfully commissioned.

L&T Kansbahal introduced the very first surface miners in Northern Coalfields Limited (NCL) coal mines in 2015-16. It also continued to maintain its dominance in supplying Limestone Crushing plants to major cement plants in India.

The fabrication shop at Kanchipuram continues to provide the support and strength of critical and heavy fabrication and assembly works for Material Handling Equipment like Stackers, Reclaimers and a host of other mid precision level equipment catering to the Steel, Mining, Power and other process plants.

Significant Initiatives:
The business has made strategic alliances with leading global technologists as a part of its business line diversification across various segments.

The ferrous business has taken strategic initiatives in certain parts of the value chain to develop in-house technology capabilities and position itself as a LSTK player for those process plants. The non-ferrous sector has started to expand its portfolio into by-product plants for Zinc and Copper.

As part of a business augmentation drive, MMH has envisaged opportunities in Ash Handling, EPC support for MDO (Mining, Development and Operation) and Material Handling systems.

Kansbahal's manufacturing facility is strategically planning to further augment its product portfolio with the introduction of new products like advanced sand manufacturing plants, cone crushers and mobile crushers.

During the year, the business completed the restructuring of its operations by closing cluster offices. The business aggressively pursued optimisation of resources like staff, equipment, materials and formwork along with cost reduction measures to create a lean organisation and improve operational performance. Operational excellence initiatives continued to enhance productivity.

Key success factors for the business are customer satisfaction, operational efficiency and consistent performance. The business has also established offices in the Gulf (UAE, Oman and KSA), Africa and South East Asia to address international customer needs and further increase its business potential.

Human Resources: During the year, the business continued its thrust to bring in Operation excellence in the areas of site execution and supply chain management. Interventions for advancing the skill levels of the employees were implemented through a string of strategic training programs, both technical and behavioural at various project sites. Going forward, these initiatives will enhance organisational capabilities for meeting emerging challenges on all fronts.

Outlook:
The Steel sector is currently facing sectoral challenges with global steel prices yet to stabilize and a high level of industry debt across steel players. Some of the positive regulatory interventions such as allocation of coal mines and imposition of SGD and MIP on steel have, however, started to show signs of improvement in the domestic steel sector. The Introduction of the 5:25 refinancing scheme has given some confidence and given a breather to the steel industry. All these factors have raised hopes of an improving profitability trajectory for Indian steel players in Q3 and Q4 of 2016-17.

Focus on capacity utilisation, improving efficiency, securing raw material availability and environmental factors are exerting a positive pressure on the steel companies, triggering investment in steel sector (rebuilds and de-bottlenecking). As Zinc has traditionally followed steel, the

prospects in Zinc will follow steel investments. Coal under the purview of the environmental concerns, efficiency improvement pressures and mining clearances is going to see investments in 2016-17. Mining clearances and environmental concerns will pave way for Alumina refineries in 2016-17.

The Power sector has an investment potential of more than USD 200 Bn. in the next five years. 35-45 GW coal based thermal power capacity order finalisation is expected by 2021. Retrofits and replacement of old sub-critical units by super-critical units are also planned by various power producers. Stringent environmental norms will provide opportunities for the material handling sector. All these initiatives are expected to provide a lot of opportunities for MMH business.

The business envisages opportunities overseas in material handling and downstream metal in the near future.

Heavy Engineering Business



A coal-gasifier being transported. L&T has built the world's largest coal-gasifier, for export to China.

Overview:
The Heavy Engineering (HE) business designs, fabricates and integrates custom designed, engineered critical equipment and systems to core sector industries like Fertiliser, Refinery, Petrochemical, Chemical, Oil & Gas, Thermal & Nuclear Power, Aerospace and for Defence applications. The business has a track record of executing large size and complex projects with capabilities that include in-house engineering, equipped fabrication facilities, R&D centres, an experienced project team and a safe work culture.

The business is structured into two Strategic Business Groups (SBGs):

- *Process Plant Equipment and Nuclear*
- *Defence and Aerospace*

The Process Plant Equipment and Nuclear (PP&N) SBG is involved in the manufacture of large complex equipment such as hydro-processing reactors and high-pressure heat exchangers for process plants and equipment for the nuclear power sector. Heavy manufacturing is undertaken at work centres located in Mumbai, Hazira and Sohar in Oman. Precision fabrication in stainless steel and titanium on the process plant side is handled by the

Vadodara manufacturing facility. During the year, the business of fabricating critical piping spools for applications in the power, refinery, petrochemical, fertiliser and chemical sectors (for high-pressure, temperature and corrosive services) was brought within the purview of the Heavy Engineering business, while it was earlier within the purview of Power business. The Piping business unit has a track record of export of piping spools to USA and Canada and forecasts good opportunities in supplies to EPCs in USA, Canada, Japan and Europe.

The Defence and Aerospace (D&A) SBG is involved in design, development and realisation of Naval Platforms, Artillery systems, Land & Naval Weapon systems, Fire Control systems, Naval equipment and systems, Engineering systems for Land and Marine forces, Military Bridging systems, Communication systems, Missile sub systems and Rocket Motors for Space launch vehicles. The SBG's operations span three dedicated work-centres at Talegaon near Pune, Coimbatore and Bengaluru besides production facilities at Hazira for manufacture of critical units for the strategic program, Ranoli for Advanced Composites and Powai for prototype development and testing, besides the site at Vishakhapatnam operated as a GOCO model for a strategic program.



End shields for a nuclear power plant being fabricated at L&T's Hazira facility.

Business Environment:
During the year 2015-16, the Process Plant Equipment segment has been impacted by a weak global economic scenario triggered by slump in the oil prices, falling commodity prices, depreciation of emerging markets' currencies vis-à-vis USD, financial market uncertainty, deferred capital investment plans, geo-political situations and delayed policy implementation in India. The sudden and steep drop in oil prices has resulted in the cancellation, suspension and deferment of capital expenditure projects of oil-producing countries. Competitors having idle capacities offered very aggressive pricing in a shrunk market. Localisation policies, preference to local suppliers and mandatory requirement of sourcing equipment from the Export Credit Agencies (ECA) financing countries by EPCs also impacted the Process Plant Equipment business. International sanctions on Russia and Iran deprived the SBG of business opportunities. The nuclear business was affected by the delay in matters related to nuclear liability and insurance as per The Indian Civil Liability for Nuclear Damage Act. PP&N SBG's order inflow and revenues were therefore adversely impacted. This caused under-utilisation of facilities resulting in under-recovery of fixed expenses. In addition cost over-runs on certain jobs also impacted the profitability of the SBG.

Defence and Aerospace is a strategic segment, and Government of India's (GoI) procurement in this segment follow the Defence Procurement Procedure (DPP). With an aim to achieve self-reliance as well as boost in defence exports in the medium and long term, the GoI has driven several initiatives in fiscal year 2015-16 aimed at attracting investments from both foreign and Indian companies and creating a level playing field for Indian private sector companies in defence. Through structured and detailed consultations with all stakeholders, a simplified DPP 2016 has been released in March 2016, which addresses the requirements of the Ministry of Defence and Industry.

Considering the long procurement cycle time, the benefits of the impact of the new DPP would be realised from the year 2017-18

onwards. In fiscal year 2015-16, the continuing linkage to earlier procedures and resultant slower pace of decision making resulted in deferment of repeat orders for Very Low Frequency (VLF) Transmitter project, Pinaka Artillery Systems and Weapons and Equipment package for Indian Navy's warships, thus resulting in reduced order inflow. However, significant progress has been achieved in certain other programs, orders for which are likely to be concluded in the near term. During the year, the SBG also embarked upon a drive for reducing capital employed in operations with added focus on productivity improvement and efficient execution to shorten the order to cash cycle, resulting in better cash generation.

Significant Initiatives:
In order to maintain leadership position in the Process Plant and Defence sectors, focussed team initiatives are taken under Organisational Excellence (OE). The OE team facilitates the implementation of identified improvement programs across Heavy Engineering. Initiatives like Productivity Management, Total Productive Maintenance of machines, Six Sigma for process improvements, Workplace Management Systems, Knowledge Management, creation and update of Standards and Procedures and Cost Control measures harness the technical and business acumen of the business. The culture of continuous improvements in operations helps the business attain global benchmarks. In-house competency and leadership development are undertaken through Employee Engagement and Talent Development Programmes.

Sustainability and CSR is enshrined in the Vision of the business and has long been a part of its way of giving back to society at large. The sustainability and CSR initiatives are undertaken at each of the units of the business based on the local needs. Developmental programs are identified in keeping with its thrust areas like global warming, conservation of electricity, fuels, water and reuse and recycle of material and resources.

More than 50,000 people from underprivileged and economically backward communities have been benefitted through health check-up campaigns and medical care. Over 20,000 children have gained from its education promotion programs by way of building school infrastructure and providing educational aids. Environment, Health and Safety policies and programs help in increasing awareness amongst employees, community and its stakeholders.

Product & Technology Development Centres, within Heavy Engineering, focus on new product development and development of improved



The inclined Brahmos missile launcher adds another dimension to the country's fire power. L&T has developed several launchers and weapons systems.

manufacturing technology. These Centres are engaged in deploying technologies related to process industries, manufacturing, mechanical systems, defence electronics and submarine designs. The Centres focus specifically on the following technology domains -welding and metallurgy, composite material, heat transfer, hydrodynamics, computational fluid dynamics, stress analysis, drives, microwave and RF, embedded systems, high availability systems and military communication. The steering group, comprising the top management of the business, plans, oversees and monitors all these initiatives through regular review meetings.

For the D&A segment, the Product & Technology Development Centres focus on development of niche products and solutions either for internal development projects or through participation in opportunities presented under 'Make' & 'Buy & Make Indian' category programs. The SBG has also successfully partnered with foreign Original Equipment Manufacturers for engineering, development and realisation of artillery gun systems customised for the requirement of Indian Army.

In the Defence segment, the business has collaborated with national laboratories such as DRDO and ISRO as technology partners for indigenous technology development for the various defence and space launch programs, besides in-house programs such as the Autonomous Underwater Vehicle. The business is also a partner to defence public sector undertakings such as Bharat Electronics Limited, Bharat Dynamics Limited, Mazgaon Docks Limited,



K 9 Vajra T 155/52-calibre self propelled howitzer, designed for all terrains.

Garden Reach Shipbuilders and Engineers Limited etc. for detailed engineering & production of various weapon delivery & engineering systems. This augurs well for the business in future, as it aligns with the GoI's 'Make in India' initiative.

Outlook:

The business outlook for Process Plant sector looks challenging due to uncertain macro-economic environment coupled with dropping oil prices and cut on capital expenditure across the sector. The overall investment climate remains cautious with the overhang of excess capacity. However, the recent financial distress of Korean and Chinese fabricators may force EPCs to explore other low-cost countries including India. Given its execution capabilities and proven track record, the PP&N SBG is prepared to harness business prospects as they emerge and stay focused on profitable execution.

In the refinery space, oil supply has outpaced oil demand growth in 2015-16, putting significant pressure on oil prices. The declining trajectory seems likely to continue in 2016-17 and will gradually rebalance boosting demand and dampening supply. The majority of the investments are likely to be in Asia and Middle East region. However, opportunities are seen in the medium term due to implementation of clean fuel norms in India– Bharat IV by 2017, Bharat VI by 2020 and announcement to set-up new greenfield refinery by PSU oil majors. Overseas opportunities include KNPC-Al Zour Refinery Project in Kuwait, Dangote Refinery Project in Nigeria, Hengli Refinery Project in China, PMB Hengyi Refinery Project in Brunei, TAKREER Refinery Project in the UAE, BAPCO Refinery Project in Bahrain, PEMEX Refinery projects in Mexico, etc.

In the petrochemical sector, the uncertainty in the investment is prevailing due to fall in oil prices. US Shale gas has the advantage of lower and shorter investment cycles compared to conventional oil, which makes US shale more responsive to oil prices. Availability of cheap LNG and US shale gas as a feedstock will boost investment in the petrochemical sectors (ethylene capacity additions).

In the Fertiliser space, global fertiliser demand is forecasted to expand marginally in fiscal year 2016-17. Greenfield and brownfield projects are expected in USA, Saudi Arabia, Indonesia, Nigeria, Algeria and Russia. Expected domestic greenfield and brownfield investments in the fertiliser sector shall provide business opportunities. Also, opportunities to export for upgradation projects in Iran seem to be opening up.

In the Nuclear space, the Indian Nuclear Insurance Pool (INIP) launched in June 2015 and the draft Operator's Policy and Supplier's Special Contingency Policy (against 'Right of Recourse') is being reviewed by the concerned parties (including foreign technology providers). Further, the government approved the Nuclear Liability Fund of ₹ 2000 crore which is an addition to INIP. The Company has entered into strategic teaming agreement / MoU with the concerned foreign technology suppliers and can look forward to a global presence in this industry. Due to stiff competition in international markets, foreign OEMs are looking at cost effective solutions through plant upgrades and de-bottlenecking, and this opens up opportunities for the business. In view of the same, procurement process (re-tendering) for critical equipment is expected to begin in 2016-17.

A track record spanning three decades of the D&A SBG with emphasis on indigenous technology development distinctly positions the Company as a market leader, on its own steam and in the forefront in the defence and aerospace sector. With the DPP 2016 coming into effect from 1st April, Defence procurement is expected to gain traction and programs worth ₹ 200000 crore are expected to be ordered with preference to the Indian industry. The preference to buy Indigenously Designed Developed and Manufactured (IDDM) products will also result in opportunities in newer domains. With FDI at 49%, competition in the form of foreign OEMs with Indian industry is likely to be increased.

Over the next 2 to 3 years, significant opportunities are envisaged in programs for new-build naval platforms, refit of conventional submarines, artillery and air defence guns, close-in-weapon system, military bridging systems, missile programs and sub-systems for space launch vehicles. The business is future-ready to play a proactive role towards self-reliance of our nation through a successful 'Make in India' initiative.

Major Subsidiary Companies

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

L&T Special Steels and Heavy Forgings Private Limited (LTSSHF) is a joint venture (JV) of Larsen & Toubro Limited (L&T) and Nuclear Power Corporation of India Limited (NCPIL), with L&T and NPCIL holding 74% and 26% stakes respectively.

The JV was formed to set up a fully integrated forging facility (from steel scrap to finished forgings of alloy steels, carbon steel & stainless steels) with a capacity to produce a single piece ingot up to 300 MT and forgings up to 120 MT in the first phase. These are required for critical equipment in nuclear power and hydrocarbon industry, for rotors in power industry, blocks for oil & gas segment and for general engineering applications. The JV is a major strategic step towards achieving India's independence from imports of heavy forgings for hydrocarbon industry and ensuring timely supply of heavy forgings for nuclear power plants.

Business Scenario:

The demand for heavy forgings is a derived demand dependent on the outlook of the end use segments comprising refineries, petrochemicals, thermal and nuclear power, wind and hydro power and other industries like steel. The Company has been witnessing fierce competition from global established players having excess capacities. This has been aggravated post the Fukushima nuclear disaster. Due to very low crude oil prices, the forging demand from oil & gas sector has also diminished.

The Company has been successful in getting approvals and qualifications from many key customers. This opens a window of opportunities going forward in various segments. The Company has been successful in manufacturing of high quality Stainless Steel grade forgings required for International Thermonuclear Experimental Reactor (ITER). In yet other major milestone, the Company has successfully manufactured most of the heavy forgings for steam generators, pressurizers of 700 MW PHWR reactors for NPCIL designed nuclear plants.

The Company has also made heavy forgings – shells, tube sheets, dished ends required for refineries,

fertiliser plants and heavy shafts for the mining segment. The Company has made successful supplies of Blow out Preventers (BOP) and forged blocks required for oil & gas segment.

The Company is focusing on stabilising the production processes and improve manufacturing efficiencies so as to remain competitive in the market. A series of initiatives have been initiated in the area of cost control and improving process efficiencies. A total focus on reduction of fixed costs has brought down the fixed costs by over 30%.

The Company has embarked on establishment of Quality Systems in the new facility, complying with ISO 9001. The Company has been accredited by NABL certification for laboratories and also received the U, U2 stamps from ASME, USA. This will help company in getting shop approvals from prospective reputed customers.

The strategic focus of the Company, in line with its vision, is to fill the technological and resultant manufacturing gap in the country for critical heavy forgings for the nuclear and other strategic sectors like defence. The Company has demonstrated its capability to manufacture critical forgings for the Indian Pressurized Heavy Water Reactor (PHWR) plants. It has also taken up the development of the critical forgings for the next generation IPWR - nuclear plants. Discussions are at an advanced stage with foreign technology partners for possible development of forgings to meet their specifications for future Indian nuclear installations.



L&T's nuclear-grade forge shop at Hazira (near Surat), one of Asia's largest. It offers a wide range of finished forgings for the nuclear, hydrocarbon and power sectors.

SPECTRUM INFOTECH PRIVATE LIMITED (SIPL):

SIPL is a wholly-owned subsidiary of Larsen & Toubro Limited. SIPL undertakes technology development and manufacture of avionics Line Replaceable Units (LRUs) for military applications. SIPL concentrates largely on product development in embedded solutions, sensors, control and signal processing. SIPL is certified by Centre for Military Airworthiness and Certification (CEMILAC) of the Ministry of Defence, India for the same. SIPL has obtained AS9100 Rev C, ISO 9001 and ISO 27001 certifications.

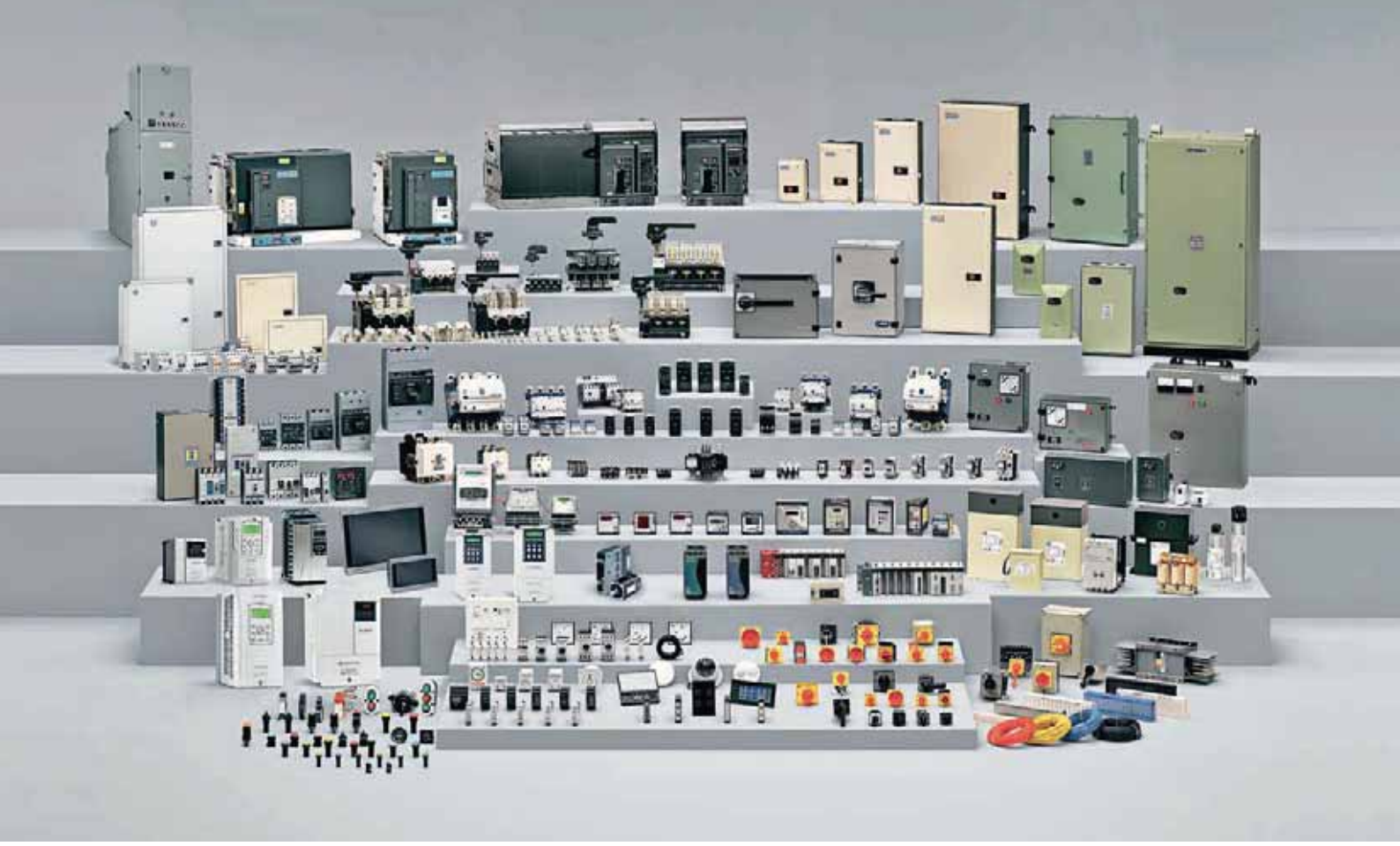
SIPL is developing a Frequency-Modulated Continuous-Wave (FMCW) based radar system, which can be utilised in a variety of military and land security applications. The company continues to work with the Ministry of Defence and Hindustan Aeronautics Limited to jointly develop new products.

The announcement of new programs in the aircrafts and helicopter domains have opened new business opportunities in avionics. However, increased competition from smaller firms and entry of new players have resulted in a very challenging business environment.

LARSEN & TOUBRO HEAVY ENGINEERING LLC:

Larsen & Toubro Heavy Engineering LLC is a Joint Venture with Zubair Corporation, established in Sohar, Sultanate of Oman. L&T, through its wholly-owned subsidiary Larsen & Toubro International FZE, holds 70% in the Company. The heavy engineering facility was commissioned in October 2009. The Company focuses on business in the Middle East, mainly GCC countries and supplements manufacturing and fabrication facilities located in India. The company seeks to leverage the geographical advantage with Oman Government's in-country-value requirements, Oman's expected large value investments in the hydrocarbon sector, and revamp prospects in certain ageing refinery projects offer good potential for the facility which has already established itself by producing a variety of complex equipment.

Electrical & Automation Business



L&T offers India's widest range of switchgear to a variety of sectors - agricultural, industrial, building and commercial.

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

The business is supported by its five decades of experience in in-house design and development that facilitates the introduction of contemporary products and a high precision tool manufacturing facility which is a pre-requisite for high quality manufacturing. The business runs six Switchgear Training Centres across the country that impart training and learning on good electrical practices to engineers, consultants, contractors, technicians and electricians.

Currently, E&A has manufacturing facilities at Navi Mumbai (Mahape and Rabale), Ahmednagar, Vadodara, Coimbatore and Mysuru in India as well as in Saudi Arabia, Jebel Ali (UAE), Kuwait, Malaysia, Indonesia and the UK.

The constituents of E&A business are two Strategic Business Groups (SBGs) and designated subsidiaries. In India both the SBGs have under them two Business Units(BUs) each. The Products SBG includes Electrical Standard Products (ESP) and Metering & Protection System (MPS) business units while Projects SBG comprises Electrical Systems & Equipment (ESE) and Control & Automation (C&A) business units respectively.



L&T's U-Power Omega ACB range offers enhanced protection in a compact package.

Business Environment:
During the year global economic growth has slowed down from 3.4% to 3.1% on the back of slowdown in China, meltdown of oil prices across globe and concerns of European market still continuing. However,India's GDP grew by 7.6% notwithstanding the contraction of global exports and two consecutive years of a deficient monsoon on the back of an excellent performance by the services sector.

New initiatives like Dindayal Upadhyaya Gram Jyoti Yojana, UDAY, Smart Cities, Smart Grid, Pradhan Mantri Krishi Sinchai Yojana & increased focus on renewable energy taken by government show a promising future. But these initiatives will take time to take root and start generating business for E&A. These initiatives will see incremental revenue for coming five years.

The LV switchgear market has been growing at slow pace over the last two years due to a muted investment cycle, weak macroeconomic environment, and a downward trend in the industry and restricted investments in infrastructure and utility projects.

The LV Switchgear market is expected to grow at CAGR of 6.5%and is expected to reach ₹ 7600 crore in 2020.

Rising investment in alternative sources of energy is expected to contribute to the growth of MV and LV switchgear used for switching and general protection. Moreover, this application area will also trigger demand for Miniature Circuit Breakers (MCBs) and Molded Case Circuit Breakers (MCCBs).

In the International market,huge Infrastructure opportunities are seen in the ASEAN region especially in Indonesia and Thailand. Major investments are seen in Infrastructure development. Also there are opportunities in Infrastructure segment in the Qatar, Saudi Arabia and UAE (metros, airports and hospitals) in the wake of FIFA 2022 (Qatar) and EXPO 2020 (UAE).

The infrastructure sector sees a gradual growth over the coming years, however, the impact of lower oil prices is seen on future OPEX plans cancelled by all oil-producing nations (Middle East projects have been stalled or cancelled). This has inturn affected the price-realisations for whatever opportunities existed in these markets.

Significant Initiatives:
The business continued to devote its resources and capabilities to Research & Developmental endeavors, which is one of its core strengths. Its in-house design & development capabilities are rated among the best in the industry. The facilities at Powai–Mumbai, Ahmednagar, Mysuru, Mahape and Coimbatore are approved by the Department of Scientific & Industrial Research, Ministry of Science & Technology. These centers network with international labs, testing centers and academic institutions to keep abreast of new technology trends and introduce them to customers in different segments.

During the year, E&A filed application for as many as 114 patents, 12 trademarks, 37 designs and 1 copyright in India, as well as 2 foreign patent applications (PCT National Phase applications – in Europe and China). This was the 9th consecutive year of filing more than 100 patent applications. Also

the business won the prestigious National IP Award 2015 in the category 'Top Organizations for Designs', from the Department of Industrial Policy & Promotion and Intellectual Property Office, Govt. of India, in association with CII. The honor recognises and rewards organisations across India for their contribution in harnessing the country's intellectual capital and creating an eco-system that boosts creativity and innovation.

During the year, Electrical Standard Products Business put its thrust on ramping up its capabilities to increase the production of its new products such as its new range of modular products and other MCCBs. The two major developments for the year were introduction of AHF (Automatic Harmonic Filter) and the 'Smart Comm' solution (powered by iVisionmax – Indigenous automation software). Smart Comm is a unified software platform for supporting all the products of the business including meters, MCCBs, MCBs, relays, releases, ac drives, soft starters, IO modules and building automation products, communicating to a control room through Ethernet, Modbus TCP/IP, IEC 61850 and BACNet. Smart Comm is scalable to meet requirements of all sizes of facilities and plants and it allows integration of third party devices on open standard protocols.

In 2015-16, the Metering & Protection System business introduced new products like New 1-phase Meter with IrDA, 3-Phase Meter with IrDA, 1-Phase Pre-Paid Meter (Taurus), 3-Phase Pre-Paid Meter (Atria), 1-Phase Smart Meter (Aurora), 3-Phase Smart Meter (Regor), 3-Phase Digital Panel Meter (Nova), New Trip Supervision Relay (TCS01-nX) & Motor Protection Relay (MPR200). The introduction of the Smart and Prepaid meter will show results in the coming years as India is implementing 'Smart Cities' a key initiative taken by the Government.

During the year, the Control and Automation business made an entry into the Solar business with help of a tie-up with an Italian Company for L&T-branded Solar inverter completing the portfolio for solar solution. Also, Electrical System and Equipment business developed L&Ts Outdoor Compact substation – N-Qube which will cater to the rapidly growing infrastructure sector.

Outlook:

Even with the new reforms initiated by the government, the core sectors continue to show no signs of pickup. However, with the launch of schemes like DDUGJY and IPDS which target central procurement of meters throughout the country, there is a hope for a movement toward premium products like AMR, Prepaid and Smart Meters in the coming years. Also, Scheme UDAY will improve health of DISCOMS and will lead to higher investment by the utilities.

The overall market will remain competitive as liquidity with major customers continues to be a cause of worry. The business has also witnessed a financial crunch at major industrial houses due to which new plants/expansion are not being announced. Overall the industrial sector shows a muted trend. However, the business sees an upward trend in the infrastructure sector (Metro, Airports, Railways, etc.) and is optimistic that its efforts in launching products for infrastructure sector in 2015-16 will yield result although the margins in infrastructure sector are negligible due to competition from local players.

The business also sees an improvement in demand from agro / food processing industries. The Marine business sees a positive sentiment through the 'Make in India' initiative taken by the government which emphasises on indigenous content, giving the business an edge over foreign suppliers. Also the Indian Navy has reckoned the company as a strategic partner resulting in thrust on setting up Life Cycle Support facilities in its Navi Mumbai factory.

With continuous low oil prices, the business sentiments are being affected on the international front. Projects are expected to be deferred or delayed further. However, social infrastructure projects like hospitals and metros are expected to continue as planned and new high end infrastructure projects are being announced in the Dubai market for Expo 2020 and the Qatar market for FIFA 2022. The dedicated focus of the business on GCC metro projects is expected to yield results in 2016-17. Also,pursuant to unrest in the Middle East and Africa regions, respective government priorities are shifting toward defence related initiatives.

The South East Asia market looks attractive as major investments are seen in the building sector in Indonesia and the power sector in Bangladesh.

Major Subsidiary Companies
TAMCO GROUP OF COMPANIES:
TAMCO is the leading manufacturer of Medium Voltage switchgear in South East Asia with manufacturing facilities in Malaysia and Indonesia. Its products are widely used in the power, oil & gas, construction and manufacturing industries. Through extensive R&D and advanced manufacturing technology, TAMCO has been able to deliver high quality, safe, reliable and cost effective products and solutions. Its strength lies in the flexibility to develop and adapt products to meet customers' needs and, therefore, it has a high reference list across the globe.



Switchboard installation at a power plant. L&T provides power distribution and control solutions across the value chain, from generation to end user.

The business environment in 2015-16 was tough with the steep fall in oil prices as TAMCO's main markets are in oil producing nations. Even the Malaysian market was badly affected with projects getting delayed and the government cutting its OPEX budget. Jobs were few and this affected the price levels too. However, the depreciation of the local currency (Ringgit) gave the company an advantage in the global market and it could protect its market share and margins. The Chairman of Saudi Electricity Company visited the company and encouraged it to build the switchgears in KSA. Consequently TAMCO invested 25% stake in LTEASA and have completed type tests to get its products approved. Also UK approved for the E&A business to opening doors to utility market in the UK. The company's Australian operations were not able to generate business and were making losses over the last two years. Accordingly, operations in Australia were stopped and separation of all employees was carried out except the service engineers.

The Malaysian economy is showing signs of recovery. The local utility is coming out with a few tenders in the coming year and the Company expects to benefit from this opportunity. Also the outlook for Indonesian economy looks encouraging and a large numbers of infrastructure and power projects are seen in the pipeline. With projects drying up in core markets like UAE, Qatar and Malaysia, the Company saw a need to develop a retrofit solution for these geographies where its product and solution population is high. With some concrete efforts, the Company has developed retrofit solutions to cater to these requirements. Another key strategy for TAMCO would be to foray into European markets, Iran and other South-East Asia countries like Vietnam following an OEM model.

L&T ELECTRICAL & AUTOMATION FZE (LTEAFZE):
L&T Electrical & Automation FZE (LTEAFZE) is a 100% subsidiary of L&T International FZE based in UAE. The company provides Systems Integration solutions in the Oil & Gas, Power, Water and Waste Water and Infrastructure space like Airports, Hospitals, Stadiums and Transportation segment like Metro and Rail. The solutions are centered around Process Automation and Telecommunication applications catering to customers / contractors in the Middle East, Africa, CIS and Turkey markets. It has a state-of-the-art integration facility in Jebel Ali Free Zone and is accredited with ISO 9001, 18001, 27001 and TUV for functional safety.

With the period 2015-16 seeing a steady decline in oil revenues



L&T powers Mumbai International Airport's Network Operations Centre.

leading to shortfalls in budgeted incomes for all oil economies in the region compounded with heightened security concerns due to increased political disturbance in the region, there is a general slowdown in pace of O&G project investment. Nevertheless, O&G investments continued in Kuwait and Oman, while Qatar and KSA governments primarily are committed to improving their infrastructure. Airport, Metro / Railway, Hospital related investment continued to gain importance.

The Company has had a bad year in terms of achievements. The costs surpassed the estimation on the projects, leading to a negative bottom line. With increasing number of System Integration companies in the market, the markets have become extremely competitive. As a result, LTEAFZE saw drop in Process Automation project opportunities from the O&G and Utility industries. However, it saw considerable scope for Infrastructure Automation with Building Management System along with Extra Low Voltage (ELV), Electronic Security (ESS) and Telecommunication (TCom) Systems. The Automation Product OEMs continue to lobby with end clients / consultants for restricting competition to limited participants through direct OEM bidder nomination or novation.

Healthcare, Transport, Power Generation and key event driven development viz. FIFA 2022 in Qatar and EXPO 2020 in Dubai would continue to generate business opportunities through 2016-17. While some countries like UAE show some investment slowdown in energy and infrastructure sector, others like Qatar and Kuwait continue to move forward with earlier announced projects finalised in 2015 and 2016 and have announced new projects that will give opportunities to LTEAFZE in 2017. Projects focused on any process Improvement, Security, Surveillance and / or Environment friendly practices will generally continue to get implemented across industries. LTEAFZE is fast aligning with the new A&T arena with delivery capability as Main Automation or Telecom Contractor, and is poised to leap forward into the next league.

L&T ELECTRICALS AND AUTOMATION SAUDI ARABIA COMPANY LIMITED, LLC (LTEASA):

L&T Electrical & Automation Saudi Arabia Company Limited was established in 2006 as Limited Liability Company, where, 75% of shares are held by Larsen & Toubro International FZE and 25% by TAMCO Switchgear Malaysia Sdn. Bhd. It manufactures of LV/ MV switchgear/control gear panels of all sorts and undertakes installation and commissioning of these products along with associated products viz., PLCs, Drives, Transformers, cables, etc., to offer a one window solution to customers. The company been approved by almost all major end users in the Kingdom eg SABIC and Saudi Aramco.

The Company had a bad year in terms of achievements. During the year 2015-16, LTEASA saw lower order inflow in view of deferment and cancellation of projects which lead to drying up of the order book and lower sales, leading to a negative bottom line.

The Saudi economy is expected to grow slowly at 1.9 % in calendar year 2016 down from 3.4% in calendar year 2015. The non-oil private sector will continue to grow albeit at a slower pace, as reduced government spending will most likely have a negative impact on

business activity. However, growth in all sectors in the non-oil private economy will remain positive. The fiscal year 2016-17 will be a tough year for LTEASA. The key focus areas for LTEASA during the year would be getting LV and MV approvals from SEC, Aramco and other consultants in KSA, providing better reach in Saudi market. As major growth opportunities will be generated from non-oil markets, the key focus area would be the infrastructure sector, especially mega metro and airport projects.

HENIKWON CORPORATION SDN BHD, MALAYSIA:

Established in 1982, Henikwon Corporation is leading manufacturer of Low Voltage (LV) & Medium Voltage (MV) bus duct systems. The Henikwon acquisition brought strong customer base of large corporations to E&A's business and complements its portfolio to make comprehensive offerings for the building and infrastructure segments. It further enhances L&T's presence in South East Asia, India and Middle East markets. Henikwon offers high quality products that comply with international quality standards. The 12,300 sq.mt. manufacturing unit is located in Selangor state of Malaysia.

The overall business environment and market sentiment is cautious. Most of the regional economies are yet to get into higher growth orbit and are presently in the band of 4-5% GDP growth. Significant local opportunities are seen in oil & gas and metro segment. The Company is working on a few metro projects locally as well as within India (Delhi, Chennai) and international markets (Doha, Riyadh).

The Company is working to stabilise 'S-line' range of bus duct systems, and has initiated marketing efforts in select countries. Further,it is working on development of non- segregated variants, for the LV segment, which is being specified by the oil & gas industry. Qatar remains in focus due to less dependency on oil and the FIFA World Cup 2022. The Company will continue to focus on its existing range (SCM) and strengthen its ADDC and SEWA segment projects.

SERVOWATCH SYSTEMS LTD, UK

Servowatch is marine automation company based in Maldon Essex UK, acquired by L&T in April 2012. Servowatch is recognized as a world leading system integrator for modern naval platforms, super yacht installations and commercial marine operators. its unique software design allows integration of third-party software into a common operator platform environment. 'Task Orientation' for specific user profiles with portability from station to station creates a highly redundant multifunctional operating environment. Typical applications include machinery, navigation, radar, electronic charting, internal and external communications, tactical sensors, auxiliary ship systems, camera networks, mission logging and playback functionality. The highly trained and professional teams at Servowatch offer an extensive range of services.

Servowatch partners with leading manufacturers of hardware and software to allow flexibility in meeting project requirements, and providing full through life product support capability.

During the year, Servowatch successfully completed FAT for MARS Project (Tankers for Re-fuelling UK Royal Navy built by DSME in South Korea) using indigenous software Winmon 9. The projects included a total of four vessels, first of which underwent sea trials. Successful commission of the first vessel will give Servowatch a huge reference for large naval vessel systems and open doors to other markets.

Going into the new financial year, the business is set to consolidate on the financial position achieved during previous year. The business is planning to restructure its sales team to focus on select geographies. Also a permanent business development professional is deployed in its major market of South Korea and the Far East. Products have been aligned/ introduced and priced to meet the market requirements for all sectors.

Kana Controls General & Trading Contracting Company W.L.L., Kuwait

LTEAFZE acquired the Kuwait-based Kana Controls General Control & Trading Company in September 2013. Kana Controls established in 1990,offers systems for all type of automation including Field Instruments & Sensors, Flame Detection & Combustion, Termination & Wiring devices, Panel Mounted Instruments & devices, Interface devices, Power Supplies, Panels & Enclosures.

Kana Controls is approved with most customers in Kuwait and provides a good platform to serve the control and automation business opportunities in Kuwait.

Hydrocarbon Business



Mumbai High North (MHN) complex of ONGC, executed on EPCI basis. The massive complex comprises a process platform (26,500 MT topside + 13,500 MT jacket) a living quarters platform (6,500 MT topside + 13,500 MT jacket), two flare platforms and four bridges.

Overview:
The Hydrocarbon business provides 'design to build' turnkey engineering, procurement and construction solutions for the global Oil & Gas Industry including oil & gas extraction, petroleum refining, chemicals & petrochemicals, fertiliser sectors and cross country pipelines. The existing in-house capabilities enable it to deliver complete end-to-end solutions from front end design through detail engineering, procurement, fabrication, project management, construction and installation up to commissioning services. The hydrocarbon business is primarily housed in a wholly owned subsidiary, L&T Hydrocarbon Engineering Limited (LTHE)

The business has repeatedly delivered, large, critical and complex projects, globally, by virtue of its experienced and highly skilled project execution team, world-class HSE practices and culture of excellence. The business has a fully integrated capability chain including in-house engineering, R&D centre, engineering joint ventures, world class modular fabrication facilities and offshore installation capabilities. The principles of Company's business philosophy are striving for excellence in corporate governance, safety standards and quality standards, state-of-the-art IT

security practices,on-time delivery and cost competitiveness.

The geographic reach of the business spans across Asia,covering Middle-East and South-East Asia. Major facilities in India include Engineering & Project Management Centres at Mumbai, Vadodara, Chennai and Faridabad and Fabrication Yards at Hazira (Surat) and Kattupalli (Chennai).Overseas facilities are located across the Middle East including in UAE (Sharjah), Saudi Arabia (Al-Khobar), Kuwait, Oman (Muscat) and Qatar (Doha). The business also has a major Modular Fabrication Facility at Sohar in Oman held through a subsidiary.

The business caters to clients across the hydrocarbon value-chain through its following business verticals:

- *Hydrocarbon Offshore*
- *Hydrocarbon Onshore*
- *Hydrocarbon Construction Services*
- *Hydrocarbon Modular Fabrication Services*
- *Hydrocarbon Engineering Services*

Hydrocarbon Offshore:
The business offers turnkey solutions to the Global Offshore Oil & Gas industry encompassing well-head platforms, process platforms and modules, subsea pipelines, brown field developments, jack-up rig refurbishment, floating production storage & off-loading (FPSO) topsides and subsea projects. For more than two decades the business has been successfully executing large offshore platforms and pipeline projects in east and west coasts of India, the Middle East, South East Asia and Africa, for global companies such as ONGC, GSPC, British Gas, ADMA OPCO, Bunduq, Qatar Petroleum, Maersk Oil Qatar, PTTEP, Petronas and Songas.



Upgrade project executed on an EPC basis for export gas compression facilities of Dolphin Energy, Qatar.

The joint ventures with Sapura Crest Petroleum Bhd., Malaysia, viz., L&T Sapura Shipping Private Limited,owns and operates a Heavy Lift Pipe Lay Vessel, and L&T Sapura Offshore Private Limited provides offshore installation services. LTHE's wholly owned subsidiary, L&T-Valdel Engineering Limited, Bengaluru, renders dedicated engineering services for offshore projects.

The business has made a foray into the deepwater segment with a long term co-operation agreement with McDermott International to develop cost-effective solutions for subsea projects off the east coast of India. The Consortium of McDermott and LTHE bagged an offshore contract for development of ONGC's Vashishta and S1 deepwater fields involving supply and installation of subsea structures in the seabed at water depths ranging from 200 to 700 metres.

During the year, the business also secured an EPCI contract from ONGC involving new process platform, well head platform, topside modifications, associated subsea pipelines and a living quarters platform in Bassein Field off India's west coast. In consortium with EMAS AMC, a Singapore based installation contractor, the Company has signed a six year Long Term Agreement with Saudi Aramco, under which the consortium will execute offshore projects in Kingdom of Saudi Arabia. This will enable the Company to tap the large value opportunities in Saudi Arabia over the medium term.

Hydrocarbon Onshore:
The business provides EPC solutions for a wide range of hydrocarbon projects covering Refining, Petrochemical, Fertiliser (ammonia & urea complexes), On-shore Oil & Gas Processing plants, and cross country pipelines.



FCC reactor regenerator section for IOCL at its Paradip Refinery.

The business has a track record of successful simultaneous execution of multiple mega projects having diverse technologies from process licensors like UOP, Axens, Haldor Topsoe, CB&I Lummus, Black & Veatch, Ortloff, ExxonMobil, BOC Parsons, Invista & Davy Process Technologies. The vertical's in-house Engineering Centres along with joint venture companies – L&T-Chiyoda Limited for onshore engineering and L&T-Gulf Private Limited for Pipeline engineering enable the vertical to offer complete spectrum of FEED, process and detailed engineering to clients. The Company's subsidiary Larsen Toubro Arabia is registered as In-Kingdom EPC ('IK-EPC') company in Saudi Arabia and addresses onshore In-Kingdom opportunities.

The business has executed Lump-Sum Turnkey(LSTK) projects in on-shore Oil & Gas Processing, Refinery & Petrochemical applications for various Indian oil majors like IOCL, MRPL, ONGC, OMPL, BPCL, HPCL, Reliance Industries etc., as well as fertiliser companies like NFL, GNFC, RCF and others. In recent years, the business has also diversified into related areas like Cryogenic Terminal projects, LNG tanks and Regasification plants.

Internationally, the business group is prequalified by major international oil & gas producers such as Saudi Aramco, Kuwait Oil Company (KOC), Kuwait National Petroleum Company (KNPC), SOCAR, PETRONAS, CNPC, Dragon Oil in Turkmenistan, Lukoil in Uzbekistan and Sonatrach in Algeria. It has a successful track record of project execution with international bellwethers like Abu Dhabi Gas Industries (GASCO), Petroleum Development Oman (PDO), Petronas, Chemanol, KNPC, etc.

During the year, the business has received an EPC contract from Gujarat State Fertilisers & Chemicals Limited for setting up 40k MTA Melamine Plant at Vadodara using process technology from Casale SA. Internationally, the business has bagged twin EPC orders from Petroleum Development Oman LLC (PDO) i.e. Saih Nihayadah Depletion Compression Phase 2 & Kauther Depletion Compression Phase 2 in central Oman, to overcome pressure depletion and maintain potential to sustain production.

Hydrocarbon Construction Services:

The vertical renders turnkey construction services for refineries, petrochemicals, chemical plants, fertilizers, gas gathering stations, crude oil & gas terminals and underground cavern storage systems for LPG and cross country oil & gas pipelines.

The vertical's major capabilities include heavy lift competency, advanced welding technologies and Quality systems. 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. The business has executed projects for major private sector customers like Cairn Energy, Reliance Industries, HPCL Mittal Energy as well as major oil PSUs like BPCL, IOCL, ONGC and international customers like

Abu Dhabi Company for Onshore Oil Operations (ADCO), Abu Dhabi Oil Refining Company (TAKREER).

The Company's country specific joint ventures with local partners render construction support to international onshore projects – Larsen & Toubro Electromech LLC in Oman, Larsen & Toubro ATCO Saudia LLC in Saudi Arabia, Larsen & Toubro Kuwait Construction General Contracting WLL in Kuwait.

During the year, the business received an order for construction of onshore Gas Pipelines & Associated facilities including Pipe-laying works in western part of India.

Hydrocarbon Modular Fabrication Services:
The Modular Fabrication Services vertical offers comprehensive Engineering, Procurement, Fabrication (EPF) modular solutions primarily in oil & gas and petrochemical sectors, and renders fabrication support to offshore and onshore verticals. The vertical's two strategically located state-of-the-art fabrication facilities in India, ensure round the year delivery of process platforms, wellhead platforms, modular structures, heavy jackets and oil rigs. The Hazira yard near Surat caters to the west coast of India and Kattupalli yard near Chennai caters to the east coast of India and South East Asia. The Company's Oman subsidiary caters to opportunities in Middle East arising from UAE, Oman, Qatar and Saudi Arabia. The three yards altogether have a total fabrication capacity of about 150000 MT per year.

During the year, the business has received a number of orders for fabrication and supply of Piping systems, Manifold Skids, etc. for supply to international locations ranging from Middle East to the Americas.

Hydrocarbon Engineering Services:
The Engineering Services vertical offers comprehensive solutions covering the entire spectrum of engineering across the oil & gas value chain, from two Centres of Excellence within India: the Technology Centre in Mumbai and the Engineering Centre at Faridabad near Delhi within the National Capital Region (NCR).The Mumbai Centre primarily focuses on Front End Engineering Design (FEED), advanced engineering solutions, specialised studies and engineering for special applications (such as reformers, cryogenic systems and modular solutions) while the Faridabad Centre specialises in a broad range of detailed engineering and project management functions.



3-D CAD model of a petrochemical complex executed by L&T Hydrocarbon Engineering.

The Engineering Services vertical has a large resource pool of over 3.5 million engineering man hours. A large portfolio of industry-standard software tools, robust IT infrastructure and in-house R&D facility further augment its capabilities. Benchmarked through leading certification and accreditation systems, the engineering work processes offer consistent product quality with on-time delivery. Backed by decades of experience and rich domain knowledge, the team is geared to provide value-added services to customers across the hydrocarbon sector.

Business Environment:
The volatility and sharp fall in crude oil prices during the year created an environment of investment uncertainty for the entire hydrocarbon industry, with international offshore segment being affected the most. New field development plans were deferred and most of the private sector players announced reduction in capex spends. This shrinkage of market opportunities is less pronounced in the Middle East. Gas-based projects have been relatively less affected by the decline in oil prices and national oil companies continue to tender these type of projects. However, there is an increasing thrust on local 'in-country' value add by governments and national oil companies.

In the domestic sector, the government announced a new Hydrocarbon Exploration & Licencing Policy (HELP) providing for unified open acreage licensing policy, i.e. allowing producers to exploit conventional and unconventional hydrocarbons (CBM/ shale/hydrates) under a single license. Simultaneously, a new gas pricing formula was announced providing for market linked prices for deepwater & Ultra deepwater fields to incentivise exploration activity. During the year, ONGC continued its capex projects notwithstanding the fall in crude prices. However, predatory pricing was seen from a few South East Asian players with idle capacity. On the flip side, lower crude prices have led to a boost in refining and petrochemical expansion plans. Reduced naphtha and gas prices have also led to the revival of LNG Re-gasification Terminal projects & fertiliser projects, primarily, in the nature of upgradation and energy efficiency.

In light of the above challenging external environment and multiple headwinds, the business has done well to maintain order inflow at previous year levels of approx. ₹ 10000 crore.

Significant Initiatives:
Fiscal year 2015-16 has been a year of transformation and turnaround for the hydrocarbon business. There were several top leadership changes starting with appointment of Mr. Subramanian Sarma, a veteran in global oil & gas contracting industry, as the CEO & MD of L&T Hydrocarbon Engineering Limited. A business re-organisation and transformation plan was unveiled during the year with a view to avoid silos, reduce costs, improve competitiveness and aid profitable execution.

The entire hydrocarbon business operations have been re-grouped as five business verticals with targeted revenue streams, catering to global opportunities across the hydrocarbon value chain, including creation of two new verticals, viz., Modular Fabrication Services & Engineering Services to provide growth impetus for the future. Consolidation of erstwhile geographically dispersed operations into India-centric verticals has been accomplished. A new risk/reward sharing model has been adopted to create better alignment amongst verticals and rationalisation of profit centers. Tie-ups with global majors are under negotiation to address Indian deepwater projects, subsea manifolds, engineering services, augment utilisation of yards, etc.

Manpower rationalisation and relocation initiatives are expected to result in annualised savings of over ₹ 200 crore from 2016-17 onwards. The business development set-up has been consolidated with distinct focus groups for product as well as geographies. The proposal and estimation group has been centralised and the estimation process has been streamlined to improve bid-win ratio. Initiatives have also been undertaken for consolidating key resources to create centres of excellence and identifying and addressing leadership gaps. As a result of these initiatives, the hydrocarbon segment is poised to improve its bottom-line significantly from 2016-17 onwards.

Risk Management & Internal Controls:
Pro-active Risk Management has been identified as a key strategic initiative to ensure sustainable

growth. Risk Management is an integral part of the overall governance process to identify, segregate, mitigate, control and monitor various risks at business, individual bid and operational levels. The risk management policy and guidelines incorporates global best practices and procedures which enables building the ability to anticipate challenges and opportunities for achieving strategic objectives.

The major risks such as limited investments due to falling oil prices, onerous contract terms by client, tight schedule, stringent localization requirements, forex exposure, etc. are mitigated through specific actions like operational excellence initiatives, alliances, cost optimisation, improved customer relationship, compliance with stringent HSE standards, proactive forex hedging, strong contract & claims management and identification of key personnel and talent at the pre-bid stage.

All projects undergo a structured pre-bid risk review by the Apex Risk Management Committee (ARMC) at business and at corporate level as per well-defined authorisation limits. This process involves a detailed assessment of risks and deliberation on mitigation measures by the ARMC. Periodically risk reviews are conducted for ongoing projects. Project managers/ selected project team members undergo a certified Risk Induction Programme conducted by ECRI (Engineering & Construction Risk Institute) on a continuous basis to become acquainted with industry's best practices.During the year, a dedicated Business Assurance Group has been established to institutionalise execution risk management on a pro-active basis.

A strong Internal Control framework is an important part of operations and corporate governance. The management has established internal control systems commensurate with the size and complexity of the business. The internal control manual provides a structured approach for identification, rectification, monitoring and reporting of gaps in the internal control systems and processes. The Group follows well documented Standard Operating Procedures (SOPs) and the operating effectiveness of various controls is periodically tested and deficiencies, if any, are promptly rectified.

During the year, an in-depth exercise for evaluating the adequacy of Internal Financial Controls and their Operating Effectiveness was undertaken, as per the provisions of Companies Act 2013. This activity included understanding and testing of Internal Financial Controls and evaluating its operating effectiveness based on the assessed risk factors.

Human Resource Development:
The Group has a set of unique mix of experienced professionals and young dynamic passionate individuals working in various disciplines. HR efforts are targeted to ensure that the right talent is sourced, selected, trained and are deployed across the organisation. In line with the business transformation, HR has also initiated its transformation exercise. The Group leverages on technology and automation by using SAP & multiple in-house IT capabilities for managing various 'Hire to Retire' processes.

The specially designed 'Seven Step Leadership Development Programs' for high potential employees strengthen the leadership pipeline of the organisation at various levels. The Group utilises various state-of-art training infrastructure and resources like L&T Leadership Development Academy, Institute of Project Management and Technical training centres to train its employees on Project management skills, functional and leadership competencies. The business also has tie ups with premier institutes like IIMs, XLRI and IITs for conducting 'Core Development Programs', EMBA, M. Tech and e-learning programmes (Harvard, DDI and other certification programme) at regular intervals.

The Group continues to foster a high performance culture by recognising and rewarding good performers, and providing them with career development opportunities. The CEO & MD periodically interacts with employees through various forums like 'Town Hall', webcast, video conferencing and emails. Various other interventions and initiatives like ICONS, Long Service Awards, Team Building Workshops, non-monetary recognition events, etc. are periodically undertaken to enhance employee motivation.

Health Safety Environment (HSE) & Sustainability:
Health, Safety & Environment is the cornerstone of the Group's business philosophy. The business strives for continuous improvement for

the protection and development of health, safety, and environmental assets of its employees and stakeholders. During the year, five projects were safely commissioned without any significant incidents. The business actively participated in Global HSE Conference and Golden Jubilee celebration of Directorate General, Factory Advice Service and Labour Institutes (DGFASLI).

During the year, as a part of Corporate HSE Plan, cross-functional HSE audits were initiated across all business units. All HSE Systems and procedures were IT enabled to make them more user friendly. Senior Management involvement and visibility was reinforced through systematic senior management site safety observation. To spread safety awareness, various theme based campaigns were observed on various important dates during the year. Lessons learnt during project execution were shared throughout the organisation by way of well documented HSE Learnings and HSE alerts. Various HSE training programs were held, and motivational schemes were instituted.

The Company has released its Sustainability Report – "Journey Begins" in December 2015 which covers various initiatives taken across the Company and highlights need to enhance performance across all sustainability parameters – safety, energy, water conservation and productivity. As a responsible Corporate Citizen, the Group is aware of its responsibility towards social upliftment which is an integral part of the corporate culture. The Group's CSR Framework lays down the principles and programs for the community at large, in accordance with section 135 of the Companies Act 2013. In-line with Group's theme "Building India's Social Infrastructure" L&T Hydrocarbon is committed to implementing projects that will contribute to the quality of life, including schools, hospitals, skill training institutes, water supply and distribution and sanitation facilities.

During the year, the business won several national and international accolades from eminent institutions and clients like National Safety Council – Maharashtra Chapter, British Gas, Petronas Carigali Myanmar, Frost and Sullivan (F&S) & The Economic Times India Manufacturing Excellence Award (IMEA).

Outlook:
Oil prices are expected to hover in the range of USD 40 to 50 per barrel in the near future. In the



900 TPD Ammonia plant modernisation project for National Fertilizers Limited - one of many onshore projects executed on a License+EPC basis.

domestic offshore sector, ONGC has indicated that it will be investing close to USD 5 billion in next 4 years on development of its deepwater field KG/98-2 on the east coast of India. This will provide significant opportunities to the Group's offshore and fabrication verticals over the medium term, given its strategically located Kattupalli yard on the east coast and the recent tie-up with McDermott to develop cost effective subsea solutions. The Long Term Agreement signed with Saudi Aramco is expected to provide large offshore project wins in Middle East in the near future.

The Indian Government has recently announced that Bharat Stage-VI (BS-VI) emission norms would be enforced from April 2020 which is a year earlier than the planned roll-out target of 2021. The Government has decided to altogether skip Stage-V and directly adopt BS-VI which are equivalent to Euro 6 norms. To meet these norms, the Public Sector refineries will need to spend an estimated ₹ 68000 crore on upgradation projects, providing visibility of order prospects for the next 2 years. The Government has also cleared a comprehensive Urea Policy 2015 which will incentivize indigenous production of urea and promote energy efficiency by encouraging units to adopt the latest technology. Under the policy, the Government has also announced revival of closed Public Sector urea units having capacity of 26 lakh tonnes located across the country like Talcher, Ramagundam, Barauni, Gorakhpur, etc. Private sector companies are also expected to initiate brownfield expansion projects which will provide opportunities over medium term.

In the Middle East, gas processing projects are expected to be awarded in UAE, Oman and Saudi Arabia. Large value cross country crude oil & gas pipeline prospects are expected in Saudi Arabia, Kuwait and Oman. Mega Integrated Refining cum Petrochemical Projects are expected in Saudi Arabia, and fertiliser projects in Oman. Further, with the prospective moderation of sanctions, Iran is expected to offer good growth opportunities.



Habshan-Ruwais-Shuweihat gas pipeline project built on an EPC basis for GASCO, Abu Dhabi.

Information Technology Business



L&T Infotech's global headquarters in Mumbai. The Company's solutions focus on the convergence of the physical and digital worlds, improving efficiencies for its clients.

Overview:

The Group's Information Technology business housed in L&T Infotech Limited ('L&T Infotech') forms part of the IT & Technology Services segment of Larsen & Toubro. L&T Infotech is one of India's global IT services and solutions companies. In 2015, NASSCOM ranked the Company as the sixth largest Indian IT services company in terms of export revenues. The company was amongst the top 20 IT service providers globally in 2015 according to the Everest Group's PEAK Matrix for IT service providers. Its clients comprise some of the world's largest and well-known organisations, including 49 of the Fortune Global 500 companies.

L&T Infotech offers an extensive range of IT services to its clients in diverse industries such as banking and financial services, insurance, energy and process, consumer packaged goods, retail and pharmaceuticals, media and entertainment, hi-tech and consumer electronics and automotive and aerospace. Its range of services includes application development, maintenance and outsourcing, enterprise solutions, infrastructure management services, testing, digital solutions and platform-based solutions. The company serves its clients across these industries, leveraging

its domain expertise, diverse technological capabilities, wide geographical reach, an efficient global delivery model, thought partnership and 'new age' digital offerings.

L&T Infotech was incorporated in 1996 and is headquartered in Mumbai, India. It leverages the strengths and heritage of its promoter. The L&T Group provides access to professionals with deep industry knowledge in the sectors in which the Company does business. L&T Infotech has also inherited from L&T group its corporate and business culture and corporate governance practices, which places the Company in good stead in relation to its business. In addition, it benefits from the commonality of business verticals with its promoter.

The Company's growth has been marked by significant expansion of business verticals and geographies in which it does business. Besides India, it provides services globally from North America, Europe, Asia Pacific and the rest of the world. As of March 31, 2016, the Company has 22 Delivery Centres and 44 sales offices globally.

The Company serves clients across verticals such as BFS, Insurance, Energy, CPG, Retail & Pharma, Hi-Tec, Media and Entertainment and Audit Aero & Others.

Business Environment:
The Global IT-BPM Market as noted by NASSCOM saw increasing number of firms using custom application development as a means to enhance customer service with tailored solutions. The need to differentiate their company and competitors and the need to comply with regulations and industry mandates are driving growth in the segment. CADM services are using cloud computing and mobility considered as a strategic tool to enhance business processes and improve customer satisfaction and acquisition. SMAC adoption across industries became all pervasive driving growth in IT services.

The year was marked by spinoffs, buyouts, divestitures and focused acquisitions among service providers which helped bolster the bottom line for the vendors and their customers. Technology M&A deals in volume registered a record high of USD 713 Bn. in 2015 on a global basis. Driven by increased competition, some other firms took the restructuring of businesses route to improve profits and reduce costs.

Significant Initiatives:

- Focus on emerging technologies: L&T Infotech has established business relationships with a number of players in the digital space and, in addition to its existing capabilities, such relationships will further enable it to develop sophisticated ecosystems along with its partners as a value-added proposition to its clients. Further, it plans to invest seed capital in startups, which will allow them to benefit from their innovation capabilities and digital offerings. The Company believes this will help them enhance their digital offerings and in turn, give a platform and opportunity to scale up to startups. In addition, as part of its strategic focus in India, it is inter alia positioning itself to cater to 'Smart Cities' opportunities that it has identified therein.

  L&T Infotech regularly tracks new technologies, industry segments and market trends in the IT solutions market and believes that digitalisation will increasingly become systematically critical in the future. It looks to assist its clients to 'engage the future' through its focus on emerging technologies. The Company invests in new technologies and tracks new business trends, and believes that every industry will increasingly adopt digital as a key component of its overall IT solutions and services expenditure. It defines digital business as solutions and services offered to clients through the fusion of 'new age' technologies for disruptive business transformations, including as part of its Thought Partnership® program. Such transformations are enabled by creating innovative business models leading to enhancing client experiences and greater operational efficiencies.

  Over the past few years, the Company has aligned its areas of expertise and have created focused initiatives in developing capabilities in emerging technologies, which it eventually intends to offer under a specific brand. The Company's investment in the digital practice is focused on providing its clients with a competitive edge, as well as giving them a competitive advantage in the market. Its digital assets have received multiple industry recognitions.

- Focus on a targeted client portfolio and higher total contract values: L&T Infotech continues building long-term sustainable



L&T Infotech's facility in Bengaluru.

business relationships with its clients to generate greater revenues. This involves *inter alia* increasing the scope of engagements with its existing clients; selling additional services to them; deploying project managers, delivery specialists and other professionals to provide value-added business solutions; and eventually become a thought partner with them in terms of their existing and future business needs by identifying priority solutions in consultation with industry experts.It has a track record of high client retention and as its client relationships matures and deepens, it seeks to expand the scope of services offered to those clients to achieve incremental revenue growth. Its ability to establish and strengthen client relationships and expand the scope of services it offers to clients will help grow its revenues and profits.

The Company is targeting clients who have the potential to offer opportunities with large total contract values. It intends to originate large engagements by either identifying opportunities with its client accounts or by targeting new clients whose existing engagements with IT vendors will be up for renewal. It plans to achieve a higher value client portfolio by focusing on annuity applications and infrastructure management service deals, which tend to be long-term in nature.

- Expand focus on infrastructure management service (IMS) offerings:
  L&T Infotech's IMS service practice offers a wide spectrum of end-to-end services covering IT infrastructure consulting, design, managed services, migration services, operational support, desktop support, and Cloud enablement, hosting and migration. It aims to leverage its 'Business 1st™' approach with respect to IMS, which provides extensive services to clients *inter alia* using application development, maintenance, support and testing services, which collectively help its clients automate their business processes through customised service delivery plans that are aligned with their business needs and objectives. Similar to its approach in relation to emerging technologies, the Company has agreements with a number of players in delivering its IMS service offerings in a technologically-agnostic way. This approach is beneficial to clients and helps establish its credibility with them with a view to eventually becoming their thought partners and long-term service providers. In addition, the Company is currently looking for strategic acquisition opportunities in relation to its IMS business. It is specifically looking to acquire a complementary business, technology, service or product that can provide it with access to new markets, capabilities or assets in relation thereto.

- Expand geographical presence:
  L&T Infotech markets and distributes its solutions directly through its global delivery model. It has historically been dependent on North America and Europe for most of its revenues. While it intends to continue expanding its presence in the United States and Europe, it also plans to expand its geographical reach in other markets that it has identified as having potential, including Australia, Singapore, Japan, South Africa, India and the Middle East. It is in the process of augmenting its teams in these markets to

further explore the opportunities therein.

With respect to the Company's operations in South Africa, the Nordic region and the Middle East, the Company views these regions as gateways to the rest of Africa, Eastern Europe/the Baltic region and the Middle East/ North Africa region, respectively. As such, it intends to allocate resources to these markets not only for pure-play market opportunities therein, but also as stepping-stones to other client opportunities that it can identify through greater regional experience, expertise and client referrals. viz., in South Africa, it recruits local nationals to assist in market penetration efforts, in addition to complying with local regulatory requirements. In the Middle East, the Company intends to leverage the strong presence of the L&T Group, which is engaged in the oil and gas, construction and transportation sectors.

The Company has identified Germany, France and the Nordic region as important markets going forward and it would like to enhance its capabilities and address gaps in language capability, industry expertise, technical expertise and geographic coverage in these countries. As such, it is also currently contemplating pursuing strategic acquisitions in these markets.

- Focus on greater internal operational efficiency: L&T Infotech plans to continue developing and investing in frameworks, accelerators, in-house proprietary solutions and customised software processes to drive efficiencies internally. It also plans to increase its profitability by streamlining cost structure with a focus on high employee utilisation and optimising resource mix. To this end, business process digitalisation is important in streamlining cost structure to make them more operationally efficient. It plans to automate various project delivery processes as well as internal IT service processes to enhance human productivity and once various tools are developed in relation thereto, it plans to institutionalise their usage across its business units, which will provide them with the appropriate business platform to be more efficient. The company also plans to introduce specific business process digitalisation initiatives in relation to its business verticals and service lines for them to realise operational cost savings. It believes that the foregoing initiatives will allow them to move up the value chain with respect to services offered.

Outlook

Enterprise applications are becoming increasingly consumer oriented with mobile and 'on-the-go' applications' delivery mechanism shifting to cloud-based environment. Demand for migration, porting and re-platforming of traditional on premise application to SaaS from both clients and ISVs provide significant opportunity. Agile testing is growing in acceptance even though it is yet to fully mature. Crowd-sourced testing is gaining popularity and testing automation as well as data management are adapting to the new technology demands. Key drivers for third party and GICs are cloud based testing, IP-led testing, testing-as-a-service, automated testing and testing in domain-specific niche services along with transformational programs using SMAC and IoT.

(Source: NASSCOM Report)

With the appropriate mix of initiatives in emerging technologies, client focus and geography expansion, L&T Infotech is optimistic of its prospects in the near to medium term.

Technology Services Business



Headquartered at Knowledge City, Vadodara, L&T Technology Services has delivery centres in Europe, USA and India. It helps clients gain the competitive edge by building smart products, enabling smart manufacturing and offering smart services.

Overview:

A leading player in the global Engineering, Research and Development ('ER&D') space, L&T Technology Services Limited (LTTS) is a wholly-owned subsidiary of Larsen & Toubro Limited and forms part of Group's IT & Technology Services business segment. With L&T's engineering heritage, the Company provides, 'one-stop shop' to its customers across the product engineering life cycle from product conceptualisation, design and engineering to prototype and certification support services. It has long term engagements with a large number of marquee clients across multiple industry segments like Industrial Products, Medical Devices, Transportation, Telecom and Hi-Tech Computing and Product Software and Process industries. It also has differentiated offerings in the Plant Engineering and Sustenance Services which is unique when compared with the other Indian ER&D service providers.

The Company is investing significantly in new age technologies like Engineering Analytics, Digital Engineering and Internet of Things (IoT). A well-defined Digital Engineering strategy leverages its unique strengths along with best-of-breed partners and delivers differentiated solutions for building Smart Products, Smart

Manufacturing and enabling Smart Services. As part of this, the Company has developed IP led solutions like UBIQWeise, i-BEMS that have been launched in the global market. The Company has also filed around 260 patents, some owned by itself and some co-authored with its customers.

L&T Technology Services has a global reach to its customers through its 12 delivery centers and 25 sales offices. It also has set up domain specific labs that replicates customer's work environment and works closely with the customer R&D wings on product innovation through technology infusion. Its global delivery model of Offshore, Nearshore, Onshore and Client Proximity centres, combined with these labs, provides customers with high quality solutions in reduced timeframes that deliver operating efficiencies and better value for its shareholders.

With around 19% CAGR (Financial year 2012 to 2016) and over 170 global customers, the company added 17 new clients to its portfolio while maintaining focus on expanding business among existing clients. Of its total client base, 53 clients are Fortune 500 companies.

In the Global R&D Service Providers Rating 2015, Zinnov Consulting has placed L&T Technology Services in the leadership zone in eleven categories. The Zinnov survey also placed eight of the Company's verticals in the leadership zone – Automotive, Aerospace, Telecommunication, Energy & Utilities, Industrial Automation, Transport, Construction & Heavy Machinery and Medical Industries in addition to technology horizontals like Mechanical Engineering Services and Embedded Systems.

Business Environment:
India as an engineering services destination has witnessed enormous growth and has become the global hub for outsourced engineering services. As per NASSCOM, the Engineering Research & Development spend has seen a double-digit growth in recent times and is expected to touch total spends worth USD 850-900 Bn. with exports worth USD 30-38 Bn. by 2020. Further, the addressable market for ER&D Globalisation and Services is expected to increase at a CAGR of 4.3% till 2020. Engineering innovation in digitisation, product life-cycle management, and value-engineering services is creating a plethora of new opportunities and business models across industries.

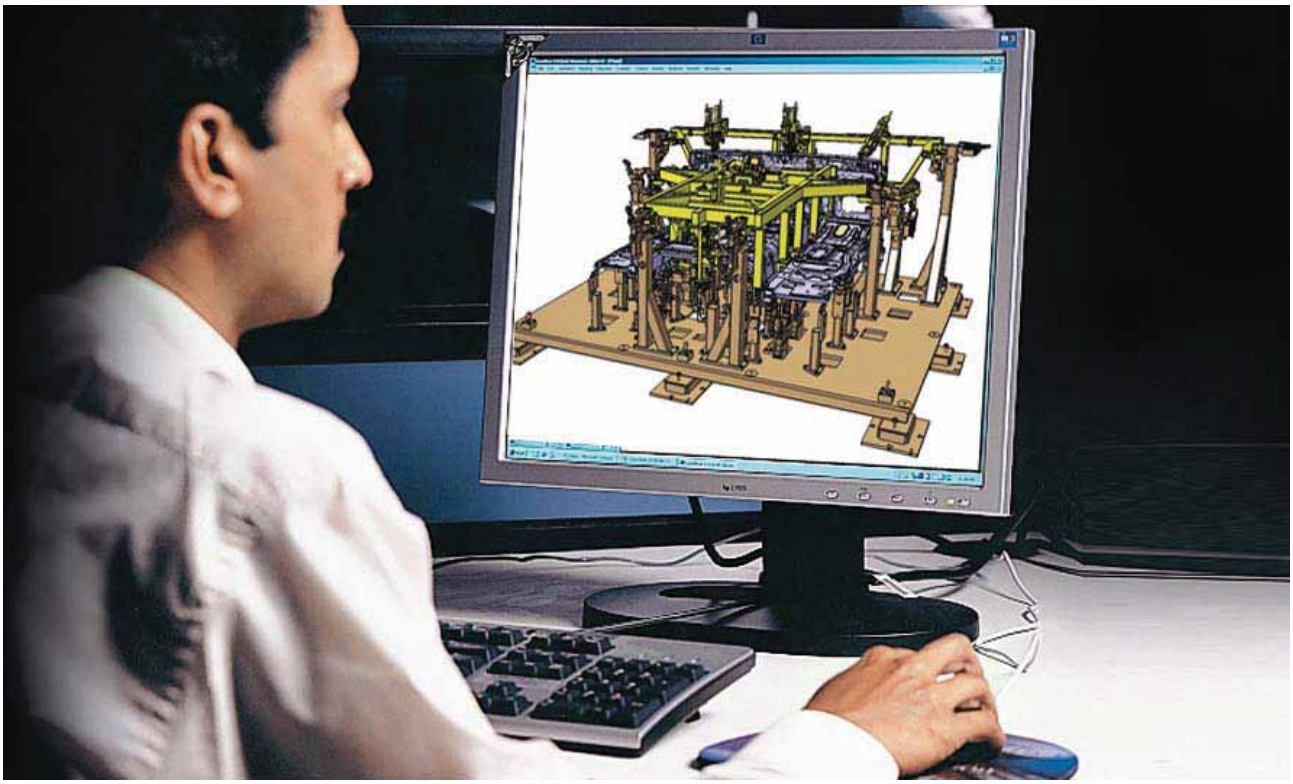
As technologies converge and find applications across industries, some mega-trends in the ER&D space have emerged. These include:

- Smart Services, Smart Products & Smart Manufacturing - Condition based Monitoring, Remote Guided Services and Smart Wearables, Smart Home Products, Connected Vehicle, Industrial IoT, Augmented Reality and Smart Supply Chain and Logistics.
- Energy & Efficiency - Power Electronics, Energy Management and WAGES (Water, Air, Gas, Electric, Steam) Engineering.
- Imaging & video - Imaging Algorithms, Edge Detection, Video Surveillance and ADAS (Advanced Driver Assistance Systems).

Significant initiatives:
The Company has been agile in adopting new technology trends and addressing business challenges of customers. This has resulted in a faster growth trajectory compared to peers in the engineering services industry. Investment in new technologies and labs, account mining, operation improvement programs, global delivery models and continued focus on the multi-vertical strategy have proven to be a great success.

LTTS is addressing opportunities in the marketplace through a multi-vertical strategy. Key initiatives include:

- **Expanding Services footprint:** While the Company is focused on growth verticals like Automotive and Consumer Electronics, it is creating competencies in next-gen Computing and ISV which will give it a scalable growth. It is tapping the enormous market potential in digital engineering and green energy that are driving usage of new age technologies across industries.
- **Investing in new Lab facilities:** In line with its philosophy to invest in state-of-the-art for concept design and innovation, the Company has set up a number of cutting edge labs including Smart Manufacturing Lab, Global Internet of Things (IoT) Solutions Centre and Material Testing Lab at its facilities.
- **Expansion to new geographies and investments in Infrastructure:** The Company has established new onshore and nearshore delivery centres in the US and the Middle East.



Engineering services that enhance efficiency, while reducing time-to-market and costs.

Key HR initiatives: Employees are at the heart of L&T Technology Services' success. The Company has partnered with the Great Place to Work ™ institute to transform the workplace and create the perfect culture in which big ideas flourish. The Company has also initiated 'Techleap' a technical career path program for encouraging in-house engineering talent.

With the belief system that reflects 'People are our greatest assets', HR practices are focused on creating performance driven environment where innovation and collaboration is encouraged, performance is recognised and employees are motivated to realise their potential. HR is at the core of the Company, influencing change, building culture and developing capabilities. The HR processes are continuously evolving and aligning with the changing business requirements. The HR team is structured into specialised units to respond quickly to the needs of the organisation.

The employee strength of the Company has grown from 9327 employees in fiscal year 2015 to 9406 employees in 2016. The Company has one of the lowest attrition rate in the industry at around 12%.

In the area of talent retention, there is a relentless effort towards developing competencies in technology, domain and processes aligned to customer requirements that helps the Company's employees to stay relevant and realise their potential. Continuous learning initiatives include an Online Learning Portal and Leadership Development Programs to groom potential leaders right from operational to strategic levels. The state-of-the-art learning centre at Lonavala specialises in personal leadership, building organisational knowledge and ethical business practices. This has created a rich leadership pipeline that supports the fast paced business growth of the company.

Awards and Accolades in 2015 – 16:

- IT: EMC Transformation Award and 'Dataquest Business Technology award'.
- The Golden Globe Tigers Award for Excellence in Training & Development.

- Recognised by Gartner among 'Key vendors in the IoT Embedded Space'.
- 'Certificate of Excellence' from NASSCOM.
- Quality Excellence for Product development at the World Quality Congress.
- Wins Supplier of the Year Award from UTC Aerospace Systems; also wins ÚTC Supplier Gold title.
- Celebrates a decade of strong partnership with Danaher.

- "LTTS' testing framework is a unique offering to test the interoperability of multiple systems": IDC.
- Zinnov says, 'most important aspect of LTTS' success story is nurturing curiosity towards technology innovation within the organisation and among customers'.
- Company has 'very diversified portfolios among the service providers in terms of industry verticals, service offerings and geographical spread': ARC Advisory.

Outlook:
With growth of 'IoT' in both product and plant segments, the market offers huge opportunities for Smart Products, Smart Manufacturing and Smart Services. This market is to set to reach USD 1.7 Tn. by 2020 according to research firm IDC. With the investments LTTS is making in this space, it is all set to tap and capture this market and be one of the leading engineering service providers globally. With its marquee client base across industry segments, the Company is confident of continuing to grow at a robust pace and increasing its market share across geography and industry segments.

Financial Services Business







L&T Financial Services' offerings span the geo-socio-economic spectrum and comprise four core business groups – Retail Finance, Wholesale Finance, Investment Management and Wealth Management.

The Financial Services business segment comprise retail and corporate finance, housing finance, infrastructure finance, investment and wealth management business carried through the subsidiaries of L&T Finance Holdings Limited. The Financial Services business also includes general insurance which is housed in a wholly-owned subsidiary, L&T General Insurance Company Limited.

L&T Finance Holdings

L&T Finance Holdings' business organised under verticals structured as the Retail and Wholesale Platform, Investment Management and Wealth Management business, is carried out through its wholly-owned subsidiaries.

The Management's focus is to achieve a healthy return on equity (ROE) on a sustainable basis. It has been a conscious decision of the Management to have diversified businesses to protect the overall profitability from the cyclicality of individual businesses. Hence, the Company has focused on comprehensive product offerings. Some of these products have been developed as flagship products. While creating the product-mix, three parameters are taken into account: profitability, scalability and the Company's ability to have clear market advantage in a

particular product segment. These three parameters influence the ultimate choice of the Company's product offerings, for which it has earned admiration in the wider marketplace.

Business Environment

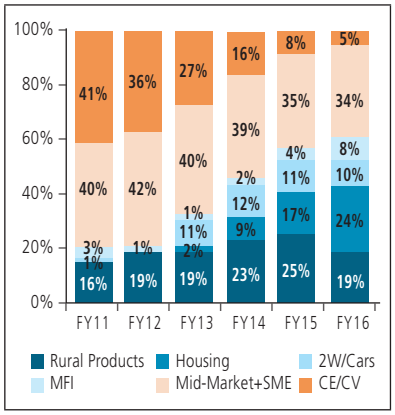
Retail Platform – Retail, Corporate & Housing Finance Business:

The business of the retail platform including retail, corporate and housing finance businesses is carried out by the Company's wholly-owned subsidiaries, L&T Finance Limited, Family Credit Limited and L&T Housing Finance Limited. These comprise loans for income generation as well as for the purchase of consumer assets, working capital loans for SMEs, term loans for medium and large companies, loans under micro-finance, loans for purchase of homes and loans against property.

The product portfolio under the Retail Platform includes:

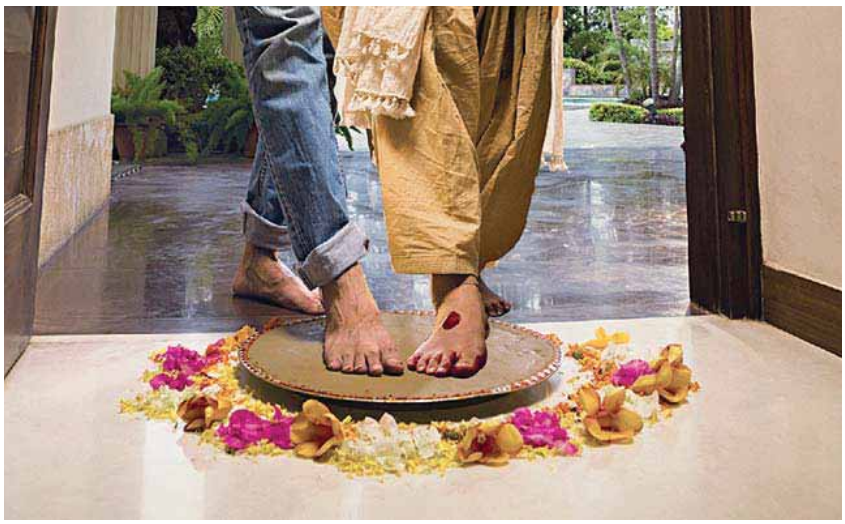
Consumer and Auto Loans	Small and Medium Enterprises	Mid and Large Corporations	Housing Finance	Microfinance
Farm equipment loans	Supply chain finance	Loans and leases	Home loans	Joint liability loans
Two-wheeler loans	Term loans	Loan against securities	Loan against property	Micro individual loans
Small & Light Commercial Vehicles' loans (S&LCV)	Warehouse Receipt Finance		Loans for construction	
Car loans	Commercial assets (CE & CV) loans			

The Company has been realigning its portfolio towards B2C businesses as compared to B2B businesses. The Company believes that through this shift, it will increase yields while at the same time dispersing the risk that is inherent in B2B businesses of being lumpy.



During the year 2015-16, with deficient monsoons and mounting delinquencies, the tractor market posed severe challenge to growth. Although the tractor market shrank by 11%, the Company's market share decreased by 3%. Despite a strong tie-up with notable manufacturers, the slowdown in the tractor market let to this decline in market share. To counteract this, the Company focussed on financing pre-owned tractors and refinancing opportunities. This constituted more than 15% of disbursements during the year. In the area of two-wheeler loans, while the industry volume increased by 3% during 2015-16, the Company's volumes grew by 14%, leading to an increase in its market share. This performance was facilitated by better penetration in existing locations and active efforts to extend reach to new markets. In a strategic move, the Company de-emphasised its focus on S&LCV and car loans. Given the extant mismatch in the risk-return paradigm of these products, the Company believes that they are not suited to management's vision of delivering superior return on equity to shareholders.

The SME segment, especially the supply chain segment, has been fast emerging as another flagship segment for the Company. During the year under review, the Company undertook appropriate investment in technology for this business to



L&T Housing Finance fulfills the desire for home ownership in 44 markets across the country.



Our micro-finance business has uplifted and empowered over 8,00,000 rural women.

be able to deliver an enhanced customer experience. It has already considerably advanced its credit delivery processes by developing parameterised lending models that ensure a fast turnaround time.

In the mid and large corporate segment, the Company adopted a selective strategy for its corporate loans and leases and offered credit only to well-rated companies with tight monitoring of loan usage.

In the Housing Finance segment, the Company has undertaken several initiatives with an objective to diversify distribution channels, improve customer experience and overall focus on process improvement. It also scaled up the business by increasing geographical spread as well as by increasing its market share in existing markets.

The Microfinance segment is another flagship business of the Company. Robust risk control processes and the ability to raise liabilities to match growth aspirations in a timely manner, gives the Company a unique market advantage in this segment.

Wholesale Platform:
The Wholesale Platform of the Company comprises infrastructure financing and non-infra wholesale financing through three lending entities viz. L&T Infrastructure Finance Company Limited (L&T Infra Finance), L&T FinCorp Limited and L&T Infra Debt Fund Limited (L&T IDF). The Company's Wholesale Platform offers both fund based and fee based products and services. They are designed to efficiently meet term finance needs of infrastructure and industrial projects/ players in India. The Financial Advisory Services (FAS) Group provides advisory services to customers enabling the raising of debt and equity capital from market sources. The team also provides financial structuring solutions to customers to optimise their capital and financing structure. The FAS Group, which has been consistently stepping up the range and depth of offerings to clients, works in close coordination with the Debt Capital Market (DCM) Desk. The latter provides structured funding solutions to select clients in the form of innovatively structured Non Convertible Debentures (NCDs)/ Bonds that are initially subscribed in full by one or more entities within the Wholesale Platform and subsequently sold down in smaller tranches to eligible investors. During the year, the FAS Group and DCM Desk together generated an income of ₹ 100 crore by way of fees and capital gains.

The Wholesale Platform team, which possesses the requisite skill set and experience, has over the years, honed its project appraisal skills such that it has emerged as a preferred choice for mid-sized infra players – particularly those setting up solar and wind power projects. Its robust, internally developed risk assessment framework enables the Platform to offer to underwrite entire term debt needs of meritorious renewable power projects. Given that implementation timelines for such projects are rather fine, this offering of one-stop-debt funding solution – with suitably structured tenors, reflective of realistic assessment cash-flows – enables the developers compress their project gestation periods and thus enhance their equity returns. Similarly, under L&T IDF's lead, successfully operating road projects are offered optimally priced refinance packages – often having extended tenures that are based on conservative estimates of the (residual) economic life of projects.



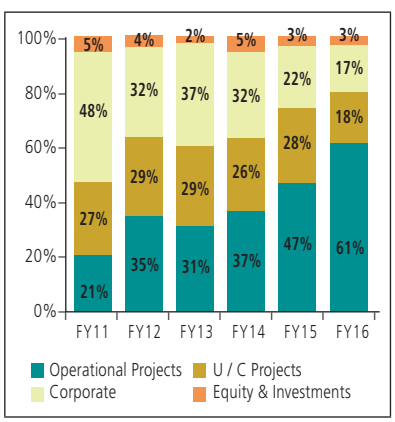
L&T Infra Finance has emerged as one of India's leading financiers in key sectors, including renewable energy.

Consequently, renewable energy, annuity and toll road and transmission projects – which constitute the Wholesale Platform's niche business areas – accounted for a major part of the disbursements made during 2015-16. Further, the focus has been on ensuring that operational projects comprise a significantly high proportion of total loan assets so as to contain well the element of underlying risk in the portfolio.

Of particular note is the level of new business done by the L&T IDF during the year. Its book has recorded a sharp growth wherein the business assets as at March 31, 2016 crossed the ₹ 2350 crore mark as compared to a modest ₹ 350 crore as the end of previous year. This was attributable inter alia to more number of operational PPP projects now becoming eligible to seek assistance from L&T IDF – consequent to RBI's decision to include additional sectors that can be financed by L&T IDF without execution of a tripartite agreement. Notwithstanding this liberalised regulation, it would be L&T IDF's endeavour to ensure an optimal blend of operational PPP projects in its portfolio so as to preserve its AAA rating.

On the assets quality front, the Wholesale Platform's management has remained pro-active in dealing with the stressed assets portfolio. However, given the rather slow economic revival coupled with the highly leveraged position of promoters/ borrowers, the challenges being faced by all lenders are not expected to abate in the near term. Nevertheless, the Wholesale Platform's on-going strategy of pursuing resolutions through closer co-ordination with both promoters and co-lenders – such that credit costs are brought down – will be continued.

The Wholesale Platform has evolved from being a corporate lender to a specialised project financier and focused on operating projects to balance the overall risk of the portfolio.



Investment Management Business:

The Investment Management business of the Company is carried out through L&T Investment Management Limited (L&TIM), a wholly-owned subsidiary. During the period under review, average assets under management (AAUM) grew by 15% to ₹ 25945 crore for the quarter ended March, 2016 as compared to ₹ 22497 crore for the corresponding period in the previous year. This was achieved through a combination of consistent fund performance, building scale in existing product offerings and improving acceptance in various distribution channels.

During 2015-16, the Investment Management business of the Company continued the momentum from 2014-15 and managed to grow at a better pace than the industry. The growth was contributed by equity assets which grew 21% over the previous year while debt assets grew at an encouraging 13%.The equity mix for the company increased to 44% (Equity and Arbitrage) this year from 42% in the previous year thereby leading to an increase in equity market share to 2.59% from 2.4%. The asset growth and increase in market share was a result of strong gross and net sales, acceptance amongst the investor community as well as quality fund performance. The company closed 2015-16 with an overall market share of 2.01%.

During the year, the Company's strategy of building scale in core funds, both on the equity and debt side paid rich dividends as the number of funds with AUM of more than ₹ 1000 crore (ex-Liquid and Ultra) increased to 7 (5 equity and 2 debt) from 3 in the previous year.

Mutual fund investments are subject to market risks, read all scheme related documents carefully.

Wealth Management Business:

The Company's Wealth Management business is carried

out through L&T Capital Markets Limited – it's wholly-owned subsidiary, offering services to Ultra High Net worth (UHNI) and High Net Worth Individual (HNI). The Company is present in eight locations in India and one in Dubai. 85 experienced and high skilled relationship managers service clients on their investment needs across asset classes and the spectrum of products in local and international markets.

The business has been progressing well led by a robust model built on the fundamental tenets of client centricity, intellectual property and execution efficiency. Average assets under service for the quarter ended March 2016 grew to ₹ 9315 crore, accounting for an increase of 33% from ₹ 6996 crore for the corresponding period in the previous year. The Wealth Management business has a client base of over 4600 and is operational in Mumbai, Delhi, Bengalure, Chennai, Kolkata, Hyderabad, Ludhiana, Ahmedabad, and Dubai. The Dubai Financial Services Authority ('DFSA') granted an upgrade from a Representative Office License to a Category 4 license whereby, L&T Capital Markets Limited, DIFC Branch will be regulated by DFSA to offer Wealth Management Solutions by way of arranging deals in credit and investments, providing advice on financial products and services, including equities, debt, structured products, investments in alternate asset classes etc., to the High Net Worth Individuals based in the UAE and the neighbouring countries.



L&T Mutual Fund offers investments for every kind of customer through a well-differentiated range of equity and debt funds.

Significant Initiatives:
During the year 2015-16, the Company undertook several initiatives with an objective to enhance market reach and customer centricity, build scalability, manage risks effectively, attain process excellence, business continuity, aid cost flexibility and result in providing shareholder their fair returns.

- Mobility solutions: Loan origination and collection in the Consumer and Auto Finance as well as Microfinance business are completely based on mobility solutions. Loan origination is carried out through Android based tablets/ mobile handsets that aim to drive sales effectiveness through use of technology for reducing turnaround time. Collections are carried out through mobile phones coupled with thermal Bluetooth printers to issue receipts.

- A mobile based rule engine, with a predictable and steady approval rate, has been developed to improve TAT. Minimising human handoff reduces the chances of error based on minimum human underwriting interventions.

Productivity, maximising cost efficiency and customer convenience as central themes were embedded into routine business as well as new initiatives during the year. Back-office operations are now consolidated into two hubs viz. Mumbai and Chennai through extensive workflow automation and centralisation to make the branches hub for sales and service.

Outlook:
Indian rural economy is dependent on monsoon to a large extent. With the expectation of a good monsoon, consensus outlook on the farm industry remains positive for the year 2016-17. There is also a growing trend in the levels of rural income and therefore, demand for ownership of personal vehicles is also rising. The Company is confident of capitalising the expectation of growth in rural economy for its three key retail products – farm equipment finance, two-wheeler finance and microfinance. In the infrastructure space, GOI has taken several steps to speed up decision making and fast-tracked project clearances. Nevertheless, concerns on the asset quality still remain which may take several quarters to resolve.

As the norms for recognition of Non-Performing Assets in the coming year gets advanced to 120 days of delinquency as against 150 days of delinquency as per RBI norms, credit costs may remain elevated in the coming year.

The Financial Service businesses have implemented a strategy called 'Transform. Focus. Deliver'. The crux of the strategy is to transform the portfolio by focussing on key businesses in order to deliver superior returns on equity (RoE). The entire portfolio



More than 55,000 consumer and auto finance loans originated through tablets.

of products was critically studied on parameters of industry attractiveness and our ability to create a distinctive position. As a result, three businesses have been identified as the key growth drivers – rural finance (farm equipment finance, two-wheeler finance and microfinance), housing finance (home loans, loans against property and developer finance) and wholesale finance (infrastructure finance and structured corporate lending). The other products in the portfolio would be de-emphasised. With this strategy, the Financial Services business is expected to deliver top-quartile RoE to shareholders by the year 2019-20.

L&T General Insurance

Overview:

L&T General Insurance's Gross Written Premium (GWP) grew from ₹ 344 crore in 2014-15 to ₹ 483 crore in 2015-16, thereby registering a growth of 40% over the previous year. Motor remains the largest contributor to the GWP with a share of 63%. Health and other Commercial lines of the business (primarily Fire and Engineering) contributed 14% and 23% of the total GWP respectively. L&T General Insurance has a pan India presence with 28 branches.

Business Environment:

General insurance industry (excluding specialised insurers such as AIC and ECGC) has reported a growth of 13.63% in the top line from ₹ 80584 crore in 2014-15 to ₹ 91564 crore in 2015-16. The growth in premium has improved from 9.83% to 13.12% in 2015-16 for private players and from 10.3% to 12.1% in 2015-16 for PSUs. The market share of private players increased marginally from 47% to 48% in 2015-16. All lines of the business except Marine and Fire have shown improvement in the growth rate compared to the previous year. Health, PA and Liability have grown at a higher rate than the market growth rate. The motor segment continues to dominate the market with a 46% share in the overall premium and the share of Health has increased from 25% to 27%. While the top line grew, profitability of the industry was negatively impacted by the devastating floods in Tamilnadu.

Significant Initiatives:

The Company entered into certain significant arrangements which will help it in augmenting the business in the Motor segment. It also succeeded in improving the portfolio mix for Motor and Health.

The extensive use of the robust technology platform coupled with the improvement in process efficiencies resulted in a better productivity levels for the Company. This will further help the Company to optimise its operating costs in future.

Outlook:

With increase in the permissible FDI under the Insurance Laws (Amendment) Act 2015, this year saw many foreign partners increasing their stake in their joint ventures, thereby showing commitment to expand their presence in India. IRDAI has issued several regulations including some revisions aimed at driving the transparency, improving accountability, increasing penetration and creating a favourable ecosystem for all the stakeholders. These regulations amongst others include regulations on corporate agency, point of sale person, insurance marketing firms, expenses of management, surveyor and loss assessor, dismantling of the declined pool, implementation of Indian accounting standards etc.

Improving macro parameters, legislative reforms along with above normal rainfall this year are expected to drive the industry growth in 2016-17. With Motor and Health lending support to the current growth drivers, L&T General Insurance is poised to leverage the opportunities on the back of its operational efficiencies supported by its state-of-the-art technology platform.

Developmental Projects Business



The Hyderabad Metro Rail Project - the world's largest public-private project in the urban transportation sector extends 71 km across three corridors.

Developmental Projects business segment comprises (a) Infrastructure projects executed through L&T Infrastructure Development Limited and its subsidiaries and associates (L&T IDPL Group); (b) Power Development Projects executed through L&T Power Development Limited and its subsidiaries (L&T PDL Group) and (c) Kattupalli Port operations of L&T Shipbuilding Limited.

The operations of developmental projects business segment primarily involves development, operation and maintenance of basic infrastructure projects in the Public Private Partnership (PPP) format, toll collection including annuity based road projects, power development and power transmission, development and operation of port facilities and providing related advisory services. Significant cash generating assets have been created under the current business model which are being explored for monetisation on a continuous basis in order to maximise value creation for the benefits of stakeholders.

L&T IDPL Group:

Overview:
L&T Infrastructure Development Projects Limited (L&T IDPL) is a major player in the Public-Private Partnership projects in India with

business interests across Roads and Bridges, Ports, Metro Rail, Wind energy and emerging sectors such as Power Transmission Lines. As of March 2016, L&T IDPL has a portfolio of 17 projects with 7,800 Km at an estimated project cost of over ₹ 186 Bn.

L&T IDPL's portfolio of infrastructure assets also includes the Hyderabad Metro Rail project, a transmission line project in Karnataka, a port berth in Haldia and windmills in Tamil Nadu.

Roads & Bridges:



No. of Projects	: 17
Lane Km	: 7,800 Km
Total Project Cost	: ₹ 186 Bn

12 Operational Projects
2 Implementing Projects
3 Projects under Termination

Metro:



No. of Projects	: 1
Length of Rail Line	: 71 Km
Total Project Cost	: ₹ 170 Bn

Development of Metro Rail and Transit Oriented Development in Hyderabad

Port:



No. of Projects	: 1
Capacity	: 4.5 MTPA
Total Project Cost	: ₹ 1 Bn

LTIDPL is having 21% stake in Berth No. 4A of Haldia

Transmission Line:



No. of Projects	: 1
Capacity	: 2,400 MW
Total Project Cost	: ₹ 14 Bn

Transmission System for Power evacuation from NTPC Kudgi (3x800 MW) to Madhugiri in Karnataka

3 sections comprising a total length - 470 Km

Total No. of Projects : 20
Estimated Project Cost : ₹ 371 Bn

Business Environment

The high economic growth witnessed by India during the last decade was accompanied by realisation of the need for enhanced investment in infrastructure. Rapid urbanisation and industrial growth led to demand for basic infrastructure such as water supply and sanitation, transportation and energy. Rapid growth in purchasing power in the rural areas simultaneously meant a need for improving connectivity and services for attaining a seamlessly integrated network of logistics and facilities. In order to augment economic growth, the government initiated several policies and enabling measures to support the creation of high-quality infrastructure and efficient delivery of services to its citizens.

The recent slowdown of PPP projects could be attributed to a combination of events, namely the global economic slowdown, weak regulatory and institutional frameworks, delay in issue of clearances by authorities, financing issues (over-leveraged debt and paucity of equity), acquisition of land, aggressive bidding by developers, contractual issues, including long drawn out dispute resolution arising in a maturing PPP landscape, inadequate diligence and appraisal by lenders, and lack of flexibility in contractual arrangements.

Road Sector

L&T BPP Tollway Limited (BPP)>
The Beawar - Pali - Pindwara road in Rajasthan is a mega highway project covering a stretch of 244.12 Km traversing three districts in Rajasthan. It provides crucial connectivity between North India and Gujarat. BPP achieved COD on June 11, 2015 for the entire length. L&T Devihalli Hassan Tollway Limited (DHTL) has obtained COD for the residual 2.976 km vide letter dated October 6, 2015 from the independent engineer. With this, the total project length of 77.228 kms is now fully operational and tolled.

Construction is in full swing on Deccan Tollways Limited (DTL) in Telangana and Sambalpur Rourkela (SRTL) in Odisha. The two road projects are expected to commence tolling in the financial year 2017-18.

L&T Metro Rail (Hyderabad) Limited

L&T Metro Rail (Hyderabad) Limited (L&T MRHL) was incorporated on 24th August, 2010 as a special purpose vehicle to undertake the business to construct, operate and maintain the Metro Rail System including the Transit Oriented Development in Hyderabad under Public-Private Partnership model on Design, Build, Finance, Operate and Transfer (DBFOT) basis. The Company entered into a Concession Agreement with the erstwhile

Government of Andhra Pradesh on 4th September, 2010.

The Metro Rail system is being constructed on three elevated corridors from Miyapur to L.B.Nagar, Jubilee Bus Station to Falaknuma and from Nagole to Shilparamam covering a total distance of 71.16 Km. The concession period of the project is for 35 years including the initial construction period of 5 years. The concession period is extendable for a further period of 25 years subject to the fulfillment of certain conditions by the Company as set out in the Concession Agreement.

The estimated project cost is ₹ 16375 crore which includes the cost of rail system and 6 million Transit Oriented Development (TOD) which is to be funded by a term loan of ₹ 11478 crore, equity share capital of ₹ 3439 crore and Viability Gap Fund from Government of ₹ 1458 crore. The Company has tied up the entire debt and achieved financial closure on 1st March, 2011.

In terms of the Concession Agreement, both the Government of Telangana (State Govt) and L&T MRHL are required to comply with certain conditions precedent for the occurrence of appointed date which shall be the date for commencement of concession period. The State Govt has declared the appointed date as 5th July, 2012 upon fulfillment of the condition precedents (CP) from both the parties i.e., L&T Metro Rail (Hyderabad) Limited and the State Govt.

The Company has achieved its 4th Project milestone as per the Concession Agreement and has expended 50% of the project cost by 5th July, 2015. The Company is executing the project covering a total distance of 71.16 Km in three different corridors. This entire distance is further sub-divided into six stages for ease of implementation. CMRS (Commissioner of Metro Rail Safety) approval has been obtained for Stage 1 of the project and is fully ready for commissioning. Stage 2 is expected to be ready by October 2016. The overall physical progress of the project as at 31st March, 2016 is 61%. Construction works in Stages 3, 4 and 5 are going on at a brisk pace.

During the year 2015-16, the Company successfully obtained two tranches of Viability Grant of Funding (VGF) amounting to around ₹ 660 crore from the Central



Kudgi Transmission Limited (a subsidiary of L&T IDPL) is developing the transmission assets required to evacuate power from NTPC's Kudgi Thermal Power plant in Karnataka.

Government. This confirms the certainty of Central Government participating in the project in the form of VGF.

There is an encouraging environment for commercial real estate with a few major IT and IT enabled companies announcing big plans during past few months to set up shops or expand their business plans. This would help the project to market its real estate products in retail and office segments at better prices.

Significant initiatives:
To provide a safe highway to users and to reduce maintenance costs due to overloaded vehicles, Weigh-in-Motion (WIM) system was implemented during December 2015 at L&T BPP Tollway Limited. This calculates the load of each axle of the vehicle which moves on the platform. A penalty is charged at Pay Axis (Toll Booth) if the vehicle is found to be overloaded.

Pursuant to the Investment Agreement of June 2014, the Canada Pension Plan Investment Board (CPPIB) made an initial investment of ₹ 1000 crore in L&T IDPL in December 16, 2014 and the second tranche of ₹ 1000 crore was made in December 15, 2015 by way of subscription to compulsorily convertible preference shares.

The Company has entered into a Share Purchase Agreement on April 4, 2016 for sale of its stake in L&T Infrastructure Development Projects Lanka (Private) Limited. The divestment was completed in May 2016 and has received the sale proceeds.

Outlook:
The recovery in the sector is likely to be gradual as most players are still burdened with leveraged balance sheets even as the volume of stalled or slow moving projects remains sizeable. In addition, aggressive bidding in the past and inability or limited ability to raise equity for Build-Operate-Transfer (BOT) projects have impacted the viability of infrastructure projects and reduced the risk appetite of developers for new projects. Further, structural constraints like uncertainty in land acquisition, delays in approvals and inadequacy of long-term funding avenues, if not tackled expeditiously, can slow down recovery in the infrastructure sector. The pace of recovery in the construction sector is likely to be slow and will be linked to the ground impact of the policy measures taken as well as the availability of funds.

The Group is expecting to improve toll revenues by replacing the old tolling system in some of the plazas with more robust systems and by implementation of weight-based tolling in a few more projects. Improvement in traffic is also expected on account of the revival in the economy. However, WPI has been in the negative territory in the second year which has led to reduction in toll rates in some of the projects. The negative trend in WPI is expected to partially offset the benefits accrued from traffic growth and lower interest costs. The Company will also actively participate in policy advocacy to improve and strengthen the PPP sector. The Company will continue to look for opportunity to churn its portfolio and would refinance some of the road projects during the year. Once the termination matters are resolved, the Company is expected to participate in the bids coming up in the road and transmission line sectors.

L&T Power Development Group

Overview:
L&T Power Development Limited (L&T PDL), a wholly owned subsidiary of L&T, has been incorporated as its Power Development arm with an objective of developing, investing, operating and maintaining power generation projects. Currently, L&T PDL portfolio comprises projects in thermal and hydel power generation.

Hydel Power Projects
Hydel projects with an aggregate capacity of 870 MW are in various stages of development. A brief status is depicted below:

Name of Project	Capacity (MW)	State	Name of Subsidiary	Current Status
Singoli-Bhatwari Hydro Electric Project	99	Uttarakhand	L&T Uttaranchal Hydropower Limited	Advanced stage of construction
Tagurshit Hydro Electric Project	74	Arunachal Pradesh	L&T Arunachal Hydropower Limited	Detailed Project Report submitted
Sach-Khas Hydro Electric Project	267	Himachal Pradesh	L&T Himachal Hydropower Limited	
Reoli-Dugli Hydro Electric Project	430	Himachal Pradesh	L&T Himachal Hydropower Limited	
Total	**870**			

Thermal Power Projects – Nabha Power Limited (NPL)
NPL is a 2X700 MW supercritical thermal power plant at Rajpura,

Punjab. This is the first development project and the first power plant to be owned and operated by L&T. All the power generated from this plant is contracted with Punjab State Power Corporation Limited (PSPCL) for a period of 25 years under a Power Purchase Agreement (PPA). The plant is built on super critical technology of Mitsubishi, Japan. It is the first 'Made in India' supercritical power plant to be commissioned and operational in India.

The plant sources its fuel from South Eastern Coalfields Ltd. (Subsidiary of CIL - Coal India Limited) under a 20 year Fuel Supply Agreement (FSA). The Company also secured approvals to arrange coal from alternative sources to make up for any shortage in supply of coal under the FSA. Bhakra-Nangal distributary is the perennial source of water for the plant under an allocation by the state irrigation. The plant is operated by an in-house experienced team of operations and maintenance professionals.

The power plant has been running successfully for over two years with a technical plant availability of over 90%. NPL has been the most reliable source of power for the state of Punjab and has supported the state with an uninterrupted supply during peak season. NPL also happens to be the lowest cost power producer in Punjab with benchmark operational efficiency which is amongst the best in the country.

Business Environment:
Fiscal year 2015-16 witnessed muted growth in demand for power with an all India plant load factor at around 62%. Punjab state also registered a modest growth in demand. PSPCL undertook power banking transactions creating an additional demand during lean seasons. Punjab joined 'Ujwal DISCOM Assurance Yojana' scheme of the Central Government during the year. UDAY scheme is aimed at operational and financial turnaround of the DISCOMs.

Coal India Limited ended the financial year with an output of 536.5 million tonnes, 8.6% higher than preceding year. However, the output was short of targeted production by 2.4%. SECL, which supplies coal to NPL, registered a production of 135.6 million tonnes with a growth of 5.8%. Availability of railway rakes for transportation of coal from SECL to NPL's plant in Punjab improved during the year.

Regulatory environment continued to pose challenges to the IPPs (Independent power producers) particularly in tariff related areas.

Significant Milestones & Initiatives:

- 91.79% availability achieved
- Railway siding operational on 4th February, 2016
- Operational efficiency measures implemented and monitored to improve efficiency
- Unit start-up procedure optimised to reduce the time and cost
- ISO 9001, 14001 and 18001 certification awarded



The 56.17-km six-lane stretch of NH 8A between Samakhiali and Gandhidham in Gujarat connects the important port towns of Kandla and Mundra to north India.

- Achieved 87% materialization of linkage coal during large part of 2015-16
- NIL availability loss on account of shortage of coal
- 99% of dry fly ash disposal achieved
- Effective financing strategies and refinancing iterations helped to maintain Interest costs at sub 9%
- CSR initiatives in the area of development of village infrastructure, education, skill building, gender equality, health and environment were implemented during the year.

Outlook:
Increased private participation in the power sector is expected to play an important role in future capacity additions. Lower per capita consumption continues to promise robust long term demand. On the fuel side coal production capacity is expected to further increase in 2016-17 up to around 600 million tonnes registering 11% growth over the preceding year.

Punjab is expected to witness a flat growth of around 5% in demand for electricity during 2016-17. NPL is likely to remain the lowest cost power producer amongst the IPPs in the state which will translate into a higher plant load factor in fiscal year 2016-17 at around 70%.

Major focus areas for NPL in coming year are maximising plant availability, improving operational efficiency, enhancing fuel quality and settling the regulatory issues. Focus area for the hydel business would be expediting construction activities at its Singoli-Bhatwari hydel project.

L&T Shipbuilding Limited: Kattupalli Port Operations
L&T Shipbuilding Limited is a joint venture between L&T and Tamil Nadu Industrial Development and Corporation Limited (TIDCO) wherein L&T holds 97% and TIDCO holds 3% in the Company to develop shipyard-cum-minor port complex. Both the shipyard and the port have SEZ status. Kattupalli port at Chennai has a container terminal with two container berths.

During the year 2015-16, the Company entered into an agreement with Adani Group (a port operator) to demerge the port business and divest the stake in the resulting company. Pending formalities of the demerger process, the operations of the port have been handed over to the operator for a fixed share in revenue. It is planned to complete the transfer of the port ownership in entirety during financial year 2016-17.

Financial Review 2015-16

I. L&T CONSOLIDATED

A. PERFORMANCE REVIEW

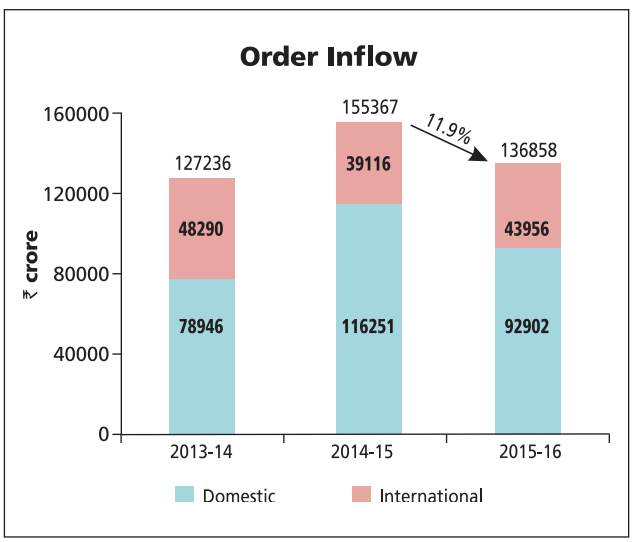
The Company's performance during the year has been satisfactory driven by revenue growth with stable margins despite testing business conditions characterised by global slowdown, declining commodity prices, volatile currency movements and geopolitical uncertainties. Indian economy though growing at relatively faster pace did not witness pick up in investment cycle.

The Company has been focusing on conversion of order book and achieving operational excellence, cash conservation and monetising Company's non-core assets to maximise shareholder value.

As at March 31, 2016, L&T Group comprises of 125 subsidiaries, 8 associates and 22 joint venture companies. Most of the group companies are strategic extensions of the project and product businesses of L&T. Majority of the subsidiaries support L&T's core businesses and enable access to new geographies, products and business segments. While certain distinct service businesses such as Information Technology, Technology Services, Developmental Projects and Financial Services are housed in separate subsidiary and associate companies of L&T, project business catering to the hydrocarbon sector is also housed in a separate group of companies to provide the sector specific focus.

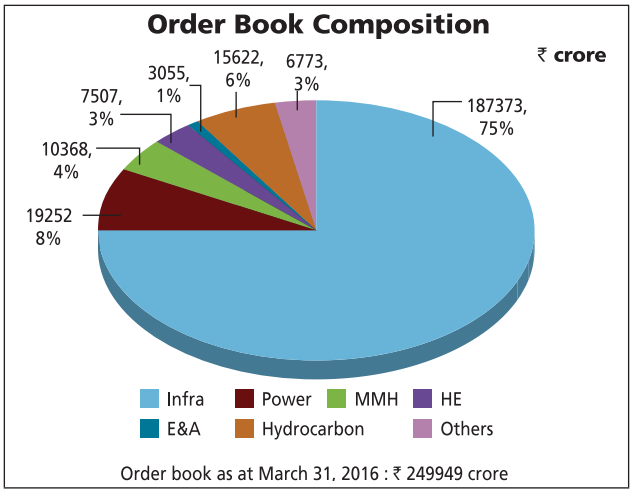
Order Inflow & Order Book

L&T group secured new orders worth ₹ 136858 crore for the year 2015-16, reflecting a decline of 11.9% over the previous year. Domestic order inflow was lower by 20.1% y-o-y, as the investment climate remained subdued during the year. While capital spending by private sector was muted on account of lower commodity prices, weak demand and large excess capacities, investments in infrastructure development picked up in the second half of the year. The International segment grew 12.4% y-o-y and contributed 32.1% of total order wins during the year as compared to 25.2% in previous year. Order inflows of Power, Metallurgical & Material Handling and Heavy Engineering businesses were adversely affected. Infrastructure segment contributed 62% of total order inflow during the year at ₹ 84817 crore, marginally lower by 1.1% as compared to the previous year.



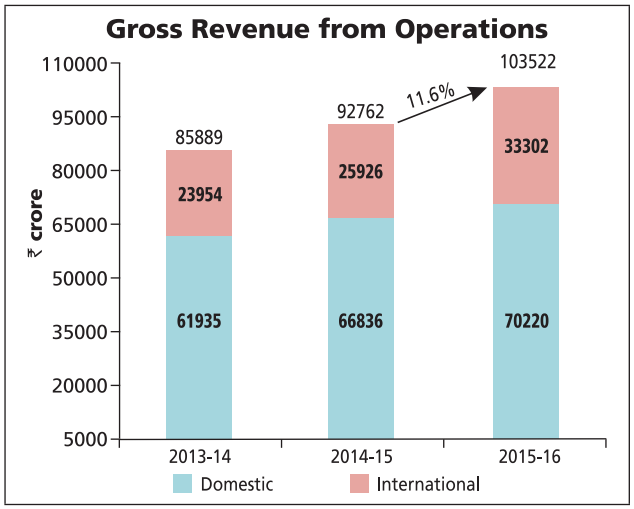
The Group has a robust order book of ₹ 249949 crore as at March 31, 2016, at 2.4 times of current revenue providing revenue visibility for next few years. Infrastructure segment contributed 75% of the consolidated order book, comprising mainly Buildings & Factories 22.7%, Transportation Infrastructure 15.8%, Heavy Civil Infrastructure 15.3%, Power Transmission & Distribution 12.3% and Water, Smart World & Communication 8.9%.

The order book grew by 7.4% over the previous year. International orders constitute 28.3% of the order book as at March 31, 2016 as compared to 26.2% in the previous year.



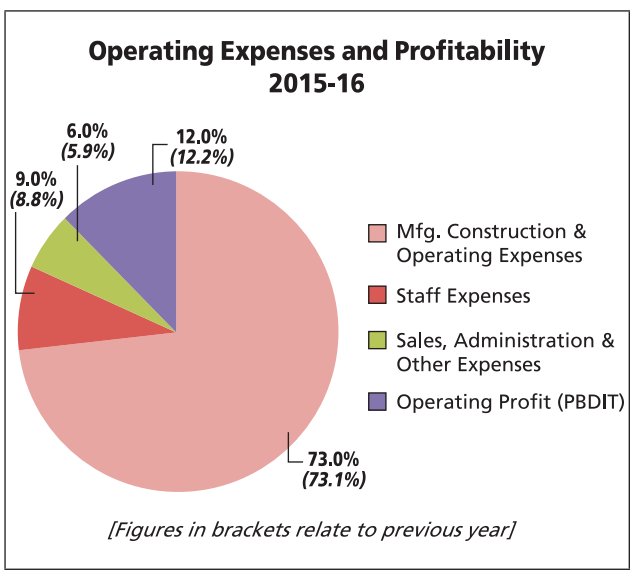
Revenue from Operations

The Group revenue rose by 11.6% y-o-y to ₹ 103522 crore during the year 2015-16. The growth was largely contributed by Infrastructure and Power segments on the back of project execution from opening order book. Financial Services, L&T Infotech and L&T Technology Services recorded healthy y-o-y increase in the Revenue. International revenue contributed 32.2% to revenue as compared to 27.9% in the previous year.



Operating Cost and PBDIT

Manufacturing, Construction and Operating (MCO) expenses increased by 11.5% y-o-y at ₹ 74946 crore, in line with revenue growth. These expenses mainly comprise cost of construction material and other raw materials, subcontracting expenses, manpower costs and interest expenses. On a relative basis, the MCO expenses reduced marginally from 73.1% to 73.0% of net revenue led by softer commodity prices during the year.



Staff expenses for the year 2015-16 at ₹ 9205 crore increased by 14.2% as compared to the previous year mainly on account of annual pay revisions and headcount additions especially in international operations.

Sales, Administration & Other expenses increased by 12.7% y-o-y to ₹ 6138 crore mainly due to higher provisions towards doubtful debts and non-performing assets (NPAs) and expenses on account of increased international business.

The Group operating profit (PBDIT) grew by 9.6% y-o-y at ₹ 12343 crore for the year 2015-16, while the operating margin for the year declined by 20 basis points to 12.0%.

Depreciation & Amortisation charge

Depreciation & Amortisation charge for the year 2015-16 higher by 5.1% at ₹ 2756 crore as compared to ₹ 2623 crore in the previous year on account of amortisation on newly commissioned road projects during the year. The Depreciation & Amortisation charge for the year also includes impairment charge on the terminated road project.

Other Income

Other income for the year 2015-16 amounting to ₹ 1183 crore grew by 10.1% over ₹ 1075 crore of the previous year. This consists largely of the profit on sale of liquid investments, interest and dividend income from treasury investments.

Finance cost

The interest expense for the year 2015-16 at ₹ 3041 crore was higher by 7.1% in comparison to ₹ 2840 crore for the previous year with increase in the level of borrowings and cessation of capitalisation of borrowing costs on certain road projects becoming operational. The average borrowing cost for the year 2015-16 was contained at 9.8% p.a. through effective refinancing and judicious selection of type & tenor of the fresh borrowings.

Exceptional Items

Exceptional items of ₹ 343 crore in the Statement of Profit and Loss in current year mainly represent gain on sale of (a) part stake in L&T Finance Holdings Limited, (b) stake in Salzer Electronics Limited and (c) gain on sale of Foundry business.

Profit after Tax

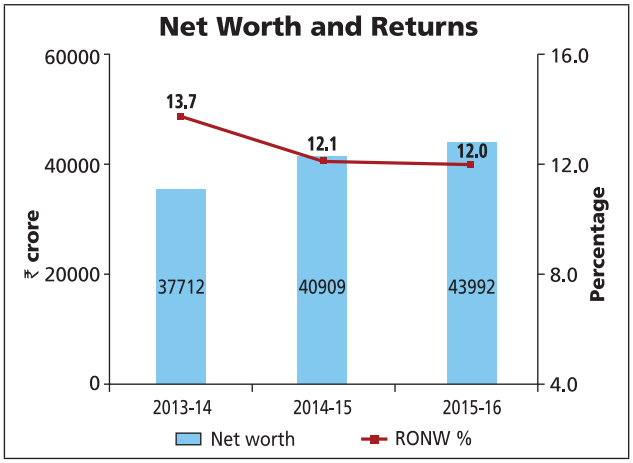
Consolidated Profit after Tax (PAT) at ₹ 5091 crore for the year 2015-16 rose by 6.8% over the previous year.

Earnings per share

Consolidated Earnings per share (EPS) including exceptional and extraordinary items for the year 2015-16 at ₹ 54.69 recorded an increase of 6.5% over the previous year.

Net Worth, Capital employed and Returns

The Net Worth of the shareholders at ₹ 43992 crore as at March 31, 2016 increased by ₹ 3083 crore as compared to the position as at March 31, 2015. Return on Net Worth (RONW) for the year 2015-16 was stable at 12%. Capital employed increased to ₹ 92331 crore as compared to ₹ 86407 crore as at March 31, 2015.



Liquidity and Gearing

Stronger underlying business performance contributed higher cash from business operations at ₹ 7003 crore. Net borrowings during the year stood at ₹ 1159 crore, mainly attributable to Developmental projects business. L&T IDPL raised additional ₹ 1000 crore by issuance of compulsorily convertible preference shares to Canada Pension Plan Investment Board (CPPIB) during December 2015. Stake sales in subsidiary companies have also contributed ₹ 424 crore largely attributable to divestment of CSJ infrastructure Limited & L&T Infocity Limited. Dividend and treasury income rose to ₹ 627 crore during the year owing to efficient treasury management.

The Group incurred capital expenditure of ₹ 5058 crore during the year 2015-16 vis-à-vis ₹ 6095 crore in the previous year, mainly due to lower spend in L&T Hyderabad Metro Rail project. There has been a net increase of ₹ 128 crore in the cash balances as at March 31, 2016 as compared to the beginning of the year.

Fund Flow Statement	₹ crore	
Particulars	**FY 15-16**	*FY 14-15*
Operating activities	7003	*5619*
Borrowings (net of repayments)	1159	*4478*
Net (investment)/ divestment *	424	*1811*
Payment (to)/from minority interest (net)	1583	*1871*
Treasury and dividend income	627	*471*
Others	70	*99*
Sources of Funds	**10866**	*14349*
Fund Flow Statement	**₹ crore**	
Particulars	**FY 15-16**	*FY 14-15*
Capital expenditure (net)	(5058)	*(6095)*
(Purchase)/Sale of other investments	(124)	*(966)*
Dividend paid	(1878)	*(1603)*
Interest paid	(3678)	*(3926)*
(Increase)/Decrease in cash balance	(128)	*(1759)*
Utilisation of Funds	**(10866)**	*(14349)*

**This includes (acquisition)/divestment of businesses, consideration received on disposal of subsidiaries/Joint ventures and net cash flows on loans/deposits made with associate companies & third parties.*

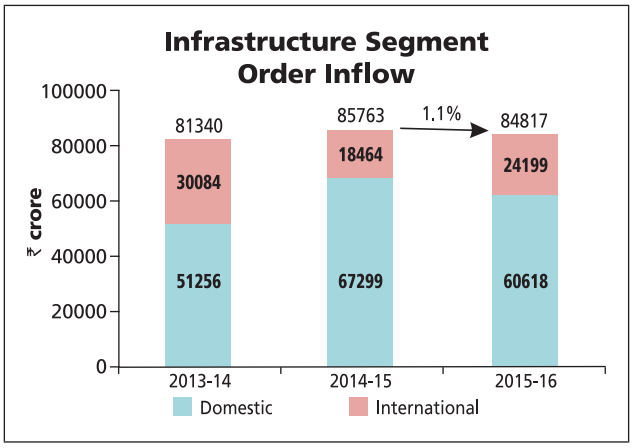
The total borrowings as at March 31, 2016 stood at ₹ 101307 crore as compared to ₹ 90571 crore. The gross Debt Equity ratio is 2.30:1 as at March 31, 2016 as compared to 2.21:1 at March 31, 2015.

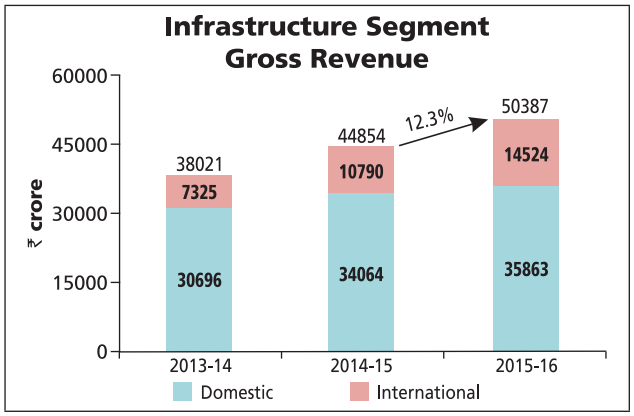
B. SEGMENT WISE PERFORMANCE (GROUP)

1. Infrastructure Segment

Infrastructure segment bagged fresh orders worth ₹ 84817 crore for the year 2015-16 reflecting marginal drop of 1.1% over the previous year. International order wins led by Power Transmission & Distribution business constituted 28.5% of the total order inflow during the year up from 21.5% in the previous year.

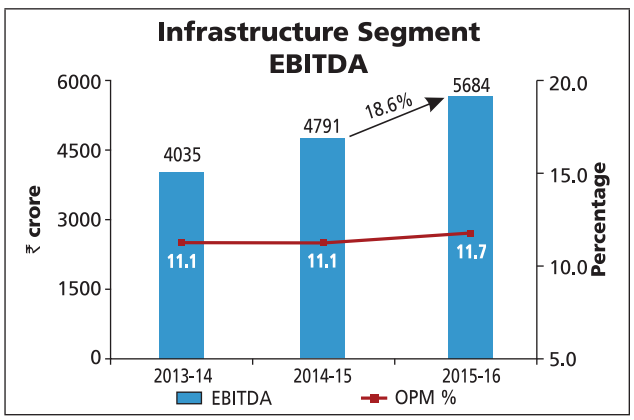
The order inflow declined marginally as certain anticipated domestic project awards in Heavy Civil and Transportation Infrastructure were deferred. Buildings & Factories business, though witnessed muted prospects, constituted major portion of the order intake of the Infrastructure segment.





Infrastructure segment clocked gross revenue of ₹ 50387 crore for the year 2015-16 registering 12.3% growth over the previous year. Revenue growth was driven by Transportation Infrastructure, Power Transmission & Distribution and Water, Smart World & Communication businesses on the back of the execution of the jobs from the opening order book. Revenue from international operations constituted 28.8% of the total revenues of the segment during the year as compared to 24.1% in the previous year.

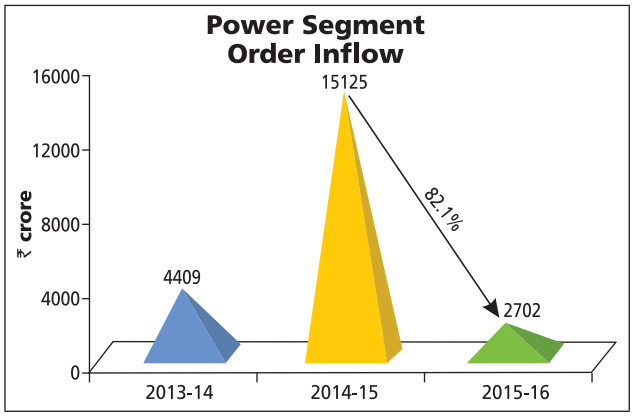
Infrastructure Segment operating profit was higher by 18.6% y-o-y at ₹ 5684 crore for 2015-16. Operating margins improved by 60 basis points at 11.7% during the year 2015-16 owing to improved project execution and settlement of variation claims.

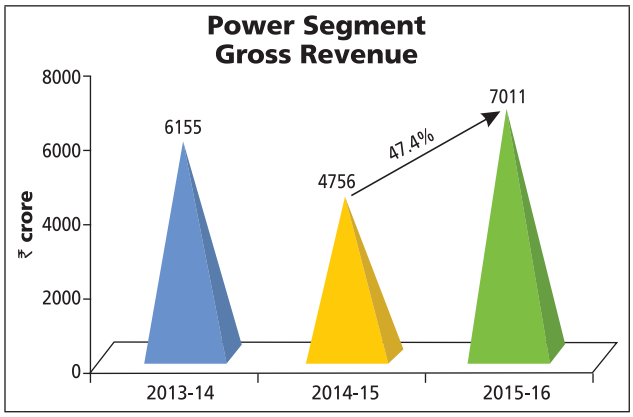


The Funds employed by the segment at ₹ 18101 crore as at March 31, 2016 increased by 28.0% vis-à-vis March 31, 2015, largely representing net working capital.

2. Power Segment

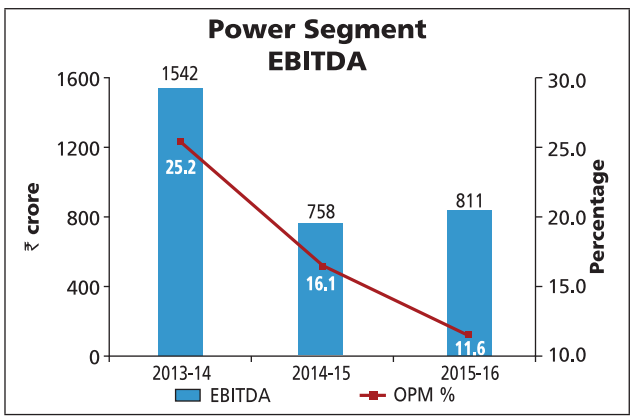
Power segment bagged orders worth ₹ 2702 crore as compared to ₹ 15125 crore in the previous year. The segment was challenged by intense competition for rather limited opportunities.





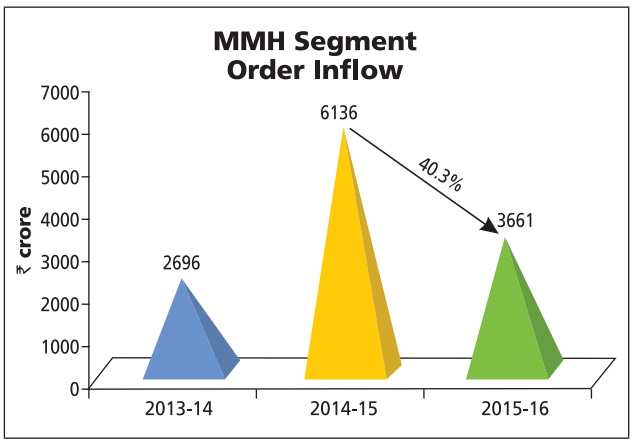
Segment revenue grew 47.4% y-o-y at ₹ 7011 crore, as the jobs under execution achieved substantial progress during the year. Revenue from International projects at ₹ 1870 crore represented 26.7% of total revenue.

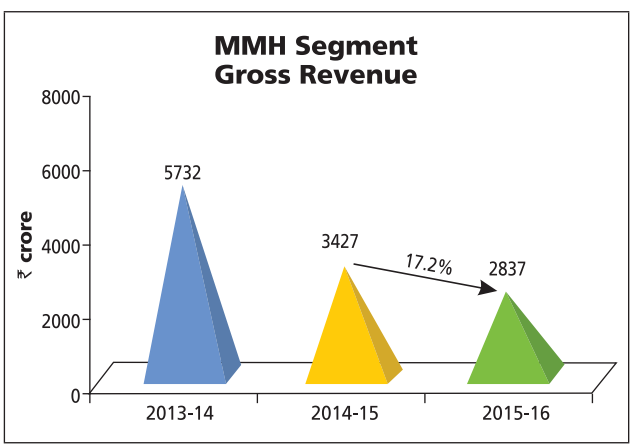
Operating profit margins declined 450 basis points to 11.6% during the year ended March 31, 2016 as compared to 16.1% in 2014-15. Drop in margins reflects changing job mix and the relative status of the stage of completion of the projects.



The Funds employed by Power segment remains elevated at ₹ 2801 crore as at March 31, 2016 higher by 36.7% as compared to the position as at March 31, 2015. This is mainly due to the increase in the construction work-in-progress, pending completion of contractual billing milestones.

3. Metallurgical and Material Handling Segment (MMH)

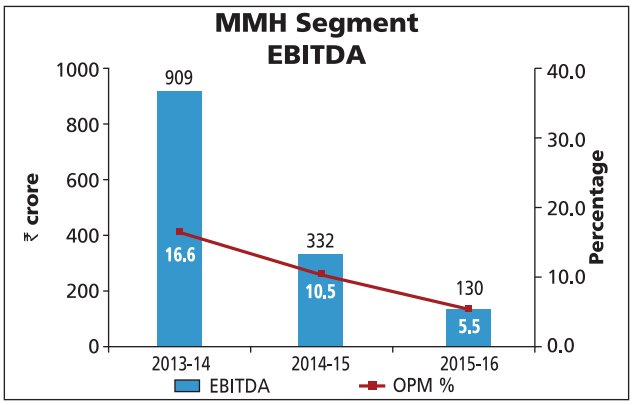




Order Inflow of ₹ 3661 crore for the year was lower by 40.3% y-o-y due to sluggish domestic business environment. The soft commodity prices that prevailed through 2015-16 impacted the Capex outlay of MMH segment.

MMH segment recorded gross revenue of ₹ 2837 crore for the year ended March 31, 2016, a decline of 17.2% over the previous year, due to depleted order book and slower implementation of projects by customers.

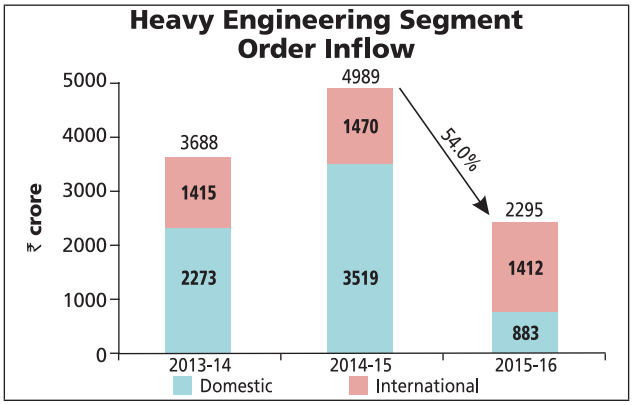
The Group Segment operating margins for the year declined sharply by 500 basis points to 5.5% due to under recoveries, slower project execution and cost overruns in certain projects.

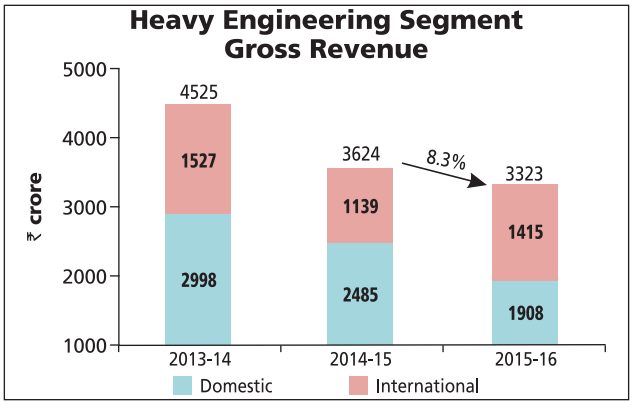


Funds employed by the segment at ₹ 3191 crore as at March 31, 2016 remained at elevated levels due to delay in collecting milestone payments from customers.

4. Heavy Engineering Segment (HE)

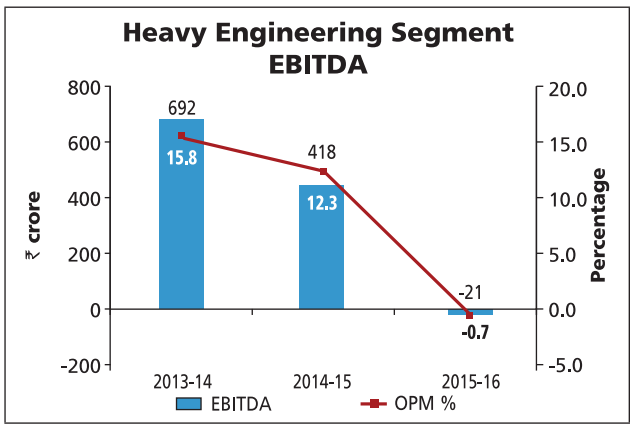
Heavy Engineering segment recorded order inflow of ₹ 2295 crore during 2015-16 reflecting a reduction of 54% y-o-y as domestic order prospects in Process, Plant & Nuclear (PP&N) and Defence & Aerospace (D&A) businesses did not materialise. International orders constituted 62% of the total order inflow.





Reflecting depleted order book, the segment gross revenue of ₹ 3323 crore fell 8.3% compared to the previous year. Revenue from international operations constituted 42.6% of the total revenue.

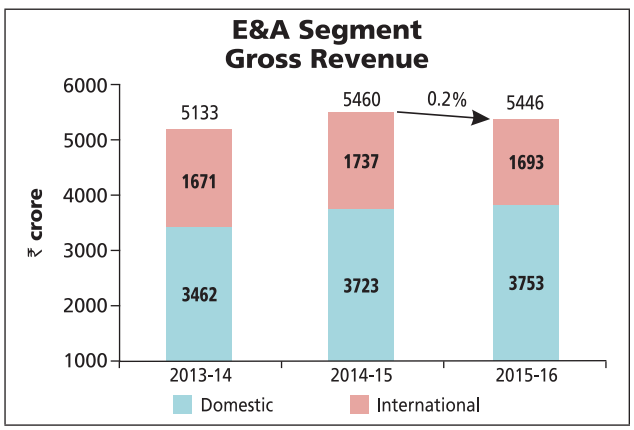
The segment incurred operating loss of ₹ 21 crore for the year against an operating profit of ₹ 418 crore in the previous year, due to cost & time overruns in certain jobs in PP&N business, provision for debts doubtful of realisation and continued under-recoveries in Forgings joint venture.



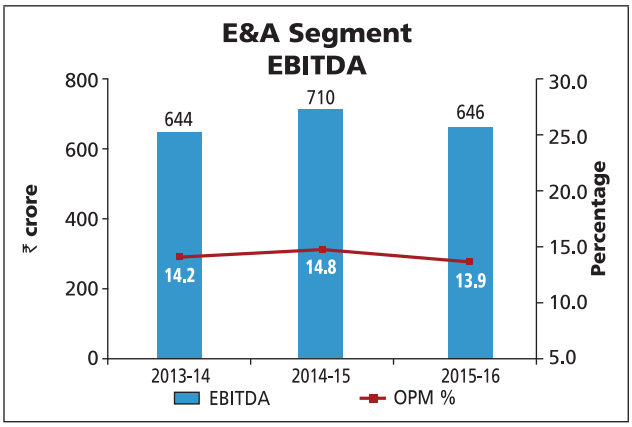
Funds employed by the segment decreased by 21.5% y-o-y at ₹ 3230 crore as at March 31, 2016 aided by growth in customer advances and higher vendor credit.

5. Electrical & Automation Segment (E&A)

E&A segment recorded gross revenue of ₹ 5446 crore for 2015-16. Stable top line in conditions of weak demand, tight liquidity and deferment of projects underscored the market acceptability of the products suite. Revenue from international operations continued to be around 31.1% of the total revenue of the segment, same as compared to 31.8% in the previous year.



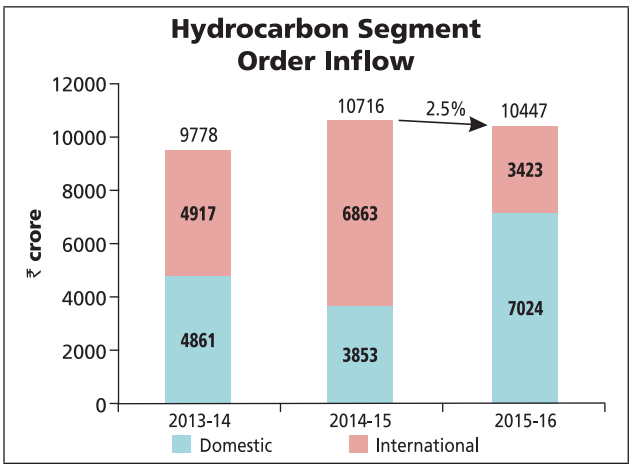
Segment operating profit for the year fell 9% y-o-y to ₹ 646 crore. Consequently operating profit margins declined by 90 basis points y-o-y to 13.9%. Group's profitability was adversely impacted by competitive pressures on pricing and losses incurred by Middle East subsidiary companies.

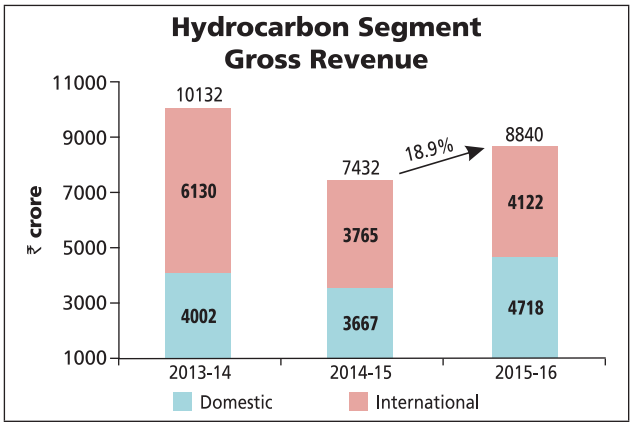


Funds employed by the E&A segment at ₹ 2856 crore were contained at previous year's levels.

6. Hydrocarbon Segment

Hydrocarbon segment secured fresh orders aggregating to ₹ 10447 crore during the year maintaining the level similar to that of the previous year. Low oil prices, geopolitical uncertainties and currency volatility created a challenging business environment in which capex investments by oil producing companies were either slashed or deferred. Consequently, International orders accounted for 32.8% of total order inflow for 2015-16 as compared to 64.0% in the previous year. Big ticket orders for fertilizer plant and offshore oil field development helped domestic order flows during the year.





Segment revenue grew by 18.9% y-o-y at ₹ 8840 crore for the year as jobs under execution progressed on expected lines. International revenue contributed 47% of the total revenue of the segment as compared to 51% in the previous year.

The segment posted an operating profit of ₹ 197 crore as compared to operating loss of ₹ 1128 crore in the previous year. Close-out costs in international projects coupled with under-recoveries contained the margin improvement.

Funds employed by the segment at ₹ 2037 crore as at March 31, 2016 decreased by 10.3% as compared to March 31, 2015. The reduction was aided by lower working capital.

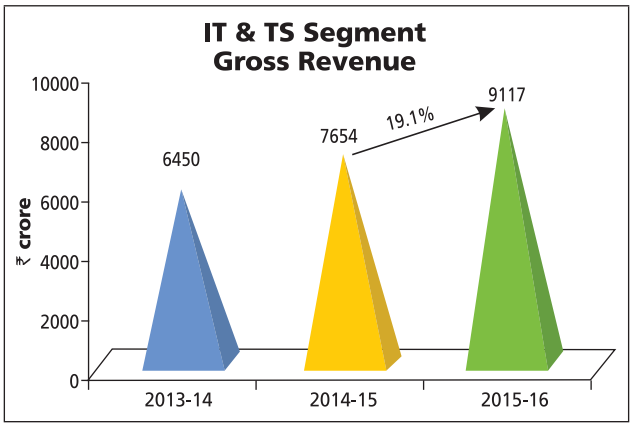
7. IT & Technology Services (IT & TS)

IT & TS segment comprises L&T Infotech group of companies and L&T Technology Services group of companies. Segment recorded gross revenue of ₹ 9117 crore for the year ended March 31, 2016 with robust growth of 19.1% over the previous year. Most of the revenues of the segment are from international customers.

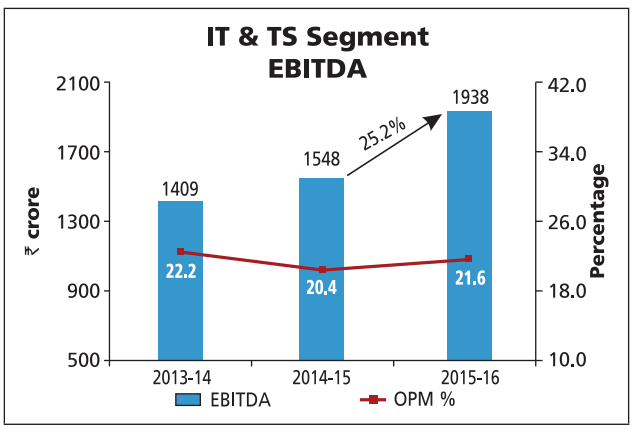
L&T Infotech group recorded gross revenue of ₹ 6075 crore during the year ended March 31, 2016, registering 19.9% growth over the previous year. The revenue in USD terms increased by 9.5%. Geographical composition of the revenue includes 69% from North America, 17% from Europe, 8% from India & Asia and 6% from rest of the world. Total manpower as at March 31, 2016 stood at 20072 vis-à-vis 19479 as at March 31, 2015.

L&T Technology Services group achieved growth of 17.5% in revenue for 2015-16 at ₹ 3042 crore mainly in industrial products and process engineering vertical group. In USD terms the revenue recorded a y-o-y growth of 9.5%. About 62% of revenue are contributed by North America region as compared to 57% in the previous year.

Manpower strength was reduced to 9406 as compared to 9596 as at March 31, 2015, however, utilisation had improved.



The Segment Operating profit rose by 25.2% y-o-y to ₹ 1938 crore for the year 2015-16 with operating margin improvement of 120 basis points on account of higher manpower utilisation and favorable currency movement.



The Funds employed by the segment at ₹ 3142 crore as at March 31, 2016 is lower by 6.9% as compared to March 31, 2015 at ₹ 3377 crore.

8. Financial Services (FS)

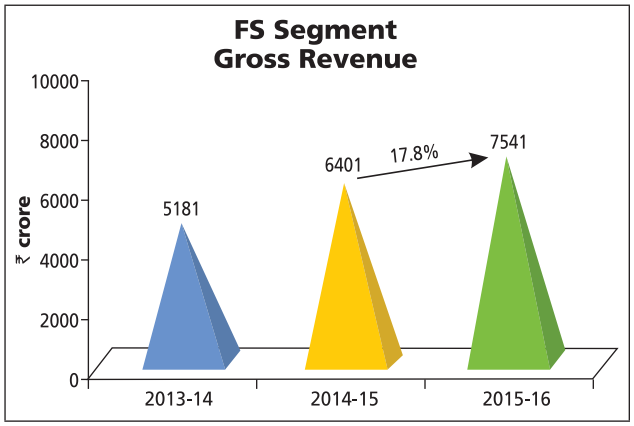
Financial Services segment comprises of asset financing, mutual funds and asset management businesses housed in L&T Finance Holdings Limited and its subsidiaries. The segment also includes general insurance business. Segment revenue grew 17.8% y-o-y at ₹ 7541 crore during the year ended March 31, 2016 aided by good momentum across various businesses.

Loan book of Finance business expanded by 22.4% y-o-y to ₹ 57831 crore as at March 31, 2016, driven by healthy disbursements in operational projects in renewable energy

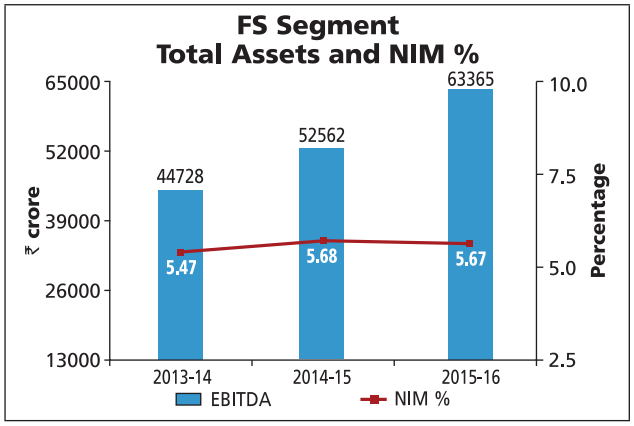
and roads and retail products. Net interest margins at 5.67% remained stable.

Asset management business increased 16.7% y-o-y aided by growth in equity assets with Assets Under Management of ₹ 24772 crore as at March 31, 2016.

The General Insurance business reported Gross Written Premium (GWP) of ₹ 483 crore up by 40% as compared to the previous year.



Disbursal of fresh loans and advances of ₹ 41765 crore during 2015-16, recorded a growth of 29% over the previous year. Gross Non-performing Assets (GNPA) of the segment at 3.05% of loan assets as at March 31, 2016 improved marginally over March 31, 2015.

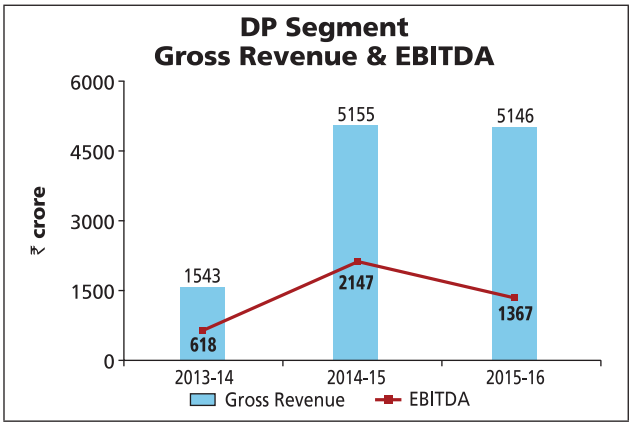


9. Developmental Projects (DP)

The Group has acquired concessions through competitive bidding process for the development of Power projects, Roads, Bridges, Hyderabad Metro Rail, Ports and Power Transmission Lines. Total portfolio of the group consists of 5 power projects, 14 roads & bridges projects (excluding projects under termination), 2 ports, 1 transmission line project & 1 metro rail project. Power projects are developed by L&T Power Development Limited, Kattupalli port operations are housed in L&T Shipbuilding Limited, a subsidiary company & other projects are developed by L&T Infrastructure Development Projects Limited. The total estimated cost of projects pegged at ₹ 53050 crore as at March 31, 2016, requiring equity commitment of ₹ 12976 crore of which equity infusion of ₹ 9543 crore was done as at March 2016.

The segment recorded revenue of ₹ 5146 crore for the year ended March 31, 2016 as compared to ₹ 5155 crore in the previous year. Lower toll collections and loss of Dhamra Port revenues (business sold in 2014-15) was compensated by higher revenue from Rajpura power plant.

The segment clocked operating profit at ₹ 1367 crore for the year 2015-16 declining by 36.3% y-o-y due to lower toll collections as also Dhamra Port divestment gains counted in the previous year.



The Funds employed by the DP segment increased by 14.8% y-o-y at ₹ 31060 crore as at March 31, 2016 owing to higher capex outlay for Hyderabad Metro Rail, Transmission and Road projects.

L&T IDPL raised ₹ 1000 crore by way of compulsorily convertible preference shares subscribed by Canada Pension Plan Investment Board (CPPIB) during December 2015 taking the total investment by CPPIB to ₹ 2000 crore.

10. Others Segment

Other Segment covers Realty, Shipbuilding, Construction & Mining equipment and Industrial Machinery businesses.

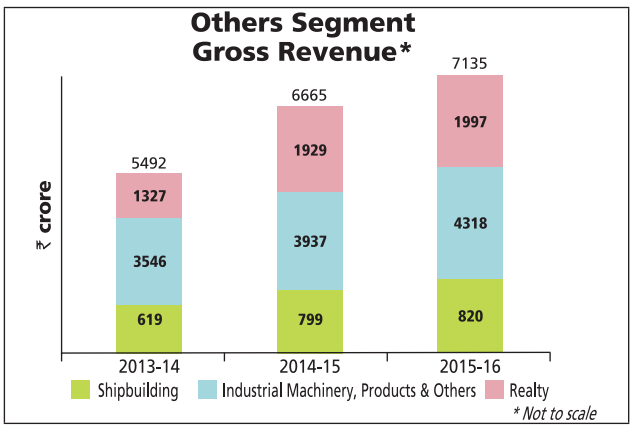
Realty business recorded growth of 3.5% in revenue at ₹ 1997 crore for the year 2015-16 and achieved operating profit of ₹ 1130 crore.

Shipbuilding business recorded revenue of ₹ 820 crore for the year. The business suffered operating loss of ₹ 328 crore for 2015-16 as against operating loss of ₹ 208 crore in the previous year as performance was

severely affected by time/cost overruns and under-recovery of overheads due to low capacity utilisation.

Construction & Mining equipment and Industrial Machinery businesses recorded growth of 9.7% in revenue at ₹ 4318 crore for the year 2015-16. Operating profit declined marginally to ₹ 551 crore due to unfavorable product mix, sluggish demand & cost pressures.

Segment funds employed reduced by 12.6% to ₹ 9423 crore due to improved customer realisation in Realty business and customer advances in Shipbuilding business.



II. L&T STANDALONE

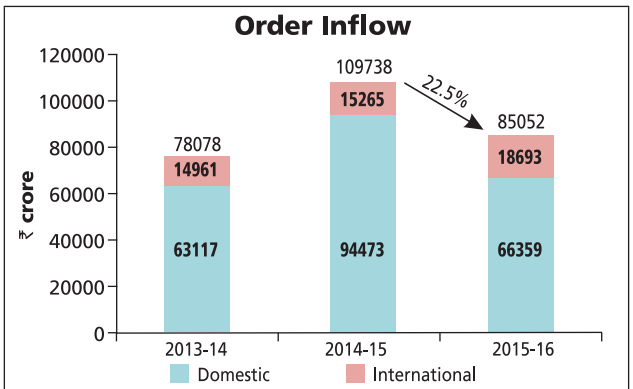
PERFORMANCE REVIEW

The Company's standalone financials capture performance of Infrastructure, Power, Heavy Engineering, Electrical & Automation, Metallurgical and Material Handling, Construction & Mining equipment and Industrial Machinery and a part of Shipbuilding and Realty businesses.

As the headwinds continued to slow economic revival in the country and in most major global markets, the Company focused on profitable execution, optimising working capital and monetisation of non-core assets.

Order Inflow & Order Book

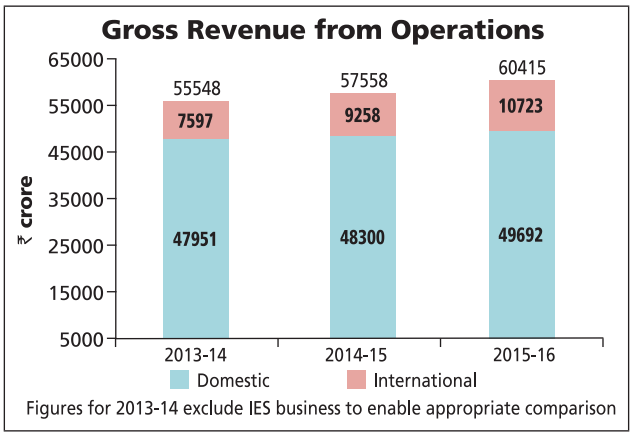
Order wins during 2015-16 were ₹ 85052 crore recording a decline of 22.5% y-o-y, as domestic opportunities have delayed/deferred. Order inflow during the year is mainly contributed by Infrastructure segment at 82.7% as compared to 70.6% in the previous year. Power, Metallurgical & Metal Handling and Heavy Engineering businesses saw significant drop in order intake during the year. International business clocked growth of over 22% with the order inflow at ₹ 18693 crore aided by success in commercial buildings space and power transmission & distribution projects. International orders are at 22% of the total order inflow for 2015-16.



Order Book as at March 31, 2016 stood at ₹ 199040 crore, 78.5% of which is contributed by Infrastructure segment. International orders constituted 16% of the current order book. Order book to revenue ratio at 3.29, gives a good revenue visibility over the next few years.

Revenue from Operations

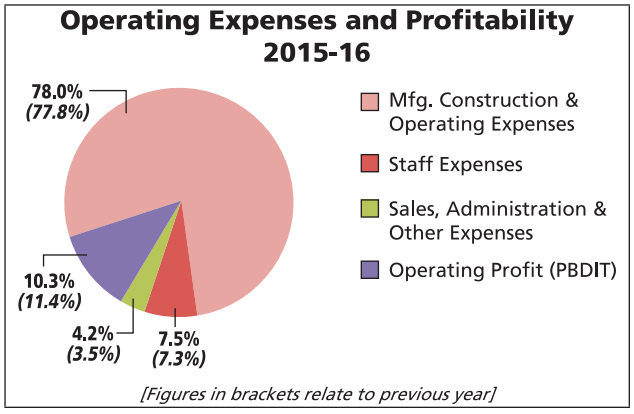
The Company achieved Revenue of ₹ 60415 crore vis-à-vis ₹ 57558 crore in the previous year. Revenue growth was delivered by Power segment and Infrastructure segment inspite of challenging execution conditions and delays in customer clearances. Other major traditional businesses such as Heavy Engineering and Metallurgical and Material Handling had significant decline in the revenue as order book depleted. Electrical & Automation business witnessed sluggish industrial demand and has reported marginal growth in revenue for 2015-16 over the previous year.



Operating Cost and PBDIT

Manufacturing, Construction and Operating (MCO) expenses comprising cost of construction material, manufacturing materials, components and subcontracting expenses amounted to ₹ 46629 crore registering an

increase of 5.1%. These costs represent 78% of revenue, an increase of 20 basis points over the previous year.



The Staff expenses for the year at ₹ 4480 crore increased by 7.6% y-o-y due to annual pay revisions, manpower additions and increased international operations. The Company's manpower strength stood at 43354 as compared to 44081 as at March 31, 2015.

Sales, Administration & Other expenses for the year at ₹ 2500 crore increased by 25.9% y-o-y due to increased provision for doubtful debts and advances, outlay on operational excellence initiatives and higher spend on CSR activities.

The operating profit margin for the year at 10.3% declined by 110 basis y-o-y. Consequently, Profit before depreciation, interest and tax (PBDIT) stood at ₹ 6171 crore for the year, lower by 4.9% over the previous year.

Depreciation & Amortisation charge

Depreciation & Amortisation charge for the year 2015-16 at ₹ 999 crore was broadly in line with the previous year charge of ₹ 1008 crore.

Other Income

Other income for the year 2015-16 amounted to ₹ 2406 crore as against ₹ 2283 crore for the previous year. It consists of dividend from group companies ₹ 1008 crore *(previous year: ₹ 851 crore)*, interest on temporary investments in government securities and bonds ₹ 198 crore *(previous year: ₹ 212 crore)*, interest on inter-corporate deposit given to group companies ₹ 268 crore *(previous year: ₹ 293 crore)*, profit on sale of long term investments ₹ 249 crore *(previous year: Nil)* and cost recoveries from group companies ₹ 323 crore *(previous year: ₹ 301 crore)*.

Finance cost

The interest expenses for the year at ₹ 1449 crore were higher by 2.1% vis-à-vis ₹ 1420 crore for the previous year. The increase in the interest expenses is attributable to incremental borrowings during the year to finance the working capital needs of the businesses. The average borrowing cost for the year 2015-16 was lower by 50 basis points at 9.0% p.a. led by refinancing of loans and efficient cash management.

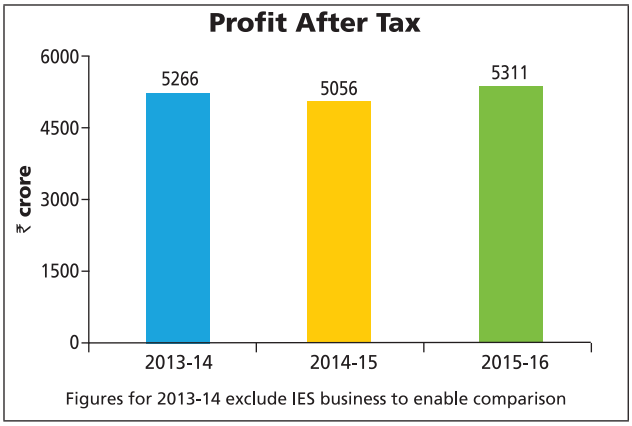
Exceptional Item

Exceptional items of ₹ 560 crore in the Statement of Profit and Loss for the current year mainly includes gain on part stake-sale in L&T Finance Holdings Limited, gain on transfer of the Company's stake in a few subsidiary companies to its wholly-owned subsidiary L&T Hydrocarbon Engineering Ltd as a part of restructuring, gain on divestment of stake in associate Company and gain on sale of Foundry business.

The Company has impaired its investment in its subsidiary engaged in the general insurance business.

Profit after Tax

Profit after Tax (PAT), including exceptional items, for the year 2015-16 grew by 5% to ₹ 5311 crore as compared to ₹ 5056 crore in the previous year, contributed by higher divestment gains.



Earnings per share

The Earnings per share (EPS) for the year 2015-16 at ₹ 57.07 grew by 4.8% over the previous year.

Funds Employed and Returns

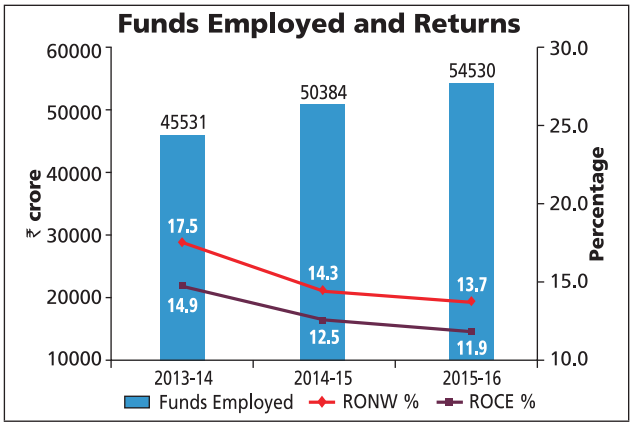
Funds Employed by the Company at ₹ 54530 crore as at March 31, 2016 increased by ₹ 4146 crore during the year.

The Company incurred ₹ 643 crore (net) towards capital expenditure during the year, largely on procurement of plant and equipment for the Infrastructure segment.

At the segment aggregate level, net working capital as on March 31, 2016 at ₹ 16870 crore increased to 27.9% of revenue as compared to ₹ 14938 crore at 26.0% of

revenue as on March 31, 2015. Higher net working capital is mainly on account of unbilled construction work-in-progress, pending completion of contractual milestones and delay in realising customer receivables.

During the year, investments in and loans to subsidiary and associate companies increased by ₹ 2218 crore (net of proceeds from divestment). Major investments have been made in subsidiary companies operating in Power Development, Heavy Engineering and Shipbuilding businesses to support the operations of group companies.



Return on Net Worth (RONW) including the extraordinary items for the year 2015-16 is 13.7% as against 14.3% for the previous year. Return on Capital Employed (ROCE) for the year 2015-16 at 11.9% is lower compared to 12.5% of the previous year. The funds deployed in the group companies in capital intensive businesses in the last few years have not yet started yielding adequate returns, resulting in decline in ROCE and RONW.

Liquidity and Gearing

Business operations generated cash flows of ₹ 3256 crore during the year higher than ₹ 3118 crore in the previous year. Borrowings during the year (net of repayments) were ₹ 233 crore. Dividend and treasury income flows contributed ₹ 1551 crore to the cash along with divestment proceeds of ₹ 789 crore.

Fund Flow Statement	₹ crore	
Particulars	**2015-16**	*2014-15*
Operating activities	3256	*3118*
Borrowings (net of repayments)/ (Repayments)	233	*1015*
Dividend from group companies and Treasury income	1551	*1413*
Sale / (purchase) of investments	789	*(916)*
Others	70	*99*
Sources of Funds	**5898**	*4729*
Utilisation of Funds	**(5898)**	*(4729)*
Capital Expenditure	(643)	*(901)*
Investments in Group Cos. (net of divestment)	(2218)	*(1480)*
Interest paid	(1223)	*(1150)*
Dividend paid	(1647)	*(1401)*
(Increase) / decrease in cash balance	(166)	*203*

The total borrowings as at March 31, 2016 stood at ₹ 13608 crore as compared to ₹ 12937 crore in the previous year. The loan portfolio of the Company comprises a mix of domestic and suitably hedged foreign currency loans. The gross debt equity ratio marginally decreased to 0.33:1 as at March 31, 2016 from 0.35:1 as at March 31, 2015. The Company has a healthy net debt equity ratio of 0.18:1 as at March 31, 2016 after excluding short term investments in liquid funds from debt.

III. RISK MANAGEMENT

L&T has a comprehensive Enterprise Risk Management (ERM) framework in place for identification, assessment, treatment and reporting of risks. The Company's risk management processes ensure that the Company accepts risks as per the boundary conditions based on the risk appetite of the organisation. The Audit Committee of the Board oversees the efficacy of the risk management processes. Business level risks and the mitigation plans for each vertical are reviewed periodically by the respective top management/Boards. The Corporate Risk Management Committee appraises critical risks impacting the Company and ensures adherence to policies.

The Company is predominantly in project business and has developed robust project risk management processes. The key processes include country clearance for entry into a new country, Pre-bid risk reviews, Execution risk reviews and project close out risk reviews. Pre-bid reviews are carried out based on a bid authorisation matrix as determined by the Risk Management Committees. Execution risk reviews of the projects are held at regular intervals for tracking the project performance, movement of risks in the project and effectiveness of mitigation measures. Close out risk reviews are held to capture key learnings from the projects and what went right/wrong analysis which helps in factoring the learnings in future bids.

The Company has been conferred the prestigious 'Golden Peacock Award for Risk Management' for 2015 by the

Institute of Directors (IoD) in the 'Diversified' category. The Company emphasises on continuous learning and has initiated several knowledge based initiatives to improve risk awareness across the organization. One such initiative is launching of an e-learning training program on Enterprise Risk Management (ERM) for employees to enhance capabilities on risk management which will lead to better business performance. It covers topics related to basics of risk management, global risk management frameworks, processes in L&T, case studies on risk management etc. Periodic workshops on risk management are also held across the company to spread awareness & share learnings.

The top Enterprise level risks for the Company and the mitigation measures being implemented are:

1. **Slow recovery of key sectors:** Growth in some of the sectors like Power, Metals & Minerals etc. has been hampered by a number of constraints like fuel shortages, environmental clearances, restrictions on mining etc. Being a diversified conglomerate helps mitigate the risk of such slowdown in some sectors as we see compensating growth in certain other sectors. Government initiatives like Project UDAY, Make in India, revised Defence Procurement Policy (DPP), renewed impetus to Infrastructure sector namely roads and railways provide growth opportunities in the near future.
2. **Fall in oil price:** It has resulted in budget constraints in Middle Eastern Countries leading to decline/delay in investment with some projects being put on hold. The Company has started focusing on domestic business and selectively foraying into new markets like Africa & South East Asia.
3. **Reputation and Brand:** Corporate Governance and Compliance policy is in place mandating adherence to Code of conduct and Internal Controls. Regular knowledge sharing across the organisation and review & upgradation of appropriate controls ensure the same.
4. **Competition:** It has been observed that competition from foreign and domestic players has considerably increased in the past few years. The Company's engineering, procurement, and construction business derives its competitive strength from its excellence in executing projects of varying sizes, reputation for quality, technology, cost-effectiveness and project management expertise. This helps in gaining an edge over competition.
5. **Other Operational Risks:**
    a. **Execution challenges:** Company faces execution challenges like geological developments, availability of work front, land acquisition & right of way (ROW), pending approvals and clearances from Government agencies, working in difficult/ harsh weather conditions/terrains, skilled manpower availability etc. The Company closely tracks the key risks for each project to effect timely mitigation.
    b. **Partner risks:** Company partners with different contractors (Joint Venture/consortium projects) across businesses based on technical requirements/local market conditions. Partner's performance and financial strength is crucial for project success. Learnings from the past projects are incorporated in the inter-se agreement with the partners and clauses on liability of each partner are carefully drafted after a legal due diligence.
    c. **Working capital challenges:** Project delays and adverse contractual payment terms lead to increased working capital requirements. Company has strengthened the process for close monitoring of cash flows at the project level. Company ensures regular follow up for delay in payments by client. Improvement in working capital is a key lever for achieving better ROE.
    d. **Claims management:** Company maintains a strong documentation and follow up with clients/ sub-contractors/vendors for claims that are submitted. Legal teams and insurance teams are constantly consulted to ensure a robust process of claims management.
    e. **Talent Management:** It is critical to fill leadership roles in every project being executed by the Company. Proper processes are in place across the Company for hiring the best talent across the Company and suitable retention policies are constantly reviewed to minimise attrition.

The Company has institutionalised the risk management processes to map and monitor the risks across the businesses and respond effectively to achieve the strategic objectives. The Company has been successful in tapping the opportunities both in domestic and international markets. The Company sees risk management as a business enabler and believes that risk is an integral part of every business

and promotes a culture of building the ability to anticipate and manage risks effectively and converting them into opportunities.

FINANCIAL RISKS

Capital Structure, Liquidity and Interest Rate Risks

The Company continues its policy of maintaining a conservative capital structure which has ensured that it retains the highest credit rating even amidst an adverse economic environment. Low gearing levels also equip the Company with the ability to navigate business stresses on one hand and raise growth capital on the other. This policy also provides flexibility of fund raising options for future, which is especially important in times of global economic volatility. Given the continuing tough economic conditions in 2015-16, there has been an increase in the working capital levels of the Company. The Company has been investing capital into subsidiaries as scheduled and in some cases to provide for deficits caused by the economic/ business/performance downturn, and also to optimise overall Group interest rate risks and costs. The Company continues to maintain adequate liquidity to deal with economic cycles.

The Company judiciously deploys its periodical surplus funds in short term investments in line with the corporate treasury policy. The Company constantly monitors the liquidity levels, economic and capital market conditions and maintains access to the lowest cost of sourcing liquidity through banking lines, trade finance and capital markets. In line with above, the Company continued to use a mix of short term and long term funding sources for its working capital funding. The Company further optimised the cost of debt by using subsidised export financing scheme of RBI and issuing more of short dated CPs. 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 various businesses of the Company are exposed to fluctuations in foreign exchange rates and commodity prices. Additionally, it has exposures to foreign currency denominated financial assets and liabilities. The business related financial risks, especially involving commodity prices, by and large, are managed contractually through price variation clauses, while the foreign exchange and residual commodity price risks are managed by an appropriate choice of treasury products for balancing risks and at the same time optimising the hedging costs.

The financial year 2015-16 was characterised by a strong USD against most of the asset classes (currency / commodities) as well as increased volatility on account of sharp movements in commodity prices and Asian currencies including more particularly the Chinese Yuan. The rupee moved from 62.50 to 68.80 per US Dollar during the year though it ended the year at 66.25. In spite of the two way exchange rate volatility, the impact on the Company was, however, muted given the robust financial risk management process in place. Benign commodity prices along with the analytical risk management framework has benefited the Company.

IV. INTERNAL CONTROLS

The Company continued its efforts in providing an effective internal control environment where ethical behavior, accountability, controls and assurance are practiced. The Company has a robust framework for Internal Controls, commensurate with the size and complexity of its business. There is a system of periodically apprising the senior management and the Audit Committee of the Board on the internal processes of the Company with respect to Internal Financial Controls, Statutory Compliances and Assurance. Employees are guided by the Company's 'Code of Conduct'. The Company's 'Whistle Blower' policy enables the employees to have direct access to the members of the Board of Directors without interference from management.

Increasing focus on control and compliance requirements under the Companies Act, 2013 and the new SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 have led to reviewing the control design and effectiveness across the organisation. The Company has laid down Internal Financial Controls as detailed in the Companies Act, 2013. These have been established at the entity and process levels and are designed to ensure compliance to internal control requirements, regulatory compliance and appropriate recording of financial and operational information. The Company has reviewed and ensured sustained effectiveness of internal financial controls by adopting a systematic approach to assess design and operating effectiveness.

Heads of businesses and support functions are primarily responsible for design, establishment of internal controls and its operating effectiveness in their respective areas. Operating framework and procedures are in place in individual businesses of the Company in the form of Internal Control Manuals, Standard Operating Procedures, Accounting Guidelines and Authorisation Matrix for financial transactions including regular management reporting and monitoring thereof. Policies and procedures

are reviewed periodically and updated to factor in changes in business processes as well as improvements necessitated to strengthen the internal control systems.

Internal Control department at the corporate formulates procedures and guidelines for areas of weaknesses which are identified during internal audit or as triggered by process owners or management based on internal or external risk factors. The Company also periodically engages independent professional firms to carry out review of effectiveness of various control processes in businesses and support functions.

The assurance function is carried out by the Corporate Audit Services (CAS) which makes independent assessment by conducting audit of all units of the Company and its major subsidiaries at regular intervals. The audit *inter alia* covers assessment of financial and operational efficiency as part of the process. Further, it conducts operating effectiveness testing of the internal financial controls with the objective of providing an independent and reasonable assurance to the Audit Committee and the Board of Directors. The entire process is reviewed periodically by the senior management and the Audit Committee which oversees the internal audit function.

The Company continually aligns to the best practices in the areas of control and compliance, to ensure high standards of governance in both domestic and international businesses.

V. INFORMATION TECHNOLOGY

The Company recognises the strategic imperative of Information Technology (IT) for efficient conduct of its business operations. The Company leverages IT as a key enabler to improve productivity through collaboration and integrate internal controls with business processes. The Company implemented Enterprise Resource Planning (ERP) and other solutions to run the various business processes. Niche bolt on systems are being deployed for Vendor Invoice Management, CRM on cloud, Advance Planning and Optimisation to provide edge to Business. Simultaneously, IT infra is continuously upgraded to deploy the latest and best in class IT assets and technology. The Company has initiated various 'Digital & IoT' projects, in the areas of risk mitigation and manufacturing to make its business processes LEAN and contribute to the Company's bottom line in today's ever challenging business scenario.

L&T's dedicated Cloud infrastructure, created a few years ago, is widely deployed across the Group companies. The Company has taken steps to embrace 'Public Cloud', and the latest office automation and collaboration applications are being rolled out.

The Company has Disaster Recovery (DR) systems which rescued the businesses from disruptions during the heavy rains in Chennai in December 2015.

The Company has a program to do a comprehensive review of its security systems and processes to address growing IT/cyber security threats. The corporate IT function of the Company has acquired Certification of ISO 27001 for Information Security Management. ISO 27001 (formally known as ISO/IEC 27001:2005) is a specification for an information security management system (ISMS). An ISMS is a framework of policies and procedures that includes all legal, physical and technical controls involved in an organisation's information risk management processes.

DELOITTE HASKINS & SELLS LLP
Chartered Accountants
Indiabulls Finance Centre, Tower 3
27th – 32nd Floor, Senapati Bapat Marg
Elphinstone Road (West)
Mumbai 400013.

SHARP & TANNAN
Chartered Accountants
Ravindra Annexe
194, Churchgate Reclamation
Dinshaw Vachha Road
Mumbai 400 020.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF LARSEN & TOUBRO LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Larsen & Toubro Limited** (the "Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors' considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

Other Matters

Standalone financial statements include the financial statements/information of 9 jointly controlled entities whose financial statements/ financial information reflect the Company's share in net assets of ₹ 474.73 crore as at March 31, 2016 and share in profit (net) ₹ 221.15 crore for the year ended on that date. The financial statements/information of these jointly controlled entities have been audited by the auditors of jointly controlled entities 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 jointly controlled entities, is based solely on the report of such auditors of jointly controlled entities.

Standalone financial statements include the financial statements/information of 7 jointly controlled entities whose financial statements/ financial information reflect the Company's share in net assets of ₹ 296.62 crore as at March 31, 2016 and share in profit (net) ₹ 24.79 crore for the year ended on that date. These financial statements/information have been furnished to us by management and our opinion on the standalone financial statements, in so far as it relates to the amounts and disclosures included in respect of these jointly controlled entities is based solely on such financial statements/information certified by management. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the Company. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
   d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
   e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 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 Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - refer notes (I) , note (II) in Q(14) and Q(15) to the financial statements;
      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts-refer note C(II), D(IV) and Q(6)(a) to the financial statements; and
      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
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 Registration No. 117366W/W-100018)

P. R. RAMESH
(Partner)
(Membership No. 70928)

For SHARP & TANNAN
Chartered Accountants
(Firm Registration No. 109982W)

FIRDOSH D. BUCHIA
(Partner)
(Membership No. 38332)

MUMBAI, May 25, 2016

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' 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 & Toubro Limited** (the "Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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. 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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, 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 auditors' 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 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, 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, 2016, 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.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm Registration No. 117366W/W-100018)

P. R. RAMESH
(Partner)
(Membership No. 70928)

For SHARP & TANNAN
Chartered Accountants
(Firm Registration No. 109982W)

FIRDOSH D. BUCHIA
(Partner)
(Membership No. 38332)

MUMBAI, May 25, 2016

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a program of verification of fixed assets to cover all the items 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 assets. Pursuant to the program, certain fixed assets 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 (including land whose title deed have been pledged as security against debentures issued by the Company), 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, 2016	Net block as at March 31, 2016	Remarks
Land	2	Freehold	0.27	0.27	Conveyance deed pending to be executed.
Buildings	16	Freehold	3.94	1.43	Conveyance deed pending to be executed.

In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset 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.

(iii) According to the information and explanations given to us, the Company has granted 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, in respect of which:

(a) The terms and conditions of the grant of such loans are, in our opinion, *prima facie*, not prejudicial to the Company's interest.

(b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.

(c) There is no overdue amount remaining outstanding as at the balance sheet date.

(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 Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and hence reporting under clause (v) of CARO 2016 is not applicable to the Company.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. 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 been generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, 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, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2016 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, and Value Added Tax which have not been deposited as on March 31, 2016 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)
Central Sales Tax Act, Local Sales Tax Acts and Works Contract Tax Act	Taxability of sub-contractor turnover, rate of tax for declared goods, inter-state sales and non-submission of forms	Supreme Court	1991-92, 1995-96, 1997-98, 1999-00 to 2006-07	15.53	3.19
	Dispute regarding question of law, non-submission of forms, classification dispute, tax deducted at source at lower rate, sales in transit, high seas sales, labour turnover, local VAT, rate of tax on declared goods and other matters.	High Court	1986-87 to 1999-00, 2005-06 to 2010-11, 2012-13	65.23	48.51
	Non-submission of forms, classification disputes, disallowance of sales occasioning import, arbitrary demand raised, sub-contractors turnover disallowed, pumping and freight charges, inter-state sales turnover, tax deducted at source disallowed, rates of tax of declared goods, classification dispute, disallowance of Entry tax and other matters.	Sales Tax/ VAT Tribunal	1989-90 to 2012-13	373.09	326.54
	Dispute regarding question of law, non-submission of forms, classification dispute, disallowance of setoff, sales in transit and high seas sales, and other matters.	Commissioner (Appeal)	2003-04 to 2011-12	16.42	15.77
		Commissioner	2008-09, 2010-11, 2011-12	7.01	4.57
	Non Submission of Forms and other matters.	Additional/ Assistant Commissioner	1995-96 to 2012-13	16.32	15.11
	Dispute regarding question of law, non-submission of forms, classification dispute and disallowances made for credit notes and occasioning imports, Input credit reversals, sales in transit, high seas sales, deficiency in documents, local VAT, rate of tax on declared goods and other matters.	Joint Commissioner	1994-95 to 2013-14	139.92	91.71
	Non-submission of forms, additional demands for pending forms, rate of tax dispute, disallowance of branch transfer, sub-contractors turnover, considering supply agreement as Works Contract Tax, disallowance of sales in transit, stock transfer and other matters.	Deputy Commissioner (Appeal)	1996-97 to 2013-14	1,541.53	1,493.20

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which Amount Relates	Amount Involved (₹ crore)	Amount Unpaid (₹ crore)
	Non-submission of forms, disallowance of sales occasioning imports, rate of tax dispute, deficiency in documents, sales in transit, high seas sales and other matters.	Assessing/ Commercial Tax Officer	1999-00 to 2015-16	486.02	484.76
The Central Excise Act, 1944, Service Tax under Finance Act, 1994	Excise Duty dispute on site mix concrete & PSC grinder.	Supreme Court	1997-98	0.97	0.27
	Export rebate claim, service tax on commercial construction services, service tax liability against rate change and penalty imposed for wrong availment of CENVAT credit.	High Court	2003-04, Oct 2005 to Aug 2007	42.48	42.48
	Demand of excise duty on Fabrication of Cable tray supports/ ED exemption/ Export rebate disallowance / Service Tax on Business Auxiliary Services/ Valuation Dispute pertaining to Excise/ Duty on Supply of Bolts & nuts/ GTA services, site jobs, export rebate disallowance, MRP valuation disputes, CENVAT credit availed, non-maintenance of separate records, and other matters.	CESTAT	1991-92 to 2014-15	611.84	608.98
	Disallowance of CENVAT credit, excise duty refund, excise duty on site jobs, short payment of service tax, service tax rate dispute, valuation dispute and other matters.	Commissioner (Appeal)	2006-07 to 2014-15	4.73	4.55
		Additional/ Assistant Commissioner	2015-16	0.14	0.14
	Disallowance of CENVAT Credit.	Commissioner (Appeal)	2003-04 to 2011-12	3.94	3.80
Income-tax Act, 1961	Assessment under section 143(3), Assessment under section 143(3) read with section 147, Assessment under section 143(3) read with section 144C(13) and demand of tax deducted at source on Internet Charges, Reimbursement of Data card expenses and Bank Guarantee Charges.	ITAT	2002-03, 2003-04, 2006-07 to 2010-11	1,462.11	833.77

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.

(ix) In our opinion and according to the information and explanations given to us, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) and money raised by way of the term loans have been applied by the Company during the year for the purposes for which they were raised.

(x) To the best of our knowledge and according to the information and explanations given to us, no 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, 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 Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. 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 and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) 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 Registration No. 117366W/W-100018)

P. R. RAMESH
(Partner)
(Membership No. 70928)

For SHARP & TANNAN
Chartered Accountants
(Firm Registration No. 109982W)

FIRDOSH D. BUCHIA
(Partner)
(Membership No. 38332)

MUMBAI, May 25, 2016

Balance Sheet as at March 31, 2016

	Note	As at 31-3-2016 ₹ crore	₹ crore	*As at 31-3-2015 ₹ crore*	*₹ crore*
EQUITY AND LIABILITIES:					
Shareholders' funds					
Share capital	**A**	186.30		*185.91*	
Reserves and surplus	**B**	40532.03		*36898.67*	
			40718.33		*37084.58*
Non-current liabilities					
Long term borrowings	**C(I)**	8339.27		*8508.60*	
Deferred tax liabilities (net)	**Q(13)**	203.36		*362.99*	
Other long term liabilities	**C(II)**	152.54		*119.62*	
Long term provisions	**C(III)**	370.23		*344.83*	
			9065.40		*9336.04*
Current liabilities					
Short term borrowings	**D(I)**	3881.87		*3791.08*	
Current maturities of long term borrowings	**D(II)**	1387.15		*636.91*	
Trade payables	**D(III)**				
Due to micro enterprises and small enterprises		134.32		*117.05*	
Due to others		21984.48		*18733.55*	
Other current liabilities	**D(IV)**	17204.54		*14681.55*	
Short term provisions	**D(V)**	2693.62		*2523.00*	
			47285.98		*40483.14*
TOTAL			97069.71		*86903.76*
ASSETS:					
Non-current assets					
Fixed Assets					
Tangible assets	**E(I)**	7120.59		*7402.20*	
Intangible assets	**E(II)**	138.40		*85.16*	
Capital work-in-progress	**E(I)**	250.69		*304.54*	
Intangible assets under development	**E(II)**	158.91		*189.50*	
			7668.59		*7981.40*
Non-current investments	**F**		19897.94		*17672.82*
Long term loans and advances	**G(I)**		3031.73		*3825.30*
Cash and bank balances	**G(II)**		74.77		*75.43*
Other non-current assets	**G(III)**		113.12		*65.97*
Current assets					
Current investments	**H(I)**	4670.98		*5380.08*	
Inventories	**H(II)**	1888.00		*2270.72*	
Trade receivables	**H(III)**	26309.19		*23051.11*	
Cash and bank balances	**H(IV)**	1680.91		*1515.80*	
Short term loans and advances	**H(V)**	10205.15		*6490.97*	
Other current assets	**H(VI)**	21529.33		*18574.16*	
			66283.56		*57282.84*
TOTAL			97069.71		*86903.76*
CONTINGENT LIABILITIES	**I**				
COMMITMENTS (Capital and others)	**J**				
OTHER NOTES FORMING PART OF THE ACCOUNTS	**Q**				
SIGNIFICANT ACCOUNTING POLICIES	**R**				

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
Firm's Registration No.117366W/W-100018
by the hand of

P. R. RAMESH
Partner
Membership No. 70928

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

FIRDOSH D. BUCHIA
Partner
Membership No. 038332

Mumbai, May 25, 2016

A. M. NAIK
Group Executive Chairman (DIN 00001514)

R. SHANKAR RAMAN
Chief Financial Officer & Whole-time Director
(DIN 00019798)

M. M. CHITALE
(DIN 00101004)

VIKRAM SINGH MEHTA
(DIN 00041197)

SUSHOBHAN SARKER
(DIN 00088276)

N. HARIHARAN
Company Secretary
M. No. A3471

SUNITA SHARMA
(DIN 02949529)

Directors

Statement of Profit and Loss for the year ended March 31, 2016

	Note	2015-16 ₹ crore	2015-16 ₹ crore	2014-15 ₹ crore	2014-15 ₹ crore
REVENUE:					
Revenue from operations (gross)	K	60415.00		*57558.07*	
Less: Excise duty		635.39		*540.66*	
Revenue from operations (net)			59779.61		*57017.41*
Other income	L		2405.97		*2283.37*
Total revenue			62185.58		*59300.78*
EXPENSES:					
Manufacturing, construction and operating expenses:	M				
Cost of raw materials, components consumed		7396.35		*5496.79*	
Construction materials consumed		17805.37		*18426.83*	
Purchase of stock-in-trade		1129.18		*1296.75*	
Stores, spares and tools consumed		1448.90		*1831.46*	
Sub-contracting charges		14066.80		*13240.77*	
Changes in inventories of finished goods, work-in-progress and stock-in-trade		114.98		*(215.61)*	
Other manufacturing, construction and operating expenses		4667.51		*4303.44*	
			46629.09		*44380.43*
Employee benefits expense	N		4480.20		*4162.46*
Sales, administration and other expenses	O		2505.07		*2000.99*
Finance costs	P		1449.04		*1419.65*
Depreciation, amortisation, impairment and obsolescence		998.88		*1009.74*	
Less: Transfer from revaluation reserve		–		*1.59*	
			998.88		*1008.15*
			56062.28		*52971.68*
Less: Overheads charged to fixed assets			5.53		*14.96*
Total expenses			56056.75		*52956.72*
Profit before exceptional and extraordinary items and tax			6128.83		*6344.06*
Exceptional items	Q(3)		560.28		*357.16*
Profit before extraordinary items and tax			6689.11		*6701.22*
Extraordinary items			–		–
Profit before tax			6689.11		*6701.22*
Tax expenses					
Current tax	Q(5)	1551.19		*1628.74*	
Deferred tax	Q(13)	(173.54)		*16.30*	
			1377.65		*1645.04*
Profit for the period carried to Balance Sheet			5311.46		*5056.18*
Basic earnings per equity share before extraordinary items (₹)	Q(12)		57.07		*54.46*
Diluted earnings per equity share before extraordinary items (₹)	Q(12)		56.80		*54.10*
Basic earnings per equity share after extraordinary items (₹)	Q(12)		57.07		*54.46*
Diluted earnings per equity share after extraordinary items (₹)	Q(12)		56.80		*54.10*
Face value per equity share (₹)			2.00		*2.00*
OTHER NOTES FORMING PART OF THE ACCOUNTS	Q				
SIGNIFICANT ACCOUNTING POLICIES	R				

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Mumbai, May 25, 2016

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(DIN 02949529)

Directors

Cash Flow Statement for the year ended March 31, 2016

		2015-16	*2014-15*
		₹ crore	*₹ crore*
A.	**Cash flow from operating activities:**		
	Profit before tax (excluding extraordinary and exceptional items)	6128.83	*6344.06*
	Adjustments for:		
	Dividend received	(1121.35)	*(854.19)*
	Depreciation, amortisation, impairment and obsolescence (net)	998.88	*1008.15*
	Exchange difference on items grouped under financing/investing activities	71.80	*59.80*
	Effect of exchange rate changes on cash and cash equivalents	2.00	*(1.48)*
	Interest expense	1449.04	*1419.65*
	Interest income	(513.32)	*(565.91)*
	Profit on sale of fixed assets (net)	(83.97)	*(29.19)*
	Profit on sale of investments (net)	(232.49)	*(406.63)*
	Employee stock option-discount forming part of staff expenses	54.67	*51.67*
	Provision/(reversal) for diminution in value of investments	10.15	*(11.72)*
	Operating profit before working capital changes	6764.24	*7014.21*
	Adjustments for:		
	(Increase)/decrease in trade and other receivables	(8082.09)	*(5124.36)*
	(Increase)/decrease in inventories	355.14	*(288.17)*
	Increase/(decrease) in trade payables and customer advances	5867.62	*3241.35*
	Cash (used in)/generated from operations	4904.91	*4843.03*
	Direct taxes refund/(paid)-net	(1649.19)	*(1725.05)*
	Net cash (used in)/from operating activities	3255.72	*3117.98*
B.	**Cash flow from investing activities:**		
	Purchase of fixed assets	(775.85)	*(952.90)*
	Sale of fixed assets (including advance received)	132.46	*51.75*
	Investment in subsidiaries, associates and joint ventures	(2943.20)	*(2581.79)*
	Divestment of stake in subsidiaries, associates and joint ventures	2289.43	*434.55*
	Sale of long term investments	106.65	*–*
	(Purchase)/Sale of current investments (net)	681.89	*(915.51)*
	Deposits/Loans (given)-subsidiaries, associates, joint venture companies and third parties	(12498.99)	*(5084.44)*
	Deposits/Loans repaid-subsidiaries, associates, joint venture companies and third parties	9790.42	*5980.74*
	Advance towards equity commitment (addition)	(5.25)	*(866.03)*
	Advance towards equity commitment refund	1070.15	*87.56*
	Interest received	429.18	*558.31*
	Dividend received from subsidiaries	1007.91	*850.70*
	Dividend received from other investments	113.44	*3.49*
	Consideration received on transfer of Foundry Business unit	79.70	*–*
	Cash received on transfer of Integrated Engineering Services business	–	*549.49*
	Cash (used in)/from investing activities	(522.06)	*(1884.08)*

Cash Flow Statement for the year ended March 31, 2016 (contd.)

		2015-16	*2014-15*
		₹ crore	*₹ crore*
C.	**Cash flow from financing activities:**		
	Proceeds from fresh issue of share capital	70.19	*98.89*
	Proceeds from long term borrowings	1589.22	*5109.83*
	Repayment of long term borrowings	(1420.79)	*(3929.44)*
	(Repayments)/Proceeds from other borrowings (net)	64.66	*(164.97)*
	Dividends paid	(1512.33)	*(1322.73)*
	Additional tax on dividend	(134.69)	*(78.12)*
	Interest paid (including cash flows from interest rate swaps)	(1223.47)	*(1150.01)*
	Net cash (used in)/ from financing activities	(2567.21)	*(1436.55)*
	Net (decrease)/increase in cash and cash equivalents (A + B + C)	166.45	*(202.65)*
	Cash and cash equivalents at beginning of the year	1591.46	*1794.12*
	Cash and cash equivalents at end of the year	1757.91	*1591.46*

Notes:

1. Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard (AS) 3: "Cash Flow Statements" as specified in the Companies (Accounting Standards) Rules, 2006.
2. Purchase of fixed assets includes movement of capital work-in-progress during the year.
3. For cash and cash equivalents not available for immediate use as on the Balance Sheet date, see Note G(II)(a).
4. Cash and cash equivalents included in the Cash Flow Statement comprise the following:

		2015-16	*2014-15*
		₹ crore	*₹ crore*
(a)	Cash and cash equivalents disclosed under current assets [Note H(IV)]	1680.91	*1515.80*
(b)	Cash and cash equivalents disclosed under non-current assets [Note G(II)]	74.77	*75.43*
	Total cash and cash equivalents as per Balance Sheet	1755.68	*1591.23*
(c)	Unrealised exchange (gain)/loss on cash and cash equivalents	2.23	*0.23*
	Total cash and cash equivalents as per Cash Flow Statement	1757.91	*1591.46*

5. 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

P. R. RAMESH
Partner
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For SHARP & TANNAN
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FIRDOSH D. BUCHIA
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Mumbai, May 25, 2016

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N. HARIHARAN
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SUNITA SHARMA
(DIN 02949529)

Directors

Notes forming part of the Accounts

NOTE [A]

Share capital

A(I) Share capital authorised, issued, subscribed and paid up:

Particulars	As at 31-3-2016		*As at 31-3-2015*	
	Number of shares	₹ crore	*Number of shares*	*₹ crore*
Authorised:				
Equity shares of ₹ 2 each	1,62,50,00,000	325.00	*1,62,50,00,000*	*325.00*
Issued, subscribed and fully paid up:				
Equity shares of ₹ 2 each	93,14,78,845	186.30	*92,95,62,061*	*185.91*

A(II) Reconciliation of the number of equity shares and share capital:

Particulars	2015-16		*2014-15*	
	Number of shares	₹ crore	*Number of shares*	*₹ crore*
Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year	92,95,62,061	185.91	*92,69,12,658*	*185.38*
Add: Shares issued on exercise of employee stock options during the year	19,16,784	0.39	*26,49,403*	*0.53*
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	93,14,78,845	186.30	*92,95,62,061*	*185.91*

A(III) Terms/rights attached to equity shares:

The Company has only one class of share capital, i.e., equity shares having face value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share.

A(IV) Shareholders holding more than 5% of equity shares as at the end of the year:

Name of the shareholders	As at 31-3-2016		*As at 31-3-2015*	
	Number of shares	Shareholding %	*Number of shares*	*Shareholding %*
Life Insurance Corporation of India	14,64,19,088	15.72	*15,55,22,285*	*16.73*
L&T Employees Welfare Foundation	11,47,52,281	12.32	*11,16,06,174*	*12.01*
Administrator of the Specified Undertaking of the Unit Trust of India	7,59,26,462	8.15	*7,59,25,962*	*8.17*

A(V) Shares reserved for issue under options outstanding as at the end of the year on un-issued share capital:

Particulars	As at 31-3-2016		*As at 31-3-2015*	
	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 #	57,93,042	1.16 *	*77,08,842*	*1.54 **
0.675% 5 years & 1 day US$ denominated foreign currency convertible bonds (FCCB) ##	63,46,986	1.27 **	*63,46,986*	*1.27 **

* The equity shares will be issued at a premium of ₹ 203.97 crore *(previous year: ₹ 278.09 crore)*

** The equity shares will be issued at a premium of ₹ 1215.13 crore *(previous year: ₹ 1215.13 crore)* on the exercise of options by the bond holders

\# Note A(VIII) for terms of employee stock option schemes

\## Note C(I)(b) for terms of foreign currency convertible bonds

Notes forming part of the Accounts (contd.)

A(VI) The aggregate number of equity shares allotted as fully paid up by way of bonus shares in immediately preceding five years ended March 31, 2016 are 30,82,94,576 *(previous period of five years ended March 31, 2015: 30,82,94,576 shares)*

A(VII) The aggregate number of equity shares issued pursuant to contract, without payment being received in cash in immediately preceding five years ended on March 31, 2016: Nil *(previous period of five years ended March 31, 2015: Nil)*

A(VIII) Stock option schemes

a) Terms:

i. The grant of options to the employees under the stock option schemes is on the basis of their performance and other eligibility criteria. The options are vested equally over a period of 4 years [5 years in the case of series 2006(A)], subject to the discretion of the management and fulfillment of certain conditions.

ii. Options can be exercised anytime within a period of 7 years from the date of grant and would be settled by way of issue of equity shares. Management has discretion to modify the exercise period.

b) The details of the grants under the aforesaid schemes under various series are summarised below:

Sr. no.	Series reference	2000		2002 (A)		2002 (B)		2003 (A)		2003 (B)		2006		2006 (A)	
		2015-16	*2014-15*	2015-16	*2014-15*	2015-16	*2014-15*	2015-16	*2014-15*	2015-16	*2014-15*	2015-16	*2014-15*	2015-16	*2014-15*
1	Grant price (₹)	2.30	*2.30*	2.30	*2.30*	2.30	*2.30*	11.70	*11.70*	11.70	*11.70*	400.70	*400.70*	400.70	*400.70*
2	Grant dates	1-6-2000		19-4-2002		19-4-2002		23-5-2003 onwards		23-5-2003 onwards		1-9-2006 onwards		1-7-2007 onwards	
3	Vesting commences on	1-6-2001		19-4-2003		19-4-2003		23-5-2004 onwards		23-5-2004 onwards		1-9-2007 onwards		1-7-2008 onwards	
4	Options granted and outstanding at the beginning of the year	25200	*25200*	32250	*32250*	59550	*59550*	47178	*47178*	585284	*499543*	304656	*510181*	6654724	*8692214*
5	Options lapsed during the year	–	–	–	–	–	–	–	–	40611	*68450*	11270	*35625*	442400	*676786*
6	Options granted during the year	–	–	–	–	–	–	–	–	150400	*337800*	–	–	344865	*935190*
7	Options exercised during the year	–	–	–	–	–	–	–	–	168154	*183609*	36020	*169900*	1712610	*2295894*
8	Options granted and outstanding at the end of the year	25200	*25200*	32250	*32250*	59550	*59550*	47178	*47178*	526919	*585284*	257366	*304656*	4844579	*6654724*
	Of which														
	Options vested	25200	*25200*	32250	*32250*	59550	*59550*	47178	*47178*	96458	*100390*	257366	*304656*	2334008	*2663571*
	Options yet to vest	–	–	–	–	–	–	–	–	430461	*484894*	–	–	2510571	*3991153*
9	Weighted average remaining contractual life of options (in years)	Nil	*Nil*	Nil	*Nil*	Nil	*Nil*	Nil	*Nil*	5.16	*5.38*	Nil	*0.03*	2.18	*3.95*

c) The number and weighted average exercise price of stock options are as follows:

Particulars	2015-16		*2014-15*	
	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	77,08,842	362.74	*98,66,116*	*374.42*
(ii) Options granted during the year	4,95,265	282.57	*12,72,990*	*297.48*
(iii) Options allotted during the year	19,16,784	366.57	*26,49,403*	*373.74*
(iv) Options lapsed during the year	4,94,281	368.74	*7,80,861*	*366.60*
(v) Options granted and outstanding at the end of the year	57,93,042	354.10	*77,08,842*	*362.74*
(vi) Options exercisable at the end of the year out of (v) *supra*	28,52,010	364.76	*32,32,795*	*368.52*

Notes forming part of the Accounts (contd.)

d) Weighted average share price at the date of exercise for stock options exercised during the year is ₹ 1543.13 *(previous year: ₹ 1554.71)* per share.

e) (i) In respect of stock options granted pursuant to the Company's stock options schemes, the intrinsic value of the options (excess of market price of the share over the exercise price of the option) is treated as discount and accounted as employee compensation over the vesting period.

(ii) Expense on Employee Stock Option Schemes debited to the Statement of Profit and Loss during 2015-16 is ₹ 53.51 crore *(previous year: ₹ 49.11 crore)* net of recoveries of ₹ 1.16 crore *(previous year: ₹ 2.56 crore)* from its group companies towards the stock options granted to deputed employees, pursuant to the employee stock option schemes (Note N). The entire amount pertains to equity-settled employee share-based payment plans.

f) During the year, the Company has recovered ₹ 11.75 crore *(previous year: ₹ 14.60 crore)* from its subsidiary companies towards the stock options granted to their employees, pursuant to the employee stock option schemes.

g) Had fair value method been adopted for expensing the compensation arising from employee share-based payment plans:

(i) The employee compensation charge debited to the Statement of Profit and Loss for the year 2015-16 would have been higher by ₹ 6.13 crore *(previous year: ₹ 9.10 crore)* [excluding ₹ 2.61 crore *(previous year: ₹ 2.05 crore)* on account of grants to employees of subsidiary companies]

(ii) Basic EPS before extraordinary items would have decreased from ₹ 57.07 *(previous year: ₹ 54.46)* per share to ₹ 57.00 *(previous year: ₹ 54.37)* per share

(iii) Basic EPS after extraordinary items would have decreased from ₹ 57.07 *(previous year: ₹ 54.46)* per share to ₹ 57.00 *(previous year: ₹ 54.37)* per share

(iv) Diluted EPS before extraordinary items would have decreased from ₹ 56.80 *(previous year: ₹ 54.10)* per share to ₹ 56.72 *(previous year: ₹ 54.00)* per share

(v) Diluted EPS after extraordinary items would have decreased from ₹ 56.80 *(previous year: ₹ 54.10)* per share to ₹ 56.72 *(previous year: ₹ 54.00)* per share

h) Weighted average fair values of options granted during the year is ₹ 965.39 *(previous year: ₹ 1190.22)* per option

i) The fair value has been calculated using the Black-Scholes Option Pricing Model and the significant assumptions and inputs to estimate the fair value of options granted during the year are as follows:

Sr. no.	Particulars	2015-16	*2014-15*
(i)	Weighted average risk-free interest rate	7.66%	*8.57%*
(ii)	Weighted average expected life of options	3.86 years	*4.01 years*
(iii)	Weighted average expected volatility	30.52%	*33.92%*
(iv)	Weighted average expected dividends over the life of the option	₹ 62.69 per option	*₹ 57.18 per option*
(v)	Weighted average share price	₹ 1211.45 per option	*₹ 1444.51 per option*
(vi)	Weighted average exercise price	₹ 282.57 per share	*₹ 313.49 per share*
(vii)	Method used to determine expected volatility	Expected volatility is based on the historical volatility of the Company's share price applicable to the total expected life of each option.	

j) The balance in share option outstanding account as on March 31, 2016 is ₹ 200.28 crore (net) *(previous year: ₹ 252.56 crore)*, including ₹125.92 crore *(previous year: ₹ 135.98 crore)* for which the options have been vested to employees as on March 31, 2016.

A(IX) The Directors recommend payment of final dividend of ₹ 18.25 per equity share of ₹ 2 each on the number of shares outstanding as on the record date.

Provision for final dividend has been made in the books of account for 93,14,78,845 equity shares outstanding as at March 31, 2016 amounting to ₹ 1699.95 crore.

Notes forming part of the Accounts (contd.)

NOTE [B]

Reserves and surplus

Particulars	As at 31-3-2016		*As at 31-3-2015*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Capital reserve		10.52		*10.52*
Securities premium account [Note Q(5)(b)]				
As per last Balance Sheet	7944.99		*7737.80*	
Addition during the period	181.28		*225.23*	
	8126.27		*7963.03*	
Less: Share/bond issue expenses (net of tax)	0.87		*15.13*	
Premium on inflation linked debentures (net of tax)	(0.62)		*2.91*	
		8126.02		*7944.99*
Debenture redemption reserve:				
As per last Balance Sheet	400.01		*143.51*	
Add: Transferred from Surplus Statement of Profit and Loss	156.50		*256.50*	
Less: Transferred to general reserve	150.00		–	
		406.51		*400.01*
Revaluation reserve:				
As per last Balance Sheet	15.57		*19.25*	
Less: Transferred to Statement of Profit and Loss	–		*1.59*	
Less: Transferred to general reserve	0.39		*2.09*	
		15.18		*15.57*
Share options outstanding account:				
Employee stock options outstanding:				
As per last Balance Sheet	378.18		*459.23*	
Addition during the year	46.00		*86.74*	
Transferred to general reserve	9.84		*11.60*	
Deduction during the year	114.12		*156.19*	
		300.22		*378.18*
Deferred employee compensation expense:				
As per last Balance Sheet	(125.62)		*(135.53)*	
Addition during the year	(46.00)		*(86.74)*	
Deduction during the year	71.68		*96.65*	
		(99.94)		*(125.62)*
Hedging reserve (net of tax): [Note Q(13)]				
As per last Balance Sheet	(198.25)		*(122.25)*	
Transfer pursuant to scheme of arrangement/business transfer agreement	–		*79.25*	
Addition/(deduction) during the year (net)	30.30		*(155.25)*	
		(167.95)		*(198.25)*
General reserve:				
As per last Balance Sheet	25044.16		*25030.47*	
Add: Transferred from Revaluation reserve	0.39		*2.09*	
Add: Transferred from ESOP Outstanding	9.84		*11.60*	
Add: Transferred from debenture redemption reserve	150.00		–	
		25204.39		*25044.16*
Carried forward		33794.95		*33469.56*

Notes forming part of the Accounts (contd.)

NOTE [B]

Reserves and surplus *(contd.)*

Particulars	As at 31-3-2016		*As at 31-3-2015*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Brought forward		33794.95		*33469.56*
Surplus Statement of Profit and Loss				
As per last Balance Sheet	3429.11		*333.45*	
Depreciation charged against retained earnings	(6.14)		*(86.28)*	
Reversal of deferred tax on depreciation charged against retained earnings	2.13		*29.33*	
Profit for the year	5311.46		*5056.18*	
	8736.56		*5332.68*	
Less: Dividends paid for previous year	1.79		*1.88*	
Additional tax on dividend paid for previous year	0.36		*0.32*	
Transfer to debenture redemption reserve	156.50		*256.50*	
Proposed dividend [Note A(IX)]	1699.95		*1510.54*	
Additional tax on dividend	140.88		*134.33*	
	1999.48		*1903.57*	
		6737.08		*3429.11*
		40532.03		*36898.67*

NOTE[C(I)]

Long term borrowings

Particulars	Note	As at 31-3-2016			*As at 31-3-2015*		
		Secured	Unsecured	Total *	*Secured*	*Unsecured*	*Total **
		₹ crore	₹ crore	₹ crore	*₹ crore*	*₹ crore*	*₹ crore*
Redeemable non-convertible fixed rate debentures	C(I)(a)(i) & (ii)	400.00	2050.00	2450.00	*400.00*	*1600.00*	*2000.00*
Redeemable non-convertible inflation linked debentures	C(I)(a)(iii)	–	108.81	108.81	–	*109.76*	*109.76*
0.675% Foreign currency convertible bonds	C(I)(b)	–	1325.10	1325.10	–	*1250.00*	*1250.00*
Term loans from banks	C(I)(c)	–	4455.08	4455.08	–	*5148.22*	*5148.22*
Sales tax deferment loan	C(I)(d)	–	0.28	0.28	–	*0.62*	*0.62*
		400.00	7939.27	8339.27	*400.00*	*8108.60*	*8508.60*

* Loans guaranteed by directors or others ₹ Nil *(previous year: ₹ Nil)*

C(I)(a) (i) **Secured redeemable non-convertible fixed rate debentures (privately placed):**

Sr. no.	Face value per debenture (₹)	Date of allotment	31-3-2016 ₹ crore	*31-3-2015 ₹ crore*	Interest for the year 2015-16	Terms of repayment for debentures outstanding as on 31-3-2016
1	10,00,000	January 5, 2009	400	*400*	9.15% p.a. payable annually	Redeemable at face value at the end of 10th year from the date of allotment.
Total			**400**	***400***		

Security: The debentures are secured by way of a first charge having pari passu rights on the immovable property at certain locations and part of a movable property of a business division, both present and future.

Notes forming part of the Accounts (contd.)

C(I)(a) *(contd.)*

(ii) **Unsecured redeemable non-convertible fixed rate debentures (privately placed):**

Sr. no.	Face value per debenture (₹)	Date of allotment	31-3-2016 ₹ crore	*31-3-2015 ₹ crore*	Interest for the year 2015-16	Terms of repayment for debentures outstanding as on 31-3-2016
1	10,00,000	April 10, 2012	250	*250*	9.75% p.a. payable annually	Redeemable at face value at the end of 10th year from the date of allotment.
2	10,00,000	May 26, 2010	300	*300*	8.95% p.a. payable annually	Redeemable at face value at the end of 10th year from the date of allotment.
3	10,00,000	May 11, 2010	300	*300*	9.15% p.a. payable annually	Redeemable at face value at the end of 10th year from the date of allotment.
4	10,00,000	April 13, 2010	200	*200*	8.80% p.a. payable annually	Redeemable at face value at the end of 10th year from the date of allotment.
5	10,00,000	August 21, 2014	200	*200*	9.20% p.a. payable annually	1250 Bonds redeemable at face value at the end 712th day from date of allotment & 750 bonds redeemable at face value at the end 731st day from date of allotment.
6	10,00,000	August 22, 2014	350	*350*	9.15% p.a. payable annually	Redeemable at face value at the end of 2nd year from the date of allotment.
7	10,00,000	December 11, 2014	–	*300*	8.42% p.a. payable annually	Redeemable at face value at the end of 368th day from the date of allotment.
8	10,00,000	February 2, 2015	–	*300*	7.80% p.a. payable annually	Redeemable at face value at the end of 366th day from the date of allotment.
9	10,00,000	September 24, 2015	1000	–	8.40% p.a. payable annually	Redeemable at face value at the end of 5th year from the date of allotment.
Total			**2600**	***2200***		
Less:			550	*600*	Current portion of long term borrowings [Note D(II)]	
			2050	***1600***	Long term borrowings as disclosed in [Note C(I)]	

(iii) **Unsecured redeemable non-convertible inflation linked debentures:**

Sr. no.	Face value per debenture (₹)	Date of allotment	31-3-2016 ₹ crore	*31-3-2015 ₹ crore*	Interest for the year 2015-16	Terms of repayment for debentures outstanding as on 31-3-2016
1	10,00,000	May 23,2013	108.81*	*109.76 #*	1.65% p.a. payable on inflation adjusted principal as on the date of coupon payment	Redeemable at the end of 10th year from the date of allotment. Redemption value will be calculated as per the following formula: [{Average reference WPI $ (on Maturity Date)/Average reference WPI (on Issue Date)} * Face Value] with Floor Rate as 3% and Cap Rate as 12%. $ WPI here refers to Wholesale Price Index

* The principal amount has been calculated as [{Average reference WPI (as at 31-3-2016)/Average reference WPI (as at 23-5-2013)} * Face Value]

\# The principal amount has been calculated as [{Average reference WPI (as at 31-3-2015)/Average reference WPI (as at 23-5-2013)} * Face Value]

Notes forming part of the Accounts (contd.)

C(I)(b) Foreign currency convertible bonds:

0.675% US$ denominated 5 years & 1 day Foreign Currency Convertible Bonds (FCCB) carried at ₹ 1325.10 crore as on March 31, 2016 *(previous year: ₹ 1250 crore)* represent 1000 bonds of US$ 2,00,000 each. The bonds are convertible into the Company's fully paid equity shares of ₹ 2 each at a conversion price of ₹ 1916.50 per share at the option of the bond holders at any time on and after December 1, 2014 up to October 15, 2019. The bonds are redeemable, subject to fulfillment of certain conditions, in whole but not in part, at the option of the Company, on or at any time after October 22, 2017 but not less than seven business days prior to the maturity date, at the principal amount together with accrued interest (calculated up to but excluding the date of redemption) on the date fixed for redemption, unless the bonds have been previously redeemed, converted or purchased and cancelled.

C(I)(c) Details of term loans (unsecured): foreign currency loans:

Sr. no.	31-3-2016 ₹ crore	*31-3-2015 ₹ crore*	Rate of interest	Terms of repayment of term loan outstanding as on 31-3-2016
1	1325.10	*1250.00*	USD LIBOR + Spread	Repayment due on October 21, 2019
2	662.55	*625.00*	USD LIBOR + Spread	Repayable in 3 installments on (i) November 3, 2018 (ii) November 3, 2019 and (iii) November 3, 2020
3	331.28	*312.50*	USD LIBOR + Spread	Repayment due on July 2, 2018
4	132.51	*125.00*	USD LIBOR + Spread	Repayment due on September 27, 2017
5	165.64	*156.25*	USD LIBOR + Spread	Repayable on July 14, 2017
6	292.94	*276.34*	USD LIBOR + Spread	Repayable in 3 installments on (i) August 30, 2016 (ii) August 30, 2017 and (iii) June 28, 2018
7	404.44	*381.52*	USD LIBOR + Spread	Repayable in 3 installments on (i) August 30, 2016 (ii) August 30, 2017 and (iii) June 28, 2018
8	662.55	*625.00*	USD LIBOR + Spread	Repayable in 3 installments on (i) August 30, 2016 (ii) August 30, 2017 and (iii) June 28, 2018
9	662.55	*625.00*	USD LIBOR + Spread	Repayable in 3 installments on (i) August 30, 2016 (ii) August 30, 2017 and (iii) June 28, 2018
10	370.75	*349.74*	USD LIBOR + Spread	Repayable in 2 installments on (i) August 30, 2016 and (ii) August 30, 2017
11	–	*312.50*	Fixed Interest Rate	
12	115.95	*145.83*	USD LIBOR + Spread	Repayable in 6 equal installments payable annually from September 18, 2013 to September 18, 2017 with the final installment due on June 18, 2018
13	165.63	–	USD LIBOR + Spread	Repayable on October 19, 2018
Total	**5291.89**	***5184.68***		
Less:	836.81	*36.46*	Current portion of long term borrowings [Note D(II)]	
	4455.08	***5148.22***	Long term borrowings as disclosed in [Note C(I)]	

Notes forming part of the Accounts (contd.)

C(I)(d) Sales tax deferment loan (unsecured):

Sr. no.	As at 31-3-2016 ₹ crore	*As at 31-3-2015 ₹ crore*	Rate of interest	Terms of repayment as on March 31, 2016
1	0.24	*0.33*	Interest Free	Repayable in 3 annual installments of ₹ 0.08 crore ending April 26, 2018
2	0.24	*0.36*		Repayable in 2 annual installments of ₹ 0.12 crore ending April 26, 2017
3	0.14	*0.28*		Repayable in 1 annual installment of ₹ 0.14 crore on April 26, 2016
4	–	*0.10*		
Total	**0.62**	***1.07***		
Less:	0.34	*0.45*		Current portion of long term borrowings [Note D(II)]
	0.28	***0.62***		Long term borrowings as disclosed in [Note C(I)]

NOTE [C(II)]

Other long term liabilities

Particulars	As at 31-3-2016 ₹ crore	*As at 31-3-2015 ₹ crore*
Forward contract payable	125.15	*86.07*
Others	27.39	*33.55*
	152.54	*119.62*

NOTE [C(III)]

Long term provisions

Particulars	As at 31-3-2016 ₹ crore	*As at 31-3-2015 ₹ crore*
Provision for employee benefits:		
Employee pension scheme [Note Q(8)(ii)(a)]	226.78	*202.08*
Post-retirement medical benefits plan [Note Q(8)(ii)(a)]	143.45	*137.89*
Interest rate guarantee-provident fund [Note Q(8)(ii)(a)]	–	*4.86*
	370.23	*344.83*

Notes forming part of the Accounts (contd.)

NOTE [D(I)]

Short term borrowings

Particulars	As at 31-3-2016			*As at 31-3-2015*		
	Secured	Unsecured	Total*	*Secured*	*Unsecured*	*Total**
	₹ crore	₹ crore	₹ crore	*₹ crore*	*₹ crore*	*₹ crore*
Loans repayable on demand from banks [Note D(I)(a)]	120.54	–	120.54	*57.79*	–	*57.79*
Short term loans and advances from banks [Note D(I)(a)]	–	3252.54	3252.54	*206.25*	*2484.04*	*2690.29*
Commercial Paper	–	499.54	499.54	–	*985.75*	*985.75*
Loans from related parties (subsidiary companies)	–	9.25	9.25	–	*57.25*	*57.25*
	120.54	3761.33	3881.87	*264.04*	*3527.04*	*3791.08*

* Loans guaranteed by directors or others ₹ Nil *(previous year: ₹ Nil)*

D(I)(a) Loans repayable on demand from banks include fund based working capital facilities viz. cash credits and demand loans. The secured portion of loans repayable on demand from banks of ₹ 120.54 crore *(previous year: ₹ 57.79 crore)*, short term loans and advances from the banks of ₹ Nil *(previous year: ₹ 206.25 crore)*, working capital facilities and other non-fund based facilities viz. bank guarantees and letters of credit, are secured by hypothecation of inventories, book debts and receivables.

NOTE [D(II)]

Current maturities of long term borrowings

Particulars	As at 31-3-2016	*As at 31-3-2015*
	₹ crore*	*₹ crore**
Unsecured:		
Redeemable non-convertible fixed rate debentures [Note C(I)(a)(ii)]	550.00	*600.00*
Term loan from banks [Note C(I)(c)]	836.81	*36.46*
Sales tax deferment loan [Note C(I)(d)]	0.34	*0.45*
	1387.15	*636.91*

* Loans guaranteed by directors or others ₹ Nil *(previous year: ₹ Nil)*

NOTE [D(III)]

Trade payables

Particulars	As at 31-3-2016		*As at 31-3-2015*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Due to micro enterprises and small enterprises [Note Q(22)]		134.32		*117.05*
Due to others				
Acceptances	660.83		*928.48*	
Due to related parties:				
Subsidiary companies	2256.57		*1782.16*	
Associate companies	5.35		*22.81*	
Joint venture companies	36.81		*81.37*	
Due to others	19024.92		*15918.73*	
		21984.48		*18733.55*
		22118.80		*18850.60*

Notes forming part of the Accounts (contd.)

NOTE [D(IV)]

Other current liabilities

Particulars	As at 31-3-2016	*As at 31-3-2015*
	₹ crore	*₹ crore*
Interest accrued but not due on borrowings	196.73	*158.08*
Unclaimed dividend	39.33	*33.59*
Due to customers (construction related activity)	4795.33	*4008.46*
Due to customers (property development projects)	222.18	*365.27*
Advances from customers	10712.22	*9054.19*
Forward contract payable	369.37	*347.75*
Other payables (including sales tax, service tax, excise duty and others) [Note D(IV)(a)]	869.38	*714.21*
	17204.54	*14681.55*

D(IV)(a) Other payables include due to directors ₹ 47.83 crore *(previous year: ₹ 50.61 crore)*.

NOTE [D(V)]

Short term provisions

Particulars	As at 31-3-2016		*As at 31-3-2015*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Provision for employee benefits:				
Gratuity [Note Q(8)(ii)(a)]	44.27		*34.01*	
Compensated absences	502.10		*486.02*	
Employee pension scheme [Note Q(8)(ii)(a)]	16.82		*13.26*	
Post-retirement medical benefits plan [Note Q(8)(ii)(a)]	11.30		*10.04*	
		574.49		*543.33*
Others:				
Current tax [Net of payment made ₹ 1529.13 crore]	2.07		*75.69*	
Proposed equity dividend	1699.95		*1510.54*	
Additional tax on dividend	140.88		*134.33*	
Other provisions (AS 29 related) [Note Q(15)]	276.23		*259.11*	
		2119.13		*1979.67*
		2693.62		*2523.00*

Notes forming part of the Accounts (contd.)

NOTE [E(I)]

Tangible assets

₹ crore

Class of assets	Cost/valuation				Depreciation				Impairment	Book value	
	As at 1-4-2015	Additions	Deductions	As at 31-3-2016	*Up to 31-3-2015*	For the year*	Deductions	Up to 31-3-2016	As at 31-3-2016	As at 31-3-2016	*As at 31-3-2015*
Land											
Freehold	*404.99*	0.65	4.10	401.54	–	–	–	–	–	401.54	*404.99*
Leasehold	*90.67*	0.73	–	91.40	*7.14*	1.49	–	8.63	–	82.77	*83.53*
Sub total -Land	*495.66*	1.38	4.10	492.94	*7.14*	1.49	–	8.63	–	484.31	*488.52*
Buildings											
Owned	*2839.67*	68.29	49.96	2858.00	*505.74*	103.25	11.63	597.36	–	2260.64	*2333.93*
Leased out	*124.31*	2.28	–	126.59	*13.39*	4.15	–	17.54	–	109.05	*110.92*
Sub total -Buildings	*2963.98*	70.57	49.96	2984.59	*519.13*	107.40	11.63	614.90	–	2369.69	*2444.85*
Plant and equipment											
Owned	*7337.57*	550.63	178.79	7709.41	*3331.17*	687.49	103.99	3914.67	–	3794.74	*4006.40*
Leased out	*22.93*	–	–	22.93	*9.67*	1.16	–	10.83	6.93 #	5.17	*6.33*
Sub total- Plant & equipment	*7360.50*	550.63	178.79	7732.34	*3340.84*	688.65	103.99	3925.50	6.93	3799.91	*4012.73*
Computers											
Owned	*493.22*	87.05	25.08	555.19	*345.65*	75.34	22.11	398.88	–	156.31	*147.57*
Taken on lease	*0.08*	–	0.08	–	*0.08*	–	0.08	–	–	–	–
Sub total- Computers	*493.30*	87.05	25.16	555.19	*345.73*	75.34	22.19	398.88	–	156.31	*147.57*
Office equipment											
Owned	*223.38*	27.97	5.78	245.57	*159.13*	31.34	4.92	185.55	–	60.02	*64.25*
Sub total - Office equipment	*223.38*	27.97	5.78	245.57	*159.13*	31.34	4.92	185.55	–	60.02	*64.25*
Furniture and fixtures											
Owned	*238.23*	23.81	8.14	253.90	*132.16*	22.53	7.44	147.25	–	106.65	*106.07*
Sub total - Furniture & fixtures	*238.23*	23.81	8.14	253.90	*132.16*	22.53	7.44	147.25	–	106.65	*106.07*
Vehicles											
Owned	*218.36*	46.40	24.19	240.57	*115.10*	28.71	16.91	126.90	–	113.67	*103.26*
Sub total-Vehicles	*218.36*	46.40	24.19	240.57	*115.10*	28.71	16.91	126.90	–	113.67	*103.26*
Other assets											
Owned											
Railway sidings	*0.25*	–	–	0.25	*0.25*	–	–	0.25	–	–	–
Ships	*68.41*	–	–	68.41	*30.39*	4.92	–	35.31	–	33.10	*38.02*
Sub total-Other assets	*68.66*	–	–	68.66	*30.64*	4.92	–	35.56	–	33.10	*38.02*
Lease Adjustment	–	–	–	–	–	–	–	–	–	(3.07)	*(3.07)*
Total	*12062.07*	807.81	296.12	12573.76	*4649.87*	960.38	167.08	5443.17	6.93	7120.59	*7402.20*
Previous year	*11403.58*	*1010.37*	*351.88*	*12062.07*	*3832.77*	*1036.54*	*219.44*	*4649.87*	*6.93*		
Add: Capital work-in-progress										250.69	*304.54*
										7371.28	*7706.74*

Impairment up to 31-3-2016 ₹ 6.93 crore. During the year ₹ Nil
* Includes ₹ 6.14 crore transferred to Retained Earnings pursuant to Schedule II of Companies Act, 2013

1. Cost/valuation of freehold land includes ₹ 0.27 crore for which conveyance is yet to be completed.
2. Cost/valuation of buildings includes ownership accommodation:
   (i) (a) in various co-operative societies, shop-owners' associations and non-trading corporations ₹ 99.84 crore, including 2,570 shares of ₹ 50 each, 232 shares of ₹ 100 each and 1 share of ₹ 250 each.
   (b) in various apartments ₹ 11.20 crore.
   (c) in various co-operative societies ₹ 12.88 crore for which share certificates are yet to be issued.
   (d) in proposed co-operative societies ₹ 0.53 crore.

Notes forming part of the Accounts (contd.)

NOTE [E(I)] *(contd.)*

(ii) of ₹ 3.94 crore in respect of which the deed of conveyance is yet to be executed.

(iii) of ₹ 8.45 crore representing undivided share in properties at various locations.

3. Additions during the year and capital work-in-progress include ₹ 5.91 crore *(previous year: ₹ 18.50 crore)* being borrowing cost capitalised in accordance with Accounting Standard (AS) 16 on "Borrowing Costs". Asset wise break-up of borrowing costs capitalised is as follows:

₹ crore

Class of assets	2015-16	*2014-15*
Building (owned)	3.13	*26.30*
Plant & equipment (owned)	–	*0.30*
Office equipment (owned)	–	*0.02*
Furniture and fixtures (owned)	–	*0.03*
Capital work-in-progress	2.78	*(8.15)*
Total	5.91	*18.50*

4. Depreciation for the year includes obsolescence amounting to ₹ 10.45 crore *(previous year: ₹ 30.68 crore)*.

5. Own assets given on operating lease have been presented separately in the schedule as per Accounting Standard (AS) 19 on "Leases".

6. Cost/valuation as at April 1, 2015 of individual assets has been reclassified wherever necessary.

7. Out of its lease hold land at Hazira, the Company has given certain portion of land for the use of its subsidiary company. The lease deed in respect of leasehold land given to the subsidiary company is under execution.

8. In respect of asset components, whose useful life has expired as on April 1, 2015, the carrying amount of ₹ 6.14 crore before tax (₹ 4.01 crore net of tax of ₹ 2.13 crore) has been adjusted against retained earnings as on April 1, 2015.

9. Details of assets where useful life is different from that specified in Schedule II:

Sr. no.	Category of assets	Sub-category of assets	Useful life as per Schedule II (in years)	Useful life adopted (in years)
1.	Non-factory buildings (RCC Frame Structure)		60	20-60
2.	Non-factory buildings (other than RCC Frame Structure)		30	10-30
3.	Ownership flats	Building portion - RCC Frame Structure	60	50
4.	Office equipment	Multifunctional devices	5	4
5.	Air conditioning and refrigeration equipment		15	12
6.	Laboratory equipment		10	8
7.	Canteen equipment		15	8
8	Motor vehicles		8	7

Assets used in Heavy Engineering and Shipbuilding business:

Sr. no.	Category of assets	Sub-category of assets	Useful life as per Schedule II (in years)	Useful life adopted (in years)
1.	Factory buildings		30	15-50
2.	Plant & equipment general	Boring/Rolling/Drilling/Milling machines Modular Furnace Other Furnaces Horizontal Autoclaves Load bearing structures Cranes	15	10-30 5-15 5-30 10-30 50 10-30
3.	Roads	Carpeted Roads-other than RCC	5	5-15

Notes forming part of the Accounts (contd.)

NOTE [E(I)] ***(contd.)***

Assets used in Electrical & Automation business:

Sr. no.	Category of assets	Sub-category of assets	Useful life as per Schedule II (in years)	Useful life adopted (in years)
1.	Plant & equipment general	Specialised machine tools, dies, jigs, fixtures, gauges for electrical business	15	5
		DG sets above 30 kva	15	12

Assets used in Construction business:

Sr. no.	Category of assets	Sub-category of assets	Useful life as per Schedule II (in years)	Useful life adopted (in years)
1.	Plant and equipment used in civil construction	Minor plant & equipment of construction activity	12	5
2.	Photographic equipment		15	5

Assets used in Metallurgical & Material Handling business:

Sr. no.	Category of assets	Sub-category of assets	Useful life as per Schedule II (in years)	Useful life adopted (in years)
1.	Plant and equipment used in civil construction	Minor plant & equipment of construction activity	12	5
2.	Office equipment	Office equipment - deployed at project sites	5	3
3.	Air conditioning and refrigeration equipment	Air conditioning and refrigeration equipment - deployed at project sites	15	3
4.	Photographic equipment	Photographic equipment - deployed at project sites	15	3

Assets used in Power business:

Sr. no.	Category of assets	Sub-category of assets	Useful life as per Schedule II (in years)	Useful life adopted (in years)
1.	Plant and equipment	Site facilities	15	4

NOTE [E(II)]

Intangible assets

₹ crore

Class of assets	Cost/valuation				Amortisation				Book value	
	As at 1-4-2015	Additions	Deductions	As at 31-3-2016	*Up to 31-3-2015*	For the period	Deductions	Up to 31-3-2016	As at 31-3-2016	*As at 31-3-2015*
Specialised softwares	*166.24*	17.51	2.08	181.67	*116.54*	18.85	1.95	133.44	48.23	*49.70*
Technical knowhow	*19.09*	3.94	–	23.03	*15.41*	1.38	–	16.79	6.24	*3.68*
New product design and development	*42.96*	66.11	–	109.07	*11.18*	13.96	–	25.14	83.93	*31.78*
Total	*228.29*	87.56	2.08	313.77	*143.13*	34.19	1.95	175.37	138.40	*85.16*
Previous year	*259.63*	*37.33*	*68.67*	*228.29*	*145.64*	*27.64*	*30.15*	*143.13*		
Add: Intangible assets under development									158.91 #	*189.50*
									297.31	*274.66*

Impairment during the year ₹ Nil *(previous year: ₹ 1.16 crore)*

Notes forming part of the Accounts (contd.)

NOTE [F]

Non-current investments (at cost unless otherwise specified)

Particulars	As at 31-3-2016		*As at 31-3-2015*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Long term investments				
(Trade Investments unless otherwise specified)				
(A) Investment in equity instruments				
(a) Subsidiary companies	13802.91		*14769.69*	
(b) Associate companies	4.98		*30.63*	
(c) Other investments	20.00		*43.00*	
Less: Provision for diminution in value	151.46		*16.46*	
		13676.43		*14826.86*
(B) Investment in preference shares of subsidiary companies	5403.16		*2426.00*	
		5403.16		*2426.00*
(C) Investment in integrated joint ventures		818.35		*419.96*
		19897.94		*17672.82*

Non-current investments (at cost unless otherwise specified)

Particulars	Face value per unit	Number of units As at 31-3-2016	As at 31-3-2016	*As at 31-3-2015*
	₹		₹ crore	*₹ crore*
Trade investments (unless otherwise specified)				
(A) Investments in fully paid equity instruments				
(a) Subsidiary companies:				
L&T Valves Limited	100	18,00,000	201.54	*201.54*
Bhilai Power Supply Company Limited	10	49,950	0.05	*0.05*
EWAC Alloys Limited	100	8,29,440	150.24	*150.24*
Hi-Tech Rock Products & Aggregates Limited	10	50,000	0.05	*0.05*
Kesun Iron & Steel Company Private Limited	10	9,500	0.01	*0.01*
Larsen & Toubro Consultoria E Projeto Ltda	R$ 1	–	–	*0.27*
L&T-Gulf Private Limited	10	–	–	*4.00*
L&T Ahmedabad-Maliya Tollway Limited [₹ 1000 *(previous year: ₹ 1000)*]	10	100	–	–
L&T Aviation Services Private Limited	10	4,56,00,000	45.60	*45.60*
L&T Capital Company Limited (Capital reduction and face value reduced from ₹ 4,400 to ₹ 10 per share)	10	50,000	0.05	*22.00*
L&T Cassidian Limited	10	37,000	0.04	*0.04*
L&T Finance Holdings Limited (quoted)	10	1,16,97,09,304	1468.18	*1575.15*
L&T Chennai-TADA Tollway Limited [₹ 1000 *(previous year: ₹ 1000)*]	10	100	–	–
L&T Construction Equipment Limited	10	12,00,00,000	84.32	*84.32*
L&T Devihalli Hassan Tollway Limited [₹ 1000 *(previous year: ₹ 1000)*]	10	100	–	–
L&T General Insurance Company Limited	10	70,50,00,000	705.00	*620.00*
L&T Halol-Shamlaji Tollway Limited [₹ 1000 *(previous year: ₹ 1000)*]	10	100	–	–
L&T Howden Private Limited	10	1,50,30,000	15.03	*15.03*
L&T Infocity Limited	10	–	–	*16.02*
L&T Metro Rail (Hyderabad) Limited	10	2,03,06,623	20.31	*19.82*
L&T Infrastructure Development Projects Limited	10	31,28,69,096	2696.48	*2696.48*
Carried forward			5386.90	*5450.62*

Notes forming part of the Accounts (contd.)

NOTE [F]

Non-current investments (at cost unless otherwise specified) *(contd.)*

Particulars	Face value per unit	Number of units As at 31-3-2016	As at 31-3-2016	*As at 31-3-2015*
	₹		₹ crore	*₹ crore*
(a) Subsidiary companies *(contd.)*				
Brought forward			5386.90	*5450.62*
L&T Kobelco Machinery Private Limited	10	2,55,00,000	25.50	*25.50*
L&T Krishnagiri Walajahpet Tollway Limited [₹ 26000 *(previous year: ₹ 26000)*]	10	2,600	–	–
L&T-MHPS Boilers Private Limited	10	11,93,91,000	119.39	*119.39*
L&T-MHPS Turbine Generators Private Limited	10	36,24,06,000	362.41	*362.41*
L&T Natural Resources Limited	10	–	–	*0.05*
L&T Power Development Limited	10	3,11,27,00,000	3112.70	*2729.30*
L&T Power Limited	10	51,157	0.05	*0.05*
L&T Powergen Limited	10	–	–	*0.05*
L&T Rajkot-Vadinar Tollway Limited [₹ 1000 *(previous year: ₹ 1000)*]	10	100	–	–
L&T Realty Limited	10	4,71,60,700	47.16	*47.16*
L&T Samakhiali Gandhidham Tollway Limited	10	13,000	0.01	*0.01*
L&T Sapura Offshore Private Limited	10	–	–	*0.01*
L&T Sapura Shipping Private Limited	10	–	–	*95.31*
L&T Seawoods Limited	10	1,99,95,50,000	1999.55	*1999.55*
L&T Shipbuilding Limited	10	81,86,80,000	818.68	*818.68*
L&T Solar Limited	10	–	–	*0.05*
L&T Special Steels and Heavy Forgings Private Limited	10	41,92,84,000	419.28	*419.28*
L&T Electricals and Automation Limited	10	50,000	0.05	*0.05*
L&T Transportation Infrastructure Limited	10	1,08,64,000	10.86	*10.86*
L&T-Sargent & Lundy Limited	10	27,82,736	0.82	*0.82*
L&T Hydrocarbon Engineering Limited	10	1,00,00,50,000	1000.05	*1000.05*
L&T Technology Services Limited* *(see page 249)*	40	7,50,00,000	300.00	*300.00*
L&T-Valdel Engineering Limited	10	–	–	*23.89*
Larsen & Toubro Infotech Limited	1	16,12,50,000	134.25	*134.25*
Larsen & Toubro International FZE	AED 550500	–	–	*1147.40*
Larsen & Toubro Arabia LLC	SAR 1000	7,500	11.08	*11.08*
Larsen & Toubro Hydrocarbon International Limited LLC	SAR 1000	450	0.68	*0.68*
Larsen & Toubro LLC	USD 1	50,000	0.23	*0.23*
Larsen & Toubro (Saudi Arabia) LLC	SAR 1000	625	1.06	–
PNG Tollway Limited	10	2,24,22,660	22.42	*43.97*
Raykal Aluminum Company Private Limited	10	37,750	0.04	*0.04*
Spectrum Infotech Private Limited	10	4,40,000	6.80	*6.80*
L&T Infrastructure Engineering Limited	10	36,00,000	21.85	*21.85*
L&T Cutting Tools Limited	1000	68,000	0.30	*0.30*
L&T Global Holdings Limited	USD 100	1,000	0.67	–
Marine Infrastructure Developer Private Limited	10	9,900	0.01	–
LTH Milcom Private Limited	10	1,13,340	0.11	–
			13802.91	*14769.69*
Less: Provision for diminution in value			135.00	–
			13667.91	*14769.69*

Notes forming part of the Accounts (contd.)

NOTE [F]

Non-current investments (at cost unless otherwise specified) *(contd.)*

Particulars	Face value per unit	Number of units As at 31-3-2016	As at 31-3-2016	*As at 31-3-2015*
	₹		₹ crore	*₹ crore*
(b) Associate companies:				
Gujarat Leather Industries Limited	10	7,35,000	0.56	*0.56*
JSK Electricals Private Limited	10	–	–	*2.12*
L&T-Chiyoda Limited	10	–	–	*4.50*
Magtorq Private Limited	100	9,000	4.42	*4.42*
Rishi Consfab Private Limited	10	–	–	*2.70*
Salzer Electronics Limited (quoted)	10	–	–	*16.33*
			4.98	*30.63*
Less: Provision for diminution in value			0.56	*0.56*
			4.42	*30.07*
(c) Other investments:				
International Seaport Dredging Limited	10000	15,899	15.90	*15.90*
Tidel Park Limited	10	40,00,000	4.00	*4.00*
Astra Microwave Products Limited (quoted)	2	–	–	*23.00*
BBT Elevated Road Private Limited	10	1,00,000	0.10	*0.10*
Utmal Multi purpose Service Co-operative Society Limited (B Class) (non-trade investments) [₹ 30,000 *(previous year: ₹ 30,000)*]	100	300	0.00	*0.00*
			20.00	*43.00*
Less: Provision for diminution in value			15.90	*15.90*
			4.10	*27.10*
Total - (A) = (a)+(b)+(c)			13676.43	*14826.86*
(B) Investments in preference shares of subsidiary companies				
L&T Shipbuilding Limited -12% Cumulative redeemable preference shares, October 22, 2028	10	9,00,00,000	90.00	*90.00*
L&T Shipbuilding Limited -12% Non-convertible cumulative redeemable preference shares, June 24, 2029	10	5,00,00,000	50.00	*50.00*
L&T Shipbuilding Limited -12% Non-convertible cumulative redeemable at par preference shares, April 16, 2030	10	11,00,00,000	110.00	–
L&T Shipbuilding Limited -9% Non-convertible non-cumulative redeemable at par preference shares, May 28, 2030	10	42,18,60,000	421.86	–
L&T Shipbuilding Limited -9% Non-convertible non-cumulative redeemable at par preference shares, August 10, 2030	10	25,00,00,000	250.00	–
L&T Shipbuilding Limited -9% Non-convertible non-cumulative redeemable at par preference shares, September 29, 2030	10	7,50,00,000	75.00	–
L&T Shipbuilding Limited -9% Non-convertible non-cumulative redeemable at par preference shares, December 8, 2030	10	25,90,00,000	259.00	–
L&T Shipbuilding Limited -9% Non-convertible non-cumulative redeemable at par preference shares, February 4, 2031	10	21,60,00,000	216.00	–
L&T Technology Services Limited -10% Non-convertible non-cumulative redeemable preference shares, February 14, 2024	10	40,00,00,000	400.00	*400.00*
L&T Technology Services Limited -10% Non-convertible non-cumulative redeemable preference shares, September 21, 2024	10	35,00,00,000	350.00	*350.00*
Carried forward			2221.86	*890.00*

Notes forming part of the Accounts (contd.)

NOTE [F]

Non-current investments (at cost unless otherwise specified) *(contd.)*

Particulars	Face value per unit	Number of units As at 31-3-2016	As at 31-3-2016	*As at 31-3-2015*
	₹		₹ crore	*₹ crore*
(B) Investments in preference shares of subsidiary companies *(contd.)*				
Brought forward			2221.86	*890.00*
L&T Seawoods Limited -10% Convertible non-cumulative and redeemable preference shares, March 30, 2022	2	1,03,60,00,000	1,036.00	*1036.00*
L&T Seawoods Limited -10% Non-cumulative optionally convertible redeemable at par preference shares, May 12, 2022	2	4,80,00,000	48.00	–
L&T Seawoods Limited -10% Non-cumulative optionally convertible redeemable at par preference shares, July 14, 2022	2	4,22,50,000	42.25	–
L&T Seawoods Limited -10% Non-cumulative optionally convertible redeemable at par preference shares, September 3, 2022	2	4,20,00,000	42.00	–
L&T Hydrocarbon Engineering Limited -10% Non-convertible non-cumulative redeemable preference shares, February 6, 2029	10	50,00,00,000	500.00	*500.00*
L&T Hydrocarbon Engineering Limited -12% Non-cumulative optionally convertible redeemable preference shares, October 19, 2030	10	13,00,00,000	130.00	–
L&T Hydrocarbon Engineering Limited -12% Non-cumulative optionally convertible redeemable preference shares, March 30, 2031	10	13,00,00,000	130.00	–
L&T Uttaranchal Hydropower Limited - 10% Non-cumulative optionally convertible redeemable at par preference shares, May 10, 2030	2	52,30,00,000	523.00	–
L&T Uttaranchal Hydropower Limited - 10% Non-cumulative optionally convertible redeemable at par preference shares, June 8, 2030	2	1,65,00,000	16.50	–
L&T Uttaranchal Hydropower Limited - 10% Non-cumulative optionally convertible redeemable at par preference shares, July 21, 2030	2	70,00,000	7.00	–
L&T Uttaranchal Hydropower Limited - 10% Non-cumulative optionally convertible redeemable at par preference shares, October 16, 2030	2	3,20,00,000	32.00	–
L&T Uttaranchal Hydropower Limited - 10% Non-cumulative optionally convertible redeemable at par preference shares, January 10, 2031	2	70,00,000	7.00	–
L&T Uttaranchal Hydropower Limited - 10% Non-cumulative optionally convertible redeemable at par preference shares, March 17, 2031	2	1,92,50,000	19.25	–
L&T Realty Limited - 12% Non-convertible non-cumulative redeemable at par preference shares, May 26, 2025	10	64,83,00,000	648.30	–
			5403.16	*2426.00*
Less: Provision for diminution in value			–	–
Total (B)			5403.16	*2426.00*
(C) Investments in integrated joint ventures				
Desbuild-L&T Joint Venture			0.05	*0.07*
HCC-L&T Purulia Joint Venture			0.28	*0.28*
International Metro Civil Contractors Joint Venture			7.18	*9.24*
L&T-Eastern Joint Venture			5.51	*5.21*
L&T-AM Tapovan Joint Venture			106.74	*107.72*
L&T-Hochtief Seabird Joint Venture			23.72	*23.72*
L&T Shanghai Urban Construction (Group) Corporation Joint Venture			13.46	*13.27*
Metro Tunneling Group			15.49	*14.90*
Carried forward			172.43	*174.41*

Notes forming part of the Accounts (contd.)

NOTE [F]

Non-current investments (at cost unless otherwise specified) *(contd.)*

Particulars	Face value per unit	Number of units As at 31-3-2016	As at 31-3-2016	*As at 31-3-2015*
	₹		₹ crore	*₹ crore*
(C) Investments in integrated joint ventures *(contd.)*				
Brought forward			172.43	*174.41*
Metro Tunneling Delhi - L&T Shanghai Urban Construction (Group) Corporation Joint Venture			37.15	*56.58*
L&T-Shanghai Urban Construction (Group) Corporation Joint Venture CC 27 Delhi			119.10	*65.26*
Metro Tunneling Chennai - L&T Shanghai Urban Construction (Group) Corporation Joint Venture			23.23	*44.95*
Larsen & Toubro Limited - Shapoorji Pallonji & Co. Limited Joint Venture			28.32	*21.64*
Civil Works Joint Venture			267.79	*57.12*
L&T Delma Mafraq Joint Venture			144.76	–
Larsen & Toubro & NCC Limited			14.28	–
L&T–AL-Sraiya LRDP 6 Joint Venture			11.29	–
Total (C)			818.35	*419.96*
Total Non-current Investments (A+B+C)			19897.94	*17672.82*

* Pursuant to the Scheme of Arrangement approved by the Hon'ble High Court of Bombay vide order dated April 1, 2016, the face value per equity share has been reduced to ₹ 2 each from ₹ 40 each.

Details of quoted/unquoted investments:

Particulars	As at 31-3-2016	*As at 31-3-2015*
	₹ crore	*₹ crore*
(a) Aggregate amount of quoted investments and market value thereof;		
Book Value	1468.18	*1614.48*
Market Value	7468.59	*8060.92*
(b) Aggregate amount of unquoted investments;		
Book Value	18429.76	*16058.34*
(c) Aggregate provision for diminution in value of investments is ₹ 151.46 crore *(previous year: ₹ 16.46 crore)*		

Notes forming part of the Accounts (contd.)

NOTE [G(I)]

Long term loans and advances

Particulars	As at 31-3-2016	*As at 31-3-2015*
	₹ crore	*₹ crore*
Secured considered good:		
Loans against mortgage of house property	1.24	*2.36*
Capital advances	1.15	*1.63*
Inter-corporate deposits-others	–	*3.00*
Other loans and advances (KMPs)	–	*0.01*
Unsecured considered good:		
Capital advances	36.01	*57.46*
Loans and advances to related parties:		
Subsidiary companies:		
Advances towards equity commitment	5.25	*1986.84*
Inter-corporate deposits [Note Q(1)(a)]	779.72	*43.97*
Joint venture companies:		
Others	11.87	*12.01*
Other loans and advances:		
Security deposits	90.02	*68.75*
Earnest money deposits	0.63	*0.46*
Advances recoverable in cash or in kind	2105.84	*1648.81*
	3031.73	*3825.30*

NOTE [G(II)]

Cash and bank balances

Particulars	As at 31-3-2016	*As at 31-3-2015*
	₹ crore	*₹ crore*
Cash and cash equivalents:		
Cash and bank balances not available for immediate use [Note G(II)(a)]	74.77	*75.43*
	74.77	*75.43*

G(II)(a) Particulars of cash and bank balances not available for immediate use

₹ crore

	Particulars	As at 31-3-2016	*As at 31-3-2015*
1	Amount received (including interest accrued thereon) from customers of Property Development business – to be handed over to housing society on its formation.	21.50	*20.72*
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.	20.79	*16.73*
3	Other bank balances (including interest accrued thereon) not available for immediate use being in the nature of security offered for bids submitted, loans availed etc.	159.58	*160.54*
	Total	**201.87**	***197.99***
	Less: Amount reflected under current assets [Note H(IV)]	127.10	*122.56*
	Amount reflected under non-current assets [Note G(II)]	**74.77**	***75.43***

Notes forming part of the Accounts (contd.)

NOTE [G(III)]

Other non-current assets

Particulars	As at 31-3-2016	*As at 31-3-2015*
	₹ crore	*₹ crore*
Unamortised expenses	26.28	*52.43*
Interest accrued on inter-corporate deposits	86.84	*13.54*
	113.12	*65.97*

NOTE [H(I)]

Current investments

Particulars	As at 31-3-2016		*As at 31-3-2015*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Current investments				
(1) Government and trust securities	1068.61		*1484.77*	
Less: Provision for diminution in value	2.58		*2.53*	
		1066.03		*1482.24*
(2) Debentures and bonds				
(a) Subsidiary companies	22.75		*22.95*	
(b) Others	930.67		*838.31*	
Less: Provision for diminution in value	10.34		*0.84*	
		943.08		*860.42*
(3) Mutual funds	2662.67		*3037.62*	
Less: Provision for diminution in value	0.80		*0.20*	
		2661.87		*3037.42*
		4670.98		*5380.08*

Other particulars in respect of current investment mentioned in H(I) are as follows:

Particulars	Face value per unit	Number of units As at 31-3-2016	As at 31-3-2016	*As at 31-3-2015*
	₹		₹ crore	*₹ crore*
Current investments:				
(1) Government and trust securities:				
8.28% Government of India Bonds 2032 (quoted)	100	5,00,000	5.14	*4.91*
7.16% Government of India Bond 2023 (quoted)	100	–	–	*81.56*
8.15% Government of India Bonds 2022 (quoted)	100	–	–	*20.29*
8.15% Government of India Bond 2022 (quoted)	100	20,00,000	20.36	–
8.33% Government of India Bonds 2026 (quoted)	100	75,00,000	79.77	*79.77*
8.28% Government of India Bond 2027 (quoted)	100	–	–	*103.75*
8.28% Government of India Bond 2027 (quoted)	100	1,24,00,000	128.03	–
9.20% Government of India Bond 2030 (quoted)	100	4,22,84,000	466.27	*290.10*
8.32% Government of India Bond 2032 (quoted)	100	15,00,000	15.48	*15.63*
6.90% Oil Marketing Companies GOI Special Bonds 2026	100	13,00,000	12.04	–
9.23% Government of India Bond 2043 (quoted)	100	3,00,00,000	341.52	–
Carried forward			1068.61	*596.01*

Notes forming part of the Accounts (contd.)

NOTE [H(I)]

Current investments *(contd.)*

Particulars	Face value per unit	Number of units As at 31-3-2016	As at 31-3-2016	*As at 31-3-2015*
	₹		₹ crore	*₹ crore*
(1) Government and trust securities: *(contd.)*				
Brought forward			1068.61	*596.01*
8.83% Government of India Bond 2023 (quoted)	100	–	–	*238.70*
6.90% Oil Marketing Companies GOI Special Bonds 2026 (quoted)	100	–	–	*12.04*
9.23% Government of India Bond 2043 (quoted)	100	–	–	*346.02*
8.17% Government of India Bond 2044 (quoted)	100	–	–	*31.26*
8.27% Government of India Bond 2020 (quoted)	100	–	–	*260.74*
			1068.61	*1484.77*
Less: Provision for diminution in value			2.58	*2.53*
Government and trust securities -Total			1066.03	*1482.24*
(2) Debentures and bonds:				
(a) Subsidiary companies:				
L&T Finance Limited - 10.24% Secured Redeemable Non Convertible Debenture September 17, 2019 (quoted)	1,000	2,15,770	22.75	*22.95*
			22.75	*22.95*
Less: Provision for diminution in value			0.27	–
Subsidiary companies-Total			22.48	*22.95*
(b) Other debentures and bonds:				
6.86% IIFCL Tax Free Bonds Mar 26, 2023 (quoted)	1,000	–	–	*25.00*
7.18% IRFC Ltd. Tax Free Bonds Feb 19, 2023 (quoted)	1,000	–	–	*304.28*
10.75% The Tata Power Co. Ltd. NCD Aug 21, 2072 (quoted)	1,000,000	1,037	109.07	*109.08*
8.00% Indian Overseas Bank Bonds Mar 13, 2016 (quoted)	1,000,000	–	–	*4.51*
8.20% PFC Ltd. Tax Free Bonds Feb 01, 2022 (quoted)	1,000	–	–	*64.89*
8.20% PFC Ltd. Tax Free Bonds Feb 01, 2022	1,000	6,04,355	64.89	–
8.46% PFC Ltd. Tax Free Bonds Aug 30, 2028	1,000,000	227	25.33	–
8.46% PFC Ltd. Tax Free Bonds Aug 30, 2028 (quoted)	1,000,000	–	–	*25.32*
1.44% Inflation Indexed Bonds Jun 05, 2023 (quoted)	100	50,00,000	41.79	*41.79*
10.05% HDB Financial Services Ltd. Bonds SR-I/1/5 Dec 20, 2023 (quoted)	1,000,000	–	–	*28.04*
10.20% HDB Financial Services Ltd. Bonds Aug 09, 2022 (quoted)	1,000,000	–	–	*2.27*
8.41% NTPC Ltd. Tax Free Bonds SR-1A Dec 16, 2023 (quoted)	1,000	79,162	8.54	*8.54*
8.46% REC Ltd. Tax Free Bonds SR-3B Aug 29, 2028 (quoted)	1,000,000	370	41.56	*41.56*
ECL Finance Ltd. NCD SR-J5K403 Nov 04, 2015 (quoted)	10,000,000	–	–	*25.00*
ECL Finance Ltd. NCD SR-L5L402 Dec 15, 2015 (quoted)	10,000,000	–	–	*26.28*
Edelweiss Finance & Investments Ltd. NCD SR-A6A501 Jan 06, 2016	10,000,000	–	–	*29.69*
Edelweiss Finance & Investments Ltd. NCD SR-A6A502 Jan 08, 2016	10,000,000	–	–	*29.85*
Edelweiss Finance & Investments Ltd. NCD SR-A6A503 Jan 11, 2016	10,000,000	–	–	*27.20*
Edelweiss Finance & Investments Ltd. NCD SR-K5L401 Dec 17, 2015 (quoted)	10,000,000	–	–	*26.86*
8.70% PNB Housing Finance Ltd. Bonds SR-III Nov 24, 2024 (quoted)	1,000,000	–	–	*15.16*
7.40% Syndicate Bank TI-2 SR-8 NCD Apr 20, 2015 (quoted)	1,000,000	–	–	*2.99*
ECL Finance Ltd. NCD SR-D6D502A-Apr 26, 2016	10,000,000	25	32.56	–
ECL Finance Ltd. NCD SR-E6E501A - May 11, 2016	10,000,000	25	28.90	–
ECL Finance Ltd. NCD SR-C7C601A Mar 22, 2017	10,000,000	25	25.00	–
Carried forward			377.64	*838.31*

Notes forming part of the Accounts (contd.)

NOTE [H(I)]

Current investments *(contd.)*

Particulars	Face value per unit	Number of units As at 31-3-2016	As at 31-3-2016	*As at 31-3-2015*
	₹		₹ crore	*₹ crore*
(b) Other debentures and bonds: *(contd.)*				
Brought forward			377.64	*838.31*
ECL Finance Ltd. NCD SR-C7C601B Mar 22, 2017	10,000,000	25	25.00	–
ECL Finance Ltd. NCD SR-C7C601C Mar 22, 2017	10,000,000	25	25.00	–
ECL Finance Ltd. NCD SR-C7C601D Mar 22, 2017	10,000,000	25	25.00	–
ECL Finance Ltd. NCD SR-C7C601E Mar 22, 2017	10,000,000	25	25.00	–
ECL Finance Ltd. NCD SR-C7C601F Mar 22, 2017	10,000,000	25	25.00	–
Edelweiss Finance & Investments Ltd.NCD K6K501A Nov 04, 2016	10,000,000	25	25.00	–
Edelweiss Finance & Investments Ltd. NCD SR-K6K502A Nov 14	2,500,000	95	23.75	–
ECL Finance Ltd. NCD SR-B7B601A Feb 15, 2017	10,000,000	25	25.00	–
ECL Finance Ltd. NCD SR-B7B601B Feb 15, 2017	10,000,000	25	25.00	–
6.86% IIFCL Tax Free Bonds Mar 26, 2023	1,000	2,50,000	25.00	–
7.18% IRFC Ltd. Tax Free Bonds Feb 19, 2023	1,000	30,00,000	304.28	–
			930.67	*838.31*
Less: Provision for diminution in value			10.07	*0.84*
Other debentures and bonds-Total			920.60	*837.47*
Debentures & bonds-Total			943.08	*860.42*
(3) Mutual funds:				
DWS Short Maturity Fund - Direct Plan - Annual Bonus	10	–	–	*118.26*
JM Money Manager Fund - Super Plus Plan - Bonus -Bonus Units	10	–	–	*360.12*
DWS Treasury Fund - Investment Plan - Direct Plan - Bonus	10	–	–	*21.43*
HDFC Liquid Fund - Growth	10	–	–	*50.00*
IDFC Cash Fund - Reg - Growth	1,000	–	–	*200.00*
L&T Floating Rate Fund Direct Plan - Growth	10	–	–	*25.54*
L&T Liquid Fund - Growth	1,000	14,47,599	300.00	*581.09*
SBI Premier Liquid Fund - Regular Plan - Growth	1,000	4,21,417	100.00	*100.00*
DWS Ultra Short Term Fund - Direct Plan - Annual Bonus	10	–	–	*37.49*
Principal Cash Mgmt Fund - Regular Plan - Growth	1,000	–	–	*20.00*
Birla Sun Life Cash Plus - Regular Plan - Growth	100	82,46,063	200.00	*100.00*
Pramerica Liquid Fund - Growth	1,000	–	–	*20.00*
L&T Emerging Businesses Fund - Direct Plan - Growth	10	1,00,00,000	13.71	*13.71*
JM Arbitrage Advantage Fund - Direct Plan - Bonus	10	–	–	*487.31*
L&T Business Cycles Fund - Direct Plan - Growth	10	–	–	*12.44*
DSP BlackRock India Tiger Fund - Reg - Growth	10	–	–	*5.23*
IDFC Sterling Equity Fund - Regular Plan - Growth	10	–	–	*10.41*
JPMorgan India Liquid Fund - Super IP - Growth	10	–	–	*50.00*
BNP Paribas Overnight Fund - Growth	1,000	–	–	*100.00*
DWS Treasury Fund - Cash - Reg - Growth	10	–	–	*50.00*
Reliance Liquid Fund - TP - Growth	1,000	10,86,336	400.00	*100.00*
Taurus Liquid Fund - Super IP - Growth	1,000	–	–	*100.00*
UTI Liquid Fund - Cash Plan - IP - Growth	1,000	–	–	*100.00*
LIC Nomura MF Liquid Fund - Growth	1,000	–	–	*50.00*
Carried forward			1013.71	*2713.03*

Notes forming part of the Accounts (contd.)

NOTE [H(I)]

Current investments *(contd.)*

Particulars	Face value per unit	Number of units As at 31-3-2016	As at 31-3-2016	*As at 31-3-2015*
	₹		₹ crore	*₹ crore*
(3) Mutual funds: *(contd.)*				
Brought forward			1013.71	*2713.03*
DWS Ultra Short Term Fund - Direct Plan - Growth	10	–	–	*50.00*
ICICI Prudential Money Market Fund - Regular Plan - Growth	10	–	–	*100.00*
HSBC Cash Fund - Growth	1,000	–	–	*100.00*
L&T Resurgent India Corporate Bond Fund - Direct Plan-Growth	10	–	–	*10.19*
HDFC Small & Midcap Fund - Growth	10	1,22,80,335	31.73	*33.00*
L&T Arbitrage Opportunities Fund - Growth	10	–	–	*21.26*
Birla Sun Life Manufacturing Equity Fund - Direct - Dividend	10	–	–	*10.14*
Kotak Floater - ST - Growth	1,000	12,09,623	300.00	–
UTI Money Market - IP - Growth	1,000	7,68,317	130.00	–
L&T Resurgent India Corporate Bond Fund - Dividend	10	1,03,83,438	10.76	–
JM Arbitrage Adv Fund - Ann Bonus - Principal - Direct	10	47,90,04,370	499.29	–
JM Balanced Fund - Quarterly Dividend Payout	10	40,95,42,385	453.68	–
JM Equity Fund Half Yearly Dividend Payout	10	14,38,03,762	211.50	–
L&T Business Cycles Fund - Direct Plan - Dividend Payout	10	99,99,700	12.00	–
			2662.67	*3037.62*
Less: Provision for diminution in value			0.80	*0.20*
Mutual funds-Total			2661.87	*3037.42*
Total current investments			4670.98	*5380.08*

Details of quoted/unquoted investments:

Particulars	As at 31-3-2016	*As at 31-3-2015*
	₹ crore	*₹ crore*
(a) Aggregate amount of quoted current investments and market value thereof;		
Book Value	2009.10	*2255.94*
Market Value	2092.35	*2342.93*
(b) Aggregate amount of unquoted current investments;		
Book Value	2661.88	*3124.14*
(c) Aggregate provision for diminution in value of current investments is ₹ 13.72 crore *(previous year: ₹ 3.57 crore)*		

Notes forming part of the Accounts (contd.)

NOTE [H(II)]

Inventories (at cost or net realisable value whichever is lower)

Particulars	As at 31-3-2016	*As at 31-3-2015*
	₹ crore	*₹ crore*
Raw materials [Includes goods-in-transit ₹ 7.10 crore *(previous year: ₹ 21.59 crore)*]	356.63	*448.71*
Components [Includes goods-in-transit ₹ 7.98 crore *(previous year: ₹ 17.73 crore)*]	304.27	*394.34*
Construction material [Includes goods-in-transit ₹ 111.96 crore *(previous year: ₹ 72.87 crore)*]	116.39	*74.80*
Manufacturing work-in-progress [Note Q(24)(e)]	372.18	*582.78*
Finished goods	161.68	*261.20*
Stock-in-trade (in respect of goods acquired for trading) [Includes goods-in-transit ₹ 34.80 crore *(previous year: ₹ 35.95 crore)*]	159.77	*161.13*
Stores and spares [Includes goods-in-transit ₹ 2.69 crore *(previous year: ₹ 6.34 crore)*]	104.41	*140.07*
Loose tools	7.84	*6.66*
Property development related work-in-progress [Note Q(6)(b)]	304.83	*201.03*
	1888.00	*2270.72*

NOTE [H(III)]

Trade receivables

Particulars	As at 31-3-2016		*As at 31-3-2015*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Secured:				
Debts outstanding for more than 6 months:				
Considered good		0.51		*4.71*
Unsecured:				
Debts outstanding for more than 6 months:				
Considered good	3283.99		*2235.07*	
Considered doubtful	844.89		*565.93*	
	4128.88		*2801.00*	
Other debts [Note H(III)(a)]:				
Considered good	23024.69		*20811.33*	
Considered doubtful	3.85		*0.46*	
	27157.42		*23612.79*	
Less: Allowance for doubtful debts	848.74		*566.39*	
		26308.68		*23046.40*
		26309.19		*23051.11*

H(III)(a) Other debts includes ₹ 17698.43 crore *(previous year: ₹ 15105.86 crore)* contractually not due.

Notes forming part of the Accounts (contd.)

NOTE [H(IV)]

Cash and bank balances

Particulars	As at 31-3-2016		*As at 31-3-2015*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Cash and cash equivalents:				
Balance with banks		1029.18		*921.66*
Cheques and drafts on hand		446.82		*159.74*
Cash on hand		2.28		*90.52*
Fixed deposits with banks (maturity less than 3 months)		26.90		*175.04*
Other bank balances:				
Fixed deposits with banks (including interest accrued thereon)	4.64		*3.00*	
[including ₹ Nil of bank deposits with more than 12 months maturity *(previous year: ₹ Nil)*]				
Earmarked balances with banks-unclaimed dividend	39.33		*33.59*	
Margin money deposits	4.66		*9.69*	
Cash and bank balances not available for immediate use [Note G(II)(a)]	127.10		*122.56*	
		175.73		*168.84*
		1680.91		*1515.80*

NOTE [H(V)]

Short term loans and advances

Particulars	As at 31-3-2016		*As at 31-3-2015*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Secured considered good:				
Loans against mortgage of house property		0.79		*0.89*
Inter-corporate deposits-others		73.00		*70.00*
Loans and advances to related parties:				
Subsidiary companies:				
Inter-corporate deposits [Note Q(1)(a)]		3696.03		*1723.21*
Others		1544.22		*1036.06*
Associate companies:				
Advances recoverable		5.82		*3.65*
Joint Ventures:				
Others		45.11		*69.33*
Others considered good:				
Security deposits		286.89		*259.85*
Earnest money deposits		50.79		*63.12*
Advances recoverable in cash or in kind		4411.30		*3178.11*
Balances with customs, port trust etc.		91.20		*86.75*
Carried forward		10205.15		*6490.97*

Notes forming part of the Accounts (contd.)

NOTE [H(V)]
Short term loans and advances *(contd.)*

Particulars	As at 31-3-2016		*As at 31-3-2015*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Brought forward		10205.15		*6490.97*
Considered doubtful:				
Deferred credit against sale of ships	27.55		*25.99*	
Security deposits	36.09		*4.55*	
Other loan and advances	104.45		*140.26*	
		168.09		170.80
		10373.24		*6661.77*
Less: Allowance for doubtful loan and advances		168.09		*170.80*
		10205.15		*6490.97*

NOTE [H(VI)]
Other current assets

Particulars	As at 31-3-2016	*As at 31-3-2015*
	₹ crore	*₹ crore*
Other current assets:		
Due from customers (construction and project related activity)	21233.74	*18250.65*
Due from customers (property development activity) [Note Q(6)(b)]	10.21	*48.68*
Interest accrued on investments	30.57	*46.83*
Interest accrued on inter-corporate deposits	230.48	*203.37*
Unamortised expenses	24.33	*24.63*
	21529.33	*18574.16*

NOTE [I]
Contingent liabilities

	Particulars	As at 31-3-2016	*As at 31-3-2015*
		₹ crore	*₹ crore*
(a)	Claims against the Company not acknowledged as debts	1025.52	*883.06*
(b)	Sales tax liability that may arise in respect of matters in appeal	156.72	*132.13*
(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	60.73	*55.41*
(d)	Income tax liability (including penalty) that may arise in respect of which the Company is in appeal	531.84	*826.44*
(e)	Corporate guarantees for debt given on behalf of subsidiary companies	7327.31	*8723.55*
(f)	Corporate and bank guarantees for performance given on behalf of subsidiary companies	8847.53	*9201.96*

Notes forming part of the Accounts (contd.)

NOTE [I]

Contingent liabilities *(contd.)*

Notes:

1. The Company does not expect any reimbursements in respect of the above contingent liabilities.
2. It is not practicable to estimate the timing of cash outflows, if any, in respect of matters at (a) to (d) above pending resolution of the arbitration/appellate proceedings. Further, the liability mentioned in (a) to (d) above excludes interest and penalty 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 eleven 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 at any time during the subsistence of the borrowing to which the guarantees relate.
4. In respect of matters at (f), the cash outflows, if any, could generally occur up to four years, being the period over which the validity of the guarantees extends.
5. Contingent liability with respect to interest in joint ventures [Note Q(14)]

NOTE [J]

Commitments

Particulars	As at 31-3-2016	*As at 31-3-2015*
	₹ crore	*₹ crore*
(a) Estimated amount of contracts remaining to be executed on capital account (net of advances)	196.60	*294.40*
(b) Estimated amount of committed funding by way of equity/loans to subsidiary companies	1281.00	*2738.00*

NOTE [K]

Revenue from operations

Particulars	Note	2015-16		*2014-15*	
		₹ crore	₹ crore	*₹ crore*	*₹ crore*
Sales & service:					
Construction and project related activity	Q(6)(a), Q(24)(a)(iii)	52022.74		*49480.38*	
Manufacturing and trading activity	Q24(a)(i)	5995.07		*5743.51*	
Property development activity	Q(6)(b), Q(24)(a)(ii)	843.64		*946.94*	
Engineering and service fees	Q(24)(a)(vi)	44.74		*3.59*	
Servicing	Q(24)(a)(iv)	473.64		*507.93*	
Commission	Q(24)(a)(v)	137.30		*108.78*	
			59517.13		*56791.13*
Other operational revenue:					
Income from hire of plant and equipment		77.57		*33.39*	
Technical fees		0.36		–	
Company's share in profit of integrated joint ventures	Q(14)(b)	252.64		*59.78*	
Lease rentals		71.85		*76.91*	
Income from services to the Group companies		205.77		*292.75*	
Premium earned (net) on related forward exchange contract		145.35		*103.24*	
Miscellaneous income		144.33		*200.87*	
			897.87		*766.94*
			60415.00		*57558.07*

Notes forming part of the Accounts (contd.)

NOTE K (I)

Revenue from sales & service include:

(a) ₹ 544.04 crore *(previous year: ₹ 1443.57 crore)* for price variations net of liquidated damages in terms of contracts with the customers.

(b) Shipbuilding subsidy ₹ Nil *(previous year: ₹ Nil)* and reversal of shipbuilding subsidy of ₹ 4.16 crore *(previous year: ₹ Nil)*

NOTE [L]

Other Income

Particulars	2015-16		*2014-15*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Interest income:				
From current investments:				
Subsidiary companies	2.22		*3.00*	
Others	198.20		*212.44*	
From others:				
Subsidiary and associate companies	268.24		*292.74*	
Others	44.66		*57.73*	
		513.32		*565.91*
Dividend income:				
From long term investments:				
Subsidiary companies	1007.91		*850.70*	
Associate companies	0.38		*0.58*	
Other trade investments	2.15		*2.07*	
	1010.44		*853.35*	
From current investments	110.91		*0.84*	
		1121.35		*854.19*
Net gain/(loss) on sale of investments:				
Long term investments (net)	248.53		–	
Current investments (net)	(16.04)		*406.63*	
		232.49		*406.63*
Net gain/(loss) on sale of fixed assets		83.97		*29.19*
Lease rental		39.90		*51.57*
Miscellaneous income (net of expenses)		414.94		*375.88*
		2405.97		*2283.37*

Notes forming part of the Accounts (contd.)

NOTE [M]

Manufacturing, construction and operating expenses

Particulars	2015-16		*2014-15*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Materials consumed:				
Raw materials and components [Note Q(24)(b)]	7453.84		*5601.40*	
Less: Scrap sales	57.49		*104.61*	
		7396.35		*5496.79*
Construction materials		17805.37		*18426.83*
Purchase of stock-in-trade [Note Q(24)(c)]	1145.67		*1296.75*	
Value of stock-in-trade transferred on sale of business	(16.49)		–	
		1129.18		*1296.75*
Stores, spares and tools consumed		1448.90		*1831.46*
Sub-contracting charges		14066.80		*13240.77*
Changes in inventories of finished goods, work-in-progress and stock-in-trade and property development:				
Closing stock:				
Finished goods	161.68		*261.20*	
Stock-in-trade	159.77		*161.13*	
Work-in-progress	3167.65		*3181.75*	
	3489.10		*3604.08*	
Less: Opening stock:				
Finished goods	261.20		*203.17*	
Stock-in-trade	161.13		*117.21*	
Work-in-progress	3181.75		*3068.09*	
	3604.08		*3388.47*	
		114.98		*(215.61)*
Other manufacturing, construction and operating expenses:				
Excise duty	(4.91)		*10.35*	
Power and fuel [Note O(I)]	831.98		*631.14*	
Royalty and technical know-how fees	20.62		*6.39*	
Packing and forwarding [Note O(I)]	310.78		*338.41*	
Hire charges - plant & equipment and others	573.16		*575.38*	
Engineering, technical and consultancy fees	474.91		*499.98*	
Insurance [Note O(I)]	148.18		*149.53*	
Rent [Note O(I)]	395.78		*332.42*	
Rates and taxes [Note O(I)]	290.51		*217.72*	
Travelling and conveyance [Note O(I)]	759.95		*652.14*	
Repairs to plant and equipment	49.50		*52.42*	
Repairs to buildings [Note O(I)]	8.08		*7.19*	
General repairs and maintenance [Note O(I)]	263.17		*221.89*	
Bank guarantee charges	123.68		*106.93*	
Miscellaneous expenses [Note O(I)]	422.12		*501.55*	
		4667.51		*4303.44*
		46629.09		*44380.43*

Notes forming part of the Accounts (contd.)

NOTE [N]

Employee benefits expense

Particulars	2015-16		*2014-15*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Salaries, wages and bonus		3863.60		*3423.41*
Contribution to and provision for:				
Provident funds and pension fund	116.96		*116.79*	
Superannuation/employee pension schemes	36.86		*11.83*	
Gratuity funds [Note Q(8)(b)]	49.04		*57.30*	
		202.86		*185.92*
Expenses on Employee Stock Option Schemes [Note A(VIII)(e)(ii)]		54.67		*51.67*
Insurance expenses-medical and others [Note O(I)]		70.49		*41.43*
Staff welfare expenses		527.66		*508.96*
Recoveries on account of deputation charges		(239.08)		*(48.93)*
		4480.20		*4162.46*

NOTE [O]

Sales, administration and other expenses

Particulars	2015-16		*2014-15*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Power and fuel [Note O(I)]		65.83		*54.46*
Packing and forwarding [Note O(I)]		104.02		*99.59*
Professional fees		289.40		*184.37*
Audit fees [Note Q(17)]		4.38		*3.80*
Insurance [Note O(I)]		38.67		*40.54*
Rent [Note O(I)]		147.38		*123.55*
Rates and taxes [Note O(I)]		46.37		*34.80*
Travelling and conveyance [Note O(I)]		261.36		*229.13*
Repairs to buildings [Note O(I)]		8.95		*17.68*
General repairs and maintenance [Note O(I)]		210.98		*205.25*
Directors' fees		0.59		*0.52*
Telephone, postage and telegrams		96.03		*90.63*
Advertising and publicity		45.72		*52.60*
Stationery and printing		40.60		*40.33*
Commission:				
Distributors and agents	28.33		*18.17*	
Others	2.75		*3.09*	
		31.08		*21.26*
Bank charges		59.17		*52.89*
Contribution to political parties [Note Q(25)]		–		*11.00*
Miscellaneous expenses [Note O(I)]		392.46		*382.15*
Carried forward		1842.99		*1644.55*

Notes forming part of the Accounts (contd.)

NOTE [O]
Sales, administration and other expenses *(contd.)*

Particulars	2015-16		*2014-15*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Brought forward		1842.99		*1644.55*
Bad debts and advances written off	121.19		*10.58*	
Less: Allowance for doubtful debts and advances written back	12.96		*4.08*	
		108.23		*6.50*
Company's share in loss of integrated joint ventures [Note (14)(b)]		25.05		*35.81*
Discount on sales		45.01		*75.77*
Allowance for doubtful debts and advances (net)		293.07		*114.02*
Provision/(reversal) for foreseeable losses on construction contracts		9.85		*13.99*
Provision/(reversal) for diminution in value of investments (net)		10.15		*(11.72)*
Exchange (gain)/loss (net)		151.36		*116.61*
Other provisions [Note (15)(a)]		19.36		*5.46*
		2505.07		*2000.99*

NOTE [O(I)]

Aggregation of expenses disclosed vide notes M, N and O in respect of specific items as mentioned in schedule III to the Companies Act, 2013, are as follows:

₹ crore

Sr. no.	Nature of expenses	2015-16				*2014-15*			
		Note M	Note N	Note O	Total	*Note M*	*Note N*	*Note O*	*Total*
1	Power and fuel	831.98	–	65.83	897.81	*631.14*	–	*54.46*	*685.60*
2	Packing and forwarding	310.78	–	104.02	414.80	*338.41*	–	*99.59*	*438.00*
3	Insurance	148.18	70.49	38.67	257.34	*149.53*	*41.43*	*40.54*	*231.50*
4	Rent	395.78	–	147.38	543.16	*332.42*	–	*123.55*	*455.97*
5	Rates and taxes	290.51	–	46.37	336.88	*217.72*	–	*34.80*	*252.52*
6	Travelling and conveyance	759.95	–	261.36	1021.31	*652.14*	–	*229.13*	*881.27*
7	Repairs to building	8.08	–	8.95	17.03	*7.19*	–	*17.68*	*24.87*
8	General repairs and maintenance	263.17	–	210.98	474.15	*221.89*	–	*205.25*	*427.14*
9	Miscellaneous expenses	422.12	–	392.46	814.58	*501.55*	–	*382.15*	*883.70*
	Total	3430.55	70.49	1276.02	4777.06	*3051.99*	*41.43*	*1187.15*	*4280.57*

NOTE [P]

Finance costs

Particulars	2015-16	*2014-15*
	₹ crore	*₹ crore*
Interest expenses	1291.65	*1289.70*
Other borrowing costs	27.74	*22.08*
Exchange loss (attributable to finance costs)	129.65	*107.87*
	1449.04	*1419.65*

Notes forming part of the Accounts (contd.)

NOTE [Q]

Q(1) Particulars in respect of loans and advances in the nature of loans as required by the listing agreement:

₹ crore

Name of the company	Balance as at		Maximum outstanding during	
	31-3-2016	*31-3-2015#*	2015-16	*2014-15*
(a) Loans and advances in the nature of loans given to subsidiaries:				
1 L&T Seawoods Limited	189.00	–	246.00	*656.63*
2 L&T Infrastructure Development Projects Limited	–	–	–	*524.04*
3 L&T Realty Limited	185.24	*563.41*	563.41	*807.36*
4 L&T Finance Holdings Limited	–	–	–	*200.00*
5 L&T Shipbuilding Limited	1921.00	*371.00*	2588.00	*371.00*
6 L&T Special Steels & Heavy Forgings Private Limited	779.72	*515.20*	779.72	*515.20*
7 PNG Tollway Limited	–	*43.97*	43.97	*43.97*
8 EWAC Alloys Limited	16.00	–	16.00	*5.50*
9 L&T Hydrocarbon Engineering Limited	506.18	*148.60*	2158.33	*1253.23*
10 L&T Technology Services Limited	–	–	–	*107.50*
11 L&T Valves Limited	–	*15.00*	15.00	*60.00*
12 Nabha Power Limited	878.61	*110.00*	3225.76	*1549.70*
13 L&T Power Development Limited	–	–	–	*41.50*
14 L&T-MHPS Turbine Generator Private Limited	–	–	179.00	–
Total	4475.75 *	1767.18*		
(b) Loans and advances in the nature of loans where repayment schedule is not specified/is beyond 7 years:				
PNG Tollway Limited	–	*57.51*	–	*43.97*
Total	–	57.51		

*Long term loans and advances [Note G(I)] – ₹ 779.72 crore *(previous year: ₹ 43.97 crore)* and short term loans and advances [Note H(V)]- ₹ 3696.03 crore *(previous year: ₹ 1723.21 crore).*

Previous year figures have been regrouped for interest accrued on inter-corporate deposits and shown under other non-current assets ₹ 13.54 crore and other current assets ₹ 203.37 crore as separate line items.

Note: Loans to employees (including directors) under various schemes of the Company (such as housing loan, furniture loan, education loan, etc.) have been considered to be outside the purview of disclosure requirements.

Notes forming part of the Accounts (contd.)

NOTE [Q] ***(contd.)***

Q(2) Disclosure pursuant to section 186 of the Companies Act, 2013:

₹ crore

Sr. no.	Nature of the transaction (loans given/investment made/ guarantee given/security provided)	Purpose for which the loan/ guarantee/security is proposed to be utilised by the recipient	As at 31-3-2016	*As at 31-3-2015*
1	**Loan and advances: ***			
	(i) Subsidiary companies:			
	L&T Realty Limited	Project funding	185.24	*563.41*
	L&T Seawoods Limited	Project funding	189.00	–
	L&T Shipbuilding Limited	Working capital and project funding	1921.00	*371.00*
	L&T Special Steels & Heavy Forgings Private Limited	Working capital and project funding	779.72	*515.20*
	PNG Tollway Limited	Project funding	–	*43.97*
	EWAC Alloys Limited	Short term funding	16.00	–
	L&T Hydrocarbon Engineering Limited	Working capital	506.18	*148.60*
	Nabha Power Limited	Project funding	878.61	*110.00*
	L&T Valves Limited	Short term funding	–	*15.00*
			4475.75	*1767.18*
	(ii) Others:			
	Boyance Infrastructure Private Limited	General corporate purpose	73.00	*73.00*
	Total (i+ii)		4548.75	*1840.18*
	* Loans & advances represent Inter-corporate deposits (principal amount).			
2	**Other advances:**			
	Subsidiary companies:			
	L&T Power Development Limited	Towards capital contribution	–	*379.40#*
	L&T Realty Limited	Towards capital contribution	–	*648.29#*
	L&T Shipbuilding Limited	Towards capital contribution	–	*421.86#*
	L&T Uttaranchal Hydropower Limited	Towards capital contribution	5.25#	*523.00#*
	Larsen & Toubro (Saudi Arabia) LLC	Towards capital contribution	–	*14.29*
			5.25	*1986.84*
3	**Guarantees:**			
	Subsidiary companies:			
	L&T Aviation Services Private Limited	Corporate guarantee given for subsidiary's debt	57.01	*64.54*
	L&T-MHPS Boilers Private Limited	Corporate guarantee given for subsidiary's debt	233.97	*261.21*
	L&T-MHPS Turbine Generators Private Limited	Corporate guarantee given for subsidiary's debt	548.32	*516.80*
	L&T Shipbuilding Limited	Corporate guarantee given for subsidiary's debt	1331.00	*2881.00*
	Nabha Power Limited	Corporate guarantee given for subsidiary's debt	5157.00	*5000.00*
	Larsen & Toubro ATCO Saudia LLC	Corporate guarantee for subsidiary's project performance	909.51	*752.30*
	Larsen & Toubro Arabia LLC	Corporate guarantee for subsidiary's project performance	1013.25	*923.31*

Notes forming part of the Accounts (contd.)

NOTE [Q] *(contd.)*

₹ crore

Sr. no.	Nature of the transaction (loans given/investment made/ guarantee given/security provided)	Purpose for which the loan/ guarantee/security is proposed to be utilised by the recipient	As at 31-3-2016	*As at 31-3-2015*
	Larsen & Toubro Infotech Limited	Corporate guarantee for subsidiary's project performance	238.68	*231.18*
	L&T Technology Services Limited	Corporate guarantee for subsidiary's project performance (It includes corporate guarantee given for L&T Technology Services LLC)	589.79	*522.09*
	L&T Electrical & Automation FZE	Corporate guarantee for subsidiary's project performance	19.75	*42.06*
	Larsen & Toubro Heavy Engineering LLC	Corporate guarantee for subsidiary's project performance	1197.86	*1004.97*
	Larsen & Toubro (Saudi Arabia) LLC	Corporate guarantee for subsidiary's project performance	2693.04	*1339.22*
	Spectrum Infotech Private Limited	Corporate guarantee for subsidiary's project performance	2.90	*2.90*
	L&T Hydrocarbon Engineering Limited	Corporate guarantee for subsidiary's project performance	2173.23	*4374.65*
	L&T-MHPS Boilers Private Limited	Guarantees issued by bank out of the Company's sanctioned limits to customer of subsidiary for project performance	9.52	*9.28*
			16174.84	*17925.51*
4	**Investments in fully paid equity instruments and current investments**		[Note F and Note H(I)]	

the shares since allotted

Q(3) Exceptional Items [Note R(4)]:

(a) Exceptional items for the year ended March 31, 2016 include the following:

(i) Gain of ₹ 540.90 crore on sale of the Company's stake in subsidiary companies viz. L&T-Valdel Engineering Limited – ₹ 36.59 crore, L&T-Gulf Private Limited – ₹ 6.74 crore, L&T Sapura Shipping Private Limited– ₹ 9.18 crore and on sale of the Company's part stake in L&T Finance Holdings Limited – ₹ 488.39 crore;

(ii) Gain of ₹ 105.86 crore on sale of the Company's stake in associate companies viz. Salzer Electronics Limited - ₹ 57.46 crore and L&T-Chiyoda Limited - ₹ 48.40 crore;

(iii) Gain of ₹ 48.52 crore on sale of the Company's Foundry Business unit and

(iv) Provision for impairment of investment in L&T General Insurance Company Limited - ₹ 135.00 crore.

(b) Exceptional items for the year ended March 31, 2015 included gain of ₹ 357.16 crore on sale of the Company's part stake in L&T Finance Holdings Limited, a subsidiary company.

Q(4) The expenditure on research and development activities recognised as expense in the Statement of Profit and Loss is ₹ 149.62 crore *(previous year: ₹ 139.44 crore).* Further, the company has incurred capital expenditure on research and development activities as follows:

(a) on tangible assets of ₹ 5.19 crore *(previous year: ₹ 6.50 crore)*;

(b) on intangible assets being expenditure on new product development of ₹ 48.19 crore *(previous year: ₹ 56.93 crore)* [Note R(5)(b)]; and

(c) on other intangible assets of ₹ 0.55 crore *(previous year: ₹ 0.69 crore).*

Q(5) (a) Provision for current tax includes

(i) ₹ 6.09 crore *(previous year: ₹ Nil)* in respect of income tax payable outside India.

(ii) ₹ 13.77 crore *(previous year: ₹ Nil)* in respect of income tax for earlier years.

Notes forming part of the Accounts (contd.)

NOTE [Q] *(contd.)*

(b) Tax effect of ₹ 0.13 crore *(previous year: ₹ 9.29 crore)* on account of debenture/share/foreign currency convertible bond issue expenses and premium on inflation linked debenture has been credited to securities premium account.

Q(6) (a) Disclosures pursuant to Accounting Standard (AS) 7 (Revised) "Construction Contracts":

₹ crore

Particulars		2015-16	*2014-15*
i)	Contract revenue recognised for the financial year [Note (K)]	52022.74	*49480.38*
ii)	Aggregate amount of contract costs incurred and recognised profits (*less* recognised losses) as at the end of the financial year for all contracts in progress as at that date	202884.53 *	*180512.61 **
iii)	Amount of customer advances outstanding for contracts in progress as at the end of the financial year	9888.46	*8338.91*
iv)	Retention amount by customers for contracts in progress as at the end of the financial year	6459.87	*5761.50*

* includes provision for foreseeable loss: ₹ 108.82 crore *(previous year: ₹ 117.64 crore)*

(b) Disclosures pursuant to Guidance Note on Accounting for Real Estate Transactions (Revised 2012) issued by the Institute of Chartered Accountants of India:

₹ crore

Particulars		2015-16	*2014-15*
i)	Amount of project revenue recognised for the financial year [Note (K)]	843.64	*946.94*
ii)	Aggregate amount of costs incurred and profits recognised as at the end of the financial year	2228.77	*1464.96*
iii)	Amount of advances received	15.73	*31.40*
iv)	Amount of work-in-progress and the value of inventories [Note (H(II)]	304.83	*201.03*
v)	Excess of revenue recognised over actual bills raised (unbilled revenue) [Note (H(VI)]	10.21	*48.68*

(c) As part of the periodic review of estimates used in determining the cost of completion of projects, the Company revised certain estimates used in civil construction jobs under execution as on March 31, 2016. As a result, the revenue and profit before tax for the year increased by ₹ 395.73 crore.

Q(7) Disclosures pursuant to Accounting Standard (AS) 13 "Accounting for Investments"

1. The Company has given, inter alia, the following undertakings in respect of its investments:
   a. Jointly with L&T Infrastructure Development Projects Limited (a subsidiary of the Company), to the term lenders of its subsidiary companies L&T Transportation Infrastructure Limited (LTTIL):
      i. not to reduce their joint shareholding in LTTIL below 51% until the financial assistance received from the term lenders is repaid in full by LTTIL and
      ii. to jointly meet the shortfall in the working capital requirements of LTTIL until the financial assistance received from the term lenders is repaid in full by LTTIL .
   b. To the lenders of L&T Krishnagiri Thopur Toll Road Limited (KTTL), not to dilute Company's shareholding in L&T Infrastructure Development Projects Limited below 51% until the borrowings received from the lenders is repaid in full by KTTL.
   c. To Gujarat State Road Development Corporation Limited:
      i. to hold in L&T Ahmedabad-Maliya Tollway Limited, L&T Halol-Shamlaji Tollway Limited and L&T Rajkot-Vadinar Tollway Limited alongwith L&T Infrastructure Development Projects Limited:
         - 100% stake during the construction period;
         - 51% stake for 5 years from the date of commercial operation or end of construction of the project, whichever is later; and
         - 51% stake during operational period.
      ii. not to divest the stake in L&T Infrastructure Development Projects Limited until the aforesaid undertakings are valid.
   d. To National Highway Authority of India, to hold along with its associates minimum 51% stake in L&T Samakhiali Gandhidham Tollway Limited for a period of 2 years after the construction period.

Notes forming part of the Accounts (contd.)

NOTE [Q] ***(contd.)***

e. To National Highway Authority of India, that L&T Infrastructure Development Projects Limited will remain as associate of the Company for the entire duration of the Concession Agreement with respect to the six laning of Pimpalgaon-Nasik-Gone section of NH 3 project.

f. To National Highway Authority of India, to hold together with its associates in L&T Devihalli Hassan Tollway Limited, minimum 51% equity stake for a period of 2 years after construction period.

g. To National Highway Authority of India, to hold together with its associates in L&T Krishnagiri Walajahpet Tollway Limited:

(i) minimum 51% equity stake during the construction period;

(ii) minimum 33% stake for 3 years from project completion date and

(iii) minimum 26% or such lower stake as may be permitted by National Highway Authority of India during remaining concession period.

h. To the Security Trustee of:

(i) the lenders of PNG Tollway Limited, to hold along with L&T Infrastructure Development Projects Limited and Ashoka Buildcon Limited minimum 51% equity stake in PNG Tollway Limited, until the financial assistance received from the term lenders is repaid in full by PNG Tollway Limited. The aforesaid minimum stake can, however, be disposed off before final settlement date with prior approval of lenders;

(ii) the lenders of L&T Krishnagiri Walajahpet Tollway Limited, to hold along with L&T Infrastructure Development Projects Limited minimum 51% equity stake in L&T Krishnagiri Walajahpet Tollway Limited, until the financial assistance received from the term lenders is repaid in full. The aforesaid minimum stake can, however, be disposed off before final settlement date with prior approval of lenders;

(iii) the lenders of L&T Samakhiali Gandhidham Tollway Limited, to hold along with L&T Infrastructure Development Projects Limited minimum 51% equity stake in L&T Samakhiali Gandhidham Tollway Limited, until the financial assistance received from the term lenders is repaid in full by L&T Samakhiali Gandhidham Tollway Limited. The aforesaid minimum stake can, however, be disposed off before final settlement date with prior approval of lenders;

(iv) the lenders of L&T Metro Rail (Hyderabad) Limited, to hold along with L&T Infrastructure Development Projects Limited minimum 51% equity stake and retain management control in L&T Metro Rail (Hyderabad) Limited until the financial assistance received from the term lenders is repaid in full. The aforesaid minimum stake can, however, be disposed off before final settlement date with prior approval of lenders;

(v) L&T Aviation Services Private Limited, to hold atleast 51% stake, directly or indirectly, in L&T Aviation Services Private Limited, until any amount is outstanding under the credit facility agreement.

i. To the Government of Telangana (erstwhile Government of Andhra Pradesh) with respect to shareholding in L&T Metro Rail (Hyderabad) Limited, to hold and maintain along with L&T Infrastructure Development Projects Limited –

(i) 51% stake till the second anniversary of the commercial operation date (COD) of the project;

(ii) 33% stake till the third anniversary of the COD of the project and

(iii) 26% stake or such lower proportion as may be permitted by the Government of Telangana (erstwhile Government of Andhra Pradesh), till the remaining concession period.

j. To hold certain minimum stake in its subsidiary companies namely, L&T-MHPS Boilers Private Limited and L&T-MHPS Turbine Generators Private Limited. These undertakings have been given to the customers/potential customers of the Company and customers/potential customers of L&T-MHPS Boilers Private Limited. The undertakings will remain valid till the end of defect liability period or till such period as prescribed in the related bid documents/contracts.

k. To City and Industrial Development Corporation of Maharashtra Limited (CIDCO) that it shall continue to hold not less than 51% stake in L&T Seawoods Limited (LTSL) until CIDCO executes the lease deed for land in favour of L&T seawoods Limited.

l. To the debenture trustee of L&T Shipbuilding Limited, to maintain atleast 26% stake in L&T Shipbuilding Limited, until any amount is outstanding towards the debentures.

m. To the lender of L&T Shipbuilding Limited, to maintain minimum 76% stake in L&T Shipbuilding Limited, until any amount is outstanding towards the working capital loan.

n. To the Joint Venture partner in L&T Howden Private Limited, to not sell, transfer or dispose off any stake in L&T Howden Private Limited till December 17, 2017 (90 months from date of incorporation).

Notes forming part of the Accounts (contd.)

NOTE [Q] *(contd.)*

Q(8). Disclosure pursuant to Accounting Standard (AS) 15 (Revised) "Employee Benefits".

i. Defined contribution plans: [Note R(6)(b)(i)] Amount of ₹ 102.98 crore *(previous year: ₹ 82.64 crore)* is recognised as an expense and included in "employee benefits expense" (Note N) in the Statement of Profit and Loss.

ii. Defined benefit plans: [Note R(6)(b)(ii)]

a) The amounts recognised in Balance Sheet are as follows:

₹ crore

Particulars	Gratuity plan		Post-retirement medical benefit plan		Company pension plan		Trust-managed provident fund plan	
	As at 31-3-2016	*As at 31-3-2015*	As at 31-3-2016	*As at 31-3-2015*	As at 31-3-2016	*As at 31-3-2015*	As at 31-3-2016	*As at 31-3-2015*
A) Present value of defined benefit obligation								
– Wholly funded	415.70	*422.41*	–	–	–	–	1986.97	*1856.97*
– Wholly unfunded	44.27	*34.01*	155.57	*148.90*	283.25	*215.64*	9.87	*27.78*
	459.97	*456.42*	155.57	*148.90*	283.25	*215.64*	1996.84	*1884.75*
Less: Fair value of plan assets	385.85	*364.71*	–	–	–	–	1990.14	*1857.15*
Less: Unrecognised asset	–	*(2.08)*	–	–	–	–	–	–
Less: Unrecognised past service costs	–	–	0.82	*0.97*	39.65	*0.30*	–	–
Amount to be recognised as liability or (asset)	74.12	*93.79*	154.75	*147.93*	243.60	*215.34*	6.70	*27.60*
B) Amounts reflected in the Balance Sheet								
Liabilities	74.12	*93.79*	154.75	*147.93*	243.60	*215.34*	22.29	*27.61*
Assets	–	–	–	–	–	–	–	–
Net liability/(asset)	74.12	*93.79*	154.75	*147.93*	243.60	*215.34*	22.29	*27.61*
Net liability/(asset) - Current	74.12	*93.79*	11.30	*10.04*	16.82	*13.26*	22.29 #	*22.75 #*
Net liability/(asset) - Non-current	–	–	143.45	*137.89*	226.78	*202.08*	–	*4.86*

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	
	2015-16	*2014-15*	2015-16	*2014-15*	2015-16	*2014-15*	2015-16	*2014-15*
1 Current service cost	48.63	*35.04*	10.00	*6.29*	4.45	*1.45*	72.66	*83.66*
2 Interest cost	32.55	*30.52*	12.05	*9.49*	16.44	*16.40*	154.87	*134.54*
3 Expected (return) on plan assets	(25.15)	*(21.98)*	–	–	–	–	(154.87)	*(134.54)*
4 Actuarial losses/(gains)	(5.15)	*25.26*	(7.88)	*39.74*	12.46	*28.67*	(28.46)	*(23.97)*
5 Past service cost	–	–	0.14	*0.14*	10.23	*0.11*	–	–
6 Amount not recognised as an asset	–	*2.08*	–	–	–	–	–	–
7 Actuarial gain/(loss) not recognised in books	–	–	–	–	–	–	28.46	*1.28*
Total (1 to 7)	50.88	*70.92*	14.31	*55.66*	43.58	*46.63*	72.66	*60.97*
I Amount included in "employee benefits expense"	49.04	*57.30*	1.21	*17.46*	26.13	*0.36*	72.66	*83.66*
II Amount included as part of "interest"	1.61	*13.41*	13.09	*38.20*	17.45	*45.12*	–	*(22.69)*
III Amount capitalised on new product development	0.11	*0.02*	0.01	–	–	–	–	–
IV Amount recovered from S&A Companies	0.12	*0.19*	–	–	–	*1.15*	–	–
Total (I+II+III+IV)	50.88	*70.92*	14.31	*55.66*	43.58	*46.63*	72.66	*60.97*
Actual return on plan assets	31.95	*53.69*	–	–	–	–	165.42	*140.60*

Notes forming part of the Accounts (contd.)

NOTE [Q] *(contd.)*

c) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

₹ crore

Particulars	Gratuity plan		Post-retirement medical benefit plan		Company pension plan		Trust-managed provident fund plan	
	As at 31-3-2016	*As at 31-3-2015*	As at 31-3-2016	*As at 31-3-2015*	As at 31-3-2016	*As at 31-3-2015*	As at 31-3-2016	*As at 31-3-2015*
Opening balance of the present value of defined benefit obligation	456.42	*376.15*	148.90	*103.57*	215.64	*184.25*	1884.75	*1791.21*
Add: Current service cost	48.63	*35.04*	10.00	*6.29*	4.45	*1.45*	72.66	*83.66*
Add: Interest cost	32.55	*30.52*	12.05	*9.49*	16.44	*16.40*	154.87	*134.54*
Add: Contribution by plan participants								
i) Employer	–	–	–	–	–	–	–	–
ii) Employee	–	–	–	–	–	–	174.70	*174.50*
iii) Transfer-in/(out)~	–	*(12.20)*	–	*(3.75)*	–	–	5.61	–
Add/(Less): Actuarial losses/(gains)	1.65	*56.97*	(7.88)	*39.74*	12.47	*28.66*	(17.91)	*(17.91)*
Less: Benefits paid	(79.28)	*(30.06)*	(7.50)	*(6.44)*	(15.33)	*(15.12)*	(277.84)	*(281.25)*
Add: Past service cost	–	–	–	–	49.58	–	–	–
Closing balance of the present value of defined benefit obligation	459.97	*456.42*	155.57	*148.90*	283.25	*215.64*	1996.84	*1884.75*

d) Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows:

₹ crore

Particulars	Gratuity plan		Trust-managed provident fund plan	
	As at 31-3-2016	*As at 31-3-2015*	As at 31-3-2016	*As at 31-3-2015*
Opening balance of the fair value of the plan assets	364.71	*323.91*	1857.15	*1784.96*
Add: Expected return on plan assets*	25.15	*21.98*	154.87	*134.54*
Add/(Less): Actuarial gains/(losses)	6.80	*31.71*	10.55	*6.06*
Add: Contribution by the employer	68.47	*29.37*	66.22	*63.39*
Add/(Less): Transfer in/(out)~	–	*(12.20)*	5.61	–
Add: Contribution by plan participants	–	–	173.58	*149.45*
Less: Benefits paid	(79.28)	*(30.06)*	(277.84)	*(281.25)*
Closing balance of the plan assets	385.85	*364.71*	1990.14	*1857.15*

Notes: The fair value of the plan assets under the trust-managed provident fund plan has been determined at amounts based on their value at the time of redemption, assuming a constant rate of return to maturity.

* Basis used to determine the overall expected return:

The trust formed by the Company manages the investments of provident funds and gratuity fund. Expected return on plan assets is determined based on the assessment made at the beginning of the year on the return expected on its existing portfolio, along with the estimated increment to the plan assets and expected yield on the respective assets in the portfolio during the year. [Note Q(8)(ii)(f)(7)] *infra*.

The Company expects to fund ₹ 32.31 crore *(previous year: ₹ 60.06 crore)* towards its gratuity plan and ₹ 79.93 crore *(previous year: ₹ 67.07 crore)* towards its trust-managed provident fund plan during the year 2015-16.

\# Employer's contribution due towards provident fund

~ Amount transferred pursuant to transfer of Integrated Engineering Services Business employees to wholly owned subsidiary L&T Technology Services Limited

Notes forming part of the Accounts (contd.)

NOTE [Q] ***(contd.)***

e) The major categories of plan assets as a percentage of total plan assets are as follows:

Particulars	Gratuity plan		Trust-managed provident fund plan	
	As at 31-3-2016	*As at 31-3-2015*	As at 31-3-2016	*As at 31-3-2015*
Government of India securities	23%	*31%*	25%	*24%*
State government securities	18%	*11%*	16%	*15%*
Corporate bonds	34%	*30%*	9%	*8%*
Equity shares of listed companies	2%	*2%*	–	–
Fixed deposits under special deposit scheme framed by central government for provident funds	–	–	10%	*10%*
Insurer managed funds	–	*1%*	–	–
Public sector unit bonds	14%	*17%*	39%	*42%*
Others	9%	*8%*	1%	*1%*

f) Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	As at 31-3-2016	*As at 31-3-2015*
1. Discount rate:		
a) Gratuity plan	7.79%	*7.83%*
b) Company pension plan	7.79%	*7.83%*
c) Post-retirement medical benefit plan	7.79%	*7.83%*
2. Expected return on plan assets	7.50%	*7.50%*
3. Annual increase in healthcare costs (see Note 8 *infra*)	5.00%	*5.00%*
4. Salary growth rate:		
a) Gratuity plan	5.00%	*5.00%*
b) Company pension plan	6.00%	*6.00%*

5. Attrition rate:
   a) For post-retirement medical benefit plan & Company pension plan, the attrition rate varies from 2% to 8% *(previous year: 2% to 8%)* for various age groups.
   b) For gratuity plan, the attrition rate varies from 1% to 6% *(previous year: 1% to 6%)* for various age groups.
6. The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
7. The interest payment obligation of trust-managed provident fund is assumed to be adequately covered by the interest income on long term investments of the fund. Any shortfall in the interest income over the interest obligation is recognised immediately in the Statement of Profit and Loss as actuarial losses.
8. The obligation of the Company under the post-retirement medical benefit plan is limited to the overall ceiling limits.

   At present, healthcare cost, as indicated in the principal actuarial assumption given above, has been assumed to increase at 5% p.a.
9. A one percentage point change in assumed healthcare cost trend rates would have the following effects on the aggregate of the service cost and interest cost and defined benefit obligation:

₹ crore

Particulars	Effect of 1% increase		Effect of 1% decrease	
	2015-16	*2014-15*	2015-16	*2014-15*
Effect on the aggregate of the service cost and interest cost	4.09	*4.01*	(3.15)	*(3.04)*
Effect on defined benefit obligation	19.61	*18.35*	(15.54)	*(14.57)*

Notes forming part of the Accounts (contd.)

NOTE [Q] ***(contd.)***

g) The amounts pertaining to defined benefit plans are as follows:

₹ crore

Particulars	As at 31-3-2016	*As at 31-3-2015*	*As at 31-3-2014*	*As at 31-3-2013*	*As at 31-3-2012*
1 Post-retirement medical benefit plan (unfunded)					
Defined benefit obligation	154.75	*147.93*	*102.46*	*105.31*	*87.01*
Experience adjustment plan liabilities	(6.14)	*13.58*	*14.10*	*1.62*	*(6.60)*
2 Gratuity plan (funded/unfunded)					
Defined benefit obligation	459.97	*456.42*	*351.44*	*364.45*	*341.07*
Plan assets	385.85	*364.71*	*323.91*	*311.80*	*291.66*
Less: Amount not recognised as an asset	–	*(2.08)*	–	–	–
Surplus/(deficit)	(74.12)	*(93.79)*	*(27.53)*	*(52.65)*	*(49.41)*
Experience adjustment plan liabilities	0.45	*22.73*	*5.49*	*26.26*	*30.52*
Experience adjustment plan assets	6.80	*31.29*	*(8.72)*	*13.01*	*(0.45)*
3 Post-retirement pension plan (unfunded)					
Defined benefit obligation	243.60	*215.34*	*188.52*	*198.36*	*184.03*
Experience adjustment plan liabilities	11.45	*5.45*	*(0.22)*	*(2.79)*	*23.21*
4 Trust-managed provident fund plan (funded)					
Defined benefit obligation	1996.84	*1884.75*	*1791.21*	*1675.94*	*1544.72*
Plan assets	1990.14	*1857.15*	*1784.96*	*1648.23*	*1507.47*
Surplus/(deficit)	(6.70)	*(27.60)*	*(6.25)*	*(27.71)*	*(37.25)*

h) General descriptions of defined benefit plans:

1. Gratuity plan:

   The Company operates gratuity plan through a trust wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement whichever is earlier. The benefit vests after five years of continuous service. The Company's scheme is more favorable as compared to the obligation under Payment of Gratuity Act, 1972. A small part of the gratuity plan, which is not material is unfunded and managed within the Company. The unfunded obligation towards gratuity also includes gratuity payable to employees outside India under the applicable local laws.

2. Post-retirement medical benefit plan:

   The post-retirement medical benefit plan provides for reimbursement of health care costs to certain categories of employees post their retirement. The reimbursement is subject to an overall ceiling sanctioned based on cadre of the employee at the time of retirement.

3. Company's pension plan:

   In addition to contribution to state-managed pension plan (EPS scheme), the Company operates a post-retirement pension scheme, which is discretionary in nature for certain cadres of employees. The quantum of pension depends on the cadre of the employee at the time of retirement.

4. Trust-managed provident fund plan:

   The Company manages provident fund plan through a provident fund trust for its employees which is permitted under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952. The plan envisages contribution by employer and employees and guarantees interest at the rate notified by the provident fund authority. The contribution by employer and employee together with interest are payable at the time of separation from service or retirement whichever is earlier. The benefit under this plan vests immediately on rendering of service.

   The interest payment obligation of trust-managed provident fund is assumed to be adequately covered by the interest income on long term investments of the fund. Any shortfall in the interest income over the interest obligation is recognised immediately in the Statement of Profit and Loss as actuarial loss. Any loss/gain arising out of the investment risk and actuarial risk associated with the plan is also recognised as expense or income in the period in which such loss/gain occurs. Further, the provision of ₹ 4.86 crore as on March 31, 2015 based on actuarial valuation towards the future obligation arising out of interest rate guarantee associated with the plan has been reversed in the current year as the balance in surplus account of the fund is higher than the interest obligation of ₹ 9.87 crore as on March 31, 2016.

Notes forming part of the Accounts (contd.)

NOTE [Q] ***(contd.)***

Q(9) Disclosures pursuant to Accounting Standard (AS) 17 "Segment Reporting"

a) Primary segments (business segments):

₹ crore

Particulars	For the year ended 31-3-2016			*For the year ended 31-3-2015*		
	External	Inter-segment	Total	*External*	*Inter-segment*	*Total*
Revenue - including excise duty						
Infrastructure	41765.78	409.50	42175.28	*40113.41*	*538.55*	*40651.96*
Power	6449.96	1.32	6451.29	*4452.23*	*6.72*	*4458.95*
Metallurgical & Material Handling	2379.06	377.43	2756.49	*3070.91*	*231.82*	*3302.73*
Heavy Engineering	2778.54	156.32	2934.86	*3254.08*	*45.18*	*3299.26*
Electrical & Automation	3919.67	308.69	4228.36	*3871.95*	*257.47*	*4129.42*
Others	3121.99	32.82	3154.80	*2795.49*	*32.45*	*2827.94*
Elimination	–	(1286.08)	(1286.08)	–	*(1112.19)*	*(1112.19)*
Total	60415.00	–	60415.00	*57558.07*	–	*57558.07*
Result						
Infrastructure			5036.61			*4443.00*
Power			231.42			*201.49*
Metallurgical & Material Handling			42.40			*238.78*
Heavy Engineering			(74.60)			*336.11*
Electrical & Automation			501.01			*503.87*
Others			555.80			*653.36*
Total			6292.64			*6376.61*
Inter-segment margin on capital jobs			(11.02)			*(3.04)*
			6281.62			*6373.57*
Unallocated corporate income/(expenditure) (net)			1343.21			*1181.39*
Operating Profit (PBIT)			7624.83			*7554.96*
Interest expense			(1449.04)			*(1419.65)*
Interest income			513.32			*565.91*
Profit before tax (PBT)			6689.11			*6701.22*
Provision for current tax			(1551.19)			*(1628.74)*
Provision for deferred tax			173.54			*(16.30)*
Profit after tax (before extraordinary items)			5311.46			*5056.18*
Profit from extraordinary items			–			–
Profit after tax (after extraordinary items)			5311.46			*5056.18*

₹ crore

Other information	**Segment assets**		**Segment liabilities**	
	As at 31-3-2016	*As at 31-3-2015*	As at 31-3-2016	*As at 31-3-2015*
Infrastructure	40544.47	*33963.23*	24099.06	*21010.27*
Power	7267.54	*6020.23*	6992.16	*5796.29*
Metallurgical & Material Handling	5141.14	*4927.07*	1972.31	*1723.93*
Heavy Engineering	4943.50	*4931.39*	3294.36	*2510.35*
Electrical & Automation	3015.81	*3081.41*	1314.13	*1385.19*
Others	2874.76	*2795.71*	1730.31	*1338.97*
Total	63787.22	*55719.04*	39402.34	*33765.00*
Unallocable corporate assets/liabilities	33282.49	*31184.72*	16949.04	*16054.18*
Total assets/liabilities	97069.71	*86903.76*	56351.38	*49819.18*

Notes forming part of the Accounts (contd.)

NOTE [Q] ***(contd.)***

₹ crore

Other Information	Capital expenditure		Depreciation, Amortisation, Impairment & Obsolescence included in segment expense		Non-cash expenses other than depreciation included in segment expense	
	For the year ended 31-3-2016	For the year ended *31-3-2015*	For the year ended 31-3-2016	For the year ended *31-3-2015*	For the year ended 31-3-2016	For the year ended *31-3-2015*
Infrastructure	471.45	*419.25*	431.94	*415.06*	19.22	*21.52*
Power	36.80	*35.13*	58.31	*53.88*	2.65	*3.95*
Metallurgical & Material Handling	10.45	*64.39*	88.91	*92.90*	3.19	*4.05*
Heavy Engineering	55.85	*80.30*	110.84	*124.33*	2.64	*3.18*
Electrical & Automation	142.95	*222.35*	123.10	*136.33*	4.09	*4.41*
Others	12.38	*31.92*	62.24	*61.17*	1.74	*2.13*

b) Secondary segments (geographical segments):

₹ crore

Particulars	Domestic		Overseas		Total	
	For the year ended 31-3-2016	For the year ended *31-3-2015*	For the year ended 31-3-2016	For the year ended *31-3-2015*	For the year ended 31-3-2016	For the year ended *31-3-2015*
External revenue by location of customers	49691.58	*48300.19*	10723.42	*9257.88*	60415.00	*57558.07*
Carrying amount of segment assets by location of assets	53549.47	*47861.60*	10237.75	*7857.44*	63787.22	*55719.04*
Cost incurred on acquisition of tangible and intangible fixed assets	641.58	*776.98*	88.30	*76.36*	729.88	*853.34*

c) Segment reporting: segment identification, reportable segments and definition of each reportable segment:

i) Primary/secondary segment reporting format:

[a] The risk-return profile of the Company's business is determined predominantly by the nature of its products and services. Accordingly, the business segments constitute the primary segments for disclosure of segment information.

[b] In respect of secondary segment information, the Company has identified its geographical segments as (i) domestic and (ii) overseas. The secondary segment information has been disclosed accordingly.

ii) Segment identification:

Business segments have been identified on the basis of the nature of products/services, the risk-return profile of individual businesses, the organisational structure and the internal reporting system of the Company.

iii) Reportable segments:

Reportable segments have been identified as per the criteria specified in Accounting Standard (AS) 17 "Segment Reporting".

iv) Segment composition:

- **Infrastructure segment** comprises engineering and construction of building and factories, transportation infrastructure, heavy civil infrastructure, power transmission & distribution, water & effluent treatment and smart world & communication projects.
- **Power segment** comprises turnkey solutions for coal-based and gas-based thermal power plants including power generation equipment with associated systems and/or balance-of-plant packages.
- **Metallurgical & Material Handling segment** comprises turnkey solutions for ferrous (iron & steel making) and non-ferrous (aluminium, copper, lead & zinc) metal industries, bulk material & ash handling systems in power, port, steel and mining sector including manufacture and sale of industrial machinery and equipment.

Notes forming part of the Accounts (contd.)

NOTE [Q] ***(contd.)***

- **Heavy Engineering segment** comprises manufacture and supply of custom designed, engineered critical equipment & systems to core sector industries like Fertiliser, Refinery, Petrochemical, Chemical, Oil & Gas, Thermal & Nuclear Power, Aerospace and Defence.
- **Electrical & Automation segment** comprises manufacture and sale of low and medium voltage switchgear components, custom built low and medium voltage switchboards, electronic energy meters/protection (relays) systems and control & automation products.
- **Others** segment includes realty, shipbuilding, marketing and servicing of construction & mining machinery and parts thereof, manufacture and sale of rubber processing machinery & castings (up to the date of sale).

Q(10) Disclosure of related parties/related party transactions pursuant to Accounting Standard (AS) 18 "Related Party Disclosures"

i. List of related parties over which control exists and status of transactions entered during the year

Sr. no.	Name of the related party	Relationship	Transaction entered during the year (Yes/No)
1	L&T Cutting Tools Limited	Wholly owned subsidiary	Yes
2	Bhilai Power Supply Company Limited	Subsidiary*	Yes
3	L&T-Sargent & Lundy Limited	Subsidiary*	Yes
4	Spectrum Infotech Private Limited	Wholly owned subsidiary	Yes
5	L&T-Valdel Engineering Limited @	Wholly owned subsidiary of L&T Hydrocarbon Engineering Limited	Yes
6	L&T Shipbuilding Limited	Subsidiary*	Yes
7	L&T Electricals and Automation Limited	Wholly owned subsidiary	Yes
8	Hi-Tech Rock Products & Aggregates Limited	Wholly owned subsidiary	Yes
9	L&T Seawoods Limited	Wholly owned subsidiary	Yes
10	L&T-Gulf Private Limited @	Subsidiary of L&T Hydrocarbon Engineering Limited	Yes
11	L&T-MHPS Boilers Private Limited	Subsidiary*	Yes
12	L&T-MHPS Turbine Generators Private Limited	Subsidiary*	Yes
13	Raykal Aluminium Company Private Limited	Subsidiary*	Yes
14	L&T Natural Resources Limited ^ [Note Q(27)(a)]	Wholly owned subsidiary of L&T Capital Company Limited	Yes
15	L&T Hydrocarbon Engineering Limited	Wholly owned subsidiary	Yes
16	L&T Special Steels and Heavy Forgings Private Limited	Subsidiary*	Yes
17	PNG Tollway Limited### [Note Q(27)(c)]	Subsidiary of L&T Infrastructure Development Projects Limited #	Yes
18	L&T Rajkot-Vadinar Tollway Limited	Subsidiary of L&T Infrastructure Development Projects Limited #	Yes
19	Kesun Iron & Steel Company Private Limited	Subsidiary*	Yes
20	L&T Howden Private Limited	Subsidiary*	Yes
21	L&T Solar Limited ^ [Note Q(27)(a)]	Wholly owned subsidiary of L&T Capital Company Limited	Yes
22	L&T Sapura Shipping Private Limited @	Subsidiary of L&T Hydrocarbon Engineering Limited	Yes
23	L&T Sapura Offshore Private Limited @ [Note Q(27)(b)]	Subsidiary of L&T Hydrocarbon Engineering Limited	Yes
24	L&T Powergen Limited ^ [Note Q(27)(a)]	Wholly owned subsidiary of L&T Capital Company Limited	Yes
25	EWAC Alloys Limited	Wholly owned subsidiary	Yes
26	L&T Kobelco Machinery Private Limited	Subsidiary*	Yes
27	L&T Realty Limited	Wholly owned subsidiary	Yes
28	L&T Asian Realty Project LLP	Subsidiary of L&T Realty Limited **	Yes
29	L&T Parel Project LLP	Subsidiary of L&T Realty Limited **	Yes
30	Chennai Vision Developers Private Limited	Wholly owned subsidiary of L&T Realty Limited	Yes
31	L&T Thales Technology Services Private Limited	Subsidiary of L&T Technology Services Limited	No
32	L&T South City Projects Limited	Subsidiary of L&T Realty Limited #	Yes
33	L&T Vision Ventures Limited	Subsidiary of L&T Realty Limited #	Yes

Notes forming part of the Accounts (contd.)

NOTE [Q] ***(contd.)***

Sr. no.	Name of the related party	Relationship	Transaction entered during the year (Yes/No)
34	L&T Infrastructure Engineering Limited	Wholly owned subsidiary	Yes
35	CSJ Infrastructure Private Limited $	Wholly owned subsidiary of L&T Realty Limited*	Yes
36	Information Systems Resource Centre Private Limited ^^	Wholly owned subsidiary of Larsen & Toubro Infotech Limited*	No
37	L&T Power Limited	Subsidiary*	Yes
38	L&T Cassidian Limited	Subsidiary*	Yes
39	L&T General Insurance Company Limited	Wholly owned subsidiary	Yes
40	L&T Aviation Services Private Limited	Wholly owned subsidiary	Yes
41	L&T Infocity Limited @@	Subsidiary	Yes
42	L&T Hitech City Limited @@@	Subsidiary of L&T Infocity Limited #	Yes
43	Hyderabad International Trade Expositions Limited @@@	Subsidiary of L&T Infocity Limited #	Yes
44	Larsen & Toubro Infotech Limited	Subsidiary*	Yes
45	GDA Technologies Limited	Wholly owned subsidiary of Larsen & Toubro Infotech Limited	Yes
46	L&T Finance Holdings Limited	Subsidiary*	Yes
47	L&T Finance Limited	Wholly owned subsidiary of L&T Finance Holdings Limited	Yes
48	L&T Investment Management Limited	Wholly owned subsidiary of L&T Finance Holdings Limited	Yes
49	L&T Mutual Fund Trustee Limited	Wholly owned subsidiary of L&T Finance Holdings Limited	No
50	L&T FinCorp Limited	Wholly owned subsidiary of L&T Finance Holdings Limited	Yes
51	L&T Infrastructure Finance Company Limited	Wholly owned subsidiary of L&T Finance Holdings Limited	Yes
52	L&T Infra Investment Partners Advisory Private Limited	Wholly owned subsidiary of L&T Infrastructure Finance Company Limited	Yes
53	L&T Infra Investment Partners Trustee Private Limited	Wholly owned subsidiary of L&T Infrastructure Finance Company Limited	No
54	L&T Vrindavan Properties Limited	Wholly owned subsidiary of L&T Finance Holdings Limited	Yes
55	L&T Access Distribution Services Limited	Wholly owned subsidiary of L&T Finance Holdings Limited	Yes
56	L&T Capital Company Limited	Wholly owned subsidiary	Yes
57	L&T Trustee Company Private Limited	Wholly owned subsidiary of L&T Capital Company Limited	Yes
58	L&T Power Development Limited	Wholly owned subsidiary	Yes
59	L&T Uttaranchal Hydropower Limited	Wholly owned subsidiary of L&T Power Development Limited	Yes
60	L&T Arunachal Hydropower Limited	Wholly owned subsidiary of L&T Power Development Limited	Yes
61	L&T Himachal Hydropower Limited	Wholly owned subsidiary of L&T Power Development Limited	Yes
62	Nabha Power Limited	Wholly owned subsidiary of L&T Power Development Limited	Yes
63	L&T Infrastructure Development Projects Limited	Subsidiary*	Yes
64	L&T Panipat Elevated Corridor Limited	Wholly owned subsidiary of L&T Infrastructure Development Projects Limited	Yes
65	L&T Krishnagiri Thopur Toll Road Limited	Wholly owned subsidiary of L&T Infrastructure Development Projects Limited	Yes
66	L&T Western Andhra Tollways Limited	Wholly owned subsidiary of L&T Infrastructure Development Projects Limited	Yes
67	L&T Vadodara Bharuch Tollway Limited	Wholly owned subsidiary of L&T Infrastructure Development Projects Limited	Yes
68	L&T Transportation Infrastructure Limited	Subsidiary of L&T Infrastructure Development Projects Limited #	Yes
69	L&T Western India Tollbridge Limited	Wholly owned subsidiary of L&T Infrastructure Development Projects Limited	Yes

Notes forming part of the Accounts (contd.)

NOTE [Q] ***(contd.)***

Sr. no.	Name of the related party	Relationship	Transaction entered during the year (Yes/No)
70	L&T Interstate Road Corridor Limited	Wholly owned subsidiary of L&T Infrastructure Development Projects Limited	Yes
71	L&T Port Kachchigarh Limited	Wholly owned subsidiary of L&T Infrastructure Development Projects Limited	Yes
72	L&T Ahmedabad-Maliya Tollway Limited	Subsidiary of L&T Infrastructure Development Projects Limited #	Yes
73	L&T Halol-Shamlaji Tollway Limited	Subsidiary of L&T Infrastructure Development Projects Limited #	Yes
74	L&T Krishnagiri Walajahpet Tollway Limited	Subsidiary of L&T Infrastructure Development Projects Limited #	Yes
75	L&T Devihalli Hassan Tollway Limited	Subsidiary of L&T Infrastructure Development Projects Limited #	Yes
76	L&T Metro Rail (Hyderabad) Limited	Subsidiary of L&T Infrastructure Development Projects Limited #	Yes
77	L&T Chennai-Tada Tollway Limited	Subsidiary of L&T Infrastructure Development Projects Limited #	Yes
78	L&T BPP Tollway Limited	Wholly owned subsidiary of L&T Infrastructure Development Projects Limited	Yes
79	L&T Deccan Tollways Limited	Wholly owned subsidiary of L&T Infrastructure Development Projects Limited	Yes
80	L&T Samakhiali Gandhidham Tollway Limited	Subsidiary of L&T Infrastructure Development Projects Limited #	Yes
81	Larsen & Toubro LLC	Subsidiary*	No
82	Larsen & Toubro Infotech, GmbH	Wholly owned subsidiary of Larsen & Toubro Infotech Limited	Yes
83	Larsen & Toubro Infotech Canada Limited	Wholly owned subsidiary of Larsen & Toubro Infotech Limited	No
84	Larsen & Toubro Infotech LLC	Wholly owned subsidiary of Larsen & Toubro Infotech Limited	No
85	L&T Infotech Financial Services Technologies Inc.	Wholly owned subsidiary of Larsen & Toubro Infotech Limited	No
86	L&T Technology Services LLC	Wholly owned subsidiary of L&T Technology Services Limited	Yes
87	L&T Infrastructure Development Projects Lanka (Private) Limited	Subsidiary of L&T Infrastructure Development Projects Limited	No
88	PT Larsen & Toubro Hydrocarbon Engineering Indonesia	Subsidiary*	No
89	L&T IDPL Trustee Manager Pte Ltd.	Wholly owned subsidiary of L&T Infrastructure Development Projects Limited	No
90	Kana Controls General Trading & Contracting Company W.L.L.	Subsidiary of L&T Electrical & Automation FZE ##	No
91	L&T Information Technology Services (Shanghai) Co. Ltd.	Wholly owned subsidiary of Larsen & Toubro Infotech Limited	No
92	L&T Realty FZE	Wholly owned subsidiary of L&T Realty Limited	No
93	Larsen & Toubro International FZE	Wholly owned subsidiary of L&T Global Holdings Limited	Yes
94	Larsen & Toubro (Oman) LLC	Subsidiary of Larsen & Toubro International FZE #	Yes
95	Larsen & Toubro Electromech LLC	Subsidiary of Larsen & Toubro International FZE #	Yes
96	L&T Modular Fabrication Yard LLC	Subsidiary of Larsen & Toubro International FZE #	Yes
97	Larsen & Toubro (East Asia) SDN.BHD	Subsidiary ##	Yes
98	Larsen & Toubro Qatar LLC	Subsidiary of Larsen & Toubro International FZE ##	Yes
99	L&T Overseas Projects Nigeria Limited	Wholly owned subsidiary of Larsen & Toubro International FZE	No
100	L&T Electricals & Automation Saudi Arabia Company LLC	Subsidiary of Larsen & Toubro International FZE #	Yes
101	Larsen & Toubro Kuwait Construction General Contracting Company, W.L.L.	Subsidiary of Larsen & Toubro International FZE ##	Yes
102	Larsen & Toubro (Qingdao) Rubber Machinery Company Limited $$	Wholly owned subsidiary of Larsen & Toubro International FZE	Yes
103	Larsen & Toubro Readymix and Asphalt Concrete Industries LLC	Subsidiary of Larsen & Toubro International FZE ##	Yes
104	Larsen & Toubro Saudi Arabia LLC	Subsidiary of Larsen & Toubro International FZE ##	Yes
105	Larsen & Toubro ATCO Saudia LLC	Subsidiary of Larsen & Toubro International FZE	Yes

Notes forming part of the Accounts (contd.)

NOTE [Q] ***(contd.)***

Sr. no.	Name of the related party	Relationship	Transaction entered during the year (Yes/No)
106	Tamco Switchgear (Malaysia) SDN. BHD	Wholly owned subsidiary of Larsen & Toubro International FZE	Yes
107	Tamco Electrical Industries Australia Pty Ltd.	Wholly owned subsidiary of Larsen & Toubro International FZE	No
108	PT Tamco Indonesia	Subsidiary of Larsen & Toubro International FZE #	Yes
109	Larsen & Toubro Heavy Engineering LLC	Subsidiary of Larsen & Toubro International FZE #	Yes
110	L&T Electrical & Automation FZE	Wholly owned subsidiary of Larsen & Toubro International FZE	Yes
111	Larsen & Toubro Consultoria E Projeto Ltda $$$	Subsidiary of Larsen & Toubro International FZE	No
112	Larsen & Toubro T&D SA Proprietary Limited	Subsidiary of Larsen & Toubro International FZE #	Yes
113	Servowatch System Limited	Wholly owned subsidiary of Thalest Limited	Yes
114	L&T Geostructure LLP	Subsidiary***	Yes
115	Larsen & Toubro Arabia LLC	Subsidiary*	Yes
116	Henikwon Corporation SDN. BHD	Wholly owned subsidiary of Tamco Switchgear (Malaysia) SDN. BHD	Yes
117	L&T Housing Finance Limited	Wholly owned subsidiary of L&T Finance Holdings Limited	Yes
118	L&T Valves Limited	Wholly owned subsidiary	Yes
119	L&T Technology Services Limited	Wholly owned subsidiary	Yes
120	Consumer Finance Services Limited	Wholly owned subsidiary of L&T Housing Finance Limited	Yes
121	Family Credit Limited	Wholly owned subsidiary of L&T Finance Holdings Limited	Yes
122	L&T Capital Markets Limited	Wholly owned subsidiary of L&T Finance Holdings Limited	Yes
123	L&T Infra Debt Fund Limited	Wholly owned subsidiary of L&T Finance Holdings Limited	Yes
124	Mudit Cement Private Limited	Wholly owned subsidiary of L&T Vrindavan Properties Limited	Yes
125	Larsen & Toubro Infotech South Africa (PTY) Limited	Subsidiary of Larsen & Toubro Infotech Limited	No
126	Thalest Limited	Wholly owned subsidiary of Larsen & Toubro International FZE	No
127	L&T Hydrocarbon International LLC	Subsidiary*	No
128	L&T Construction Equipment Limited	Wholly owned subsidiary	Yes
129	Kudgi Transmission Limited	Wholly owned subsidiary of L&T Infrastructure Development Projects Limited	Yes
130	L&T Sambhalpur Rourkela Tollway Limited	Wholly owned subsidiary of L&T Infrastructure Development Projects Limited	Yes
131	L&T Infotech Austria GmbH LLC	Wholly owned subsidiary of Larsen & Toubro Infotech Limited	No
132	L&T Global Holdings Limited	Wholly owned subsidiary	Yes
133	Marine Infrastructure Developer Private Limited	Wholly owned subsidiary	Yes
134	LTH Milcom Private Limited	Subsidiary*	Yes
135	L&T Information Technology Spain SL	Wholly owned subsidiary of Larsen & Toubro Infotech Limited	No

*	The Company holds more than one-half in nominal value of the equity share capital
**	The Company, together with its subsidiaries holds more than one-half in nominal value of the equity share capital
***	The Company controls the composition of board of directors or governing body as the case may be
@	The stake has been sold to wholly owned subsidiary
@@	The Company has sold its stake on March 31, 2016
@@@	The Company has sold its stake on March 31, 2016 in its subsidiary and consequently the stake in sub-subsidiary also does not exist
#	The Company's subsidiary/wholly owned subsidiary holds more than one-half in nominal value of the equity share capital
##	The Company, together with its subsidiaries controls the composition of the Board of Directors
###	The Company has sold part stake to a subsidiary
^	Companies merged with L&T Capital Company Limited with effect from April 1, 2015
^^	Subsidiary is merged with Larsen & Toubro Infotech Limited with retrospective effect from October 17, 2014
$	The company has sold its stake on November 16, 2015
$$	The company is dissolved w.e.f. June 9, 2015
$$$	The Company is dissolved w.e.f. November 6, 2015

Notes forming part of the Accounts (contd.)

NOTE [Q] ***(contd.)***

ii (a) Names of the associates and joint ventures with whom transactions were carried out during the year:

Associate companies:			
1	L&T-Chiyoda Limited @	2	Salzer Electronics Limited @@
3	Feedback Infra Private Limited	4	Magtorq Private Limited
5	JSK Electricals Private Limited @@@		
Joint ventures (other than associates):			
1	Metro Tunneling Group	2	L&T Hochtief Seabird Joint Venture
3	Desbuild-L&T Joint Venture	4	Metro Tunneling Chennai-L&T-Shanghai Urban Construction (Group) Corporation Joint Venture
5	L&T-AM Tapovan Joint Venture	6	HCC-L&T Purulia Joint Venture
7	L&T ASTCC JV-Doha	8	L&T-Shanghai Urban Construction (Group) Corporation Joint Venture
9	L&T-Shanghai Urban Construction (Group) Corporation Joint Venture CC27 Delhi	10	L&T-Eastern Joint Venture $
11	Larsen & Toubro Limited-Shapoorji Pallonji & Co. Limited Joint Venture	12	Metro Tunneling Delhi-L&T Shanghai Urban Construction (Group) Corporation Joint Venture
13	International Metro Civil Contractors Joint Venture	14	Civil Works Joint Venture
15	Aktor-Larsen & Toubro-Yapi Merkezi-stfa-Al Jaber Engineering	16	L&T-Delma Mafraq Joint Venture
17	Larsen & Toubro Limited and NCC Limited Joint Venture		

@ The Company has sold its stake on October 19, 2015 to a wholly owned subsidiary

@@ The Company has sold its stake in July and August, 2015

@@@ The Company has sold its stake on March 29, 2016

$ The Joint Venture is in the process of dissolution

ii (b) Names of the key management personnel and their relatives with whom transactions were carried out during the year:

Key management personnel & their relatives:			
1	Mr. A. M. Naik (Group Executive Chairman)	2	Mr. K. Venkataramanan (CEO & Managing Director) * Mrs. Jyothi Venkataramanan (wife)
3	Mr. M. V. Kotwal (Whole-time Director) **	4	Mr. R. Shankar Raman (CFO & Whole-time Director)
5	Mr. S. N. Subrahmanyan (Whole-time Director)	6	Mr. S. N. Roy (Whole-time Director)
7	Mr. D. K. Sen (Whole-time Director) #	8	Mr. M. V. Satish (Whole-time Director) ##

* Retired on September 30, 2015

** Retired on August 26, 2015

Appointed w.e.f. October 1, 2015

Appointed w.e.f. January 29, 2016

Notes forming part of the Accounts (contd.)

NOTE [Q] ***(contd.)***

iii. Disclosure of related party transactions:

₹ crore

Sr. no.	Nature of transaction/relationship/major parties	2015-16 Amount	2015-16 Amounts for major parties	*2014-15 Amount*	*2014-15 Amounts for major parties*
1	Purchase of goods & services (including commission paid)				
	Subsidiaries, including:	2760.99		*2340.85*	
	L&T-MHPS Turbine Generators Private Limited		536.02		*484.72*
	L&T-MHPS Boilers Private Limited		1256.68		*1105.64*
	Associates & joint ventures, including:	74.54		*153.46*	
	Salzer Electronics Limited		37.33		*123.81*
	JSK Electricals Private Limited		27.99		*24.04*
	Total	2835.53		*2494.31*	
2	Sale of goods/contract revenue & services				
	Subsidiaries, including:	4771.41		*5623.44*	
	L&T Metro Rail (Hyderabad) Limited		1395.17		*2080.94*
	Nabha Power Limited		–		*661.06*
	Larsen and Toubro Saudi Arabia LLC		628.73		*618.03*
	L&T Deccan Tollways Limited		533.50		–
	L&T Infrastructure Development Projects Limited		653.99		–
	L&T Seawoods Limited		477.15		–
	Associates & joint ventures, including:	93.18		*86.91*	
	Civil Works Joint Venture		4.51		*50.12*
	L&T- Shanghai Urban Construction (Group) Corporation Joint Venture CC27 Delhi		34.00		*19.09*
	Metro Tunneling Chennai - L&T-Shanghai Urban Construction (Group) Corporation Joint Venture		33.41		*9.58*
	Metro Tunneling Delhi - L&T-Shanghai Urban Construction (Group) Joint Venture		10.50		–
	Larsen & Toubro Limited and NCC Limited Joint Venture		10.64		–
	Total	4864.59		*5710.35*	
3	Purchase/lease of fixed assets				
	Subsidiaries, including:	15.49		*11.03*	
	L&T Construction Equipment Limited		–		*1.37*
	Tamco Switchgear (Malaysia) SDN. BHD		–		*3.29*
	L&T Technology Services Limited		–		*2.15*
	Henikwon Corporation SDN. BHD		–		*1.55*
	Larsen and Toubro Infotech Limited		12.49		–
	Associates & joint ventures:	–		*0.11*	
	L&T-Chiyoda Limited		–		*0.11*
	Total	15.49		*11.14*	

Notes forming part of the Accounts (contd.)

NOTE [Q] ***(contd.)***

₹ crore

Sr. no.	Nature of transaction/relationship/major parties	2015-16 Amount	2015-16 Amounts for major parties	*2014-15 Amount*	*2014-15 Amounts for major parties*
4	Sale of fixed assets				
	Subsidiaries, including:	2.01		*15.78*	
	Larsen and Toubro Infotech Limited		–		*10.34*
	L&T-MHPS Turbine Generators Private Limited		0.26		–
	Larsen and Toubro (Oman) LLC		1.07		–
	Key management personnel	9.29		–	
	K. Venkataramanan *		8.85		–
	M. V. Kotwal **		0.44		–
	Total	11.30		*15.78*	
5	Sale of Receivables				
	Subsidiary:	44.83		*276.16*	
	L&T Finance Limited		44.83		*276.16*
	Total	44.83		*276.16*	
6	Subscription to equity and preference shares (including application money paid)				
	Subsidiaries, including:	3461.13		*2428.61*	
	L&T Seawoods Limited		–		*1529.55*
	L&T Power Development Limited		383.40		–
	L&T Technology Services Limited		–		*547.50*
	L&T Shipbuilding Limited		1331.86		–
	L&T Realty Limited		648.30		–
	L&T Uttaranchal Hydropower Limited		604.75		–
	Total	3461.13		*2428.61*	
7	Investment in Integrated joint ventures [Note (R)(21)]				
	Increase in investment, including:	442.60		*164.43*	
	Metro Tunneling Delhi - L&T-Shanghai Urban Construction (Group) Corporation Joint Venture		–		*37.48*
	L&T-Shanghai Urban Construction (Group) Corporation Joint Venture CC 27 Delhi		53.84		*52.60*
	Civil Works Joint Venture		210.67		*57.12*
	L&T-Delma Mafraq Joint Venture		144.76		–
	Total	442.60		*164.43*	

Notes forming part of the Accounts (contd.)

NOTE [Q] ***(contd.)***

₹ crore

Sr. no.	Nature of transaction/relationship/major parties	2015-16 Amount	2015-16 Amounts for major parties	*2014-15 Amount*	*2014-15 Amounts for major parties*
	Decrease in investment, including:	44.21		*31.30*	
	Metro Tunneling Chennai - L&T-Shanghai Urban Construction (Group) Corporation Joint Venture		21.72		*12.89*
	Larsen & Toubro Limited - Shapoorji Pallonji & Co. Limited Joint Venture		–		*17.18*
	Metro Tunneling Delhi - L&T-Shanghai Urban Construction (Group) Corporation Joint Venture		19.43		–
	Total	44.21		*31.30*	
8	Purchase of investments from				
	Subsidiary, including:	4234.01		*4280.66*	
	L&T Capital Company Limited		4233.64		*4280.66*
	Total	4234.01		*4280.66*	
9	Sale of investments to				
	Subsidiaries, including:	5542.28		*4277.56*	
	L&T Capital Company Limited		4232.03		*4277.56*
	L&T Global Holdings Limited		1147.40		–
	Total	5542.28		*4277.56*	
10	Charges paid for miscellaneous services				
	Subsidiaries, including:	152.49		*89.94*	
	Larsen & Toubro Infotech Limited		84.93		*33.71*
	L&T Aviation Services Private Limited		23.91		*27.37*
	L&T Technology Services Limited		16.49		–
	Associates & joint ventures, including:	2.48		*1.04*	
	Feedback Infra Private Limited		–		*0.77*
	L&T-Chiyoda Limited		0.59		*0.23*
	Civil Works Joint Venture		1.89		–
	Total	154.97		*90.98*	
11	Rent paid, including lease rentals under leasing/hire purchase arrangements				
	Subsidiaries, including:	1.68		*1.82*	
	L&T Electrical & Automation FZE		0.86		*0.98*
	L&T Infocity Limited		0.37		*0.35*
	PT Tamco Indonesia		0.23		*0.30*
	Key management personnel	0.01		*0.01*	
	K. Venkataramanan * & Mrs. Jyothi Venkataramanan		0.01		*0.01*
	Total	1.69		*1.83*	

Notes forming part of the Accounts (contd.)

NOTE [Q] ***(contd.)***

₹ crore

Sr. no.	Nature of transaction/relationship/major parties	2015-16 Amount	2015-16 Amounts for major parties	*2014-15 Amount*	*2014-15 Amounts for major parties*
12	(a) Charges incurred for deputation of employees from related parties				
	Subsidiaries, including:	13.70		*11.19*	
	L&T Hydrocarbon Engineering Limited		2.18		*1.84*
	L&T Electricals and Automation Saudi Arabia Company LLC		2.18		*1.27*
	L&T Electrical and Automation FZE		4.43		*3.48*
	Larsen and Toubro Infotech Limited		2.59		–
	Larsen and Toubro (Oman) LLC		–		*1.28*
	PT Tamco Indonesia		–		*1.20*
	Total	13.70		*11.19*	
12	(b) Charges recovered for deputation of employees to related parties				
	Subsidiary, including:	79.49		*77.99*	
	L&T Parel Project LLP		25.35		*22.15*
	Associates & joint ventures, including:	252.91		*21.12*	
	L&T-Chiyoda Limited		–		*21.06*
	Aktor- Larsen & Toubro-Yapi Merkezi-stfa-Al Jaber Engineering Joint Venture		32.30		–
	Civil Works Joint Venture		132.21		–
	L&T-Delma Mafraq Joint Venture		69.20		–
	Total	332.40		*99.11*	
13	Dividend received				
	Subsidiaries, including:	1007.91		*850.70*	
	Larsen & Toubro Infotech Limited		526.48		*480.52*
	L&T Technology Services Limited		302.00		*219.93*
	L&T Finance Holdings Limited		–		*96.68*
	Associates & joint ventures, including:	0.38		*0.58*	
	Salzer Electronics Limited		0.38		*0.40*
	Magtorq Private Limited		–		*0.18*
	Total	1008.29		*851.28*	
14	Commission received, including those under agency arrangements				
	Subsidiaries, including:	7.49		*3.73*	
	L&T Kobelco Machinery Private Limited		2.64		*2.24*
	L&T Construction Equipment Limited		4.84		*1.49*
	Total	7.49		*3.73*	

Notes forming part of the Accounts (contd.)

NOTE [Q] ***(contd.)***

₹ crore

Sr. no.	Nature of transaction/relationship/major parties	2015-16 Amount	2015-16 Amounts for major parties	*2014-15 Amount*	*2014-15 Amounts for major parties*
15	Rent received, overheads recovered and miscellaneous income				
	Subsidiaries, including:	547.14		*510.18*	
	Larsen & Toubro Infotech Limited		77.23		*84.71*
	L&T Technology Services Limited		69.89		*68.64*
	L&T Hydrocarbon Engineering Limited		96.83		*105.86*
	Associates & joint ventures, including:	6.66		*139.45*	
	Aktor-Larsen & Toubro-Yapi Merkezi-stfa-Al Jaber Engineering Joint Venture		5.60		*28.57*
	Civil Works Joint Venture		–		*72.63*
	L&T-Delma Mafraq Joint Venture		–		*32.02*
	L&T-Chiyoda Limited		1.06		–
	Total	553.81		*649.63*	
16	Guarantee charges recovered from				
	Subsidiaries, including:	18.18		*9.12*	
	Nabha Power Limited		9.90		*6.36*
	Larsen and Toubro Saudi Arabia LLC		–		*1.21*
	L&T Hydrocarbon Engineering Limited		6.02		*1.06*
	Total	18.18		*9.12*	
17	Interest received from				
	Subsidiaries, including:	270.46		*286.42*	
	L&T Hydrocarbon Engineering Limited		–		*76.00*
	L&T Special Steels and Heavy Forgings Private Limited		52.58		*33.57*
	L&T Realty Limited		69.94		*104.48*
	L&T Shipbuilding Limited		90.62		–
	Nabha Power Limited		31.50		–
	Associates & joint ventures:	–		*9.32*	
	The Dhamra Port Company Limited		–		*9.32*
	Total	270.46		*295.74*	
18	Interest paid to				
	Subsidiaries, including:	17.76		*14.67*	
	L&T Hydrocarbon Engineering Limited		6.31		–
	L&T Construction Equipment Limited		1.98		*4.11*
	L&T Infrastructure Development Projects Limited		3.89		*2.35*
	L&T Realty Limited		–		*1.54*
	Nabha Power Limited		4.70		*4.76*
	L&T Cutting Tools Limited		–		*1.72*
	Total	17.76		*14.67*	

Notes forming part of the Accounts (contd.)

NOTE [Q] ***(contd.)***

₹ crore

Sr. no.	Nature of transaction/relationship/major parties	2015-16 Amount	2015-16 Amounts for major parties	*2014-15 Amount*	*2014-15 Amounts for major parties*
19	Amount provided for bad debts				
	Subsidiary:	–		*3.09*	
	Larsen and Toubro (Qingdao) Rubber Machinery Company Limited		–		*3.09*
	Total	–		*3.09*	
20	Transfer of business to				
	Subsidiary:	–		*549.49*	
	L&T Technology Services Limited		–		*549.49*
	Total	–		*549.49*	
21	Payment of salaries/perquisites (other than commission)	36.19		*16.98*	
	Key management personnel				
	A. M. Naik		4.52		*4.22*
	K. Venkataramanan *^$		15.19		*4.20*
	M. V. Kotwal**^^		9.60		*3.01*
	S. N. Subrahmanyan		2.02		*1.74*
	R. Shankar Raman		1.70		*1.59*
	S. N. Roy		2.31		*2.22*
	D. K. Sen #		0.61		–
	M. V. Satish ##		0.24		–
	Total	36.19		*16.98*	
22	Commission to directors @				
	Key management personnel	59.93		*64.27*	
	A. M. Naik		22.81		*23.10*
	K. Venkataramanan *		4.28		*9.38*
	M. V. Kotwal **		2.31		*6.24*
	S. N. Subrahmanyan		12.57		*11.09*
	R. Shankar Raman		8.76		*8.78*
	S. N. Roy		5.59		*5.68*
	D. K. Sen #		2.68		–
	M. V. Satish ##		0.93		–
	Total	59.93		*64.27*	
23	Capital reduction by				
	Subsidiary:	21.95		–	
	L&T Capital Company Limited		21.95		–
	Total	21.95		–	

* Retired on September 30, 2015

** Retired on August 26, 2015

Appointed w. e. f. October 1, 2015

Appointed w. e. f. January 29, 2016

^ Includes leave encashment payment on retirement of ₹ 13.53 crore

^^ Includes leave encashment payment on retirement of ₹ 7.89 crore

$ Out of the above, the company has recovered ₹ Nil *(previous year: ₹ 0.75 crore)* from L&T Hydrocarbon Engineering Limited which has been included in Note Q(10)(iii)(15) *supra*

Notes forming part of the Accounts (contd.)

NOTE [Q] ***(contd.)***

@ Commission to director comprises:

₹ crore

Sr. no.	Particulars	2015-16	*2014-15*
1	Commission	47.81	*50.61*
2	Contribution to provident fund	5.04	*6.07*
3	Contribution to superannuation fund on commission	7.08	*7.59*
	Total	59.93	*64.27*

"Major parties" denote entities accounting for 10% or more of the aggregate for that category of transaction during respective period.

iv. Amount due to/from related parties:

₹ crore

Sr. no.	Nature of transaction/relationship/major parties	As at 31-3-2016 Amount	As at 31-3-2016 Amounts for major parties	*As at 31-3-2015 Amount*	*As at 31-3-2015 Amounts for major parties*
1	Accounts receivable				
	Subsidiaries, including:	1462.54		*1443.50*	
	Nabha Power Limited		–		*256.39*
	L&T Metro Rail (Hyderabad) Limited		297.98		–
	Larsen and Toubro Saudi Arabia LLC		202.25		*253.41*
	Associates & joint ventures, including:	128.95		–	
	Metro Tunneling Chennai - L&T-Shanghai Urban Construction (Group) Corporation Joint Venture		36.82		–
	Metro Tunneling Delhi - L&T-Shanghai Urban Construction (Group) Corporation Joint Venture		18.91		–
	Civil Works Joint Venture		57.64		–
	Total	1591.49		*1443.50*	
2	Accounts payable (including acceptance & interest accrued)				
	Subsidiaries, including:	2256.57		*1782.16*	
	L&T-MHPS Boilers Private Limited		1042.25		*830.70*
	L&T-MHPS Turbine Generators Private Limited		555.34		*547.20*
	Associates & joint ventures, including:	42.16		*104.19*	
	Metro Tunneling Chennai - L&T-Shanghai Urban Construction (Group) Corporation Joint Venture		–		*31.77*
	Metro Tunneling Delhi - L&T-Shanghai Urban Construction (Group) Corporation Joint Venture		–		*18.78*
	Larsen & Toubro Limited and NCC Limited Joint Venture		27.73		*25.20*
	Salzer Electronics Limited		–		*18.54*
	L&T-Shanghai Urban Construction (Group) Corporation Joint Venture		5.56		–
	Total	2298.73		*1886.35*	

Notes forming part of the Accounts (contd.)

NOTE [Q] ***(contd.)***

₹ crore

Sr. no.	Nature of transaction/relationship/major parties	As at 31-3-2016 Amount	As at 31-3-2016 Amounts for major parties	*As at 31-3-2015 Amount*	*As at 31-3-2015 Amounts for major parties*
3	Investment in debt securities				
	Subsidiary:	22.75		*22.95*	
	L&T Finance Limited		22.75		*22.95*
	Total	22.75		*22.95*	
4	Loans & advances recoverable (including interest accrued)				
	Subsidiaries, including:	6339.66		*3021.29*	
	L&T-MHPS Boilers Private Limited		–		*304.77*
	L&T Special Steels and Heavy Forgings Private Limited		877.47		*564.02*
	L&T Shipbuilding Limited		2275.23		*400.18*
	L&T Realty Limited		–		*710.90*
	Nabha Power Limited		918.15		–
	Associates & joint ventures, including:	62.80		*84.99*	
	L&T-AM Tapovan Joint Venture		11.87		*12.01*
	Larsen & Toubro Limited - Shapoorji Pallonji & Co. Limited Joint Venture		–		*23.39*
	L&T-Shanghai Urban Construction (Group) Corporation Joint Venture CC27 Delhi		–		*27.94*
	L&T-Delma Mafraq Joint Venture		43.48		*14.96*
	Key management personnel	–		*0.01*	
	K. Venkataramanan * & Mrs. Jyothi Venkataramanan		–		*0.01*
	Total	6402.46		*3106.29*	
5	Advances against equity contribution				
	Subsidiaries, including:	5.25		*1986.84*	
	L&T Shipbuilding Limited		–		*421.86*
	L&T Realty Limited		–		*648.29*
	L&T Power Development Limited		–		*379.40*
	L&T Uttaranchal Hydropower Limited		5.25		*523.00*
	Total	5.25		*1986.84*	
6	Unsecured loans (including lease finance)				
	Subsidiaries, including:	9.25		*57.25*	
	L&T Construction Equipment Limited		–		*45.00*
	L&T Cutting Tools Limited		9.25		*12.25*
	Total	9.25		*57.25*	

Notes forming part of the Accounts (contd.)

NOTE [Q] ***(contd.)***

₹ crore

Sr. no.	Nature of transaction/relationship/major parties	As at 31-3-2016 Amount	As at 31-3-2016 Amounts for major parties	*As at 31-3-2015 Amount*	*As at 31-3-2015 Amounts for major parties*
7	Advances received in the capacity of supplier of goods/services classified as "advances from customers" in the Balance Sheet				
	Subsidiaries, including:	266.75		*586.12*	
	L&T Metro Rail (Hyderabad) Limited		129.40		*223.24*
	L&T Seawoods Limited		–		*82.95*
	L&T Deccan Tollways Limited		36.97		*96.03*
	L&T Infrastructure Development Projects Limited		68.84		*122.24*
	Total	266.75		*586.12*	
8	Due to Whole-time Directors				
	Key management personnel	47.83		*50.61*	
	A. M. Naik		17.96		*18.19*
	K. Venkataramanan *		3.77		*7.39*
	M. V. Kotwal **		2.04		*4.91*
	S. N. Subrahmanyan		9.90		*8.73*
	R. Shankar Raman		6.90		*6.91*
	S. N. Roy		4.40		*4.48*
	D. K. Sen #		2.13		–
	M. V. Satish ##		0.73		–
	Total	47.83		*50.61*	

* Retired on September 30, 2015

** Retired on August 26, 2015

Appointed w. e. f. October 1, 2015

Appointed w. e. f. January 29, 2016

"Major parties" denote entities accounting for 10% or more of the aggregate for that category of transaction during respective period.

v. Notes to related party transactions:

The Company has a marketing and selling arrangement with L&T Construction Equipment Limited, a subsidiary company. As per the terms of the arrangement, the Company is an agent of L&T Construction Equipment Limited to market construction equipment and hydraulic equipment & parts manufactured by L&T Construction Equipment Limited and to provide after sales product support for construction equipment. Pursuant to the aforesaid arrangement, L&T Construction Equipment Limited is required to pay commission to the Company at specified rates on the sales effected by the Company.

The financial impact of the aforesaid arrangement has been included in/disclosed vide Note Q(10)(iii) *supra*.

Notes forming part of the Accounts (contd.)

NOTE [Q] ***(contd.)***

Q(11) Disclosure in respect of leases pursuant to Accounting Standard (AS) 19 "Leases":

(i) Where the Company is a lessee:

Operating leases:

i. The Company had taken various commercial premises and plant & equipment under cancellable operating leases. Those lease agreements were normally renewed on expiry.

ii. a. The Company had taken certain assets like cars, technology assets, etc. on non-cancellable operating leases, the future minimum lease payments in respect of which were as follows:

₹ crore

Particulars	Minimum lease payments	
	As at 31-3-2016	*As at 31-3-2015*
1. Payable not later than 1 year	17.60	*12.56*
2. Payable later than 1 year and not later than 5 years	19.93	*8.99*
3. Payable later than 5 years	–	–
Total	37.53	*21.55*

b. The lease agreements provided for an option to the Company to renew the lease period at the end of the non-cancellable period. There were no exceptional/restrictive covenants in the lease agreements.

iii. Lease rental expense in respect of operating leases: ₹ 76.97 crore *(previous year: ₹ 87.14 crore).*

iv. Contingent rent recognised in the Statement of Profit and Loss: ₹ Nil *(previous year: ₹ Nil).*

Q(12) Basic and diluted earnings per share [EPS] computed in accordance with Accounting Standard (AS) 20 "Earnings per Share".

Particulars		Before extraordinary items		After extraordinary items	
		2015-16	*2014-15*	2015-16	*2014-15*
Basic					
Profit after tax as per accounts (₹ crore)	A	5311.46	*5056.18*	5311.46	*5056.18*
Weighted average number of shares outstanding	B	93,07,61,648	*92,83,48,310*	93,07,61,648	*92,83,48,310*
Basic EPS (₹)	A/B	57.07	*54.46*	57.07	*54.46*
Diluted					
Profit after tax as per accounts (₹ crore)	A	5311.46	*5056.18*	5311.46	*5056.18*
Weighted average number of shares outstanding	B	93,07,61,648	*92,83,48,310*	93,07,61,648	*92,83,48,310*
Add: Weighted average number of potential equity shares on account of employee stock options	C	43,62,080	*62,19,750*	43,62,080	*62,19,750*
Weighted average number of shares outstanding for diluted EPS	D=B+C	93,51,23,728	*93,45,68,060*	93,51,23,728	*93,45,68,060*
Diluted EPS (₹)	A/D	56.80	*54.10*	56.80	*54.10*
Face value per share (₹)		2	*2*	2	*2*

Note: Potential equity shares that could arise on conversion of FCCBs are not resulting into dilution of EPS. Hence, they have not been considered in working of diluted EPS in accordance with Accounting Standard (AS) 20 "Earnings per share".

Notes forming part of the Accounts (contd.)

NOTE [Q] *(contd.)*

Q(13) Major components of deferred tax liabilities and deferred tax assets pursuant to Accounting Standard (AS) 22 "Accounting for Taxes on Income":

₹ crore

Particulars	*Deferred tax liabilities/ (assets) as at 31-3-2015*	Less: Transfer out*	Charge/ (credit) to Statement of Profit & Loss	Charge/ (credit) to opening reserves $	Charge/ (credit) to hedging reserve**	Deferred tax liabilities/ (assets) as at 31-3-2016
Deferred tax liabilities:						
Difference between book and tax depreciation	*607.31*	–	(17.89)	(2.13)	–	587.29
Gain on derivative transactions to be offered for tax purposes in the year of transfer to the Statement of Profit and Loss	*4.71*	–	–	–	(4.19)	0.52
Disputed statutory liabilities paid and claimed as deduction for tax purposes but not debited to the Statement of Profit and Loss	*100.48*	–	13.17	–	–	113.65
Other items giving rise to timing differences	*233.54*	–	(61.18)	–	–	172.36
Total	*946.04*	–	(65.90)	(2.13)	(4.19)	873.82
Deferred tax (assets):						
Provision for doubtful debts and advances debited to the Statement of Profit and Loss	*(236.39)*	–	(108.72)	–	–	(345.11)
Loss on derivative transactions to be claimed for tax purposes in the year of transfer to the Statement of Profit and Loss	*(109.63)*	–	–	–	20.23	(89.40)
Unpaid statutory liabilities/provision for compensated absences debited to the Statement of Profit and Loss	*(173.52)*	–	(23.82)	–	–	(197.34)
Other items giving rise to timing differences	*(63.51)*	–	24.90	–	–	(38.61)
Total	*(583.05)*	–	(107.64)	–	20.23	(670.46)
Net deferred tax liability/(assets)	*362.99*	–	(173.54)	(2.13)	16.04	203.36
Previous year	*409.92*	*(48.88)*	*16.30*	*(29.33)*	*(82.78)*	*362.99*

* Net deferred tax assets of ₹ 48.88 crore was transferred pursuant to transfer of business to wholly owned subsidiaries in previous year.

** The amount of ₹ (167.95 crore) *[previous year: ₹ (198.25 crore)]* represents net gains/(losses) on effective hedges recognised in hedge reserve, applying the principles of hedge accounting set out in the Accounting Standard (AS) 30 "Financial Instruments: Recognition and Measurement". The amount is after considering the net deferred tax liability of ₹ 16.04 crore *(previous year net deferred tax asset: ₹ 82.78 crore).*

$ Reversal of deferred tax on depreciation charged against opening reserves as on April 1, 2015, pursuant to Schedule II of Companies Act, 2013, ₹ 2.13 crore *[previous year: ₹ (29.33 crore)].*

Q(14) Disclosures in respect of joint ventures pursuant to Accounting Standard (AS) 27 "Financial Reporting of Interests in Joint Ventures"

a) List of Joint Ventures

Sr. no.	Name of Joint Venture	Description of interest	Proportion of ownership interest %	Country of residence
1	L&T-Hochtief Seabird Joint Venture	Jointly Controlled Entity (Construction of breakwater, Karwar)	90	India
2	International Metro Civil Contractors Joint Venture	Jointly Controlled Entity (Construction of Delhi Metro Corridor-Phase I Tunnel Project)	26	India
3	HCC-L&T Purulia Joint Venture	Jointly Controlled Entity (Construction of Pumped Storage Project)	43	India

Notes forming part of the Accounts (contd.)

NOTE [Q] ***(contd.)***

Sr. no.	Name of Joint Venture	Description of interest	Proportion of ownership interest %	Country of residence
4	Desbuild-L&T Joint Venture	Jointly Controlled Entity (Renovation of US Consulate, Chennai)	49	India
5	Metro Tunneling Group	Jointly Controlled Entity (Construction of Delhi Metro Corridor-Phase II Tunnel Project)	26	India
6	L&T-AM Tapovan Joint Venture	Jointly Controlled Entity (Construction of Head Race Tunnel for Tapovan Vishnugad Hydro Electric project in Uttaranchal state)	65	India
7	L&T-Shanghai Urban Construction (Group) Corporation Joint Venture	Jointly Controlled Entity (Construction of Twin Tunnel between IGI Airport and Sector 21 for DMRC)	51	India
8	L&T-Eastern Joint Venture	Jointly Controlled Entity (Construction and maintenance of 295 Residential Units at Dubai)	65	UAE
9	Metro Tunneling Chennai-L&T-Shanghai Urban Construction (Group) Corporation Joint Venture (CMRL)	Jointly Controlled Entity (Construction of UG Stations at Nehru Park, KMC and Pachiyappas College and associated tunnels for CMRL)	75	India
10	Metro Tunneling Delhi-L&T-Shanghai Urban Construction (Group) Corporation Joint Venture	Jointly Controlled Entity (Construction of Delhi Metro Corridor- Tunnel Project-Phase-CC5)	@	India
11	Larsen &Toubro-Shapoorji Pallonji & Co. Limited Joint Venture	Jointly Controlled Entity (Design & Build work for Construction of TCS SEZ at Kolkata, West Bengal)	50	India
12	L&T-Shanghai Urban Construction (Group) Corporation Joint venture-CC27 Delhi	Jointly Controlled Entity (Design and Construction of Tunnel for Delhi MRTS Project of Phase-III)	@	India
13	Civil Works Joint Venture	Jointly Controlled Entity (Contract for Detail Design, Construction and Commissioning of Package 2 of The Riyadh Metro Project)	29	Saudi Arabia
14	Aktor-Larsen & Toubro-Yapi Merkezi-stfa-Al Jaber Engineering Joint Venture	Jointly Controlled Entity (Contract for Design & Build Package 3, Gold Line Underground, a part of the construction of the Qatar integrated Railway Project)	22	Qatar
15	L&T Delma Mafraq Joint Venture	Jointly Controlled Entity (Improvement of Mafraq to AL Ghwaifat Border Post Highway Section No.4A)	60	UAE
16	Larsen & Toubro Limited-Scomi Engineering BHD Consortium-Residual Joint Works-Joint Venture	Jointly Controlled Entity (Implementation of residual joint works for monorail system in Mumbai)	60	India
17	Larsen & Toubro Limited-Scomi Engineering BHD Consortium-O&M Joint Venture	Jointly Controlled Entity (Operation and Maintenance of monorail system)	50	India
18	Larsen & Toubro Limited and NCC Limited Joint Venture	Jointly Controlled Entity (Supply and construction of 2 parallel 2100 mm diameter steel gravity mains conduit pipes from Palra to Bhureka)	55	India
19	L&T-AL-Sraiya LRDP 6 Joint Venture	Execution of the Roads and Infrastructure in Doha Industrial Area	75	Qatar

Notes forming part of the Accounts (contd.)

NOTE [Q] ***(contd.)***

Sr. no.	Name of Joint Venture	Description of interest	Proportion of ownership interest %	Country of residence
20	PESB and Larsen & Toubro Joint Venture	Execution of 500 KV Transmission Line Tender in Malaysia	82.30	Malaysia
21	Daewoo and L&T UJV	EPC for construction of Greenfield six-Lane Extradosed Cable Bridge over Ganga River	50	India
22	L&T Sojitz Consortium	Design and construction of special bridge across narmada river structure for Dedicated Freight Corridor Corporation	–	India
23	L&T-KBL (UJV) Hyderabad	Jointly Controlled Operations (Investigation, Design, Supply and Erection of necessary lift systems with all electrical and mechanical components including surge protection systems)	–	India
24	Patel-L&T Consortium	Jointly Controlled Operations (Parbati Hydro Electric Project)	–	India
25	L&T-SVEC Joint Venture	Jointly Controlled Operations (Lift Irrigation Project at Hyderabad)	–	India
26	L&T-KBL-MAYTAS UJV	Jointly Controlled Operations (Transmission of 735 Mld treated water associated with all Civil, Electrical & Mechanical works at Hyderabad)	–	India
27	Larsen & Toubro Limited & Bharat Rail Automation Pvt Limited Joint Venture (package II)	Jointly Controlled Operations (design, supply, erection, testing & commissioning of 25 KV, 50HZ, single phase, traction over-head Equipment, switching stations, SCADA and other associated works, in the state of Karnataka and Andhra Pradesh, India)	–	India
28	Larsen & Toubro Limited & Bharat Rail Automation Pvt Limited Joint Venture (package III)	Jointly Controlled Operations (design, supply, erection, testing & commissioning of 25 KV, 50HZ, single phase, traction over-head equipment, switching stations, and other associated works, in the state of Karnataka and Andhra Pradesh, India)	–	India
29	IIS-L&T Consortium	Design & Construction of 8 Special Steel Bridges over water main and railways and across creek & rivers including ulhas damanganga, par & tapi rivers, involving bridge structure, approaches in formation in embankments with 1 major bridge, 3 minor bridges and 1 RUB, guide bunds and protection works including testing and commissioning on design-build lumpsum price basis for JNPT Vadodara section of western dedicated freight corridor (Phase-2)	–	India
30	L&T and Scomi Engineering BHD Joint Venture	Jointly Controlled Operations (Implementation of monorail system in Mumbai)	–	India

Notes forming part of the Accounts (contd.)

NOTE [Q] ***(contd.)***

b) Financial interest in jointly controlled entities (to the extent of the Company's share)

₹ crore

Sr. no.	Name of Integrated Joint Ventures/Jointly Controlled Entities	Company's share						
		As at March 31, 2016		For the Year 2015–16				
		Assets	Liabilities	Income	Expenses	Tax	Net profit (Note K)	Net loss (Note O)
1	L&T-Hochtief Seabird Joint Venture	71.47 *(71.47)*	47.75 *(47.75)*	– *(–)*	0.01 *(0.01)*	– *(–)*	– *(–)*	0.01 *(0.01)*
2	International Metro Civil Contractors Joint Venture	9.73 *(13.06)*	2.55 *(3.82)*	0.14 *(–) $*	0.08 *(0.11)*	0.09 *(–)*	– *(–)*	0.03 *(0.11)*
3	Metro Tunneling Group	23.04 *(22.20)*	7.55 *(7.30)*	1.08 *(1.12)*	0.03 *((*))*	0.41 *(0.36)*	0.64 *(0.76)*	– *(–)*
4	L&T-Shanghai Urban Construction (Group) Corporation Joint Venture	18.95 *(18.39)*	5.49 *(5.12)*	0.62 *(0.45)*	0.35 *(0.29)*	0.08 *(0.05)*	0.19 *(0.11)*	– *(–)*
5	HCC-L&T Purulia Joint Venture	2.98 *(2.98)*	2.69 *(2.69)*	– *(0.22)*	0.01 *(–)*	– *(–)*	– *(0.22)*	0.01 *(–)*
6	L&T-AM Tapovan Joint Venture	145.61 *(148.68)*	38.87 *(40.96)*	0.17 *(1.26)*	0.89 *(1.26)*	– *(–)*	– *(–)*	0.72 *(–)*
7	Desbuild-L&T Joint Venture	0.04 *(0.04)*	{(0.01)} *((0.3))*	– *(–)*	– ^ *(–) Ω*	– *((0.02))*	– *(0.02)*	– # *(–)*
8	L&T-Eastern Joint Venture	18.55 *(17.79)*	13.04 *(12.57)*	0.30 *(0.23)*	– *(0.54)*	– *(–)*	0.30 *(–)*	– *(0.31)*
9	Metro Tunneling Chennai -L&T-Shanghai Urban Construction (Group) Corporation Joint Venture-CMRL	110.91 *(109.62)*	87.69 *(64.67)*	106.44 *(216.66)*	117.51 *(221.20)*	0.87 *((0.40))*	– *(–)*	11.94 *(4.14)*
10	Metro Tunneling Delhi -L&T Shanghai Urban Construction (Group) Corporation Joint Venture	104.53 *(128.51)*	67.39 *(71.94)*	104.28 *(140.44)*	104.57 *(141.69)*	– *(–)*	– *(–)*	0.29 *(1.25)*
11	Larsen & Toubro Limited-Shapoorji Pallonji & Co. Ltd Joint Venture	49.27 *(75.16)*	20.96 *(53.51)*	31.85 *(82.55)*	36.82 *(96.94)*	– *(–)*	– *(–)*	4.97 *(14.39)*
12	L&T-Shanghai Urban Construction (Group) Corporation Joint Venture-CC27 Delhi	209.23 *(261.99)*	90.13 *(196.73)*	191.07 *(383.54)*	189.22 *(384.73)*	– *(–)*	1.85 *(–)*	– *(1.19)*
13	Aktor-Larsen & Toubro-Yapi Merkezi-stfa-Al Jaber Engineering Joint Venture	694.85 *(553.11)*	694.85 *(553.11)*	1005.85 *(–)*	1005.85 *(–)*	– *(–)*	– *(–)*	– *(–)*
14	Civil Works Joint Venture	2091.26 *(1799.47)*	1823.47 *(1742.36)*	1568.47 *(57.10)*	1363.96 *(–)*	– *(–)*	204.51 *(57.10)*	– *(–)*
15	L&T Delma Mafraq Joint Venture	321.01 *(125.92)*	176.25 *(125.92)*	380.15 *(106.78)*	349.92 *(106.78)*	– *(–)*	30.23 *(–)*	– *(–)*

Notes forming part of the Accounts (contd.)

NOTE [Q] ***(contd.)***

₹ crore

Sr. no.	Name of Integrated Joint Ventures/Jointly Controlled Entities	Company's share						
		As at March 31, 2016		For the Year 2015–16				
		Assets	Liabilities	Income	Expenses	Tax	Net profit (Note K)	Net loss (Note O)
16	L&T Scomi Monorail Joint Venture-Main	3.50 *(2.14)*	3.50 *(2.14)*	7.45 *(27.56)*	6.81 *(25.45)*	– *(0.54)*	0.64 *(1.57)*	– *(–)*
17	L&T Scomi Monorail Joint Venture-O&M	8.76 *(7.60)*	8.76 *(7.60)*	7.80 *(7.11)*	14.83 *(21.52)*	– *(–)*	– *(–)*	7.03 *(14.41)*
18	Larsen & Toubro Limited & NCC Limited Joint Venture	111.90 *(72.10)*	97.62 *(72.10)*	158.15 *(41.35)*	143.87 *(41.35)*	– *(–)*	14.28 *(–)*	– *(–)*
19	Larsen & Toubro Limited and Al Sraiya Trading & Contracting Company Joint Venture	177.00 *(–)*	165.71 *(–)*	24.29 *(–)*	24.34 *(–)*	– *(–)*	– *(–)*	0.05 *(–)*
20	PESB and Larsen & Toubro Joint Venture	– *(–)*	– *(–)*	– *(–)*	– *(–)*	– *(–)*	– *(–)*	– *(–)*
21	Daewoo-L&T Joint Venture	– *(–)*	– *(–)*	– *(–)*	– *(–)*	– *(–)*	– *(–)*	– *(–)*
	Total	4172.59 *(3430.23)*	3354.26 *(3009.99)*	3588.11 *(1066.37)*	3359.07 *(1041.87)*	1.45 *(0.53)*	252.64 *(59.78)*	25.05 *(35.81)*
	Entities Share of Net Assets in Jointly Controlled entities	818.33 *(420.24)*						

Amounts less than ₹ 0.01 Crore:

Current year: ^ ₹ 8416, # ₹ 8416,

*Previous year: * ₹ 2634, $ ₹ 3352, Ω ₹ 8258*

@: On scope of respective activities under the contract as mutually agreed between Joint Venture partners

Notes:

i. Figures in brackets ( ) relate to previous year, figures in (( )) represents negative amounts in previous year, figures in {( )} represents negative amounts in the current year

ii. Contingent liabilities, if any, incurred in relation to interest in Joint Ventures as at March 31, 2016 is ₹ 4170.76 crore *(previous year: ₹ 3248.49 crore)* and share in contingent liabilities incurred jointly with other ventures as at March 31, 2016 is ₹ Nil *(previous year: ₹ Nil)*

iii. Share in contingent liabilities of Joint Ventures themselves for which the company is contingently liable as at March 31, 2016 is ₹ 58.18 crore *(previous year: ₹ 80.13 crore)*

iv. Contingent liabilities in respect of liabilities of other ventures' of Joint Ventures as at March 31, 2016 is ₹ 8006.19 crore *(previous year: ₹ 10840.81 crore)*

v. Capital commitments, if any, in relation to interest in Joint Ventures as at March 31, 2016 is ₹ Nil *(previous year: ₹ Nil)*

vi. Share in capital commitments of Joint Ventures themselves for which the Company is contingently liable as at March 31, 2016 is ₹ 2.61 crore *(previous year: ₹ 159.34 crore)*

Notes forming part of the Accounts (contd.)

NOTE [Q] ***(contd.)***

Q(15) Disclosures pursuant to Accounting Standard (AS) 29 "Provisions, Contingent Liabilities and Contingent Assets":

a) Movement in provisions:

₹ crore

Sr. no.	Particulars	Class of Provisions				
		Product warranties	Expected tax liability in respect of indirect taxes	Litigation related obligations	Contractual rectification cost - construction contracts	Total
1	*Balance as at 1-4-2015*	*10.72*	*93.42*	*8.27*	*146.70*	*259.11*
2	Additional provision during the year	10.25	39.33	–	121.21	170.79
3	Provision used/reversed during the year # &	(10.35)	(1.15)	–	(142.16)	(153.66)
4	Balance as at 31-3-2016 (4=1+2-3)	10.62	131.60	8.27	125.75	276.23

\# includes provision used during the year ₹ 1.84 crore *(previous year: ₹ 4.58 crore)*

& includes sale of foundry business ₹ 0.39 crore *(previous year: ₹ Nil)*

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, 2016 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 two to five years from the date of Balance Sheet.

ii. Expected tax liability in respect of indirect taxes represents mainly the differential sales tax liability on account of non-collection of declaration forms.

iii. Provision for litigation related obligations represents liabilities that are expected to materialise in respect of matters in appeal.

iv. Contractual rectification cost represents the estimated cost the Company is likely to incur during defect liability period as per the contract obligations in respect of completed construction contracts accounted under Accounting Standard (AS) 7 (Revised) "Construction Contracts".

c) Disclosure in respect of contingent liabilities is given as part of Note (I) to the Balance Sheet.

Q(16) In line with the Company's risk management policy, the various financial risks mainly relating to changes in the exchange rates, interest rates and commodity prices are hedged by using a combination of forward contracts, swaps and other derivative contracts, besides the natural hedges.

a) The particulars of derivative contracts entered into for hedging purposes outstanding as at March 31, 2016 are as under:

₹ crore

Category of Derivative Instruments	Amount of exposures hedged	
	As at 31-3-2016	*As at 31-3-2015*
i) For hedging foreign currency risks and interest rate risks		
a) Forward contracts for receivables including firm commitments and highly probable forecasted transactions	5067.38	*4501.34*
b) Forward contracts for payables including firm commitments and highly probable forecasted transactions	14922.13	*10825.77*
c) Currency and interest rate swaps	2848.01	*2958.95*
d) Option contracts	–	*204.23*
ii) For hedging commodity price risks		
a) Commodity futures	457.38	*242.52*
iii) For hedging Investment in mutual fund and bonds		
a) Stock market index futures	671.58	–
b) Interest rate swaps	900.00	*200.00*

Notes forming part of the Accounts (contd.)

NOTE [Q] ***(contd.)***

b) Unhedged foreign currency exposures as at March 31, 2016 are as under:

₹ crore

Unhedged Foreign Currency Exposures	As at 31-3-2016	*As at 31-3-2015*
i) Receivables including firm commitments and highly probable forecasted transactions	39082.98	*27042.70*
ii) Payables including firm commitments and highly probable forecasted transactions	32145.54	26158.82

Note: As per the Royal Monetary Authority of Bhutan, Bhutan's national currency is pegged to the Indian rupee at parity. Accordingly, the unhedged foreign currency exposures reported above excludes exposures [(Receivables amounting to ₹ 2385.28 crore *(previous year: ₹ 1646.07 crore)* and payables amounting to ₹ 1801.09 crore *(previous year: ₹ 1142.08 crore)*] with respect to currencies such as Bhutan Ngultrum (BTN).

Q(17) Auditors' remuneration (excluding service tax):

₹ crore

Particulars	2015-16	*2014-15*
a. For Audit fees	1.70	*1.25*
b. For Taxation matters	0.48	*0.30*
c. For Company law matters	0.25	–
d. For Other services:		
(i) Limited review of standalone and consolidated financial statements on a quarterly basis	1.30	*1.25*
(ii) Other services including certification work	0.51	*0.88 **
e. For reimbursement of expenses	0.14	*0.20*

* Note: The above figures include fees paid for FCCB issue amounting to ₹ Nil *(previous year: ₹ 0.08 crore)* charged to securities premium account during the year.

Q(18) Value of imports (on C.I.F. basis):

₹ crore

Particulars	2015-16	*2014-15*
Raw materials	473.56	*643.38*
Construction material	1262.50	*769.47*
Components and spare parts	1178.96	*1074.52*
Capital goods	120.88	*219.69*

Q(19) Expenditure in foreign currency:

₹ crore

Particulars	2015-16	*2014-15*
On overseas contracts	7562.21	*6224.63*
Royalty and technical know-how fees	32.90	*5.67*
Interest	104.75	*126.97*
Professional/consultation fees	127.52	*170.32*
Other matters	385.10	*408.68*

Notes forming part of the Accounts (contd.)

NOTE [Q] ***(contd.)***

Q(20) Dividends remitted in foreign currency:

₹ crore

Particulars	2015-16	*2014-15*
Dividend for the year ended March 31, 2015 to:		
i. 11 non-resident shareholders on 20,826 shares held by them *(previous year: 11 non-residents on 20,826 shares)* on September 2, 2015	0.03	*0.03*
ii. Custodian of global depositary receipts on 2,19,62,105 shares *(previous year: 2,10,12,316 shares)* on September 2, 2015	35.69	*29.94*

Q(21) Earnings in foreign exchange:

₹ crore

Particulars	2015-16	*2014-15*
Export of goods [including ₹ 846.77 crore on FOB basis *(previous year: ₹ 672.93 crore)*]	878.06	*687.45*
Construction and project related activities	9693.94	*8431.36*
Export of services	129.33	*128.71*
Commission	8.61	*5.69*
Interest received	0.87	*0.00 **
Other receipts	378.22	*187.51*

* ₹ 9652

Q(22) The Company has amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006, [MSMED Act] as at March 31, 2016. The disclosure pursuant to the said Act is as under:

₹ crore

Particulars	2015-16	*2014-15*
Principal amount due to suppliers under MSMED Act	121.14	*106.94*
Interest accrued, due to suppliers under MSMED Act on the above amount and unpaid	2.90	*4.17*
Payment made to suppliers (other than interest) beyond the appointed day during the year	264.03	*193.61*
Interest paid to suppliers under MSMED Act (other than Section 16)	–	–
Interest paid to suppliers under MSMED Act (Section 16)	0.01	*0.45*
Interest due and payable towards suppliers under MSMED Act for payments already made	7.83	*2.52*
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	13.16	*4.03*
Amount of further interest remaining due and payable even in the succeeding years	1.20	–

Q(23) There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at March 31, 2016.

Notes forming part of the Accounts (contd.)

NOTE [Q] ***(contd.)***

Q(24) Details of sales, raw materials and components consumed, manufacturing work-in-progress and purchase of stock-in-trade:

a) Sales:

Class of goods	2015-16	*2014-15*
	₹ crore	*₹ crore*
(i) Manufacturing and trading activity:		
Switchgear, all types	2434.48	*2446.26*
Earthmoving and agriculture machinery and spares	876.22	*807.55*
Industrial machinery	323.51	*353.08*
Electricity meters	427.99	*416.28*
Rubber processing machinery and accessories	310.85	*193.96*
Chemical plant & machinery, including pharmaceutical, dyestuff, distillery, brewery, solvent extraction plants, evaporator and crystallizer plants and pollution control equipment in aggregate	27.17	*35.92*
Industrial electronic control panels	66.78	*77.20*
Steel structural fabrication	80.48	*33.55*
Plant & equipment and modules for nuclear power projects, heavy water projects, nuclear and space research and allied projects, including items for chemical, oil & gas, etc. industries	12.94	*21.65*
Defence equipment, all types	7.79	*110.92*
Parts and accessories for prime movers, boilers, steam generating plants and nuclear reactors	134.68	*107.63*
Transmission line tower	180.68	*73.86*
Design, development and manufacturing of airborne assemblies, system and equipment for aircrafts, helicopters & unmanned aerial vehicles and equipment for the aviation sector	1.81	–
Ship auxiliaries and components of mechanised sailing vessels	14.05	–
Nuclear purpose equipment, de-aerators, ultra high pressure vessels including multiwall vessels, high pressure heat exchangers and high pressure heaters in aggregate	1.01	*1.94*
Power plant & machinery components	88.81	–
Others	1005.82	*1063.71*
Total	5995.07	*5743.51*
(ii) Property development activity	843.64	*946.94*
(iii) Construction and project related activity:		
Civil/infrastructure/mechanical/electrical construction	42754.40	*41930.17*
Thermal/hydro/gas based power plants	6211.82	*4264.89*
Plant & equipment and modules for nuclear power projects, heavy water projects, nuclear and space research and allied projects, including items for chemical, oil & gas, etc. industries	1018.48	*1212.37*
Chemical plant & machinery, including pharmaceutical, dyestuff, distillery, brewery, solvent extraction plants, evaporator and crystallizer plants and pollution control equipment in aggregate	281.53	*559.82*
Defence equipment, all types	645.18	*517.37*
Nuclear purpose equipment, de-aerators, ultra high pressure vessels including multiwall vessels, high pressure heat exchangers and high pressure heaters in aggregate	25.68	*117.89*
Design, development and manufacturing of airborne assemblies, system and equipment for aircrafts, helicopters & unmanned aerial vehicles and equipment for the aviation sector	1.13	–
Parts and accessories for prime movers, boilers, steam generating plants and nuclear reactors	–	*6.78*
Ship auxiliaries and components of mechanised sailing vessels	33.73	–
Commercial ships	113.82	–
Others	936.97	*871.09*
Total	52022.74	*49480.38*
(iv) Servicing	473.64	*507.93*
(v) Commission	137.30	*108.78*
(vi) Engineering and service fees	44.74	*3.59*
Total sales & service (i) to (vi)-[Note K]	59517.13	*56791.13*

Notes forming part of the Accounts (contd.)

NOTE [Q] ***(contd.)***

b) Raw materials and components consumed:

i) Class of goods:

Class of goods	2015-16	*2014-15*
	₹ crore	*₹ crore*
Power plant & machinery components	4033.91	*2196.20*
Chemical plant components	102.37	*147.04*
Nuclear equipment components, including items for oil & gas etc., industries, in aggregate	12.46	*19.70*
Steel	831.09	*891.25*
Switchgear components	687.10	*708.52*
Electronic devices, test & measuring instruments and industrial electronic control panel components	40.89	*33.60*
Non-ferrous metals	175.49	*195.73*
Metering & protection systems and medical equipment and components	384.24	*386.41*
Industrial machinery components	35.01	*64.07*
Others	1151.28	*958.88*
Sub-total	7453.84	*5601.40*
Less: Sale value of scrap	57.49	*104.61*
Total [Note M]	7396.35	*5496.79*

ii) Classification of goods:

Classification of goods	2015-16		*2014-15*	
	% to total consumption	₹ crore	*% to total consumption*	*₹ crore*
Imported (including through canalising agencies)	19	1422.32	*25*	*1390.20*
Indigenous	81	5974.03	*75*	*4106.58*
Total	100	7396.35	*100*	*5496.79*

c) Purchases of stock-in-trade:

Class of goods	2015-16	*2014-15*
	₹ crore	*₹ crore*
Electronic, medical & other instruments, accessories and spares	733.27	*828.61*
Earthmoving & agricultural machinery and spares	355.49	*354.20*
Industrial machinery	16.12	*11.22*
Others	40.79	*102.72*
Sub-total	1145.67	*1296.75*
Less: Value of stock-in-trade transferred on sale of business	16.49	–
Total [Note M]	1129.18	*1296.75*

d) Stores and spare parts consumed:

Classification of goods	2015-16		*2014-15*	
	% to total consumption	₹ crore	*% to total consumption*	*₹ crore*
Imported (including through canalising agencies)	16	189.12	*18*	*258.17*
Indigenous	84	987.01	*82*	*1189.99*
Total	100	1176.13	*100*	*1448.16*

Notes forming part of the Accounts (contd.)

NOTE [Q] *(contd.)*

e) Details of manufacturing work-in-progress:

Class of goods	2015-16	*2014-15*
	₹ crore	*₹ crore*
Industrial machinery	58.43	*43.52*
Defence equipment, all types	6.95	*42.96*
Steel structural fabrication	51.31	*34.25*
Switchgear, all types	41.44	*46.87*
Transmission line tower	57.25	*73.88*
Chemical plant & machinery, including pharmaceutical, dyestuff, distillery, brewery, solvent extraction plants, evaporator and crystallizer plants and pollution control equipment in aggregate	0.82	*6.50*
Low voltage and medium voltage switchboards and panels	65.69	*100.41*
Plant & equipment and modules for nuclear power projects, heavy water projects, nuclear and space research and allied projects, including items for chemical, oil & gas, etc. industries	–	*16.62*
Casting products	29.76	*20.51*
Rubber processing machinery and accessories	11.20	*21.48*
Nuclear purpose equipment, de-aerators, ultra high pressure vessels including multiwall vessels, high pressure heat exchangers and high pressure heaters in aggregate	–	*7.46*
Ship auxiliaries and components of mechanised sailing vessels	6.44	*111.41*
Servicing of construction machinery	13.17	*12.28*
AC drives, DC drives, programmable logic controllers	2.96	*2.79*
Meters and protection systems	0.63	*0.47*
Others	26.13	*41.37*
Total [Note H(II)]	372.18	*582.78*

Q(25) Contribution to political parties include:

Contribution to political parties aggregating to ₹ Nil *(Previous year: ₹ 11.00 crore made during the year as follows: Indian National Congress: ₹ 5.00 crore, Bharatiya Janata Party: ₹ 5.00 crore and Shiv Sena: ₹ 1.00 crore).*

Q(26) a) Amount required to be spent by the Company on Corporate Social Responsibility (CSR) related activities during the year: ₹ 101.46 crore.

b) The amount recognised as expense in the Statement of Profit and Loss on CSR related activities is ₹ 119.89 crore, which comprises of:

₹ crore

Sr. no.	Particulars	Disclosed under	2015-16			*2014-15*		
			In Cash	Yet to be paid in cash	Total	*In Cash*	*Yet to be paid in cash*	*Total*
i)	Construction/acquisition of assets charged to the Statement of Profit and Loss	Note O	5.53	0.33	5.86	*10.71*	*2.43*	*13.14*
ii)	For purposes other than (i) above	Note O	95.71	4.01	99.72	*40.68*	*6.96*	*47.64*
		Note N	14.09	0.22	14.31	*15.76*	–	*15.76*
	Total		115.33	4.56	119.89	*67.15*	*9.39*	*76.54*

Notes forming part of the Accounts (contd.)

NOTE [Q] ***(contd.)***

Q(27) During the year, the Company transferred at book value the equity investments held by it:

a) to facilitate the merger with wholly owned subsidiary company viz. L&T Capital Company Limited:

Details of investments				
Sr. no.	Name of the company	No. of shares	Face value per share (₹)	Book value (₹ crore)
1	L&T Natural Resources Limited	50,000	10	0.05
2	L&T Powergen Limited	50,000	10	0.05
3	L&T Solar Limited	50,000	10	0.05

b) to a wholly owned subsidiary company viz. L&T Hydrocarbon Engineering Limited:

Details of investments				
Sr. no.	Name of the company	No. of shares	Face value per share (₹)	Book value (₹ crore)
1	L&T Sapura Offshore Private Limited	6,000	10	0.01

c) to a subsidiary company viz. L&T Infrastructure Development Projects Limited:

Details of investments				
Sr. no.	Name of the company	No. of shares	Face value per share (₹)	Book value (₹ crore)
1	PNG Tollway Limited	2,15,43,340	10	21.54

Q(28) Figures for the previous year have been regrouped/reclassified wherever necessary.

NOTE [R] SIGNIFICANT ACCOUNTING POLICIES

1. Basis of accounting

The Company maintains its accounts on accrual basis following the historical cost convention, except for the revaluation of certain fixed assets, in accordance with generally accepted accounting principles ["GAAP"] in compliance with the provisions of the Companies Act, 2013 and the Accounting Standards as specified in the Companies (Accounting Standards) Rules, 2006 read with Rule 7(1) of the Companies (Accounts) Rules, 2014 issued by the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. Further, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also considered, wherever applicable except to the extent where compliance with other statutory promulgations override the same requiring a different treatment.

The preparation of financial statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include the useful lives of tangible and intangible fixed assets, allowance for doubtful debts/advances, future obligations in respect of retirement benefit plans, etc. difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

2. Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The Cash Flow Statement has been prepared and presented as per the requirements of Accounting Standard (AS) 3 "Cash Flow Statements". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the notified Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Notes forming part of the Accounts (contd.)

NOTE [R] SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

Amounts in the financial statements are presented in Indian Rupees in crore [1 crore = 10 million] rounded off to two decimal places in line with the requirements of Schedule III. Per share data are presented in Indian Rupees to two decimals places.

3. Revenue recognition

Revenue is recognised based on nature of activity when consideration can be reasonably measured and there exists reasonable certainty of its recovery.

A. Revenue from operations

a. Sales & Service

i. Sales and service include excise duty and adjustments made towards liquidated damages and price variation, wherever applicable. Escalation and other claims, which are not ascertainable/acknowledged by customers, are not taken into account.

ii. Revenue from sale of manufactured and traded goods is recognised when the substantial risks and rewards of ownership are transferred to the buyer under the terms of the contract.

iii. Revenue from property development activity which are in substance similar to delivery of goods is recognised when all significant risks and rewards of ownership in the land and/or building are transferred to the customer and a reasonable expectation of collection of the sale consideration from the customer exists.

Revenue from those property development activities which have the same economic substance as that of a construction contract is recognised based on the 'Percentage of completion method' (POC) when the outcome of a real estate project can be estimated reliably upon fulfillment of all the following conditions:

a. All critical approvals necessary for commencement of the project have been obtained;

b. When the stage of completion of the project reaches a reasonable level of development i.e., contract costs for work performed bears a reasonable proportion to the estimated total contract costs. For this purpose, a reasonable level of development is treated as achieved only if the cost incurred (excluding cost of land/ developmental rights and borrowing cost) is atleast 25% of the total of such cost;

c. Atleast 25% of the saleable project area is secured by contracts or agreements with buyers;

d. Atleast 10% of the total revenue as per the agreements of sale or any other legally enforceable documents are realised at the reporting date in respect of each of the contracts and it is reasonable to expect that the parties to such contracts will comply with the payment terms as defined in the contracts.

The costs incurred on property development activities are carried as "Inventories" till such time the outcome of the project cannot be estimated reliably and all the aforesaid conditions are fulfilled. When the outcome of the project can be ascertained reliably and all the aforesaid conditions are fulfilled, revenue from property development activity is recognised at cost incurred plus proportionate margin, using percentage of completion method. Percentage of completion is determined based on the proportion of actual cost incurred to the total estimated cost of the project. For this purpose, actual cost includes cost of land and developmental rights but excludes borrowing cost.

Expected loss, if any, on the project is recognised as an expense in the period in which it is foreseen, irrespective of the stage of completion of the contract.

iv. Revenue from construction/project related activity and contracts for supply/commissioning of complex plant & equipment is recognised as follows:

a. Cost plus contracts: Contract revenue is determined by adding the aggregate cost plus proportionate margin as agreed with the customer.

b. Fixed price contracts: Contract revenue is recognised only to the extent of cost incurred till such time the outcome of the job cannot be ascertained reliably. When the outcome of the contract is ascertained reliably, contract revenue is recognised at cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed to-date, to the total estimated contract costs.

NOTE [R] SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

Government grants in the nature of subsidy related to customer contracts are recognised as revenue from operations in the Statement of Profit and Loss, on a prudent basis, in proportion to work completed when there is reasonable assurance that the conditions for the grant of subsidy will be fulfilled.

Expected loss, if any, on the construction/project related activity is recognised as an expense in the period in which it is foreseen, irrespective of the stage of completion of the contract. While determining the amount of foreseeable loss, all elements of costs and related incidental income not included in contract revenue are taken into consideration.

v. Revenue from contracts for the rendering of engineering design services and other services which are directly related to the construction of an asset is recognised on similar basis as stated in (iv) *supra*.

vi. Revenues from construction/project related activity and contracts executed in joint ventures under work-sharing arrangement [being jointly controlled operations, in terms of Accounting Standard (AS) 27 "Financial Reporting of Interests in Joint Ventures"], is recognised on the same basis as similar contracts independently executed by the Company.

vii. Revenue from service related activities is recognised using the proportionate completion method.

viii. Commission income is recognised as and when the terms of the contract are fulfilled.

ix. Revenue from engineering and service fees is recognised as per the terms of the contract.

x. Profit/loss on contracts executed by Integrated Joint Ventures under profit-sharing arrangement [being Jointly Controlled Entities, in terms of Accounting Standard (AS) 27 "Financial Reporting of Interests in Joint Ventures"] is accounted as and when the same is determined by the joint venture. Revenue from services rendered to such joint ventures is accounted on accrual basis.

b. Other operational revenue

Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

B. Other Income

a. Interest income is accrued at applicable interest rate.

b. Dividend income is accounted in the period in which the right to receive the same is established.

c. Other Government grants, which are revenue in nature and are towards compensation for the related costs, are recognised as income in the Statement of Profit and Loss in the period in which the matching costs are incurred.

d. Other items of income are accounted as and when the right to receive arises.

4. Extraordinary and exceptional Items

Income or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the Company are classified as extraordinary items. Specific disclosure of such events/transactions is made in the financial statements. Similarly, any external event beyond the control of the Company, significantly impacting income or expense, is also treated as extraordinary item and disclosed as such.

On certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company, is such that its disclosure improves an understanding of the performance of the Company. Such income or expense is classified as an exceptional item and accordingly disclosed in the notes to accounts.

5. Research and development

a. Revenue expenditure on research is expensed under respective heads of account in the period in which it is incurred.

b. Development expenditure on new products is capitalised as intangible asset, if all of the following can be demonstrated:

i. The technical feasibility of completing the intangible asset so that it will be available for use or sale

Notes forming part of the Accounts (contd.)

NOTE [R] SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

ii. The Company has intention to complete the intangible asset and use or sell it

iii. The Company has ability to use or sell the intangible asset

iv. The manner in which the probable future economic benefits will be generated including the existence of a market for output of the intangible asset or intangible asset itself or if it is to be used internally, the usefulness of intangible assets

v. The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset and

vi. The Company has ability to measure the expenditure attributable to the intangible asset during its development reliably.

The development expenditure capitalised as intangible asset is amortised over its useful life.

Other development costs that do not meet above criteria are expensed in the period in which they are incurred.

6. Employee benefits

a. Short term employee benefits:

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits. The benefits like salaries, wages, short term compensated absences etc. and the expected cost of bonus, ex-gratia are recognised in the period in which the employee renders the related service.

b. Post-employment benefits:

i. Defined contribution plans: The Company's superannuation scheme, state governed provident fund scheme, employee state insurance scheme and employee pension scheme are defined contribution plans. The contribution paid/payable under the schemes is recognised during the period in which the employee renders the related service.

ii. Defined benefit plans: The employees' gratuity fund schemes, post-retirement medical care scheme, pension scheme and provident fund scheme managed by trust are the Company's defined benefit plans. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the related obligations at the Balance Sheet date.

Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

The interest element in the actuarial valuation of defined benefit plans, which comprises the implicit interest cost and the impact of changes in discount rate, is classified under finance cost. The balance charge is recognised as employee benefit expenses in the Statement of Profit and Loss.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Past service cost is recognised as expense on a straight-line basis over the average period until the benefits become vested.

c. Long term employee benefits:

The obligation for long term employee benefits such as long term compensated absences, long service award etc. is recognised in the similar manner as in the case of defined benefit plans as mentioned in (b)(ii) *supra*.

d. Termination benefits:

Termination benefits such as compensation under Voluntary Retirement cum Pension Scheme are recognised as expense in the period in which they are incurred.

Notes forming part of the Accounts (contd.)

NOTE [R] SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

7. Tangible fixed assets

Tangible fixed assets are stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment and those which were revalued as on October 1,1984 are stated at the values determined by the valuers less accumulated depreciation and cumulative impairment. Assets acquired on hire purchase basis are stated at their cash values. Specific know-how fees paid, if any, relating to plant & equipment is treated as part of cost thereof.

Administrative and other general overhead expenses that are specifically attributable to construction or acquisition of fixed assets or bringing the fixed assets to working condition are allocated and capitalised as a part of the cost of the fixed assets.

Own manufactured assets are capitalised at cost including an appropriate share of overheads.

Tangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as "capital work-in-progress". (Also refer to policy on leases, borrowing costs, impairment of assets and foreign currency transactions *infra*.)

8. Leases

The determination of whether an agreement is, or contains, a lease is based on the substance of the agreement at the date of inception.

a. Lease transactions entered into prior to April 1, 2001:

Assets leased out are stated at original cost. Lease equalisation adjustment is the difference between capital recovery included in the lease rentals and depreciation provided in the books.

Lease rentals in respect of assets acquired under leases are charged to Statement of Profit and Loss.

b. Lease transactions entered into on or after April 1, 2001:

Finance leases:

i. Assets acquired under leases where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalised at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

ii. Assets given under a finance lease are recognised as a receivable at an amount equal to the net investment in the lease. Lease income is recognised over the period of the lease so as to yield a constant rate of return on the net investment in the lease.

iii. Initial direct costs relating to assets given on finance leases are charged to Statement of Profit and Loss.

Operating leases:

i. Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Statement of Profit and Loss on accrual basis.

ii. Assets leased out under operating leases are capitalised. Rental income is recognised on accrual basis over the lease term.

(Also refer to policy on depreciation, *infra*)

9. Depreciation

a. Owned assets:

i. Revalued assets:

Depreciation on assets carried at revalued amount i.e., values determined by valuers is provided on straight line method on the basis of useful life as specified in Schedule II to the Companies Act, 2013 except in respect of certain assets where the useful life was determined by technical evaluation.

With effect from April 1, 2015 the difference between depreciation provided on revalued amount and on historical cost is transferred from revaluation reserve to general reserve.

Notes forming part of the Accounts (contd.)

NOTE [R] SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

ii. Assets carried at historical cost:

Depreciation on assets carried at historical costs is provided on straight line method on the basis of useful life as specified in Schedule II to the Companies Act, 2013 except in respect of certain assets where the useful life was determined by technical evaluation. The carrying amount of the assets as on April 1, 2014 is depreciated over the remaining useful life. Where the useful life of the asset has expired, the carrying amount as on April 1, 2014 has been charged to the retained earnings as on April 1, 2014.

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. In respect of asset components, whose useful life has expired as on April 1, 2015, the carrying amount as on April 1, 2015 has been charged to the retained earnings as on April 1, 2015.

iii. Depreciation for additions to/deductions from, owned assets is calculated pro rata. Extra shift depreciation is provided on a location basis.

iv. Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

b. Leased assets:

i. Lease transactions entered into prior to April 1, 2001:

Lease charge comprising statutory depreciation and lease equalisation charge is provided for assets given on lease over the primary period of the lease equal to recovery of net investment in the lease. Accordingly, while the statutory depreciation on such assets is provided for on straight line method as per Schedule II to the Companies Act, 2013, the difference is adjusted through lease equalisation and lease adjustment account.

ii. Lease transactions entered into on or after April 1, 2001:

Assets acquired under finance leases are depreciated on a straight line basis over the lease term. Where there is reasonable certainty that the Company shall obtain ownership of the assets at the end of the lease term, such assets are depreciated based on the useful life prescribed under Schedule II to the Companies Act, 2013 or based on the useful life adopted by the Company for similar assets.

iii. Leasehold land

Land acquired under long term lease is classified under "tangible assets" and is depreciated over the period of lease.

10. Intangible assets and amortisation

Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are amortised over their useful life as follows:

a. Specialised software: over a period of six years.

b. Technical know-how: over a period of six years in case of foreign technology and three years in the case of indigenous technology.

c. Development costs for new products: over a period of five years.

Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

Intangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as "intangible assets under development". Amortisation on impaired assets is provided by adjusting the amortisation charges in the remaining periods so as to allocate the asset's revised carrying amount over its remaining useful life.

Notes forming part of the Accounts (contd.)

NOTE [R] SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

11. Impairment of assets

As at each Balance Sheet date, the carrying amount of assets is tested for impairment so as to determine:

a. the provision for impairment loss, if any; and

b. the reversal of impairment loss recognised in previous periods, if any.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

a. in the case of an individual asset, at the higher of the net selling price and the value in use;

b. in the case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

(Value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life).

12. Investment

Trade investments comprise investments in subsidiary companies, joint ventures, associate companies and in the entities in which the Company has strategic business interest.

Investments, which are readily realisable and are intended to be held for not more than one year from the date of acquisition, are classified as current investments. All other investments are classified as long term investments.

Long term investments including trade investments are carried at cost, after providing for any diminution in value, if such diminution is other than temporary in nature. Investments in integrated joint ventures are carried at cost net of adjustments for Company's share in profits or losses as recognised.

Current investments are carried at lower of cost and fair value. The determination of carrying amount of such investments is done on the basis of weighted average cost of each individual investment.

Purchase and sale of investments are recognised based on the trade date accounting.

13. Inventories

Inventories are valued after providing for obsolescence, as under:

a. Raw materials, components, construction materials, stores, spares and loose tools at lower of weighted average cost or net realisable value. However, these items are considered to be realisable at cost if the finished products in which they will be used, are expected to be sold at or above cost.

b. Manufacturing work-in-progress at lower of weighted average cost including related overheads or net realisable value. In some cases, manufacturing work-in-progress are valued at lower of specifically identifiable cost or net realisable value. In the case of qualifying assets, cost also includes applicable borrowing costs vide policy relating to borrowing costs.

c. Finished goods and stock-in-trade (in respect of goods acquired for trading) at lower of weighted average cost or net realisable value. Cost includes related overheads and excise duty paid/ payable on such goods.

d. Completed property/work-in-progress (including land) in respect of property development activity at lower of specifically identifiable cost or net realisable value.

14. Cash and bank balances

Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term and liquid investments being not free from more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

15. Securities premium account

a. Securities premium includes:

i. The difference between the market value and the consideration received in respect of shares issued pursuant to Stock Appreciation Rights Scheme

Notes forming part of the Accounts (contd.)

NOTE [R] SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

ii. The discount allowed, if any, in respect of shares allotted pursuant to Stock Options Scheme

b. The following expenses are written off against securities premium account:

i. Expenses incurred on issue of shares

ii. Expenses (net of tax) incurred on issue of debentures/bonds

iii. Premium (net of tax) on redemption of debentures/bonds

16. Borrowing Costs

Borrowing costs include interest, commitment charges, amortisation of ancillary costs, amortisation of discounts/premium related to borrowings, finance charges in respect of assets acquired on finance lease and exchange differences arising from foreign currency borrowings, to the extent they are regarded as an adjustment to interest costs.

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised/inventorised as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

17. Employee stock ownership schemes

In respect of stock options granted pursuant to the Company's Stock Options Scheme, the intrinsic value of the options (excess of market price of the share over the exercise price of the option) is treated as discount and accounted as employee compensation cost over the vesting period. The amount recognised as expense each year is arrived at based on the number of grants expected to vest. If a grant lapses after the vesting period, the cumulative discount recognised as expense in respect of such grant is transferred to the general reserve.

18. Foreign currency transactions, foreign operations, forward contracts and derivatives

a. The reporting currency of the Company is Indian rupee.

b. Foreign currency transactions are recorded on initial recognition in the reporting currency, using the exchange rate at the date of the transaction. At each Balance Sheet date, foreign currency monetary items are reported using the closing rate.

Non-monetary items, carried at historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing rate are:

i. adjusted in the cost of fixed assets specifically financed by the borrowings contracted up to March 31, 2004 to which the exchange differences relate

ii. adjusted in the cost of fixed assets specifically financed by borrowings contracted between the period April 1, 2004 to March 31, 2007 and to which the exchange differences relate, provided the assets are acquired from outside India

iii. recognised as income or expense in the period in which they arise, in cases other than (i) and (ii) *supra*.

c. Financial statements of foreign operations comprising jobs contracted prior to April 1, 2004, are translated as follows:

i. Closing inventories at rates prevailing at the end of the year.

ii. Fixed assets as at April 1, 1991 at rates prevailing at the end of the year in which the additions were made. Subsequent additions are at rates prevailing on the dates of the additions. Depreciation is accounted at the same rate at which the assets are translated.

iii. Other assets and liabilities at rates prevailing at the end of the year.

iv. Net revenues at the average rate for the year.

d. Financial statements of foreign operations comprising jobs contracted on or after April 1, 2004, are treated as integral operations and translated as in the same manner as foreign currency transactions, as described above. Exchange differences arising on such translation are recognised as income or expense of the period in which they arise.

Notes forming part of the Accounts (contd.)

NOTE [R] SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

e. Forward contracts, other than those entered into to hedge foreign currency risk on unexecuted firm commitments or highly probable forecast transactions, are treated as foreign currency transactions and accounted accordingly as per Accounting Standard (AS) 11 "The Effects of Changes in Foreign Exchange Rates". Exchange differences arising on such contracts are recognised in the period in which they arise.

Gains and losses arising on account of roll over/cancellation of such forward contracts are recognised as income /expense of the period in which such roll over/cancellation takes place.

f. All the other derivative contracts, including forward contracts entered into to hedge foreign currency risks on unexecuted firm commitments and highly probable forecast transactions, are recognised in the financial statements at fair value as on the Balance Sheet date, in pursuance of the announcement of the Institute of Chartered Accountants of India (ICAI) dated March 29, 2008 on accounting of derivatives. In addition, the derivative arrangements embedded in the contracts entered in the course of business are accounted separately if the economic characteristics and risks of the embedded derivatives are not closely related to economic characteristics and risks of the host contract.

The Company has adopted Accounting Standard (AS) 30 "Financial Instruments: Recognition and Measurement" for accounting of such derivative contracts, not covered under Accounting Standard (AS) 11 "The Effects of Changes in Foreign Exchange Rates", as mandated by the ICAI in the aforesaid announcement.

Accordingly, the resultant gains or losses on fair valuation/settlement of the derivative contracts (including embedded derivatives) covered under Accounting Standard (AS) 30 "Financial Instruments: Recognition and Measurement" are recognised in the Statement of Profit and Loss or Balance Sheet as the case may be after applying the test of hedge effectiveness. Where the hedge in respect of off-balance sheet items is effective, the gains or losses are recognised in the "hedging reserve" which forms part of "reserves and surplus" in the Balance Sheet. The amount recognised in the "hedging reserve" is transferred to the Statement of Profit and Loss in the period in which the underlying hedged item affects the Statement of Profit and Loss. Gains or losses in respect of ineffective hedges are recognised in the Statement of Profit and Loss in the period in which such gains or losses are incurred.

g. The premium paid/received on a foreign currency forward contract is accounted as expense/income over the life of the contract.

19. Segment accounting

a. Segment accounting policies

Segment accounting policies are in line with the accounting policies of the Company. In addition, the following specific accounting policies have been followed for segment reporting:

i. Segment revenue includes sales and other operational revenue directly identifiable with/allocable to the segment including inter segment revenue.

ii. Expenses that are directly identifiable with/allocable to segments are considered for determining the segment result. Expenses which relate to the Company as a whole and not allocable to segments are included under "unallocable corporate expenditure".

iii. Income which relates to the Company as a whole and not allocable to segments is included in "unallocable corporate income".

iv. Segment result includes margins on inter-segment capital jobs, which are reduced in arriving at the profit before tax of the Company.

v. Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable corporate assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

vi. Segment non-cash expenses forming part of segment expenses includes the intrinsic value of the employee stock options which is accounted as employee compensation cost [see Note R(17)] and is allocated to the segment.

b. Inter-segment transfer pricing

Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer price agreed between the segments. Such transfer prices are either determined to yield a desired margin or agreed on a negotiated basis.

Notes forming part of the Accounts (contd.)

NOTE [R] SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

20. Taxes on Income

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act 1961, and based on the expected outcome of assessments/appeals.

Deferred tax is recognised on timing differences between the income accounted in financial statements and the taxable income for the year, and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets relating to unabsorbed depreciation/business losses/losses under the head "capital gains" are recognised and carried forward to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Other deferred tax assets are recognised and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

21. Accounting for interests in Joint Ventures

Interests in joint ventures are accounted as follows:

Type of joint venture	Accounting treatment
Jointly controlled operations	Company's share of revenues, common expenses, assets and liabilities are included in revenues, expenses, assets and liabilities respectively.
Jointly controlled assets	Share of the assets, according to nature of the assets, and share of the liabilities are shown as part of gross block and liabilities respectively. Share of expenses incurred on maintenance of the assets is accounted as expense. Monetary benefits, if any, from use of the assets are reflected as income.
Jointly controlled entities	a. Integrated joint ventures: i. Company's share in profits or losses of integrated joint ventures is accounted on determination of the profits or losses by the joint ventures. ii. Investments in integrated joint ventures are carried at cost net of Company's share in recognised profits or losses. b. Incorporated jointly controlled entities: i. Income on investments in incorporated jointly controlled entities is recognised when the right to receive the same is established. ii. Investment in such joint ventures is carried at cost after providing for any diminution in value which is other than temporary in nature.

Joint venture interests accounted as above, other than investments in incorporated jointly controlled entities, are included in the segments to which they relate.

22. Provisions, contingent liabilities and contingent assets

Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if

a. the Company has a present obligation as a result of a past event

b. a probable outflow of resources is expected to settle the obligation and

c. the amount of the obligation can be reliably estimated.

Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of

a. a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation

b. a present obligation arising from past events, when no reliable estimate is possible

c. a possible obligation arising from past events where the probability of outflow of resources is not remote. Contingent assets are neither recognised, nor disclosed.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

Notes forming part of the Accounts (contd.)

NOTE [R] SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

23. Commitments

Commitments are future liabilities for contractual expenditure. Commitments are classified and disclosed as follows:

a. Estimated amount of contracts remaining to be executed on capital account and not provided for,

b. Uncalled liability on shares and other investments partly paid,

c. Funding related commitment to subsidiary, associate and joint venture companies and,

d. Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

24. Operating cycle for current and non-current classification

Operating cycle for the business activities of the Company covers the duration of the specific project/contract/product line/service including the defect liability period, wherever applicable and extends up to the realisation of receivables (including retention monies) within the agreed credit period normally applicable to the respective lines of business.

25. Cash Flow Statement

Cash flow statement is prepared segregating the cash flows from operating, investing and financing activities. Cash flow from operating activities is reported using indirect method. Under the indirect method, the net profit is adjusted for the effects of:

i. transactions of a non-cash nature,

ii. any deferrals or accruals of past or future operating cash receipts or payments and,

iii. items of income or expense associated with investing or financing cash flows.

Cash and cash equivalents (including bank balances) are reflected as such in the Cash Flow Statement. Those cash and cash equivalents which are not available for general use as on the date of Balance Sheet are also included under this category with a specific disclosure.

NOTES

Consolidated Financial Statements 2015-16

DELOITTE HASKINS & SELLS LLP
Chartered Accountants
Indiabulls Finance Centre, Tower 3
27th – 32nd Floor, Senapati Bapat Marg
Elphinstone Road (West)
Mumbai 400013.

SHARP & TANNAN
Chartered Accountants
Ravindra Annexe
194, Churchgate Reclamation
Dinshaw Vachha Road
Mumbai 400 020.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF LARSEN & TOUBRO LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **LARSEN & TOUBRO LIMITED** (hereinafter referred to as the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as the "Group"), its associates and jointly controlled entities, comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as the "Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates and jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, as applicable. The respective Boards of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the

accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

(a) The consolidated financial statements include the financial statements of 66 subsidiaries, and 9 jointly controlled entities, whose financial statements reflect total assets of ₹ 39,471.90 crore as at 31st March, 2016, total revenues of ₹ 14,391.76 crore and net cash flows amounting to ₹ 746.23 crore for the year ended on that date which have not been audited by us. The consolidated financial statements also include the Group's share of net profit of ₹ 7.93 crore for the year ended 31st March, 2016, as considered in the consolidated financial statements, in respect of 7 associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.

(b) The consolidated financial statements include the financial statements / financial information of 5 subsidiaries and 8 jointly controlled entities, whose financial statements / financial information reflect total assets of ₹ 766.86 crore as at 31st March, 2016, total revenues of ₹ 437.92 crore and net cash flows amounting to ₹ 148.54 crore for the year ended on that date which have not been audited by us. The consolidated financial statements also include the Group's share of net loss of ₹ 0.27 crore for the year ended 31st March, 2016, as considered in the consolidated financial statements, in respect of 4 associates, whose financial statements / financial information have not been audited by us. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.

   e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled entities incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled entities incorporated in India is disqualified as on 31st March, 2016, 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 Report in "Annexure A", which is based on the auditors' reports of the Holding Company, subsidiary companies, associate companies and jointly controlled entities incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding Company's, subsidiary companies', associate companies', jointly controlled entities' incorporated in India, internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities - refer notes I, Q(15)(VI), Q(16) and Q(21) to the consolidated financial statements;

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - refer notes C(II), D(IV), Q(7)(a) to the consolidated financial statements; and

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and jointly controlled entities incorporated in India.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm Registration No. 117366W/W-100018)

P. R. RAMESH
(Partner)
(Membership No. 70928)

For SHARP & TANNAN
Chartered Accountants
(Firm Registration No. 109982W)

FIRDOSH D. BUCHIA
(Partner)
(Membership No. 38332)

MUMBAI, May 25, 2016

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph "f" under 'Report on Other Legal and Regulatory Requirements' 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, 2016, we have audited the internal financial controls over financial reporting of **Larsen & Toubro Limited** (hereinafter referred to as the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiaries, its associates and jointly controlled entities incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Group 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. 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 group'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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, 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 auditors' 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 auditors of the subsidiaries, associates and joint controlled entities, 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, the Holding Company, its subsidiaries, its associates and jointly controlled entities 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, 2016, 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.

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 24 subsidiaries and 3 associates incorporated in India, is based on the corresponding reports of the other 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 insofar as it relates to 1 subsidiary and 2 associates incorporated in India, whose financial statements / financial information are unaudited and our opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Group is not affected as these financial statements / financial information are not material to the Group.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm Registration No. 117366W/W-100018)

P. R. RAMESH
(Partner)
(Membership No. 70928)

For SHARP & TANNAN
Chartered Accountants
(Firm Registration No. 109982W)

FIRDOSH D. BUCHIA
(Partner)
(Membership No. 38332)

MUMBAI, May 25, 2016

Consolidated Balance Sheet as at March 31, 2016

	Note	As at 31-3-2016 ₹ crore	₹ crore	*As at 31-3-2015 ₹ crore*	*₹ crore*
EQUITY AND LIABILITIES:					
Shareholders' funds					
Share capital	**A**	186.30		*185.91*	
Reserves and surplus	**B**	43805.43		*40723.16*	
			43991.73		*40909.07*
Minority interest			6768.78		*4998.62*
Non-current liabilities					
Long term borrowings	**C(I)**	73753.71		*65537.18*	
Deferred payment liabilities for acquisition of fixed assets	**Q(20)**	10839.86		*2931.58*	
Deferred tax liabilities (net)	**Q(13)**	411.15		*539.56*	
Other long term liabilities	**C(II)**	1615.98		*1276.11*	
Long term provisions	**C(III)**	788.32		*574.38*	
			87409.02		*70858.81*
Current liabilities					
Short term borrowings	**D(I)**	17007.98		*16729.39*	
Current maturities of deferred payment liabilities for acquisition of fixed assets	**Q(20)**	210.50		*127.23*	
Current maturities of long term borrowings	**D(II)**	10544.91		*8304.17*	
Trade payables	**D(III)**				
Due to micro enterprises and small enterprises		166.33		*151.86*	
Due to others		29224.64		*24497.78*	
Other current liabilities	**D(IV)**	28510.79		*23684.89*	
Short term provisions	**D(V)**	3690.04		*3543.81*	
			89355.19		*77039.13*
TOTAL			227524.72		*193805.63*
ASSETS:					
Non-current assets					
Fixed assets					
Tangible assets	**E(I)**	17385.08		*18810.53*	
Intangible assets	**E(II)**	23724.84		*13712.53*	
Capital work-in-progress	**E(I)**	6486.21		*4883.03*	
Intangible assets under development	**E(II)**	11003.72		*10109.75*	
			58599.85		*47515.84*
Goodwill on consolidation	**E(III)**		2171.67		*2215.00*
Non-current investments	**F**		1974.36		*1646.80*
Deferred tax assets (net)	**Q(13)**		802.96		*724.20*
Long term loans and advances	**G(I)(a)**		4517.99		*3525.78*
Long term loans and advances towards financing activities	**G(I)(b)**		53441.03		*43932.02*
Cash and cash equivalents	**G(II)**		101.58		*99.31*
Other non-current assets	**G(III)**		460.36		*369.41*
Current assets					
Current investments	**H(I)**	8105.67		*7965.32*	
Inventories	**H(II)**	5361.95		*6508.40*	
Trade receivables	**H(III)**	35989.94		*30089.37*	
Cash and cash equivalents	**H(IV)**	5901.59		*5756.21*	
Short term loans and advances	**H(V)**	9383.19		*7679.22*	
Short term loans and advances towards financing activities	**H(V)(a)**	12368.41		*11434.85*	
Other current assets	**H(VI)**	28344.17		*24343.90*	
			105454.92		*93777.27*
TOTAL			227524.72		*193805.63*
CONTINGENT LIABILITIES	**I**				
COMMITMENTS (capital and others)	**J**				
OTHER NOTES FORMING PART OF THE ACCOUNTS	**Q**				
SIGNIFICANT ACCOUNTING POLICIES	**R**				

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
Firm's Registration No.117366W/W-100018
by the hand of

P. R. RAMESH
Partner
Membership No. 70928

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

FIRDOSH D. BUCHIA
Partner
Membership No. 038332

N.HARIHARAN
Company Secretary
M. No. A3471

Mumbai, May 25, 2016

A. M. NAIK
Group Executive Chairman (DIN 00001514)

R. SHANKAR RAMAN
Chief Financial Officer & Whole-time Director
(DIN 00019798)

M.M.CHITALE
(DIN 00101004)

VIKRAM SINGH MEHTA
(DIN 00041197)

SUSHOBHAN SARKER
(DIN 00088276)

SUNITA SHARMA
(DIN 02949529)

Directors

Consolidated Statement of Profit and Loss for the year ended March 31, 2016

	Note	2015-16 ₹ crore	2015-16 ₹ crore	2014-15 ₹ crore	2014-15 ₹ crore
REVENUE:					
Revenue from operations (gross)	K	103522.23		*92761.66*	
Less: Excise duty		890.54		*757.08*	
Revenue from operations (net)			102631.69		*92004.58*
Other income	L		1183.03		*1074.74*
Total revenue			103814.72		*93079.32*
EXPENSES:					
Manufacturing, construction and operating expenses:	M				
Cost of raw materials, components consumed		13546.91		*10451.17*	
Construction materials consumed		20036.82		*20091.51*	
Purchase of stock-in-trade		1333.44		*1426.56*	
Stores, spares and tools consumed		1935.55		*2501.80*	
Sub-contracting charges		19565.57		*17426.16*	
Changes in inventories of finished goods, work-in-progress and stock-in-trade		862.98		*(712.68)*	
Other manufacturing, construction and operating expenses		8224.78		*8026.38*	
Finance cost of financial services business and finance lease activity		4828.91		*4158.13*	
Staff expenses for software development business		4611.32		*3871.42*	
			74946.28		*67240.45*
Employee benefits expense	N		9204.84		*8059.89*
Sales, administration and other expenses	O		6146.68		*5471.40*
Finance costs	P		3041.22		*2840.05*
Depreciation, amortisation, impairment and obsolescence		2755.99		*2624.54*	
Less: Transfer from revaluation reserve		–		*1.59*	
			2755.99		*2622.95*
			96095.01		*86234.74*
Less: Overheads charged to fixed assets			8.84		*24.96*
Total expenses			96086.17		*86209.78*
Profit before exceptional and extraordinary items and tax			7728.55		*6869.54*
Exceptional items	Q(4)		358.10		*347.70*
Profit before extraordinary items and tax			8086.65		*7217.24*
Extraordinary items			–		*–*
Profit before tax			8086.65		*7217.24*
Tax expense:					
Current tax	Q(6)	2764.19		*2661.91*	
Deferred tax (net)	Q(13)	(215.71)		*(408.67)*	
			2548.48		*2253.24*
Profit after tax			5538.17		*4964.00*
Less: Additional tax on dividend distributed/proposed by subsidiary companies			0.18		*–*
			5537.99		*4964.00*
Add: Share in profit/(loss) (net) of associate companies			(2.51)		*2.14*
			5535.48		*4966.14*
Add/(less): Minority interest in (income)/losses			(444.95)		*(201.32)*
Profit for the year attributable to the shareholders of the Company			5090.53		*4764.82*
Basic earnings per equity share before extraordinary items (₹)	Q(12)		54.69		*51.33*
Diluted earnings per equity share before extraordinary items (₹)			54.44		*50.98*
Basic earnings per equity share after extraordinary items (₹)			54.69		*51.33*
Diluted earnings per equity share after extraordinary items (₹)			54.44		*50.98*
Face value per equity share (₹)			2.00		*2.00*
OTHER NOTES FORMING PART OF ACCOUNTS	Q				
SIGNIFICANT ACCOUNTING POLICIES	R				

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
Firm's Registration No.117366W/W-100018
by the hand of

P. R. RAMESH
Partner
Membership No. 70928

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

FIRDOSH D. BUCHIA
Partner
Membership No. 038332

N.HARIHARAN
Company Secretary
M. No. A3471

Mumbai, May 25, 2016

A. M. NAIK
Group Executive Chairman (DIN 00001514)

R. SHANKAR RAMAN
Chief Financial Officer & Whole-time Director
(DIN 00019798)

M.M.CHITALE
(DIN 00101004)

VIKRAM SINGH MEHTA
(DIN 00041197)

SUSHOBHAN SARKER
(DIN 00088276)

SUNITA SHARMA
(DIN 02949529)

Directors

Consolidated Cash Flow Statement for the year ended March 31, 2016

	2015-16	*2014-15*
	₹ crore	*₹ crore*
A. Cash flow from operating activities:		
Profit before tax (excluding minority interest, exceptional and extraordinary items)	7728.55	*6869.54*
Adjustments for:		
Dividend received	(198.86)	*(79.56)*
Depreciation (including obsolescence), amortisation and impairment	2755.99	*2622.95*
Exchange difference on items grouped under financing/investing activities	194.31	*51.92*
Effect of exchange rate changes on cash and cash equivalents	(20.07)	*39.06*
Interest expense	3041.22	*2840.05*
Interest income	(418.24)	*(404.74)*
(Profit)/loss on sale of fixed assets (net)	(62.79)	*(19.58)*
(Profit)/loss on sale of investments (net)	(386.52)	*(444.23)*
(Profit)/loss on sale of stake in subsidiary and joint venture companies of Developmental Projects and Realty Segments	(276.69)	*(1381.76)*
Employee stock option-discount forming part of staff expenses	51.69	*68.47*
Provision/(reversal) for diminution in value of investments	77.92	*35.39*
Operating profit before working capital changes	12486.51	*10197.51*
Adjustments for:		
(Increase)/decrease in trade and other receivables	(11810.90)	*(9736.74)*
(Increase)/decrease in inventories	117.58	*(982.56)*
Increase/(decrease) in trade payables and customer advances	9528.52	*9119.69*
Cash generated from operations before financing activities	10321.71	*8597.90*
(Increase)/decrease in loans and advances towards financing activities	(10232.34)	*(6984.04)*
Cash generated from operations	89.37	*1613.86*
Direct taxes refund/(paid) (net)	(3318.27)	*(2979.24)*
Net cash (used in)/from operating activities	(3228.90)	*(1365.38)*
B. Cash flow from investing activities:		
Purchase of fixed assets	(5264.11)	*(6252.46)*
Sale of fixed assets	205.89	*157.80*
Purchase of long term investments	(525.57)	*(830.03)*
Sale of long term investments	333.28	*841.41*
(Purchase)/sale of current investments (net)	68.05	*(976.96)*
Loans/deposits made with associate companies and third parties (net)	(0.58)	*579.53*
Interest received	422.06	*387.07*
Dividend received from associates	5.63	*4.24*
Dividend received from other investments	198.86	*79.56*
Consideration received on transfer of Foundry Business Unit	79.70	–
Consideration received on disposal of subsidiaries (including advance received)	410.30	*220.80*
Consideration received on disposal of joint venture	–	*1120.51*
Consideration paid on acquisition of subsidiaries	(32.36)	*(106.78)*
Cash & cash equivalents acquired pursuant to acquisition of subsidiaries	–	*8.76*
Cash & cash equivalents discharged pursuant to disposal of subsidiaries/joint ventures	(33.14)	*(11.60)*
Net cash (used in)/from investing activities (after extraordinary items)	(4131.99)	*(4778.15)*

Consolidated Cash Flow Statement for the year ended March 31, 2016 (contd.)

	2015-16	*2014-15*
	₹ crore	*₹ crore*
C. Cash flow from financing activities:		
Proceeds from issue of share capital	70.19	*98.89*
Proceeds from long term borrowings	32721.06	*29480.30*
Repayment of long term borrowings	(21445.82)	*(20836.14)*
Proceeds from other borrowings (net)	116.19	*2817.68*
Payment (to)/from minority interest (net)- including sale proceeds on divestment of part stake in subsidiary companies and issue of preference shares by subsidiary companies to external parties	1582.68	*1871.10*
Dividends paid	(1512.33)	*(1322.73)*
Additional tax on dividend	(365.25)	*(280.10)*
Interest paid (including cash flows on account of interest rate swaps)	(3678.25)	*(3926.14)*
Net cash (used in)/from financing activities	7488.47	*7902.86*
Net (decrease)/increase in cash and cash equivalents (A + B + C)	127.58	*1759.33*
Cash and cash equivalents at beginning of the year	5845.90	*4086.57*
Cash and cash equivalents at end of the year	5973.48	*5845.90*

Notes:
1. Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard (AS) 3 "Cash Flow Statements" as specified in the Companies (Accounting Standards) Rules, 2006.
2. Purchase of fixed assets includes movement of capital work-in-progress during the year.
3. For cash and cash equivalents not available for immediate use as on the Balance Sheet date, see Note G(II) and H(IV).
4. Cash and cash equivalents are reflected in the Balance Sheet as follows:

	2015-16	*2014-15*
	₹ crore	*₹ crore*
(a) Cash and cash equivalents disclosed under current assets [Note H(IV)]		
Cash and bank balances available for immediate use	5745.99	*5607.12*
Others	155.60	*149.09*
	5901.59	*5756.21*
(b) Cash and cash equivalents disclosed under non-current assets [Note G(II)]		
Cash and bank balances not available for immediate use	101.58	*99.31*
Total cash and cash equivalents as per Balance Sheet	6003.17	*5855.52*
(c) Unrealised exchange loss/(gain) on cash and cash equivalents	(29.69)	*(9.62)*
Total cash and cash equivalents as per Cash Flow Statement	5973.48	*5845.90*

5. Previous year's figures have been regrouped/reclassified wherever applicable.

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
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by the hand of

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Directors

Notes forming part of the Consolidated Accounts

NOTE [A]

Share capital

A(I) Share capital authorised, issued, subscribed and paid up:

Particulars	As at 31-3-2016		*As at 31-3-2015*	
	Number of shares	₹ crore	*Number of shares*	*₹ crore*
Authorised:				
Equity shares of ₹ 2 each	1,62,50,00,000	325.00	*1,62,50,00,000*	*325.00*
Issued, subscribed and fully paid up:				
Equity shares of ₹ 2 each	93,14,78,845	186.30	*92,95,62,061*	*185.91*

A(II) Reconciliation of the number of equity shares and share capital:

Particulars	2015-16		*2014-15*	
	Number of shares	₹ crore	*Number of shares*	*₹ crore*
Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year	92,95,62,061	185.91	*92,69,12,658*	*185.38*
Add: Shares issued on exercise of employee stock options during the year	19,16,784	0.39	*26,49,403*	*0.53*
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	93,14,78,845	186.30	*92,95,62,061*	*185.91*

A(III) Terms/rights attached to equity shares:

The Company has only one class of share capital, i.e., equity shares having face value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share.

A(IV) Shareholders holding more than 5% of equity shares as at the end of the year:

Name of the shareholder	As at 31-3-2016		*As at 31-3-2015*	
	Number of shares	Shareholding %	*Number of shares*	*Shareholding %*
Life Insurance Corporation of India	14,64,19,088	15.72	*15,55,22,285*	*16.73*
L&T Employees Welfare Foundation	11,47,52,281	12.32	*11,16,06,174*	*12.01*
Administrator of the Specified Undertaking of the Unit Trust of India	7,59,26,462	8.15	*7,59,25,962*	*8.17*

A(V) Shares reserved for issue under options outstanding as at the end of the year on un-issued share capital:

Particulars	As at 31-3-2016		*As at 31-3-2015*	
	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 #	57,93,042	1.16 *	*77,08,842*	*1.54 **
0.675% 5 years & 1 day US$ denominated Foreign Currency Convertible Bonds (FCCB)	63,46,986	1.27 **	*63,46,986*	*1.27 **

* The equity shares will be issued at a premium of ₹ 203.97 crore *(previous year: ₹ 278.09 crore)*

** The equity shares will be issued at a premium of ₹ 1215.13 crore *(previous year: ₹ 1215.13 crore)* on the exercise of options by the bond holders

\# Note A(VIII) for terms of employee stock option schemes

Notes forming part of the Consolidated Accounts (contd.)

A(VI) The aggregate number of equity shares allotted as fully paid up by way of bonus shares in immediately preceding five years ended March 31, 2016 are 30,82,94,576 *(previous period of five years ended March 31, 2015: 30,82,94,576 shares)*

A(VII) The aggregate number of equity shares issued pursuant to contract, without payment being received in cash, in immediately preceding last five years ended on March 31, 2016 – Nil *(previous period of five years ended March 31, 2015: Nil)*

A(VIII) Stock option schemes of 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 [5 years in case of series 2006(A)], subject to the discretion of the management and fulfillment of certain conditions.

ii. Options can be exercised anytime within a period of 7 years from the date of grant and would be settled by way of issue of equity shares. Management has discretion to modify the exercise period.

b) The details of the grants under the aforesaid schemes under various series are summarised below:

Sr. No.	Series reference	2000		2002 (A)		2002 (B)		2003 (A)		2003 (B)		2006		2006 (A)	
		2015-16	*2014-15*	2015-16	*2014-15*	2015-16	*2014-15*	2015-16	*2014-15*	2015-16	*2014-15*	2015-16	*2014-15*	2015-16	*2014-15*
1	Grant price - ₹	2.30	*2.30*	2.30	*2.30*	2.30	*2.30*	11.70	*11.70*	11.70	*11.70*	400.70	*400.70*	400.70	*400.70*
2	Grant dates	1-6-2000		19-4-2002		19-4-2002		23-5-2003 onwards		23-5-2003 onwards		1-9-2006 onwards		1-7-2007 onwards	
3	Vesting commences on	1-6-2001		19-4-2003		19-4-2003		23-5-2004 onwards		23-5-2004 onwards		1-9-2007 onwards		1-7-2008 onwards	
4	Options granted and outstanding at the beginning of the year	25200	*25200*	32250	*32250*	59550	*59550*	47178	*47178*	585284	*499543*	304656	*510181*	6654724	*8692214*
5	Options lapsed during the year	–	–	–	–	–	–	–	–	40611	*68450*	11270	*35625*	442400	*676786*
6	Options granted during the year	–	–	–	–	–	–	–	–	150400	*337800*	–	–	344865	*935190*
7	Options exercised during the year	–	–	–	–	–	–	–	–	168154	*183609*	36020	*169900*	1712610	*2295894*
8	Options granted and outstanding at the end of the year	25200	*25200*	32250	*32250*	59550	*59550*	47178	*47178*	526919	*585284*	257366	*304656*	4844579	*6654724*
	Of which														
	Options vested	25200	*25200*	32250	*32250*	59550	*59550*	47178	*47178*	96458	*100390*	257366	*304656*	2334008	*2663571*
	Options yet to vest	–	–	–	–	–	–	–	–	430461	*484894*	–	–	2510571	*3991153*
9	Weighted average remaining contractual life of options (in years)	Nil	*Nil*	Nil	*Nil*	Nil	*Nil*	Nil	*Nil*	5.16	*5.38*	Nil	*0.03*	2.18	*3.95*

c) The number and weighted average exercise price of stock options are as follows:

Particulars	2015-16		*2014-15*	
	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	77,08,842	362.74	*98,66,116*	*374.42*
(ii) Options granted during the year	4,95,265	282.57	*12,72,990*	*297.48*
(iii) Options allotted during the year	19,16,784	366.57	*26,49,403*	*373.74*
(iv) Options lapsed during the year	4,94,281	368.74	*7,80,861*	*366.60*
(v) Options granted and outstanding at the end of the year	57,93,042	354.10	*77,08,842*	*362.74*
(vi) Options exercisable at the end of the year out of (v) *supra*	28,52,010	364.76	*32,32,795*	*368.52*

d) Weighted average share price at the date of exercise for stock options exercised during the year is ₹ 1543.13 *(previous year: ₹ 1554.71)* per share.

e) In respect of stock options granted pursuant to the Company's stock options schemes, the intrinsic value of the options (excess of market price of the share over the exercise price of the option) is treated as discount and accounted as employee compensation over the vesting period.

f) Weighted average fair value of options granted during the year is ₹ 965.39 *(previous year: ₹ 1190.22)* per option.

g) 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	2015-16	*2014-15*
(i)	Weighted average risk-free interest rate	7.66%	*8.57%*
(ii)	Weighted average expected life of options	3.86 years	*4.01 years*
(iii)	Weighted average expected volatility	30.52%	*33.92%*
(iv)	Weighted average expected dividends over the life of the option	₹ 62.69 per option	*₹ 57.18 per option*
(v)	Weighted average share price	₹ 1211.45 per option	*₹ 1444.51 per option*
(vi)	Weighted average exercise price	₹ 282.57 per share	*₹ 313.49 per share*
(vii)	Method used to determine expected volatility	Expected volatility is based on the historical volatility of the Company's share price applicable to the total expected life of each option.	

h) The balance in share option outstanding account as on March 31, 2016 is ₹ 200.28 crore (net) *(previous year: ₹ 252.56 crore)*, including ₹125.92 crore *(previous year: ₹ 135.98 crore)* for which the options have been vested to employees as on March 31, 2016.

A(IX) The Directors recommend payment of final dividend of ₹ 18.25 per equity share of ₹ 2 each on the number of shares outstanding as on the record date.

Provision for final dividend has been made in the books of accounts for 93,14,78,845 equity shares outstanding as at March 31, 2016 amounting to ₹ 1699.95 crore.

A(X) Stock ownership schemes of subsidiary companies:

1. Larsen & Toubro Infotech Limited

a) Employee Stock Ownership Scheme ('ESOS Plan')

Under the Employee Stock Ownership Scheme (ESOS), 24,32,766 options are outstanding as at March 31, 2016. The grant of options to the employees under ESOS is on the basis of their performance and other eligibility criteria. Each option entitles the holder to exercise the right to apply for and seek allotment of one equity share of ₹ 1 each.

All vested options can be exercised on the First Exercise Date. The Nomination & Remuneration Committee had decided September 28, 2015 as the First Exercise Date. The details of the grants under the aforesaid scheme are summarised below:

Sr. No.	ESOP Series	I,II & III		IV – XXI	
		2015-16	*2014-15*	2015-16	*2014-15*
1	Face value (₹)	1	*5*	1	*5*
2	Grant price (₹)	5	*25*	2	*10*
3	Options granted and outstanding at the beginning of the year	19,65,015	*3,93,003*	93,67,335	*18,80,484*
4	Options reinstated during the year *	3,500	–	4,54,580	–
5	Options granted during the year	–	–	–	–
6	Options cancelled/lapsed during the year	34,000	–	10,64,326	*7,017*
7	Options exercised and shares allotted during the year	18,51,855	–	64,07,483	–
8	Options granted and outstanding at the end of the year of which	82,660	*3,93,003*	23,50,106	*18,73,467*
	Options vested	82,660	*3,93,003*	3,40,666	*9,70,917*
	Options yet to vest	–	–	20,09,440	*9,02,550*

* The subsidiary had lapsed unvested options with the employees who had resigned from the company. Based on legal advice, the subsidiary has exercised its discretion in determining that the former employees in the United States will

Notes forming part of the Consolidated Accounts (contd.)

be allowed to exercise their deferred options and accordingly, 2,58,080 options at face value of ₹ 1 (erstwhile 51,616 options at face value of ₹ 5) exercisable by such former employees have been reinstated and vested.

* The subsidiary had erroneously lapsed 2,00,000 options at face value of ₹ 1 (erstwhile 40,000 options at face value of ₹ 5). Subsequently, the subsidiary has decided that these options be restored and vested.

b) Employees Stock Ownership Scheme – 2006 U.S. Stock Option Sub-Plan ('Sub-Plan')

The subsidiary had instituted the Employees Stock Ownership Scheme – 2006 U.S. Stock Option Sub-Plan ('Sub-Plan') for the employees and Directors of its subsidiary, GDA Technologies, Inc, USA. The grant of options to the employees under this Sub-Plan is on the basis of their performance and other eligibility criteria. The term of options shall be 5 years from the date of grant. The options are vested over a period of five years, subject to fulfillment of certain conditions specified in the respective option agreement. Each option entitles the holder to exercise the right to apply for and seek allotment of one equity share of ₹ 1 each at an exercise price of USD 2.4 per share. Under the said plan, options granted and outstanding as at the end of the year are 1,43,650, all vested.

Employees Stock Options granted and outstanding as at the end of the year on unissued share capital represent options 25,76,416 *(previous year: 1,17,82,850)* at face value of ₹ 1 each.

2. L&T Finance Holdings Limited

Stock option scheme (ESOP 2010 & ESOP 2013)

The subsidiary has formulated Employee Stock Option Schemes 2010 (ESOP Scheme-2010), 2010-A (ESOP Scheme 2010-A) and 2013 (ESOP Scheme 2013). The grant of options to the employee under the Stock Options scheme is on the basis of their performance and other eligibility criteria. The options are vested over a period of 4 years, in ratio of 15%, 20%, 30% and 35% respectively from the date of grant, subject to the discretion of the management and fulfillment of certain conditions. Options can be exercised within a period of 7 years from the date of grant for schemes 2010 and 2010A. The options granted under scheme 2013 can be exercised within a period of 8 years from the date of grant and would be settled by way of equity. Management has discretion to modify the exercise period.

The details of the grants under the aforesaid schemes are summarised below:

Sr. No.	Series reference	2010 - 2010-A		2013	
		2015-16	*2014-15*	2015-16	*2014-15*
1	Grant price (₹)	44.20		67.85	
2	Options granted and outstanding at the beginning of the year	68,02,519	*91,06,625*	2,63,50,000	–
3	Options granted during the year	9,00,000	*2,50,000*	–	*2,63,50,000*
4	Options cancelled/lapsed during the year	3,17,841	*7,17,181*	28,00,000	–
5	Options exercised and shares allotted during the year	12,75,680	*18,36,925*	–	–
6	Options granted and outstanding at the end of the year	61,08,998	*68,02,519*	2,35,50,000	*2,63,50,000*
	of which				
	Options vested	40,95,548	*43,39,694*	–	–
	Options yet to vest	20,13,450	*24,62,825*	2,35,50,000	*2,63,50,000*
7	Weighted average remaining contractual life of options (in years)	5.40	*5.95*	6.56	*6.57*

Weighted average fair value of options granted during the year is ₹ 32.02 *(previous year: ₹ 25.40)* per option.

The fair value has been calculated using the Black-Scholes Option Pricing Model and the significant assumptions and inputs to estimate the fair value of options granted during the year are as follows:

Sr. No.	Particulars	2015-16	*2014-15*
a)	Weighted average risk-free interest rate	7.52%	*7.90%*
b)	Weighted average expected life of options	3.68 years	*4.34 years*
c)	Weighted average expected volatility	31.78%	*33.15%*
d)	Weighted average expected dividends	₹ 2.94 per option	*₹ 3.47 per option*
e)	Weighted average share price	₹ 65.73 per option	*₹ 67.84 per option*
f)	Weighted average exercise price	₹ 44.20 per option	*₹ 67.63 per option*
g)	Method used to determine expected volatility	Expected volatility is based on the historical volatility of the subsidiary's shares price applicable to the expected life of each option.	

The balance in share option outstanding account as on March 31, 2016 is ₹ 6.20 crore (net) *(previous year: ₹ 6.31 crore)*, including ₹ 4.16 crore *(previous year: ₹ 4.16 crore)* for which the options have been vested to employees as on March 31, 2016.

A(XI) Had fair value method been adopted for expensing the compensation arising from employee share-based payment plans:

(i) The employee compensation charge debited to the Statement of Profit and Loss for the year 2015-16 would have been higher by ₹ 30.31 crore *(previous year: ₹ 11.15 crore)*

(ii) Basic EPS before extraordinary items would have decreased from ₹ 54.69 *(previous year: ₹ 51.33)* per share to ₹ 54.37 *(previous year: ₹ 51.21)* per share

(iii) Basic EPS after extraordinary items would have decreased from ₹ 54.69 *(previous year: ₹ 51.33)* per share to ₹ 54.37 *(previous year: ₹ 51.21)* per share

(iv) Diluted EPS before extraordinary items would have decreased from ₹ 54.44 *(previous year: ₹ 50.98)* per share to ₹ 54.10 *(previous year: ₹ 50.86)* per share

(v) Diluted EPS after extraordinary items would have decreased from ₹ 54.44 *(previous year: ₹ 50.98)* per share to ₹ 54.10 *(previous year: ₹ 50.86)* per share

Notes forming part of the Consolidated Accounts (contd.)

NOTE [B]
Reserves and surplus

Particulars	As at 31-3-2016		*As at 31-3-2015*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Capital reserve				
As per last Balance Sheet	967.00		*964.89*	
Addition during the year (net)	(19.49)		*2.11*	
		947.51		*967.00*
Capital reserve on consolidation				
As per last Balance Sheet	270.63		*270.57*	
Addition during the year	0.41		*0.06*	
Deduction during the year	1.07		*–*	
		269.97		*270.63*
Capital redemption reserve				
As per last Balance Sheet	3.27		*3.27*	
		3.27		*3.27*
Securities premium account [Note Q(6)(b)]				
As per last Balance Sheet	7944.99		*7737.80*	
Addition during the year	181.28		*225.23*	
	8126.27		*7963.03*	
Less: Share/bond issue expenses (net of tax)	0.87		*15.13*	
Premium on inflation linked debentures (net of tax)	(0.62)		*2.91*	
		8126.02		*7944.99*
Debenture redemption reserve				
As per last Balance Sheet	876.08		*521.38*	
Less: Transferred to retained earnings	175.37		*–*	
Add: Transferred from retained earnings	456.97		*354.70*	
		1157.68		*876.08*
Revaluation reserve				
As per last Balance Sheet	15.57		*19.25*	
Less: Transferred to Statement of Profit and Loss	–		*1.59*	
Less: Transferred to retained earnings	0.39		*2.09*	
		15.18		*15.57*
Share options outstanding account				
Employee share options outstanding account				
As per last Balance Sheet	432.54		*514.83*	
Addition during the year	48.34		*87.77*	
Less: Transferred to retained earnings	10.17		*11.66*	
Deduction during the year	155.38		*158.40*	
		315.33		*432.54*
Deferred employee compensation expense				
As per last Balance Sheet	(127.44)		*(138.04)*	
Addition during the year	(47.94)		*(87.77)*	
Deduction during the year	73.17		*98.37*	
		(102.21)		*(127.44)*
Reserve u/s 45 IC of the Reserve Bank of India Act, 1934				
As per last Balance Sheet	863.28		*722.52*	
Add: Transferred from retained earnings	359.21		*140.76*	
		1222.49		*863.28*
Carried forward		11955.24		*11245.92*

Notes forming part of the Consolidated Accounts (contd.)

NOTE [B]

Reserves and surplus *(contd.)*

Particulars	As at 31-3-2016		*As at 31-3-2015*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Brought forward		11955.24		*11245.92*
Reserve u/s 29C of National Housing Bank Act, 1987				
As per last Balance Sheet	20.39		*6.89*	
Add: Transferred from retained earnings	11.61		*13.50*	
		32.00		*20.39*
Tonnage tax reserve				
As per last Balance Sheet	11.75		*9.98*	
Add: Transferred from retained earnings	4.52		*1.77*	
		16.27		*11.75*
Foreign currency translation reserve				
As per last Balance Sheet	489.83		*571.42*	
Addition during the year (net)	65.77		*(81.53)*	
Add/(less): Transferred to Statement of Profit and Loss on dissolution of stake in subsidiaries	(6.26)		*(0.06)*	
		549.34		*489.83*
Reserve u/s 36(1)(viii) of Income Tax Act, 1961				
As per last Balance Sheet	251.50		*203.52*	
Add: Transferred from retained earnings	113.13		*47.98*	
		364.63		*251.50*
Hedging reserve (net of tax) [Note Q(13)]				
As per last Balance Sheet	(382.27)		*(631.10)*	
Addition/(deduction) during the year (net)	(101.15)		*248.83*	
		(483.42)		*(382.27)*
Retained earnings				
As per last Balance Sheet	29086.04		*26749.05*	
Depreciation charged against retained earnings	(6.14)		*(115.58)*	
Reversal of deferred tax on depreciation charged against retained earnings	2.13		*38.54*	
Profit for the year	5090.53		*4764.82*	
	34172.56		*31436.83*	
Add/(less): Transferred from/(to):				
Debenture redemption reserve	(281.60)		*(354.70)*	
Revaluation reserve	0.39		*2.09*	
Employee share options outstanding account	10.17		*11.66*	
Reserve u/s 45 IC of the Reserve Bank of India Act, 1934	(359.21)		*(140.76)*	
Reserve u/s 29C of National Housing Bank Act, 1987	(11.61)		*(13.50)*	
Tonnage tax reserve	(4.52)		*(1.77)*	
Reserve u/s 36(1)(viii) of Income Tax Act, 1961	(113.13)		*(47.98)*	
Less: Other appropriation:				
Dividend paid for previous year	1.79		*1.88*	
Additional tax on dividend paid for previous year	0.36		*0.32*	
Proposed dividend	1699.95		*1510.54*	
Additional dividend tax [Note Q(19)]	339.58		*293.09*	
		31371.37		*29086.04*
		43805.43		*40723.16*

Notes forming part of the Consolidated Accounts (contd.)

NOTE [C(I)]

Long term borrowings

Particulars	As at 31-3-2016			*As at 31-3-2015*		
	Secured	Unsecured	Total *	*Secured*	*Unsecured*	*Total **
	₹ crore	₹ crore	₹ crore	*₹ crore*	*₹ crore*	*₹ crore*
Redeemable non-convertible fixed rate debentures	14834.47	11218.50	26052.97	*14847.58*	*8540.00*	*23387.58*
Redeemable non-convertible floating rate debentures	220.00	–	220.00	*190.00*	–	*190.00*
Redeemable non-convertible inflation indexed debentures	–	108.81	108.81	–	*109.76*	*109.76*
0.675% Foreign currency convertible bonds	–	1325.10	1325.10	–	*1250.00*	*1250.00*
Term loans from banks	31607.64	13376.72	44984.36	*28366.05*	*10888.72*	*39254.77*
Term loans from others	337.22	57.85	395.07	*337.25*	*72.53*	*409.78*
Loans from financial institutions	216.95	250.00	466.95	*484.39*	*250.00*	*734.39*
Long term maturities of finance lease obligations	–	0.17	0.17	–	*0.28*	*0.28*
Sales tax deferment loan	–	0.28	0.28	–	*0.62*	*0.62*
Perpetual debts	–	200.00	200.00	–	*200.00*	*200.00*
	47216.28	26537.43	73753.71	*44225.27*	*21311.91*	*65537.18*

* Loans guaranteed by Directors or others ₹ Nil *(previous year: ₹ Nil)*

NOTE [C(II)]

Other long term liabilities

Particulars	As at 31-3-2016	*As at 31-3-2015*
	₹ crore	*₹ crore*
Forward contract payable	279.95	*205.47*
Interest accrued but not due	749.86	*573.01*
Others [Note C(II)(a)]	586.17	*497.63*
	1615.98	*1276.11*

C(II)(a) Other long term liabilities – others include

Advance of ₹ 14.30 crore received from M/s. Sical Logistics Limited (SLL) against sale of 1,43,00,000 equity shares of ₹ 10/- each in M/s Sical Iron Ore Terminals Limited (SIOTL) at cost to SLL vide Agreement for Share Sale and Purchase dated December 17, 2008. The sale is subject to the condition that it can be completed only after three years from the date of commencement of commercial operations by SIOTL as per clause 18.2.2 (i) (d) of the License Agreement dated September 23, 2006 between SIOTL and M/s. Ennore Port Limited (EPL). SIOTL has not been able to commence commercial operation as of March 31, 2016 due to the ban of export of iron ore from the State of Karnataka. SIOTL has sought necessary approvals from EPL and Government of India for handling alternate commodities.

NOTE [C(III)]

Long term provisions

Particulars	As at 31-3-2016	*As at 31-3-2015*
	₹ crore	*₹ crore*
Provision for employee benefits:		
Employee pension schemes [Note Q(8)(ii)(a)]	231.08	*207.70*
Post-retirement medical benefit plan [Note Q(8)(ii)(a)]	175.27	*165.53*
Interest rate guaranteed-provident fund [Note Q(8)(ii)(a)]	0.61	*10.43*
Others	11.53	*4.67*
Others:		
Periodic major maintenance [Note Q(16)]	369.83	*186.05*
	788.32	*574.38*

Notes forming part of the Consolidated Accounts (contd.)

NOTE [D(I)]

Short term borrowings

Particulars	As at 31-3-2016			*As at 31-3-2015*		
	Secured	Unsecured	Total*	*Secured*	*Unsecured*	*Total**
	₹ crore	₹ crore	₹ crore	*₹ crore*	*₹ crore*	*₹ crore*
Loans repayable on demand:						
From banks	1897.70	176.24	2073.94	*1731.08*	*234.79*	*1965.87*
Loans from related parties	–	30.00	30.00	–	*30.00*	*30.00*
Other loans and advances:						
From banks	1231.13	4564.31	5795.44	*1490.96*	*3716.93*	*5207.89*
Commercial paper	–	7819.10	7819.10	–	*8958.40*	*8958.40*
Redeemable non-convertible fixed rate debentures	–	1200.00	1200.00	–	*500.00*	*500.00*
From others	–	89.50	89.50	–	*67.23*	*67.23*
	3128.83	13879.15	17007.98	*3222.04*	*13507.35*	*16729.39*

* Loans guaranteed by Directors or others ₹ Nil *(previous year: ₹ Nil)*

NOTE [D(II)]

Current maturities of long term borrowings

Particulars	As at 31-3-2016			*As at 31-3-2015*		
	Secured	Unsecured	Total*	*Secured*	*Unsecured*	*Total**
	₹ crore	₹ crore	₹ crore	*₹ crore*	*₹ crore*	*₹ crore*
Redeemable non-convertible fixed rate debentures	4794.24	550.00	5344.24	*2318.46*	*600.00*	*2918.46*
Term loans from banks	3886.64	1142.36	5029.00	*5100.52*	*217.48*	*5318.00*
Term loans from others	–	130.51	130.51	–	–	–
Loans from financial institutions	40.71	–	40.71	*67.10*	–	*67.10*
Finance lease obligation [Note Q(11)(ii)(a)(ii)]	–	0.11	0.11	–	*0.16*	*0.16*
Sales tax deferment loan	–	0.34	0.34	–	*0.45*	*0.45*
	8721.59	1823.32	10544.91	*7486.08*	*818.09*	*8304.17*

* Loans guaranteed by Directors or others ₹ Nil *(previous year: ₹ Nil)*

NOTE [D(III)]

Trade payables

Particulars	As at 31-3-2016		*As at 31-3-2015*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Due to micro enterprises and small enterprises		166.33		*151.86*
Due to others:				
Acceptances	951.46		*1447.42*	
Due to related parties:				
Associate companies	15.19		*31.88*	
Due to others	28257.99		*23018.48*	
		29224.64		*24497.78*
		29390.97		*24649.64*

Notes forming part of the Consolidated Accounts (contd.)

NOTE [D(IV)]

Other current liabilities

Particulars	As at 31-3-2016	*As at 31-3-2015*
	₹ crore	*₹ crore*
Interest accrued but not due on borrowings	1977.68	*1300.16*
Interest accrued and due on borrowings	40.96	*6.93*
Unclaimed dividend	39.33	*33.59*
Unclaimed interest on debentures	17.22	*10.31*
Due to customers (construction and project related activity)	5776.24	*4497.65*
Due to customers (property development projects)	768.58	*637.70*
Advances from customers	15413.21	*13366.26*
Forward contract payable	669.02	*731.10*
Other payables (including sales tax, service tax, excise duty and others) [Note D(IV)(a)]	3808.55	*3101.19*
	28510.79	*23684.89*

D(IV)(a) Other current liabilities - other payables include

Due to Directors ₹ 47.83 crore *(previous year: ₹ 50.61 crore)*

NOTE [D(V)]

Short term provisions

Particulars	As at 31-3-2016		*As at 31-3-2015*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Provision for employee benefits:				
Gratuity [Note Q(8)(ii)(a)]	145.00		*143.90*	
Compensated absences	864.54		*819.06*	
Employee pension schemes [Note Q(8)(ii)(a)]	16.82		*13.47*	
Post-retirement medical benefit plan [Note Q(8)(ii)(a)]	17.22		*14.59*	
Provision for interest rate guarantee	–		*0.13*	
		1043.58		*991.15*
Others:				
Current taxes [net of payments made ₹ 2152.52 crore *(previous year: ₹ 2057.49 crore)*]	91.15		*260.84*	
Proposed dividend [Note A(IX)]	1699.95		*1510.54*	
Additional tax on dividend	172.46		*148.35*	
Reserve for unexpired risks	222.42		*155.64*	
Other provisions [Note Q(16)]	460.48		*477.29*	
		2646.46		*2552.66*
		3690.04		*3543.81*

Notes forming part of the Consolidated Accounts (contd.)

NOTE [E(I)]

Tangible assets

₹ crore

Particulars	Cost/valuation						Depreciation						Impairment	Book value	
	As at 1-4-2015	Pursuant to acquisition of subsidiaries	Additions	Foreign currency fluctuation	Deductions	As at 31-3-2016	*Up to 31-3-2015*	Pursuant to acquisition of subsidiaries	For the period @	Foreign currency fluctuation	Deductions	Up to 31-3-2016	As at 31-3-2016	As at 31-3-2016	*As at 31-3-2015*
Land															
Freehold	*1058.85*	–	1.29	1.40	406.08	655.46	–	–	–	–	–	–	6.58	648.88	*1052.64*
Leasehold	*763.00*	–	7.29	1.36	–	771.65	*52.04*	–	13.66	0.71	–	66.41	–	705.24	*710.96*
Sub total - Land	*1821.85*	–	8.58	2.76	406.08	1427.11	*52.04*	–	13.66	0.71	–	66.41	6.58	1354.12	*1763.60*
Buildings															
Owned	*5231.26*	–	396.18	22.78	196.65	5453.57	*865.21*	–	209.26	7.86	28.68	1053.65	–	4399.92	*4366.05*
Leased out	*687.13*	–	20.16	–	533.11	174.18	*48.80*	–	12.46	–	36.82	24.44	–	149.74	*638.33*
Sub total - Buildings	*5918.39*	–	416.34	22.78	729.76	5627.75	*914.01*	–	221.72	7.86	65.50	1078.09	–	4549.66	*5004.38*
Plant & equipment															
Owned	*13603.92*	–	1044.49	56.42	694.02	14010.81	*5533.18*	–	1074.27	25.04	267.13	6365.36	–	7645.45	*8070.74*
Leased out	*524.96*	–	4.88	–	0.42	529.42	*224.36*	–	11.00	–	0.22	235.14	6.93	287.35	*293.67*
Sub total - Plant & equipment	*14128.88*	–	1049.37	56.42	694.44	14540.23	*5757.54*	–	1085.27	25.04	267.35	6600.50	6.93	7932.80	*8364.41*
Computers															
Owned	*1111.37*	–	179.31	2.10	51.76	1241.02	*804.29*	–	169.08	1.48	47.40	927.45	–	313.57	*307.08*
Leased out	*18.27*	–	1.92	–	–	20.19	*18.07*	–	0.58	–	–	18.65	–	1.54	*0.20*
Taken on lease	*2.47*	–	–	–	2.34	0.13	*2.44*	–	0.03	–	2.34	0.13	–	–	*0.03*
Sub total - Computers	*1132.11*	–	181.23	2.10	54.10	1261.34	*824.80*	–	169.69	1.48	49.74	946.23	–	315.11	*307.31*
Office equipment															
Owned	*511.78*	–	75.09	3.95	32.45	558.37	*359.11*	–	74.21	3.66	29.39	407.59	–	150.78	*152.66*
Leased out	*2.78*	–	–	–	0.86	1.92	*0.84*	–	0.45	–	0.19	1.10	–	0.82	*1.94*
Sub total - Office equipment	*514.56*	–	75.09	3.95	33.31	560.29	*359.95*	–	74.66	3.66	29.58	408.69	–	151.60	*154.60*
Furniture and fixtures															
Owned	*630.73*	–	71.06	6.79	65.73	642.85	*329.72*	–	70.48	3.49	48.67	355.02	–	287.83	*301.01*
Leased out	*18.98*	–	4.01	–	4.30	18.69	*6.63*	–	1.82	–	0.23	8.22	–	10.47	*12.35*
Sub total - Furniture & fixtures	*649.71*	–	75.07	6.79	70.03	661.54	*336.35*	–	72.30	3.49	48.90	363.24	–	298.30	*313.36*
Vehicles															
Owned	*517.88*	–	85.49	9.46	50.86	561.97	*296.66*	–	59.03	6.97	36.26	326.40	–	235.57	*221.22*
Leased out	*213.77*	–	24.89	–	60.99	177.67	*76.55*	–	27.77	–	30.06	74.26	–	103.41	*137.22*
Sub total - Vehicles	*731.65*	–	110.38	9.46	111.85	739.64	*373.21*	–	86.80	6.97	66.32	400.66	–	338.98	*358.44*
Other assets															
Owned															
Railway sidings	*0.25*	–	–	–	–	0.25	*0.25*	–	–	–	–	0.25	–	–	–
Aircraft	*119.08*	–	–	–	–	119.08	*26.32*	–	6.67	–	–	32.99	–	86.09	*92.76*
Ships	*787.11*	–	–	–	–	787.11	*195.78*	–	40.25	–	–	236.03	–	551.08	*591.33*
Dredged channel	*1641.73*	–	–	–	–	1641.73	*173.58*	–	65.88	–	–	239.46	–	1402.27	*1468.15*
Breakwater structures	*637.72*	–	0.84	–	–	638.56	*46.22*	–	13.56	–	–	59.78	–	578.78	*591.50*
Leasehold Improvements	*23.53*	–	53.54	–	5.38	71.69	*8.49*	–	26.68	–	4.10	31.07	–	40.62	*15.04*
Sub total - Other assets	*3209.42*	–	54.38	–	5.38	3258.42	*450.64*	–	153.04	–	4.10	599.58	–	2658.84	*2758.78*
Lease adjustment	–	–	–	–	–	–	–	–	–	–	–	–	–	(239.36)	*(239.36)*
Total	*28106.57*	–	1970.44	104.26	2104.95	28076.32	*9068.54*	–	1877.14	49.21	531.49	10463.40	13.51 #	17360.05	*18785.52*
Previous year	*28562.37*	*25.55*	*1837.60*	*50.45*	*2369.41*	*28106.56*	*7508.26*	*21.53*	*2181.97*	*12.52*	*655.75*	*9068.53*	*13.15*		
Add: Asset held for sale														25.03	*25.01*
														17385.08	*18810.53*
Add: Capital work-in-progress														6486.21	*4883.03*
														23871.29	*23693.56*

@ Includes ₹ 6.14 crore transferred to retained earnings pursuant to Schedule II of Companies Act, 2013.
# Impairment upto 31-3-2016 ₹ 13.51 crore, ₹ 0.37 crore pertains to foreign currency translation adjustments, ₹ 0.01 crore deductions during the year.

Notes forming part of the Consolidated Accounts (contd.)

NOTE [E(II)]

Intangible assets

₹ crore

Particulars	Cost/valuation						Amortisation						Impairment	Book value	
	As at 1-4-2015	Pursuant to acquisition of subsidiaries	Additions	Foreign currency fluctuation	Deductions	As at 31-3-2016	*Up to 31-3-2015*	Pursuant to acquisition of subsidiaries	For the period	Foreign currency fluctuation	Deductions	Up to 31-3-2016	As at 31-3-2016#	As at 31-3-2016	*As at 31-3-2015*
Specialised softwares	*990.32*	–	99.39	13.76	3.35	1100.12	*577.16*	–	163.27	7.45	3.13	744.75	–	355.37	*413.16*
Technical knowhow	*127.84*	–	13.26	0.10	–	141.20	*68.08*	–	24.88	0.10	–	93.06	–	48.14	*59.76*
New product design and Development	*86.60*	–	77.89	0.74	0.45	164.78	*30.24*	–	18.84	0.23	0.40	48.91	–	115.87	*56.36*
Customer contracts and relationship	*131.24*	–	–	6.33	–	137.57	*44.34*	–	14.85	2.26	–	61.45	–	76.12	*86.90*
Toll collection rights	*14051.17*	–	10698.95	–	7.18	24742.94	*955.97*	–	445.86	–	1.53	1400.30	214.30	23128.34	*13095.20*
Utility right to use	*1.53*	–	–	–	–	1.53	*0.38*	–	0.15	–	–	0.53	–	1.00	*1.15*
Total	*15388.70*	–	10889.49	20.93	10.98	26288.14	*1676.17*	–	667.85	10.04	5.06	2349.00	214.30	23724.84	*13712.53*
Previous year	*10729.61*	*11.92*	*4751.01*	*(60.14)*	*43.70*	*15388.70*	*1312.76*	*10.45*	*408.04*	*(17.96)*	*37.12*	*1676.17*	–		
Add: Intangible assets under development														11003.72	*10109.75*
														34728.56	*23822.28*

Impairment upto 31-3-2016 ₹ 214.30 crore, during the year ₹ 214.30 crore.

NOTE [E(III)]

Goodwill on consolidation

₹ crore

Particulars	Cost/valuation					Impairment	Book value	
	As at 1-4-2015	Additions	Foreign currency fluctuation	Deductions	As at 31-3-2016*	As at 31-3-2016	As at 31-3-2016	*As at 31-3-2015**
Goodwill on consolidation	*2263.10*	25.32	5.10	73.75	2219.77	48.10 #	2171.67	*2215.00*
Previous year	*2184.27*	*108.56*	*(29.73)*	–	*2263.10*	*48.10*	*2215.00*	*2136.17*

Impairment upto 31-03-2016 ₹ 48.10 crore, during the year ₹ Nil.

* Goodwill represents consideration paid in excess of share in net worth of subsidiaries acquired during the year. It also includes goodwill purchased on acquisition of business of ₹ 60.30 crore *(previous year: ₹ 39.61 crore).*

Notes:

1 Cost/valuation of:

(i) Freehold land includes:

(a) ₹ 1.17 crore for which conveyance is yet to be completed.

(ii) Leasehold land includes:

(a) ₹ 414.54 crore representing 1148.40 acres of land taken on lease from M/s Tamilnadu Industrial Development Corporation Limited (TIDCO) on various dates for development of port and shipyard.

(b) ₹ 0.47 crore representing 4.728 hectares of forest land in dist. Rudryaprayag, State of Uttarakhand, taken on lease for 30 years w.e.f. 10.09.2007.

(c) ₹ 0.77 crore representing 34.341 hectares of forest land in dist. Rudryaprayag, State of Uttarakhand, taken on lease for 30 years w.e.f. 24.09.2009.

(d) ₹ 73.92 crore added during the year in respect of which lease agreements are yet to be executed.

Notes forming part of the Consolidated Accounts (contd.)

2 Cost/valuation of buildings includes ownership accommodation:

(i) (a) in various co-operative societies and apartments and shop-owners' associations: ₹ 127.58 crore, including 2595 shares of ₹ 50 each, 232 shares of ₹ 100 each and 1 share of ₹ 250 each.

(b) in various apartments: ₹ 11.20 crore.

(c) in proposed co-operative societies: ₹ 0.53 crore.

(d) in various co-operative societies and apartments and shop-owners' associations: ₹ 14.60 crore, for which share certificate are yet to be issued.

(ii) of ₹ 4.07 crore in respect of which the deed of conveyance is yet to be executed.

(iii) of ₹ 8.48 crore representing undivided share in a property at a certain location.

3 Depreciation, amortisation, impairment and obsolescence for the year on fixed assets includes ₹ 13.26 crore *(previous year: ₹ 30.27 crore)* on account of obsolescence and ₹ 214.30 crore *(previous year: ₹ 138.60 crore)* on account of impairment.

4 Owned assets given on operating lease have been presented separately under tangible assets [Note E(I)] as per Accounting Standard (AS) 19 "Leases".

5 Cost/valuation as at April 1, 2015 of individual assets has been reclassified, wherever necessary.

6 In respect of asset components, whose useful life has expired as on April 1, 2015, the carrying amount of ₹ 6.14 crore before tax (₹ 4.01 crore net of tax of ₹ 2.13 crore) has been adjusted against retained earnings as on April 1, 2015.

7 Additions during the year and capital work-in-progress/intangible assets under development include ₹ 1089.69 crore *(previous year: ₹ 1352.98 crore)* being borrowing cost capitalised in accordance with Accounting Standard (AS) 16 "Borrowing Costs" as specified under Section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014.
Asset wise break-up of borowing costs capitalised is as follows:

₹ crore

Asset Class	2015-16	*2014-15*
Tangible		
Building owned	3.13	*26.30*
Plant & equipment owned	–	*0.30*
Office equipment owned	–	*0.02*
Furniture and fixture owned	–	*0.03*
Toll collection rights	13.20	*3.65*
Capital work-in-progress	318.20	*505.84*
Intangible assets under development	755.16	*816.84*
Total	1089.69	*1352.98*

Notes forming part of the Consolidated Accounts (contd.)

NOTE [F]
Non-current investments (at cost unless otherwise specified)

Particulars	As at 31-3-2016		*As at 31-3-2015*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Long term investments:				
Trade investments:				
Investments in equity instruments				
Investments in associates: [Note F(I)]				
Fully paid equity shares of associate companies	67.81		*85.05*	
Add/(less):				
Accumulated share in profit/(loss) of the associate companies at the beginning of the year	61.87		*74.57*	
Adjustment pursuant to an associate becoming subsidiary	–		*(14.43)*	
Adjustment pursuant to divestment of stake in associates	(11.55)		*4.50*	
	118.13		*149.69*	
Add/(less):				
Share in profit/(loss) (net) of associate companies-during the period	(2.51)		*2.14*	
Share in depreciation, net of deferred tax, charged against accumulated profits	–		*(0.64)*	
Share in non-statutory reserves of associate companies-during the period	(3.32)		–	
Commitment to fresh infusion of equity	3.82		*2.73*	
Dividend received from associate companies during the period	(5.63)		*(4.24)*	
Unrealised profits in respect of transactions with associate companies	–		*(1.33)*	
Provision for diminution in value	(0.56)		*(0.56)*	
		109.93		*147.79*
Investments in others:				
Fully paid equity shares	20.00		*43.00*	
Less: Provision for diminution in value	15.90		*15.90*	
		4.10		*27.10*
Other investments:				
Investments in equity instruments	296.35		*67.80*	
Less: Provision for diminution in value	0.61		*28.32*	
		295.74		*39.48*
Investments in cumulative redeemable preference shares		71.72		*93.75*
Investments in Government and trust securities	214.01		*180.00*	
Less: Provision for diminution in value	0.03		*0.02*	
		213.98		*179.98*
Investments in debentures and bonds	861.52		*772.72*	
Less: Provision for diminution in value	54.96		–	
		806.56		*772.72*
Investments in mutual funds		13.32		*1.70*
Investments in security receipt		237.96		*245.85*
Investment in units of fund		221.05		*138.43*
		1974.36		*1646.80*

Notes forming part of the Consolidated Accounts (contd.)

F(I) Investments in associates include goodwill of ₹ 23.90 crore *(previous year: ₹ 23.95 crore)* and is further net of capital reserve of ₹ Nil *(previous year: ₹ 0.25 crore)*.

NOTE [G(I)(a)]

Long term loans and advances

Particulars	As at 31-3-2016		*As at 31-3-2015*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Secured considered good:				
Loans against mortgage of house property		1.24		*2.37*
Capital advances		31.50		*30.97*
Inter-corporate deposits including interest accrued		–		*3.00*
Other loans and advances (KMPs)		–		*0.01*
Unsecured considered good:				
Capital advances		226.08		*267.97*
Loan and advances to related parties:				
Associate companies:				
Advances recoverable	18.79		*17.73*	
		18.79		*17.73*
Other loans and advances:				
Security deposits	323.63		*254.24*	
Earnest money deposits	4.79		*3.95*	
Advances recoverable in cash or in kind	2915.28		*2472.17*	
Income tax receivable of current year [net of provision for tax of ₹ 637.21 crore *(previous year: ₹ 426.42 crore)*]	604.50		*261.17*	
Minimum Alternate Tax (MAT) credit entitlement	392.18		*212.20*	
Considered doubtful:				
Other loans and advances	0.34		*3.01*	
	4240.72		*3206.74*	
Less: Allowance for doubtful loans and advances	0.34		*3.01*	
		4240.38		*3203.73*
		4517.99		*3525.78*

NOTE [G(I)(b)]

Long term loans and advances towards financing activities

Particulars	As at 31-3-2016		*As at 31-3-2015*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Secured loans:				
Considered good:				
Term loans	37655.64		*30487.13*	
Finance lease	32.46		*68.31*	
Debentures	3873.05		*2514.08*	
Considered doubtful:				
Term loans [Note G(I)(b)(i)]	528.13		*386.22*	
	42089.28		*33455.74*	
Less: Allowance for non-performing assets	528.13		*386.22*	
Less: Contingent provisions against standard assets	60.88		*119.02*	
Less: Provision for standard assets	369.85		*290.79*	
		41130.42		*32659.71*
Carried forward		41130.42		*32659.71*

Notes forming part of the Consolidated Accounts (contd.)

NOTE [G(I)(b)]

Long term loans and advances towards financing activities *(contd.)*

Particulars	As at 31-3-2016		*As at 31-3-2015*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Brought forward		41130.42		*32659.71*
Unsecured loans:				
Considered good:				
Term loans	2073.91		*1341.10*	
Finance lease	9805.89		*9645.00*	
Debentures	440.20		*293.22*	
Considered doubtful:				
Term loans [Note G(I)(b)(i)]	31.09		*54.34*	
	12351.09		*11333.66*	
Less: Allowance for non-performing assets	31.09		*54.34*	
Less: Contingent provisions against standard assets	9.39		*4.08*	
Less: Provision for standard assets	–		*2.93*	
		12310.61		*11272.31*
		53441.03		*43932.02*

G(I)(b)(i) Loans and advances towards financing activities are classified as doubtful to the extent of provision made following prudential norms for provisioning of assets prescribed by the Reserve Bank of India.

NOTE [G(II)]

Cash and bank balances

Particulars	As at 31-3-2016	*As at 31-3-2015*
	₹ crore	*₹ crore*
Cash and cash equivalents:		
Cash and bank balances not available for immediate use	101.58	*99.31*
	101.58	99.31

NOTE [G(III)]

Other non-current assets

Particulars	As at 31-3-2016	*As at 31-3-2015*
	₹ crore	*₹ crore*
Interest accrued on investments and others	358.13	*263.56*
Unamortised expenses	79.89	*97.20*
Others	22.34	*8.65*
	460.36	*369.41*

NOTE [H(I)]

Current investments

Particulars	As at 31-3-2016		*As at 31-3-2015*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
(a) Current investments:				
Fully paid equity shares	81.79		*73.15*	
Less: Provision for diminution in value	72.57		*31.60*	
		9.22		*41.55*
Carried forward		9.22		*41.55*

Notes forming part of the Consolidated Accounts (contd.)

NOTE [H(I)]

Current investments *(contd.)*

Particulars	As at 31-3-2016		*As at 31-3-2015*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Brought forward		9.22		*41.55*
Government and trust securities	1069.13		*1485.30*	
Less: Provision for diminution in value	2.62		*2.57*	
		1066.51		*1482.73*
Debentures and bonds	1371.58		*1263.22*	
Less: Provision for diminution in value	10.07		*0.84*	
		1361.51		*1262.38*
Mutual funds	5609.71		*5104.89*	
Less: Provision for diminution in value	0.80		*0.20*	
		5608.91		*5104.69*
Other investments		18.49		*23.19*
Share application money		33.47		*2.40*
(b) Current portion of long term investments:				
Preference shares	–		*34.00*	
Investment property	7.56		*14.38*	
		7.56		*48.38*
		8105.67		*7965.32*

NOTE [H(II)]

Inventories (at cost or net realisable value whichever is lower)

Particulars	As at 31-3-2016	*As at 31-3-2015*
	₹ crore	*₹ crore*
Raw materials [including goods-in-transit ₹ 46.10 crore *(previous year: ₹ 45.26 crore)*]	1069.64	*1151.48*
Components [including goods-in-transit ₹ 15.84 crore *(previous year: ₹ 24.10 crore)*]	637.79	*639.22*
Construction materials [including goods-in-transit ₹ 113.43 crore *(previous year: ₹ 75.60 crore)*]	374.71	*344.70*
Manufacturing work-in-progress	912.55	*1145.74*
Finished goods [including goods-in-transit ₹ 0.04 crore *(previous year: ₹ Nil)*]	295.11	*403.80*
Stock-in-trade (in respect of goods acquired for trading) [including goods-in-transit ₹ 34.82 crore *(previous year: ₹ 36.02 crore)*]	179.99	*178.02*
Stores and spares [including goods-in-transit ₹ 3.54 crore *(previous year: ₹ 7.66 crore)*]	347.34	*327.87*
Loose tools [including goods-in-transit ₹ 0.04 crore *(previous year: ₹ 0.05 crore)*]	18.41	*14.37*
Property development projects (including land) [Note Q(7)(c)]	1526.41	*2211.39*
Completed property [Note Q(7)(c)]	–	*91.81*
	5361.95	*6508.40*

Notes forming part of the Consolidated Accounts (contd.)

NOTE [H(III)]

Trade receivables

Particulars	As at 31-3-2016		*As at 31-3-2015*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Trade receivables				
Secured:				
Debts outstanding for more than 6 months:				
Considered good	0.51		*4.71*	
Other debts:				
Considered good	4.60		*8.85*	
		5.11		*13.56*
Unsecured:				
Debts outstanding for more than 6 months:				
Considered good	5223.68		*3509.03*	
Considered doubtful	1044.09		*673.49*	
	6267.77		*4182.52*	
Other debts:				
Considered good	30761.15		*26566.78*	
Considered doubtful	4.55		*0.46*	
	37033.47		*30749.76*	
Less: Allowance for doubtful debts	1048.64		*673.95*	
		35984.83		*30075.81*
		35989.94		*30089.37*

NOTE [H(IV)]

Cash and bank balances

Particulars	As at 31-3-2016		*As at 31-3-2015*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Cash and cash equivalents:				
Balance with banks		4161.01		*3526.15*
Cheques and drafts on hand		544.40		*272.27*
Cash on hand		46.79		*119.60*
Fixed deposits with banks (maturity less than 3 months)		439.72		*850.44*
Other bank balances:				
Fixed deposits with banks including interest accured thereon [includes ₹ 5.91 crore *(previous year: ₹ 3.40 crore)* of bank deposit with more than 12 months maturity]	497.28		*794.48*	
Earmarked balances with banks-unclaimed dividend	39.39		*33.59*	
Earmarked balances with banks-others	17.40		*10.59*	
Cash and bank balances not available for immediate use including margin money deposits	155.60		*149.09*	
		709.67		*987.75*
		5901.59		*5756.21*

Notes forming part of the Consolidated Accounts (contd.)

NOTE [H(V)]

Short term loans and advances

Particulars	As at 31-3-2016		*As at 31-3-2015*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Secured considered good:				
Loans against mortgage of house property:				
Others	0.86		*0.90*	
Inter-corporate deposits including interest accrued	73.00		*70.00*	
		73.86		*70.90*
Unsecured:				
Loans and advances to related parties:				
Considered good:				
Associates:				
Advance recoverable	7.45		*6.37*	
Others	0.32		*0.83*	
Joint ventures:				
Advance recoverable	0.35		*3.17*	
Advances to suppliers	0.67		–	
		8.79		*10.37*
Others:				
Considered good:				
Security deposits	523.01		*434.92*	
Earnest money deposit	52.52		*64.71*	
Advances recoverable in cash or in kind	8548.50		*6879.51*	
Balance with customs,port trust, etc.	176.51		*218.81*	
Considered doubtful:				
Deferred credit against sale of ships	27.55		*25.99*	
Security deposits	36.31		*4.58*	
Other loans and advances	152.12		*186.62*	
	9516.52		*7815.14*	
Less: Allowance for doubtful loans and advances	215.98		*217.19*	
		9300.54		*7597.95*
		9383.19		*7679.22*

Notes forming part of the Consolidated Accounts (contd.)

NOTE [H(V)(a)]

Short term loans and advances towards financing activities

Particulars	As at 31-3-2016		*As at 31-3-2015*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Secured loans:				
Considered good:				
Term loans	7625.67		*7830.08*	
Finance lease	45.48		*63.66*	
Debentures	123.73		*59.78*	
	7794.88		*7953.52*	
Less: Contingent provision against standard assets	132.53		*32.53*	
		7662.35		*7920.99*
Unsecured loans:				
Considered good:				
Term loans	4369.76		*3189.63*	
Finance lease	345.08		*295.75*	
Debentures	18.23		*40.00*	
	4733.07		*3525.38*	
Less: Contingent provision against standard assets	27.01		*11.52*	
		4706.06		*3513.86*
		12368.41		*11434.85*

NOTE [H(VI)]

Other current assets

Particulars	As at 31-3-2016	*As at 31-3-2015*
	₹ crore	*₹ crore*
Due from customers (construction and project related activity)	26526.43	*22854.72*
Due from customers (property development activity) [Note Q(7)(c)]	178.64	*129.88*
Interest accrued on investments and others	778.28	*711.89*
Interest accrued on inter-corporate deposit	2.62	–
Unbilled revenue	545.09	*325.75*
Unamortised expenses	69.21	*66.02*
Accrual of fee income	1.71	*2.13*
Billed interest and other receivable	118.80	*147.85*
Others	123.39	*105.66*
	28344.17	*24343.90*

Notes forming part of the Consolidated Accounts (contd.)

NOTE [I]

Contingent liabilities

Particulars	As at 31-3-2016	*As at 31-3-2015*
	₹ crore	*₹ crore*
(a) Claims against the Company not acknowledged as debts	2462.02	*1596.25*
(b) Sales tax liability that may arise in respect of matters in appeal	222.34	*217.42*
(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 Company in Writ	881.16	*227.24*
(d) Income tax liability (including penalty) that may arise in respect of which the Company is in appeal	767.85	*1170.01*

Notes:

1 The Company expects reimbursements of ₹ 27.09 crore in respect of the above contingent liabilities.

2 It is not practicable to estimate the timing of cash outflows, if any, in respect of matters at (a) to (d) above pending resolution of the arbitration/appellate proceedings. Further, the liability mentioned in (a) to (d) above excludes interest and penalty in cases where the Company has determined that the possibility of such levy is remote.

3 Particulars of contingent liabilities in respect of joint ventures is given in Note Q(15).

NOTE [J]

Commitments

Particulars	As at 31-3-2016	*As at 31-3-2015*
	₹ crore	*₹ crore*
Estimated amount of contracts remaining to be executed on capital account (net of advances) *	9041.92	*23044.13*

* Particulars of capital commitments in respect of joint ventures are given in Note Q(15).

NOTE [K]

Revenue from operations

Particulars	2015-16		*2014-15*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Sales & service:				
Construction and project related activity [Note Q(7)(a)]	68620.17		*60702.03*	
Manufacturing and trading activity	10091.25		*9514.69*	
Engineering and service fees	3017.55		*2592.42*	
Software development products and services	5824.66		*4941.83*	
Income from financing activity/annuity based projects and finance income from lease of power plant	8081.97		*7050.69*	
Property development activity [Note Q(7)(c)]	1444.76		*1559.17*	
Toll collection and related activity	1477.65		*1006.41*	
Servicing	626.66		*693.01*	
Commission	155.00		*140.10*	
Income from port services	88.54		*100.15*	
Charter hire income	199.39		*169.16*	
Investment/portfolio management and trusteeship fees	340.80		*139.17*	
Fees for operation and maintenance of power plant	1960.36		*1531.79*	
Premium earned (net)	297.83		*206.14*	
		102226.59		*90346.76*
Carried forward		102226.59		*90346.76*

Notes forming part of the Consolidated Accounts (contd.)

NOTE [K]

Revenue from operations *(contd.)*

Particulars	2015-16		*2014-15*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Brought forward		102226.59		*90346.76*
Other operational revenue:				
Income from hire of plant & equipment	27.34		*0.45*	
Lease rentals	191.92		*242.22*	
Property maintenance recoveries	14.23		*14.02*	
Facility management income	34.54		*47.86*	
Premium earned (net) on related forward exchange contract	401.97		*262.11*	
Profit on sale of SPVs of Developmental Projects and Realty Business	276.69		*1381.76*	
Miscellaneous income	348.95		*466.48*	
		1295.64		*2414.90*
		103522.23		*92761.66*

K(I) Revenue from sales and service includes ₹ 403.61 crore *(previous year: ₹ 1324.37 crore)* for price variations net of liquidated damages in terms of contracts with the customers.

NOTE [L]

Other income

Particulars	2015-16		*2014-15*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Interest income:				
Interest income on long term investments	44.97		*34.88*	
Interest income on current investments	199.36		*212.41*	
Interest income on others:				
Joint venture & associate companies	10.05		*10.33*	
Others	163.86		*147.12*	
		418.24		*404.74*
Dividend income:				
Trade investments	2.15		*2.07*	
Others	82.54		*74.74*	
	84.69		*76.81*	
From current investments	114.17		*2.75*	
		198.86		*79.56*
Net gain/(loss) on sale of investments:				
Long term investments (net)	86.44		*(0.47)*	
Current investments (net)	300.08		*444.70*	
		386.52		*444.23*
Net gain/(loss) on sale of fixed assets (net)		62.79		*19.58*
Lease rental		2.18		*0.62*
Miscellaneous income (net of expenses)		114.44		*126.01*
		1183.03		*1074.74*

Notes forming part of the Consolidated Accounts (contd.)

NOTE [M]

Manufacturing, construction and operating expenses

Particulars	2015-16		*2014-15*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Materials consumed:				
Raw materials and components	13644.22		*10596.92*	
Less: Scrap sales	97.31		*145.75*	
		13546.91		*10451.17*
Construction materials consumed		20036.82		*20091.51*
Purchase of stock-in-trade	1349.93		*1426.56*	
Value of stock-in-trade transferred on sale of business	(16.49)		–	
		1333.44		*1426.56*
Stores, spares and tools consumed		1935.55		*2501.80*
Sub-contracting charges		19565.57		*17426.16*
Change in inventories of finished goods, work-in-progress and stock-in-trade:				
Closing stock:				
Finished goods	295.11		*403.80*	
Stock-in-trade	179.99		*178.02*	
Work-in-progress	4586.33		*4560.05*	
Cost of built up space and property development land:				
Work-in-progress	1196.93		*1901.16*	
Completed property	–		*91.81*	
Property development land	323.73		*310.23*	
	6582.09		*7445.07*	
Less: Opening stock:				
Finished goods	403.80		*349.31*	
Stock-in-trade	178.02		*126.67*	
Work-in-progress	4560.05		*4193.05*	
Cost of built up space and property development land:				
Work-in-progress	1901.16		*1658.63*	
Completed property	91.81		*120.11*	
Property development land	310.23		*284.62*	
	7445.07		*6732.39*	
		862.98		*(712.68)*
Other manufacturing, construction and operating expenses:				
Excise duty	(1.40)		*18.72*	
Power and fuel [Note O(I)]	1212.81		*968.23*	
Royalty and technical know-how fees	48.58		*22.14*	
Packing and forwarding [Note O(I)]	388.41		*414.65*	
Hire charges-plant & equipment and others	999.78		*1116.73*	
Bank guarantee charges	134.33		*146.47*	
Insurance claim incurred (net)	218.96		*147.65*	
Engineering, professional, technical and consultancy fees	1268.75		*1149.76*	
Insurance [Note O(I)]	200.48		*237.76*	
Carried forward	4470.70	57281.27	*4222.11*	*51184.52*

Notes forming part of the Consolidated Accounts (contd.)

NOTE [M]

Manufacturing, construction and operating expenses *(contd.)*

Particulars	2015-16		*2014-15*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Brought forward	4470.70	57281.27	*4222.11*	*51184.52*
Rent [Note O(I)]	517.81		*408.08*	
Rates and taxes [Note O(I)]	347.28		*254.37*	
Travelling and conveyance [Note O(I)]	1075.47		*967.49*	
Repairs to plant & equipment	91.25		*18.14*	
Repairs to buildings [Note O(I)]	21.52		*26.15*	
General repairs and maintenance [Note O(I)]	376.03		*352.05*	
Port operation expenses	12.62		*41.28*	
Operating cost of shipping business	51.14		*59.37*	
Miscellaneous expenses [Note O(I)]	1260.96		*1677.34*	
		8224.78		*8026.38*
Finance cost of financial services business and finance lease activity:				
Interest and other financing charges [Note O(I)]	4828.91		*4158.13*	
		4828.91		*4158.13*
Staff expenses for software development business:[Note O(I)]				
Salaries, wages and bonus	4356.11		*3634.90*	
Contribution to and provision for:				
Provident fund and pension fund	53.77		*47.94*	
Superannuation/employee pension schemes	5.21		*4.47*	
Gratuity funds [Note Q(8)(ii)(b)]	14.54		*19.61*	
Expenses on employee stock option scheme [Note A(VIII)(e)]	(10.98)		*4.29*	
Staff welfare expenses	192.67		*160.21*	
		4611.32		*3871.42*
		74946.28		*67240.45*

Notes forming part of the Consolidated Accounts (contd.)

NOTE [N]

Employee benefits expense

Particulars	2015-16		*2014-15*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Salaries, wages and bonus		8006.37		*6822.42*
Contribution to and provision for:				
Provident fund and pension fund	186.65		*178.06*	
Superannuation/employee pension schemes	57.45		*26.15*	
Gratuity funds [Note Q(8)(ii)(b)]	101.75		*105.40*	
		345.85		309.61
Expenses on employee stock option scheme [Note A(VIII)(e)]		62.67		64.18
Employee medical & other insurance premium expenses [Note O(I)]		109.90		70.64
Staff welfare expenses		839.72		841.97
Recoveries on account of deputation charge		(159.67)		(48.93)
		9204.84		8059.89

NOTE [O]

Sales, administration and other expenses

Particulars	2015-16		*2014-15*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Power and fuel [Note O(I)]		123.06		*106.25*
Packing and forwarding [Note O(I)]		186.56		*193.14*
Insurance [Note O(I)]		109.45		*128.83*
Rent [Note O(I)]		520.22		*449.98*
Rates and taxes [Note O(I)]		160.16		*143.09*
Travelling and conveyance [Note O(I)]		631.25		*556.10*
Repairs to buildings [Note O(I)]		21.50		*22.04*
General repairs and maintenance [Note O(I)]		417.63		*399.47*
Professional fees		586.46		*598.59*
Directors' fees		3.21		*2.43*
Telephone, postage and telegrams		218.10		*202.44*
Advertising and publicity		187.96		*179.60*
Stationery and printing		75.36		*72.73*
Commission:				
Distributors and agents	235.90		*119.74*	
Employees and others	6.49		*15.10*	
		242.39		*134.84*
Bank charges		128.73		*121.13*
Discount on sales		45.29		*75.78*
Miscellaneous expenses [Note O(I)]		686.62		*766.08*
Bad debts and advances written off	394.03		*392.17*	
Less: Allowances for doubtful debts and advances written back	14.86		*8.78*	
		379.17		*383.39*
Receivable discounting charges-non-recourse		12.63		*5.84*
Allowances for doubtful debts, advances and non-performing assets (net)		778.91		*433.97*
Provision/(reversal) for foreseeable losses on construction contracts		77.82		*(19.34)*
Provision/(reversal) for diminution in value of investments (net)		77.92		*35.39*
Exchange (gain)/loss		170.24		*175.39*
Provision/(reversal) for standard assets		97.29		*56.57*
Other provisions [Note Q(16)(a)]		208.75		*247.67*
		6146.68		*5471.40*

Notes forming part of the Consolidated Accounts (contd.)

NOTE [O(I)] Aggregation of expenses disclosed vide notes M, N , O and P in respect of specific items is as follows:

₹ crore

Sr. No.	Nature of expenses	2015-16					*2014-15*				
		Note M	Note N	Note O	Note P	Total	*Note M*	*Note N*	*Note O*	*Note P*	*Total*
1	Power and fuel	1212.81	–	123.06	–	1335.87	*968.23*	–	*106.25*	–	*1074.48*
2	Packing and forwarding	388.41	–	186.56	–	574.97	*414.65*	–	*193.14*	–	*607.79*
3	Insurance	200.48	109.90	109.45	–	419.83	*237.76*	*70.64*	*128.83*	–	*437.23*
4	Rent	517.81	–	520.22	–	1038.03	*408.08*	–	*449.98*	–	*858.06*
5	Rates and taxes	347.28	–	160.16	–	507.44	*254.37*	–	*143.09*	–	*397.46*
6	Travelling and conveyance	1075.47	–	631.25	–	1706.72	*967.49*	–	*556.10*	–	*1523.59*
7	Repairs to buildings	21.52	–	21.50	–	43.02	*26.15*	–	*22.04*	–	*48.19*
8	General repairs and maintenance	376.03	–	417.63	–	793.66	*352.05*	–	*399.47*	–	*751.52*
9	Employee benefit expenses	4611.32	9094.94	–	–	13706.26	*3871.42*	*7989.25*	–	–	*11860.67*
10	Finance costs	4828.91	–	–	3041.22	7870.13	*4158.13*	–	–	*2840.05*	*6998.18*
11	Miscellaneous expenses	1260.96	–	686.62	–	1947.58	*1677.34*	–	*766.08*	–	*2443.42*

NOTE [P]

Finance costs

Particulars	2015-16	*2014-15*
	₹ crore	*₹ crore*
Interest expenses	2841.98	*2664.40*
Other borrowing costs	33.00	*25.59*
Exchange loss (attributable to finance costs)	166.24	*150.06*
	3041.22	*2840.05*

NOTE [Q]

Q(1) Basis of preparation

a) The Consolidated Financial Statements (CFS) are prepared in accordance with Accounting Standard (AS) 21 "Consolidated Financial Statements", Accounting Standard (AS) 23 "Accounting for Investments in Associates in Consolidated Financial Statements" and Accounting Standard (AS) 27 "Financial Reporting of Interests in Joint Ventures", as specified in the Companies (Accounting Standards) Rules, 2006 [Note R(1)]. The CFS comprises the financial statements of Larsen & Toubro Limited (L&T), its subsidiaries, associates and joint ventures. Reference in these notes to L&T, Company, Parent Company, Companies or Group shall mean to include Larsen & Toubro Limited or any of its subsidiaries, associates and joint ventures, unless otherwise stated.

b) The notes including significant policies to the CFS are intended to serve as a guide for better understanding of the Group's position. In this respect, the Company has disclosed such notes and policies which represent the required disclosure.

Notes forming part of the Consolidated Accounts (contd.)

NOTE [Q] ***(contd.)***

Q(2) The list of subsidiaries, associates and joint ventures included in the Consolidated Financial Statements are as under:-

Sr. No.	Name of subsidiary company	Country of incorporation	As at 31-3-2016		*As at 31-3-2015*	
			Proportion of ownership interest (%)	**Proportion of voting power held (%)**	*Proportion of ownership interest (%)*	*Proportion of voting power held (%)*
	Domestic Subsidiaries					
1	L&T Cutting Tools Limited	India	100.00	100.00	*100.00*	*100.00*
2	Bhilai Power Supply Company Limited	India	99.90	99.90	*99.90*	*99.90*
3	L&T-Sargent & Lundy Limited	India	50.0001	50.0001	*50.0001*	*50.0001*
4	Spectrum Infotech Private Limited	India	100.00	100.00	*100.00*	*100.00*
5	L&T-Valdel Engineering Limited	India	100.00	100.00	*100.00*	*100.00*
6	L&T Shipbuilding Limited	India	97.00	97.00	*97.00*	*97.00*
7	L&T Electricals and Automation Limited	India	100.00	100.00	*100.00*	*100.00*
8	Hi-Tech Rock Products & Aggregates Limited	India	100.00	100.00	*100.00*	*100.00*
9	L&T Seawoods Limited	India	100.00	100.00	*100.00*	*100.00*
10	L&T-Gulf Private Limited	India	50.0002	50.0002	*50.0002*	*50.0002*
11	L&T-MHPS Boilers Private Limited	India	51.00	51.00	*51.00*	*51.00*
12	L&T-MHPS Turbine Generators Private Limited	India	51.00	51.00	*51.00*	*51.00*
13	Raykal Aluminium Company Private Limited	India	75.50	75.50	*75.50*	*75.50*
14	L&T Natural Resources Limited @@	India	–	–	*100.00*	*100.00*
15	L&T Hydrocarbon Engineering Limited	India	100.00	100.00	*100.00*	*100.00*
16	L&T Special Steels and Heavy Forgings Private Limited	India	74.00	74.00	*74.00*	*74.00*
17	PNG Tollway Limited	India	72.11	72.11	*72.77*	*72.77*
18	Kesun Iron & Steel Company Private Limited	India	95.00	95.00	*95.00*	*95.00*
19	L&T Howden Private Limited	India	50.10	50.10	*50.10*	*50.10*
20	L&T Solar Limited @@	India	–	–	*100.00*	*100.00*
21	L&T Sapura Shipping Private Limited	India	60.00	60.00	*60.00*	*60.00*
22	L&T Sapura Offshore Private Limited	India	60.00	60.00	*60.00*	*60.00*
23	L&T PowerGen Limited @@	India	–	–	*100.00*	*100.00*
24	Ewac Alloys Limited	India	100.00	100.00	*100.00*	*100.00*
25	L&T Kobelco Machinery Private Limited	India	51.00	51.00	*51.00*	*51.00*
26	L&T Geostructure LLP	India	74.00	74.00	*74.00*	*74.00*
27	L&T Valves Limited	India	100.00	100.00	*100.00*	*100.00*
28	L&T Realty Limited	India	100.00	100.00	*100.00*	*100.00*
29	L&T Asian Realty Project LLP	India	100.00	100.00	*50.00*	*55.00*
30	L&T Parel Project LLP	India	100.00	100.00	*100.00*	*100.00*
31	Chennai Vision Developers Private Limited	India	100.00	100.00	*100.00*	*100.00*
32	L&T South City Projects Limited	India	51.00	51.00	*51.00*	*51.00*
33	L&T Vision Ventures Limited	India	68.00	68.00	*68.00*	*68.00*
34	CSJ Infrastructure Private Limited *	India	–	–	*100.00*	*100.00*
35	L&T Power Limited	India	99.99	99.99	*99.99*	*99.99*
36	L&T Cassidian Limited	India	74.00	74.00	*74.00*	*74.00*
37	L&T General Insurance Company Limited	India	100.00	100.00	*100.00*	*100.00*
38	L&T Aviation Services Private Limited	India	100.00	100.00	*100.00*	*100.00*
39	L&T Infocity Limited **	India	–	–	*89.00*	*89.00*
40	L&T Hitech City Limited **	India	–	–	*65.86*	*65.86*
41	Hyderabad International Trade Expositions Limited **	India	–	–	*51.72*	*51.72*
42	Larsen & Toubro Infotech Limited	India	94.96	94.96	*100.00*	*100.00*
43	GDA Technologies Limited	India	94.96	94.96	*100.00*	*100.00*
44	L&T Finance Holdings Limited	India	66.71	66.71	*72.95*	*72.95*
45	L&T Housing Finance Limited	India	66.71	66.71	*72.95*	*72.95*
46	Consumer Financial Services Limited	India	66.71	66.71	*72.95*	*72.95*
47	Family Credit Limited	India	66.71	66.71	*72.95*	*72.95*
48	L&T Finance Limited	India	66.71	66.71	*72.95*	*72.95*
49	L&T Capital Markets Limited	India	66.71	66.71	*72.95*	*72.95*

Notes forming part of the Consolidated Accounts (contd.)

NOTE [Q] ***(contd.)***

Sr. No.	Name of subsidiary company	Country of incorporation	As at 31-3-2016		As at 31-3-2015	
			Proportion of ownership interest (%)	Proportion of voting power held (%)	*Proportion of ownership interest (%)*	*Proportion of voting power held (%)*
50	L&T Investment Management Limited	India	66.71	66.71	*72.95*	*72.95*
51	L&T Mutual Fund Trustee Limited	India	66.71	66.71	*72.95*	*72.95*
52	L&T FinCorp Limited	India	66.71	66.71	*72.95*	*72.95*
53	L&T Infrastructure Finance Company Limited	India	66.71	66.71	*72.95*	*72.95*
54	L&T Infra Debt Fund Limited	India	66.71	66.71	*72.95*	*72.95*
55	L&T Infra Investment Partners Advisory Private Limited	India	66.71	66.71	*72.95*	*72.95*
56	L&T Infra Investment Partners Trustee Private Limited	India	66.71	66.71	*72.95*	*72.95*
57	L&T Vrindavan Properties Limited	India	66.71	66.71	*72.95*	*72.95*
58	L&T Access Distribution Services Limited	India	66.71	66.71	*72.95*	*72.95*
59	Mudit Cement Private Limited	India	66.71	66.71	*72.95*	*72.95*
60	L&T Capital Company Limited	India	100.00	100.00	*100.00*	*100.00*
61	L&T Trustee Company Private Limited	India	100.00	100.00	*100.00*	*100.00*
62	L&T Power Development Limited	India	100.00	100.00	*100.00*	*100.00*
63	L&T Uttaranchal Hydropower Limited	India	100.00	100.00	*100.00*	*100.00*
64	L&T Arunachal Hydropower Limited	India	100.00	100.00	*100.00*	*100.00*
65	L&T Himachal Hydropower Limited	India	100.00	100.00	*100.00*	*100.00*
66	Nabha Power Limited	India	100.00	100.00	*100.00*	*100.00*
67	L&T Infrastructure Development Projects Limited	India	97.45	97.45	*97.45*	*97.45*
68	L&T Panipat Elevated Corridor Limited	India	97.45	97.45	*97.45*	*97.45*
69	L&T Krishnagiri Thopur Toll Road Limited	India	97.45	97.45	*97.45*	*97.45*
70	L&T Western Andhra Tollways Limited	India	97.45	97.45	*97.45*	*97.45*
71	L&T Vadodara Bharuch Tollway Limited	India	97.45	97.45	*97.45*	*97.45*
72	L&T Transportation Infrastructure Limited	India	98.12	98.12	*98.12*	*98.12*
73	L&T Western India Tollbridge Limited	India	97.45	97.45	*97.45*	*97.45*
74	L&T Interstate Road Corridor Limited	India	97.45	97.45	*97.45*	*97.45*
75	L&T Port Kachchigarh Limited	India	97.45	97.45	*97.45*	*97.45*
76	L&T Ahmedabad-Maliya Tollway Limited	India	97.45	97.45	*97.45*	*97.45*
77	L&T Halol-Shamlaji Tollway Limited	India	97.45	97.45	*97.45*	*97.45*
78	L&T Krishnagiri Walajahpet Tollway Limited	India	97.45	97.45	*97.45*	*97.45*
79	L&T Devihalli Hassan Tollway Limited	India	97.45	97.45	*97.45*	*97.45*
80	L&T Metro Rail (Hyderabad) Limited	India	97.48	97.48	*97.48*	*97.48*
81	L&T Chennai-Tada Tollway Limited	India	97.45	97.45	*97.45*	*97.45*
82	L&T BPP Tollway Limited	India	97.45	97.45	*97.45*	*97.45*
83	L&T Rajkot-Vadinar Tollway Limited	India	97.45	97.45	*97.45*	*97.45*
84	L&T Deccan Tollways Limited	India	97.45	97.45	*97.45*	*97.45*
85	L&T Samakhiali Gandhidham Tollway Limited	India	97.45	97.45	*97.45*	*97.45*
86	Kudgi Transmission Limited	India	97.45	97.45	*97.45*	*97.45*
87	L&T Sambalpur-Rourkela Tollway Limited	India	97.45	97.45	*97.45*	*97.45*
88	L&T Technology Services Limited	India	100.00	100.00	*100.00*	*100.00*
89	L&T Construction Equipment Limited	India	100.00	100.00	*100.00*	*100.00*
90	L&T Infrastructure Engineering Limited	India	100.00	100.00	*100.00*	*100.00*
91	L&T Thales Technology Services Private Limited	India	74.00	74.00	*74.00*	*74.00*
92	Information Systems Resource Centre Private Limited @	India	–	–	*100.00*	*100.00*
93	Marine Infrastructure Developer Private Limited ^	India	100.00	100.00	–	–
94	LTH Milcom Private Limited ^^	India	56.67	56.67	–	–

* The Group sold its stake on November 16, 2015
** The Group sold its stake on March 31, 2016
@ The subsidiary is merged with Larsen & Toubro Infotech Limited w.e.f. October 17, 2014
@@ The subsidiary is merged with L&T Capital Company Limited w.e.f. April 1, 2015
^ The company is incorporated on January 22, 2016
^^ The company is incorporated on August 17, 2015

Notes forming part of the Consolidated Accounts (contd.)

NOTE [Q] ***(contd.)***

Sr. No.	Name of subsidiary company	Country of incorporation	As at 31-3-2016		*As at 31-3-2015*	
			Proportion of ownership interest (%)	**Proportion of voting power held (%)**	*Proportion of ownership interest (%)*	*Proportion of voting power held (%)*
	Foreign subsidiaries					
1	Larsen & Toubro LLC	USA	100.00	100.00	*100.00*	*100.00*
2	Larsen & Toubro Infotech GmbH	Germany	94.96	94.96	*100.00*	*100.00*
3	Larsen & Toubro Infotech Canada Limited	Canada	94.96	94.96	*100.00*	*100.00*
4	Larsen & Toubro Infotech LLC	USA	94.96	94.96	*100.00*	*100.00*
5	L&T Infotech Financial Services Technologies Inc.	Canada	94.96	94.96	*100.00*	*100.00*
6	Larsen & Toubro Infotech South Africa (PTY) Limited	South Africa	71.12	71.12	*74.90*	*74.90*
7	L&T Information Technology Services (Shanghai) Co. Ltd.	China	94.96	94.96	*100.00*	*100.00*
8	L&T Infrastructure Development Projects Lanka (Private) Limited	Sri Lanka	93.48	93.48	*93.47*	*93.47*
9	L&T IDPL Trustee Manager Pte Ltd.	Singapore	97.45	97.45	*97.45*	*97.45*
10	L&T Realty FZE	UAE	100.00	100.00	*100.00*	*100.00*
11	Larsen & Toubro International FZE	UAE	100.00	100.00	*100.00*	*100.00*
12	Larsen & Toubro Hydrocarbon International Limited LLC	Kindgom of Saudi Arabia	100.00	100.00	*100.00*	*100.00*
13	Thalest Limited	UK	100.00	100.00	*100.00*	*100.00*
14	Servowatch Systems Limited	UK	100.00	100.00	*100.00*	*100.00*
15	Larsen & Toubro (Oman) LLC	Sultanate of Oman	65.00	65.00	*65.00*	*65.00*
16	Larsen & Toubro Electromech LLC	Sultanate of Oman	65.00	65.00	*65.00*	*65.00*
17	L&T Modular Fabrication Yard LLC	Sultanate of Oman	65.00	65.00	*65.00*	*65.00*
18	Larsen & Toubro (East Asia) Sdn.Bhd. ##	Malaysia	30.00	100.00	*30.00*	*100.00*
19	Larsen & Toubro Qatar LLC ##	Qatar	49.00	100.00	*49.00*	*100.00*
20	L&T Overseas Projects Nigeria Limited	Nigeria	100.00	100.00	*100.00*	*100.00*
21	PT Larsen & Toubro Hydrocarbon Engineering Indonesia	Indonesia	95.00	95.00	*95.00*	*95.00*
22	L&T Electricals & Automation Saudi Arabia Company LLC	Kindgom of Saudi Arabia	100.00	100.00	*75.00*	*75.00*
23	Larsen & Toubro Kuwait Construction General Contracting Company, WLL ##	Kuwait	49.00	75.00	*49.00*	*75.00*
24	Larsen & Toubro Readymix & Asphalt Concrete Industries LLC ##	UAE	49.00	100.00	*49.00*	*100.00*
25	Larsen & Toubro Saudi Arabia LLC	Kindgom of Saudi Arabia	100.00	100.00	*100.00*	*100.00*
26	Larsen Toubro Arabia LLC	Kindgom of Saudi Arabia	75.00	75.00	*75.00*	*75.00*
27	Larsen & Toubro ATCO Saudia LLC ##	Kindgom of Saudi Arabia	75.00	75.00	*75.00*	*75.00*
28	Tamco Switchgear (Malaysia) Sdn. Bhd.	Malaysia	100.00	100.00	*100.00*	*100.00*
29	Henikwon Corporation Sdn. Bhd.	Malaysia	100.00	100.00	*100.00*	*100.00*
30	Tamco Electrical Industries Australia Pty Ltd.	Australia	100.00	100.00	*100.00*	*100.00*

Notes forming part of the Consolidated Accounts (contd.)

NOTE [Q] *(contd.)*

Sr. No.	Name of subsidiary company	Country of incorporation	As at 31-3-2016		As at 31-3-2015	
			Proportion of ownership interest (%)	Proportion of voting power held (%)	*Proportion of ownership interest (%)*	*Proportion of voting power held (%)*
31	PT Tamco Indonesia	Indonesia	100.00	100.00	*100.00*	*100.00*
32	Larsen & Toubro Heavy Engineering LLC	Sultanate of Oman	70.00	70.00	*70.00*	*70.00*
33	L&T Electrical & Automation FZE	UAE	100.00	100.00	*100.00*	*100.00*
34	Kana Controls General Trading & Contracting Company W.L.L. ##	Kuwait	49.00	100.00	*49.00*	*100.00*
35	Larsen & Toubro Consultoria E Projeto Ltda *	Brazil	–	–	*100.00*	*100.00*
36	Larsen & Toubro T&D SA (Proprietary) Limited	South Africa	72.50	72.50	*72.50*	*72.50*
37	L&T Technology Services LLC	USA	100.00	100.00	*100.00*	*100.00*
38	Larsen &Toubro (Qingdao) Rubber Machinery Company Limited **	Peoples Republic of China	–	–	*100.00*	*100.00*
39	L&T Infotech Austria GmbH LLC ^	Austria	94.96	94.96	–	–
40	L&T Global Holdings Limited ^^	UAE	100.00	100.00	–	–
41	L&T Information Technology Spain SL $	Spain	94.96	94.96	–	–

The Parent Company, together with its subsidiaries controls the composition of Board of Directors
* The company is dissolved on November 6, 2015
** The company is dissolved on June 9, 2015
^ The company is incorporated on June 18, 2015
^^ The company is incorporated on February 24, 2016
$ The company is incorporated on February 1, 2016

Sr. No.	Name of associate company	Country of incorporation	As at 31-3-2016		As at 31-3-2015	
			Proportion of ownership interest (%)	Proportion of voting power held (%)	*Proportion of ownership interest (%)*	*Proportion of voting power held (%)*
1	L&T-Chiyoda Limited	India	50.00	50.00	*50.00*	*50.00*
2	Gujarat Leather Industries Limited @	India	50.00	50.00	*50.00*	*50.00*
3	International Seaports (Haldia) Private Limited	India	21.74	21.74	*21.74*	*21.74*
4	Vizag IT Park Limited *	India	–	–	*23.14*	*23.14*
5	Salzer Electronics Limited **	India	–	–	*26.06*	*26.06*
6	Larsen & Toubro Qatar & HBK Contracting LLC	Qatar	50.00	50.00	*50.00*	*50.00*
7	L&T Camp Facilities LLC	UAE	49.00	49.00	*49.00*	*49.00*
8	Feedback Infra Private Limited	India	15.74	15.74	*16.89*	*16.89*
9	JSK Electricals Private Limited #	India	–	–	*26.00*	*26.00*
10	Rishi Consfab Private Limited $	India	–	–	*26.00*	*26.00*
11	Magtorq Private Limited	India	42.85	42.85	*42.85*	*42.85*
12	Grameen Capital India Limited ^	India	23.87	23.87	–	–

@ The company is under liquidation
^ The group has acquired stake in July, 2015. Investment in the associate company has been accounted in accordance with Accounting Standard (AS) 13, "Accounting for Investments" and not as per Accounting Standard (AS) 23, "Accounting for Investments in Associates in Consolidated Financial Statements", as the associate company operates under severe long term restrictions that significantly impair its ability to transfer funds to the Company.
* The Group has sold its stake on March 31, 2016
** The Group has sold its stake in July and August 2015
# The Group has sold its stake on March 29, 2016
$ The Group has sold its stake on December 21, 2015

Notes forming part of the Consolidated Accounts (contd.)

NOTE [Q] ***(contd.)***

Sr. No.	Name of joint venture	Country of incorporation	As at 31-3-2016 Proportion of ownership interest (%)	*As at 31-3-2015 Proportion of ownership interest (%)*
	Jointly controlled entities - Indian joint ventures			
1	L&T-AM Tapovan Joint Venture	India	65.00	*65.00*
2	International Metro Civil Contractors Joint Venture	India	26.00	*26.00*
3	Desbuild-L&T Joint Venture	India	49.00	*49.00*
4	HCC-L&T Purulia Joint Venture	India	43.00	*43.00*
5	Metro Tunneling Group	India	26.00	*26.00*
6	L&T-Hochtief Seabird Joint Venture	India	90.00	*90.00*
7	L&T-Shanghai Urban Construction (Group) Corporation Joint Venture	India	51.00	*51.00*
8	Metro Tunneling Chennai-L&T Shanghai Urban Construction (Group) Corporation Joint Venture	India	75.00	*75.00*
9	Metro Tunneling Delhi-L&T Shanghai Urban Construction (Group) Corporation Joint Venture	India	60.00	*60.00*
10	Larsen and Toubro Limited-Shapoorji Pallonji & Co. Ltd. Joint Venture	India	50.00	*50.00*
11	L&T-Shanghai Urban Construction (Group) Corporation Joint Venture CC27 Delhi	India	68.00	*68.00*
12 a)	Larsen and Toubro Limited-Scomi Engineering BHD Consortium-Residual Joint Works Joint Venture	India	60.00	*60.00*
12 b)	Larsen and Toubro Limited-Scomi Engineering BHD Consortium-O&M Joint Venture	India	50.00	*50.00*
13	Larsen & Toubro Limited & NCC Limited Joint Venture	India	55.00	*55.00*
14	Bauer-L&T Geo Joint Venture *	India	50.00	–
15	DAEWOO and L&T Joint Venture **	India	50.00	–
	Jointly controlled entities - Foreign joint ventures			
16	L&T-Eastern Joint Venture @	UAE	65.00	*65.00*
17	Indiran Engineering Projects and Systems Kish PJSC	Iran	50.00	*50.00*
18	Civil Works Joint Venture	Kingdom of Saudi Arabia	29.00	*29.00*
19	Aktor- Larsen & Toubro-Yapi Merkezi-STFA-Al Jaber Engineering Joint Venture	Qatar	22.00	*22.00*
20	L&T-Delma Mafraq Joint Venture	UAE	60.00	*60.00*
21	L&T-AL-Sraiya LRDP 6 Joint Venture $	Qatar	75.00	–
22	PESB and Larsen & Toubro Joint Venture $$	Malaysia	82.30	–
	Jointly controlled operations - Indian joint ventures			
23	L&T Sojitz Consortium	India		
24	L&T-KBL (UJV) Hyderabad	India		
25	Patel–L&T Consortium	India		
26	L&T-SVEC Joint Venture	India		
27	L&T–KBL – MAYTAS Joint Venture	India		
28	Larsen and Toubro Limited & Bharat Rail Automation Pvt. Ltd. Joint Venture (part 2)	India		
29	Larsen and Toubro Limited & Bharat Rail Automation Pvt. Ltd. Joint Venture (part 3)	India		
30	IIS - L&T Consortium	India		
31	L&T and Scomi Engineering BHD. Joint Venture	India		
32	Consortium of L&T Hydrocarbon Engineering Limited & Toyo Engineering Company			
33	Consortium of L&T Hydrocarbon Engineering Limited and Pipavav Defence & Offshore Engineering Company	India		

@ The joint venture is in process of liquidation

* The joint venture has been entered into on January 16, 2015

** The joint venture has been entered into on November 7, 2015

$ The joint venture has been entered into on August 30, 2015

$$ The joint venture has been entered into on April 29, 2015

Q(3) Reserves and Surplus shown in the Consolidated Balance Sheet include the Group's share in the respective reserves of subsidiaries and proportionate reserves of joint ventures. Reserves attributable to minority stakeholders are reported as part of minority interest in the Consolidated Balance Sheet. Retained earnings comprise Group's share in general reserve and Statement of Profit and Loss.

Notes forming part of the Consolidated Accounts (contd.)

NOTE [Q] *(contd.)*

Q(4) Exceptional items [Note R(5)]:

a. Profit on divestment of the Group's part stake in a subsidiary ₹ 263.89 crore *(previous year: ₹ 203.81 crore)*

b. Profit on divestment of the Group's stake in an associate company 45.69 crore *(previous year: ₹ Nil)*

c. Profit on sale of Foundry Business Unit ₹ 48.52 crore *(previous year: ₹ Nil)*

d. Exceptional items for the previous year ended March 31, 2015 included profit on sale of shares held as equity investment by a subsidiary ₹ 143.89 crore

Q(5) The expenditure on research and development activities recognised as expense in the Statement of Profit and Loss is ₹ 187.33 crore *(previous year: ₹ 165.07 crore)*. Further, the Company has incurred capital expenditure on research and development activities as follows:

a) on tangible assets ₹ 5.68 crore *(previous year: ₹ 7.41 crore)*

b) on intangible assets being expenditure on new product development ₹ 48.19 *(previous year: ₹ 56.93 crore)* [Note R(6)(b)] and

c) on other intangible assets ₹ 6.80 crore *(previous year: ₹ 5.79 crore)*

Q(6) a) Provision for current tax includes:

i) Provision for income tax in respect of earlier years ₹ 48.98 crore (net loss) *[previous year: ₹ 0.06 crore (net gain)]*

ii) Credit for Minimum Alternate Tax (MAT) entitlement ₹ 198.25 crore *(previous year: ₹ 96.76 crore)* under section 115JB of the Income Tax Act, 1961

iii) Translation effect on account of non-integral foreign operation ₹ 0.66 crore (net gain) *[previous year: ₹ 0.10 crore (net loss)]*

b) Tax effect of ₹ 0.13 crore *(previous year: ₹ 9.29 crore)* on account of debenture/share/foreign currency convertible bond issue expenses and premium on inflation linked debentures has been credited to securities premium account.

Q(7) (a) Disclosures pursuant to Accounting Standard (AS) 7 (Revised) "Construction Contracts":

₹ crore

	Particulars	2015-16	*2014-15*
i)	Contract revenue recognised for the financial year [Note K]	68620.17	*60702.03*
ii)	Aggregate amount of contract costs incurred and recognised profits (less recognised losses*) as at the end of the financial year for all contracts in progress as at that date	256239.21	*222933.58*
iii)	Amount of customer advances outstanding for contracts in progress as at the end of the financial year	26600.83	*12432.59*
iv)	Retention amounts by customers for contracts in progress as at the end of the financial year	9206.14	*6431.24*

*Includes provision for foreseeable loss - ₹ 288.89 crore *(previous year: ₹ 212.32 crore)*

(b) As part of periodic review of estimates used in determining cost of completion of projects, the Company revised certain estimates used in civil construction jobs under execution as on March 31, 2016. As a result, the revenue and profit before tax for the year increased by ₹ 395.73 crore.

(c) Disclosures pursuant to Guidance Note on Accounting for Real Estate Transactions (Revised 2012) issued by the Institute of Chartered Accountants of India

₹ crore

	Particulars	2015-16	*2014-15*
i)	Amount of project revenue recognised for the financial year [Note K]	1444.76	*1559.17*
ii)	Aggregate amount of costs incurred and profits recognised as at the end of the financial year	4005.78	*2510.94*
iii)	Amount of customer advances received	60.27	*62.86*
iv)	Amount of work-in-progress and the value of inventories [Note H(II)]	1526.41	*2303.20*
v)	Excess of revenue recognised over actual bills raised (unbilled revenue) [Note H(VI)]	178.64	*129.88*

Q(8) Disclosure pursuant to Accounting Standard (AS) 15 (Revised) "Employee Benefits"

i. Defined contribution plans: [Note R(7)(b)(i)] Amount of ₹ 158.25 crore *(previous year: ₹ 110.69 crore)* is recognised as an expense. Out of above, ₹ 156.49 crore *(previous year: ₹ 109.27 crore)* is included in "employee benefits expense" [Note N] in the Statement of Profit and Loss and ₹ 1.76 crore *(previous year: ₹ 1.42 crore)* is included in capital work-in-progress.

Notes forming part of the Consolidated Accounts (contd.)

NOTE [Q] ***(contd.)***

ii. Defined benefit plans: [Note R(7)(b)(ii)]

a) The amounts recognised in Balance Sheet are as follows:

₹ crore

Particulars	Gratuity plan		Post-retirement medical benefit plan		Company pension plan		Trust-managed provident fund plan	
	As at 31-3-2016	*As at 31-3-2015*	As at 31-3-2016	*As at 31-3-2015*	As at 31-3-2016	*As at 31-3-2015*	As at 31-3-2016	*As at 31-3-2015*
A) Present value of defined benefit obligation								
– Wholly funded	626.08	*595.41*	–	–	–	–	3083.59	*2799.77*
– Wholly unfunded	145.00	*143.90*	193.31	*181.08*	287.56	*221.47*	12.19	*30.89*
	771.08	*739.31*	193.31	*181.08*	287.56	*221.47*	3095.78	*2830.66*
Less: Fair value of plan assets	572.93	*518.60*	–	–	–	–	3102.10	*2811.65*
Less: Unrecognised past service costs	–	–	0.82	*0.96*	39.66	*0.30*	–	–
Add: Amount not recognised as an asset (limit in para 59(b))	4.76	*4.33*	–	–	–	–	10.48	–
Amount to be recognised as liability or (asset)	202.91	*225.04*	192.49	*180.12*	247.90	*221.17*	4.16	*19.01*
B) Amounts reflected in the Balance Sheet								
Liabilities	202.91	*225.04*	192.49	*180.12*	247.90	*221.17*	4.16	*19.01*
Assets	–	–	–	–	–	–	–	–
Net liability/(asset)	202.91	*225.04*	192.49	*180.12*	247.90	*221.17*	4.16	*19.01*
Net liability/(asset) - current	202.91	*225.04*	17.22	*14.59*	16.82	*13.47*	3.55	*8.58*
Net liability/(asset) - non-current	–	–	175.27	*165.53*	231.08	*207.70*	0.61	*10.43*

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	
	31-3-2016	*31-3-2015*	31-3-2016	*31-3-2015*	31-3-2016	*31-3-2015*	31-3-2016	*31-3-2015*
1 Current service cost	111.43	*85.42*	14.86	*10.42*	4.61	*1.58*	131.96	*180.76$*
2 Interest cost	48.16	*44.58*	14.91	*12.20*	16.90	*16.83*	237.71	*201.44*
3 Expected (return) on plan assets	(36.63)	*(33.00)*	–	–	–	–	(239.08)	*(202.50)*
4 Actuarial losses/(gains)	(2.83)	*36.39*	(9.30)	*38.80*	10.33	*29.25*	(34.37)	*(24.99)*
5 Past service cost	0.06	*0.53*	0.14	*0.14*	10.22	*0.11*	–	–
6 Effect of any curtailment or settlement	–	–	–	–	–	–	–	–
7 Adjustment for earlier years	(0.16)	–	–	–	–	–	–	–
8 Business Combination	(0.53)	*(0.89)*	–	–	–	–	–	–
9 Actuarial gain/(loss) not recognised in books	0.53	*2.14*	–	–	–	–	35.43	*0.10*
10 Translation adjustments	(0.34)	*(0.30)*	–	–	–	–	–	–
11 Amount capitalised out of the above	(0.93)	*(0.60)*	–	–	–	–	–	–
Total (1 to 11)	118.76	*134.27*	20.61	*61.56*	42.06	*47.77*	131.65	*154.81*
I Amount included in "employee benefits expense"	101.75	*105.40*	4.56	*23.18*	26.15	*1.82*	105.94	*88.08*
II Amount included as part of "manufacturing construction and operating expenses"	14.54	*19.61*	–	–	–	–	25.71	*19.00*
III Amount included as part of "finance cost"	2.36	*9.25*	16.05	*38.38*	15.91	*45.95*	–	*47.73*
IV Amount capitalised on new product development	0.11	*0.01*	–	–	–	–	–	–
Total (I+II+III+IV)	118.76	*134.27*	20.61	*61.56*	42.06	*47.77*	131.65	*154.81*
Actual return on plan assets	48.99	*66.00*	–	–	–	–	258.42	*210.50*

Notes forming part of the Consolidated Accounts (contd.)

NOTE [Q] *(contd.)*

c) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

₹ crore

Particulars	Gratuity plan		Post-retirement medical benefit plan		Company pension plan		Trust-managed provident fund plan	
	As at 31-3-2016	*As at 31-3-2015*	As at 31-3-2016	*As at 31-3-2015*	As at 31-3-2016	*As at 31-3-2015*	As at 31-3-2016	*As at 31-3-2015*
Opening balance of the present value of defined benefit obligation	739.31	*583.41*	181.09	*126.93*	221.47	*188.93*	2830.66	*2465.71*
Add: Current service cost	111.43	*85.42*	14.86	*10.42*	4.61	*1.58*	131.96$	*180.76$*
Add: Interest cost	48.16	*44.58*	14.91	*12.19*	16.90	*16.82*	237.71	*201.44*
Add: Contribution by plan participants								
i) Employer	–	–	–	–	–	–	–	–
ii) Employee	–	–	–	–	–	–	313.24	*350.52*
iii) Transfer-in/(out)	–	–	–	–	–	–	–	–
Add/(less): Actuarial losses/(gains)	9.54	*69.27*	(9.30)	*38.80*	10.33	*29.25*	(17.60)	*(22.25)*
Less: Benefits paid	(143.75)	*(45.28)*	(8.25)	*(7.12)*	(15.32)	*(15.11)*	(388.17)	*(343.40)*
Add: Past service cost	0.16	*0.53*	–	–	49.57	–	–	–
Add: Liabilities assumed on transfer of employees	0.51	*0.39*	–	*(0.14)*	–	–	(11.19)	*(2.12)*
Add: Business combination/acquisition	(1.19)	*0.33*	–	–	–	–	–	–
Add: Adjustment for earlier years	1.40	–	–	–	–	–	(0.83)	–
Add/(less): Translation adjustments	5.51	*0.66*	–	–	–	–	–	–
Closing balance of the present value of defined benefit obligation	771.08	*739.31*	193.31	*181.08*	287.56	*221.47*	3095.78	*2830.66*

d) Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows:

₹ crore

Particulars	Gratuity plan		Trust-managed provident fund plan	
	As at 31-3-2016	*As at 31-3-2015*	As at 31-3-2016	*As at 31-3-2015*
Opening balance of the fair value of the plan assets	518.60	*456.76*	2811.65	*2444.74*
Add: Expected return on plan assets*	36.63	*33.00*	239.08	*202.50*
Add/(Less): Actuarial gains/(losses)	12.36	*32.99*	19.34	*8.00*
Add: Contribution by the employer	147.93	*36.94*	124.91	*158.75*
Add/(less): Transfer in/(out)	–	–	–	–
Add: Contribution by plan participants	–	–	309.27	*322.15*
Less: Benefits paid	(143.75)	*(42.14)*	(396.03)	*(324.49)*
Add: Business combination/disposal (net)	(0.20)	*0.82*	12.05	–
Add: Adjustment for earlier years	1.36	*0.23*	(18.17)	–
Closing balance of the plan assets	572.93	*518.60*	3102.10	*2811.65*

Notes: The fair value of the plan assets under the trust managed provident fund plan has been determined at amounts based on their value at the time of redemption, assuming a constant rate of return to maturity.

* Basis used to determine the overall expected return:

The trust formed by the Company manages the investments of provident funds and gratuity fund. Expected return on plan assets is determined based on the assessment made at the beginning of the year on the return expected on its existing portfolio, along with the estimated increment to the plan assets and expected yield on the respective assets in the portfolio during the year. [Note 10(ii)(f)(7)] *infra*.

The Company expects to fund ₹ 66.85 crore *(previous year: ₹ 91.43 crore)* towards its gratuity plan and ₹ 145.15 crore *(previous year: ₹ 198.84 crore)* towards its trust-managed provident fund plan during the year 2015-16.

\# Employer's and employees' contribution paid in advance

$ Employer's contribution to provident fund

Notes forming part of the Consolidated Accounts (contd.)

NOTE [Q] ***(contd.)***

e) The major categories of plan assets as a percentage of total plan assets are as follows:

Particulars	Gratuity plan		Trust-managed provident fund plan	
	As at 31-3-2016	*As at 31-3-2015*	As at 31-3-2016	*As at 31-3-2015*
Government of India securities	23%	*31%*	25%	*24%*
State government securities	18%	*11%*	16%	*15%*
Corporate bonds	34%	*30%*	9%	*8%*
Equity shares of listed companies	2%	*2%*	–	–
Fixed deposits under special deposit scheme framed by central government for provident funds	–	–	9%	*10%*
Insurer managed funds	–	*1%*	–	–
Public sector unit bonds	14%	*17%*	39%	*42%*
Others	9%	*8%*	1%	*1%*

f) Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

		As at 31-3-2016	*As at 31-3-2015*
1	Discount rate:		
	a) Gratuity plan	7.79%	*7.83%*
	b) Company pension plan	7.79%	*7.83%*
	c) Post-retirement medical benefit plan	7.79%	*7.83%*
2	Expected return on plan assets:	7.50%	*7.50%*
3	Annual increase in healthcare costs (see Note 8 below)	5.00%	*5.00%*
4	Salary Growth rate:		
	a) Gratuity plan	5.00%	*5.00%*
	b) Company pension plan	6.00%	*6.00%*

5. Attrition Rate:

   a) For post-retirement medical benefit plan & Company pension plan, the attrition rate varies from 2% to 8% *(previous year: 2% to 8%)* for various age groups.

   b) For gratuity plan the attrition rate varies from 1% to 6% *(previous year: 1% to 6%)* for various age groups.

6. The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand the employment market.

7. The interest payment obligation of trust-managed provident fund is assumed to be adequately covered by the interest income on long term investments of the fund. Any shortfall in the interest income over the interest obligation is recognised immediately in the Statement of Profit and Loss.

8. The obligation of the Company under the post-retirement medical benefit plan is limited to the overall ceiling limits. At present, healthcare cost, as indicated in the principal actuarial assumption given above, has been assumed to increase at 5% p.a.

9. A one percentage point change in assumed healthcare cost trend rates would have the following effects on the aggregate of the service cost and interest cost and defined benefit obligation:

₹ crore

Particulars	Effect of 1% increase		Effect of 1% decrease	
	2015-16	*2014-15*	2015-16	*2014-15*
Effect on the aggregate of the service cost and interest cost	5.83	*5.54*	(4.30)	*(4.27)*
Effect on defined benefit obligation	25.94	*23.88*	(19.61)	*(18.94)*

Notes forming part of the Consolidated Accounts (contd.)

NOTE [Q] ***(contd.)***

g) The amounts pertaining to defined benefit plans are as follows:

₹ crore

Particulars	As at 31-3-2016	*As at 31-3-2015*	*As at 31-3-2014*	*As at 31-3-2013*	*As at 31-3-2012*
1 Post-retirement medical benefit plan (unfunded)					
Defined benefit obligation	192.49	*180.12*	*125.82*	*117.70*	*92.64*
Experience adjustment plan liabilities	(6.69)	*12.60*	*14.76*	*0.69*	*(6.62)*
2 Gratuity plan (funded/unfunded)					
Defined benefit obligation	771.08	*739.31*	*558.11*	*512.49*	*432.29*
Plan assets	572.93	*518.60*	*456.76*	*382.83*	*322.04*
Surplus/(deficit)	(198.15)	*(220.71)*	*(101.35)*	*(133.64)*	*(110.39)*
Experience adjustment plan liabilities	4.18	*19.88*	*1.42*	*26.18*	*30.18*
Experience adjustment plan assets	7.11	*34.41*	*(8.11)*	*(13.96)*	*(0.19)*
3 Post-retirement pension plan (unfunded)					
Defined benefit obligation	247.90	*221.17*	*188.52*	*198.36*	*184.03*
Experience adjustment plan liabilities	11.45	*5.13*	*(0.22)*	*(2.79)*	*23.21*
4 Trust managed provident fund plan (funded)					
Defined benefit obligation	3095.78	*2830.66*	*2465.71*	*2058.91*	*1833.45*
Plan assets	3102.10	*2811.65*	*2444.74*	*2027.93*	*1791.04*
Surplus/(deficit)	(4.16)	*(19.01)*	*(20.97)*	*(30.98)*	*(42.41)*

h) General descriptions of defined benefit plans:

1. Gratuity plan:

   The Company operates gratuity plan through a trust wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement whichever is earlier. The benefit vests after five years of continuous service. The company's scheme is more favourable as compared to the obligation under Payment of Gratuity Act, 1972. A small part of the gratuity plan, which is not material is unfunded and managed within the Company. The unfunded obligation towards gratuity also includes gratuity payable to employees outside India under the applicable local laws.

2. Post-retirement medical care plan:

   The Post-retirement medical benefit plan provides for reimbursement of health care costs to certain categories of employees post their retirement. The reimbursement is subject to an overall ceiling sanctioned based on cadre of the employee at the time of retirement.

3. Company's pension plan:

   In addition to contribution to state-managed pension plan (EPS scheme), the Company operates a post retirement pension scheme, which is discretionary in nature for certain cadres of employees. The quantum of pension depends on the cadre of the employee at the time of retirement.

4. Trust managed provident fund plan:

   The Company manages provident fund plan through a provident fund trust for its employees which is permitted under the Provident Fund and Miscellaneous Provisions Act, 1952. The plan envisages contribution by employer and employees and guarantees interest at the rate notified by the provident fund authority. The contribution by employer and employee together with interest are payable at the time of separation from service or retirement whichever is earlier. The benefit under this plan vests immediately on rendering of service.

   The interest payment obligation of trust-managed provident fund is assumed to be adequately covered by the interest income on long term investments of the fund. Any shortfall in the interest income over the interest obligation is recognised immediately in the Statement of Profit and Loss as actuarial loss. Any loss/gain arising out of the investment risk and actuarial risk associated with the plan is also recognised as expense or income in the period in which such loss/gain occurs. Further, an amount of ₹ 9.87 crore *(previous year: provision of ₹ 28.80 crore)* has been reversed based on actuarial valuation towards the future obligation arising out of interest rate guarantee associated with the plan.

Notes forming part of the Consolidated Accounts (contd.)

NOTE [Q] ***(contd.)***

Q(9) Disclosure pursuant to Accounting Standard (AS) 17 ''Segment Reporting''

a) Primary segments (business segments)

₹ crore

Particulars	For the year ended 31-3-2016			*For the year ended 31-3-2015*		
	External	Inter-segment	Total	*External*	*Inter-segment*	*Total*
REVENUE						
Infrastructure	48797.10	1589.77	50386.87	*43426.31*	*1428.10*	*44854.41*
Power	6992.85	17.83	7010.68	*4738.49*	*17.43*	*4755.92*
Metallurgical and Material Handling	2414.66	422.33	2836.99	*3181.77*	*244.73*	*3426.50*
Heavy Engineering	3123.80	199.40	3323.20	*3459.34*	*164.44*	*3623.78*
Electrical & Automation	4960.84	485.48	5446.32	*5060.81*	*398.81*	*5459.62*
Hydrocarbon	8786.55	53.23	8839.78	*7351.41*	*80.11*	*7431.52*
IT & Technology Services	8955.92	160.70	9116.62	*7588.63*	*65.78*	*7654.41*
Financial Services	7540.08	1.08	7541.16	*6393.07*	*7.43*	*6400.50*
Developmental Projects	5137.32	8.78	5146.10	*5148.03*	*7.38*	*5155.41*
Others	6813.11	321.61	7134.72	*6413.80*	*251.14*	*6664.94*
Elimination	–	(3260.21)	(3260.21)	–	*(2665.35)*	*(2665.35)*
Total Revenue	103522.23	–	103522.23	*92761.66*	–	*92761.66*
RESULT						
Infrastructure			5274.05			*4247.26*
Power			580.58			*539.48*
Metallurgical and Material Handling			40.11			*238.98*
Heavy Engineering			(192.03)			*227.00*
Electrical & Automation			498.90			*549.23*
Hydrocarbon			(15.43)			*(1342.80)*
IT & Technology Services			1698.25			*1316.46*
Financial Services			1028.46			*1015.84*
Developmental Projects			621.88			*1674.40*
Others			1130.08			*1192.13*
Total Segment			10664.85			*9657.98*
Inter segment margin on capital jobs			(68.86)			*(63.07)*
			10595.99			*9594.91*
Unallocated corporate income/(expenditure)(net)			113.64			*57.65*
Operating Profit (PBIT)			10709.63			*9652.56*
Interest expenses			(3041.22)			*(2840.05)*
Interest income			418.24			*404.73*
Profit before tax(PBT) (before extraordinary items)			8086.65			*7217.24*
Profit from extra ordinary items			–			–
Profit before tax(PBT) (after extraordinary items)			8086.65			*7217.24*
Provision for current tax			(2764.19)			*(2661.91)*
Provision for deferred tax			215.71			*408.67*
Profit after tax			5538.17			*4964.00*
Additional tax on dividend distributed/proposed by subsidiary companies			(0.18)			–
Share in profit/(loss) of associate companies			(2.51)			*2.14*
Minority interest in (income)/losses			(444.95)			*(201.32)*
Profit after tax, minority interest and share in profit of associates			5090.53			*4764.82*

Notes forming part of the Consolidated Accounts (contd.)

NOTE [Q] ***(contd.)***

₹ crore

Other information	Segment assets		Segment liabilities	
	As at 31-3-2016	*As at 31-3-2015*	As at 31-3-2016	*As at 31-3-2015*
Infrastructure	48366.19	*39552.78*	30265.13	*25407.53*
Power	9905.93	*8329.70*	7105.18	*6280.23*
Metallurgical & Material Handling	5227.02	*4966.66*	2035.53	*1738.63*
Heavy Engineering	6960.42	*6986.53*	3730.87	*2872.09*
Electrical & Automation	4607.25	*4792.55*	1750.93	*1906.94*
Hydrocarbon	6609.29	*6670.56*	4572.61	*4400.50*
IT & Technology Services	4926.99	*4660.58*	1784.74	*1284.04*
Financial Services	63365.38	*52561.84*	55227.64	*44822.09*
Developmental Projects	52972.79	*40436.86*	21912.37	*13390.88*
Others	14274.37	*14951.80*	4851.72	*4166.86*
	217215.63	*183909.86*	133236.72	*106269.79*
Unallocable corporate assets/liabilities	10309.09	*9895.77*	43527.49	*41628.15*
Total assets/liabilities	227524.72	*193805.63*	176764.21	*147897.94*

₹ crore

Other information	Capital Expenditure		Depreciation, amortisation, impairment & obsolescence included in segment expenses		Non-cash expenses other than depreciation included in segment expenses	
	For the year ended 31-3-2016	*For the year ended 31-3-2015*	For the year ended 31-3-2016	*For the year ended 31-3-2015*	For the year ended 31-3-2016	*For the year ended 31-3-2015*
Infrastructure	874.55	*439.27*	479.28	*607.22*	19.22	*21.52*
Power	96.72	*68.23*	230.78	*218.72*	4.92	*7.14*
Metallurgical & Material Handling	10.45	*64.38*	89.72	*93.01*	3.19	*4.05*
Heavy Engineering	73.23	*127.93*	171.17	*191.04*	2.79	*3.35*
Electrical & Automation	187.98	*269.28*	146.93	*160.77*	4.09	*4.37*
Hydrocarbon	41.01	*129.29*	212.88	*214.62*	4.18	*5.73*
IT & Technology Services	256.70	*281.20*	239.71	*231.66*	–	–
Financial Services	137.04	*117.00*	114.21	*110.00*	1.33	*0.92*
Developmental Projects	12142.03	*5202.18*	744.93	*472.51*	–	–
Others	1408.22	*615.71*	223.37	*223.21*	1.83	*2.09*

(b) Secondary segments (geographical segments)

₹ crore

Particulars	Domestic		Overseas		Total	
	For the year ended 31-3-2016	*For the year ended 31-3-2015*	For the year ended 31-3-2016	*For the year ended 31-3-2015*	For the year ended 31-3-2016	*For the year ended 31-3-2015*
External revenue by location of customers	70220.17	*66835.47*	33302.06	*25926.19*	103522.23	*92761.66*
Carrying amount of segment assets by location of assets	192306.88	*164851.54*	24908.75	*19058.32*	217215.63	*183909.86*
Cost incurred on acquisition of tangible and intangible fixed assets	14668.27	*6733.23*	559.67	*581.25*	15227.94	*7314.48*

NOTE [Q] ***(contd.)***

(c) Segment reporting: segment identification, reportable segments and definition of each reportable segment:

i) Primary/secondary segment reporting format:

a] The risk-return profile of the Company's business is determined predominantly by the nature of its products and services. Accordingly, the business segments constitute the primary segments for disclosure of segment information.

b] In respect of secondary segment information, the Company has identified its geographical segments as (i) domestic and (ii) overseas. The secondary segment information has been disclosed accordingly.

ii) Segment identification

Business segments have been identified on the basis of the nature of products/services, the risk-return profile of individual businesses, the organisational structure and the internal reporting system of the Company.

ii) Reportable segments

Reportable segments have been identified as per the criteria specified in Accounting Standard (AS) 17 "Segment Reporting".

iv) Segment composition

- **Infrastructure segment** comprises engineering and construction of building and factories, transportation infrastructure, heavy civil infrastructure, power transmission & distribution and water, smart world and communication projects.
- **Power segment** comprises turnkey solutions for coal-based and gas-based thermal power plants including power generation equipment with associated systems and/or balance-of-plant packages.
- **Metallurgical & Material Handling segment** comprises turnkey solutions for ferrous (iron & steel making) and non-ferrous (aluminium, copper, lead & zinc) metal industries, bulk material & ash handling systems in power, port, steel and mining sector including manufacture and sale of industrial machinery and equipment.
- **Heavy Engineering segment** comprises manufacture and supply of custom designed, engineered critical equipment & systems to core sector industries like fertiliser, refinery, petrochemical, chemical, oil & gas, thermal & nuclear power, aerospace and defence.
- **Electrical & Automation segment** comprises manufacture and sale of low and medium voltage switchgear components, custom built low and medium voltage switchboards, electronic energy meters/protection (relays) systems, control & automation products. Electrical & Automation also included medical equipment business in the previous year (upto the date of sale).
- **Hydrocarbon segment** comprises complete EPC solutions for the global Oil & Gas Industry from front-end design through detailed engineering, modular fabrication, procurement, project management, construction, installation and commissioning.
- **IT & Technology Services segment** comprises information technology and integrated engineering services.
- **Financial Services segment** comprises retail and corporate finance, housing finance, infrastructure finance, general insurance, asset management of mutual fund schemes and related advisory services.
- **Developmental projects segment** comprises development, operation and maintenance of basic infrastructure projects, toll collection including annuity based projects, power development, development and operation of port facilities and providing related advisory services.
- **Others segment** includes realty, shipbuilding, manufacture and sale of industrial valves, welding and cutting equipment, manufacture, marketing and servicing of construction equipment and parts thereof, marketing and servicing of mining machinery and parts thereof, manufacture and sale of rubber processing machinery & castings, ready-mix concrete, asphalt & paving materials, mining and aviation.

Notes forming part of the Consolidated Accounts (contd.)

NOTE [Q] ***(contd.)***

Q(10) Disclosure of related parties/related party transactions pursuant to Accounting Standard (AS) 18 ''Related Party Disclosures'':

i. Names of the related parties with whom transactions were carried out during the year and description of relationship:

Associate companies:	
1 L&T-Chiyoda Limited	2 Salzer Electronics Limited *
3 Magtorq Private Limited	4 JSK Electricals Private Limited @
5 Vizag IT Park Limited **	6 Feedback Infra Private Limited
7 International Seaports (Haldia) Private Limited	8 L&T Camp Facilities LLC
9 Rishi Consfab Private Limited@@	

* The Group has sold its stake on July and August 2015.
** The Group has sold its stake on March 31, 2016.
@ The Group has sold its stake on March 29, 2016.
@@ The Group has sold its stake on December 21, 2015

Joint ventures:	
1 Metro Tunneling Group	2 L&T-Hochtief Seabird Joint Venture
3 Desbuild-L&T Joint Venture	4 L&T-Shanghai Urban Construction (Group) Corporation Joint Venture
5 L&T-AM Tapovan Joint Venture	6 HCC-L&T Purulia Joint Venture
7 L&T ASTCC Joint Venture – Doha$$	8 Metro Tunneling Delhi - L&T Shanghai Urban Construction (Group) Corporation Joint Venture
9 Metro Tunneling Chennai - L&T Shanghai Urban Construction (Group) Corporation Joint venture	10 L&T-Eastern Joint Venture $
11 Larsen & Toubro Limited - Shapoorji Pallonji & Co. Limited Joint Venture	12 L&T Shanghai Urban Construction (Group) Corporation Joint Venture CC27 Delhi
13 International Metro Civil Contractors Joint Venture	14 Civil Works Joint Venture
15 Aktor- Larsen & Toubro-Yapi Merkezi-stfa-Al Jaber Engineering Joint Venture	16 L&T-Delma Mafraq Joint Venture
17 Larsen & Toubro Limited and NCC Limited Joint Venture	18 Indiran Engineering Projects and Systems Kish PJSC

$ The Joint Venture is in the process of dissolution

$$ The Joint Venture has been entered into on August 30, 2015

Key management personnel & their relatives:	
1 Mr. A. M. Naik (Group Executive Chairman)	2 Mr. K. Venkataramanan (CEO & Managing Director) * Mrs. Jyothi Venkataramanan (wife)
3 Mr. M. V. Kotwal (Whole-time Director) **	4 Mr. R. Shankar Raman (CFO & Whole-time Director)
5 Mr. S. N. Subrahmanyan [Deputy Managing Director and President]	6 Mr. S. N. Roy (Whole-time Director)
7 Mr. D. K. Sen (Whole-time Director) #	8 Mr. M. V. Satish (Whole-time Director) ##

* Retired on September 30, 2015.
** Retired on August 26, 2015.
# Appointed as DMD w. e. f. October 1, 2015.
Appointed w. e. f. January 29, 2016.

ii. Disclosure of related party transactions:

₹ crore

Sr. No.	Nature of transaction/relationship/major parties	2015-16 Amount	2015-16 Amounts for major parties	*2014-15 Amount*	*2014-15 Amounts for major parties*
1	Purchase of goods & services (including commission paid)				
	Associates & joint ventures, including:	99.29		*187.56*	
	L&T- Chiyoda Limited		16.96		*23.42*
	JSK Electricals Private Limited		27.99		*24.04*
	Salzer Electronics Limited		37.33		*123.81*
	Magtorq Private Limited		10.16		–
	Total	99.29		*187.56*	

Notes forming part of the Consolidated Accounts (contd.)

NOTE [Q] ***(contd.)***

₹ crore

Sr. No.	Nature of transaction/relationship/major parties	2015-16 Amount	2015-16 Amounts for major parties	*2014-15 Amount*	*2014-15 Amounts for major parties*
2	Sale of goods/contract revenue & services				
	Associates & joint ventures, including:	93.18		*87.33*	
	Larsen & Toubro Limited and NCC Limited Joint Venture		10.64		–
	Civil Work Joint Venture		–		*50.12*
	Metro Tunneling Delhi - L&T Shanghai Urban Construction (Group) Joint Venture		10.50		*19.09*
	L&T- Shanghai Urban Construction (Group) Joint Venture CC27 Delhi		34.00		–
	Metro Tunneling Chennai - L&T Shanghai Urban Construction (Group) Corporation Joint Venture		33.41		*9.58*
	Total	93.18		*87.33*	
3	Purchase/lease of fixed assets				
	Associates & joint ventures, including:	–		*0.11*	
	L&T- Chiyoda Limited		–		*0.11*
	Total	–		*0.11*	
4	Sale of fixed assets				
	Key management personnel	9.29		–	
	K. Venkataramanan *		8.85		–
	M. V. Kotwal **		0.44		–
	Total	9.29		–	
5	Receiving of services from related parties				
	Associates & joint ventures, including:	8.49		*3.01*	
	L&T-Chiyoda Limited		6.60		*2.21*
	Feedback Infra Private Limited		–		*0.77*
	Civil Work Joint Venture		1.89		–
	Total	8.49		*3.01*	
6	Charges paid for miscellaneous services	2.48		*1.04*	
	Feedback Infra Private Limited		–		*0.77*
	L&T-Chiyoda Limited		0.59		*0.23*
	Civil Work Joint Venture		1.89		–
	Total	2.48		*1.04*	
7	Rent paid				
	Key management personnel	0.01		*0.01*	
	K. Venkataramanan * & Mrs. Jyothi Venkataramanan		0.01		*0.01*
	Total	0.01		*0.01*	
8	Charges for deputation of employees to related parties				
	Associates & joint ventures, including:	252.91		*21.12*	
	L&T-Chiyoda Limited		–		*21.06*
	Aktor- Larsen & Toubro-Yapi Merkezi-stfa-Al Jaber Engineering Joint Venture		32.30		–
	Civil Work Joint Venture		132.31		–
	L&T-Delma Mafraq Joint Venture		69.20		–
	Total	252.91		*21.12*	

Notes forming part of the Consolidated Accounts (contd.)

NOTE [Q] ***(contd.)***

₹ crore

Sr. No.	Nature of transaction/relationship/major parties	2015-16 Amount	2015-16 Amounts for major parties	*2014-15 Amount*	*2014-15 Amounts for major parties*
9	Dividend received				
	Associates & joint ventures, including:	5.63		*4.24*	
	International Seaports (Haldia) Private Limited		2.46		*1.97*
	Feedback Infra Private Limited		0.57		*0.76*
	Vizag IT Park Limited		2.22		*0.94*
	Salzer Electronics Limited		–		*0.40*
	Total	5.63		*4.24*	
10	Rent received, overheads recovered and miscellaneous income				
	Associates & joint ventures, including:	9.45		*143.21*	
	L&T-Chiyoda Limited		3.85		*8.78*
	Civil Work Joint Venture		–		*72.63*
	L&T Delma Mafraq Joint Venture		–		*32.02*
	Aktor-Larsen&Toubro-Yapi Merkezi-stfa-AL Jaber Engineering Joint Venture		5.60		*28.57*
	Total	9.45		*143.21*	
11	Interest Received				
	Associates & joint ventures, including:	7.69		*15.67*	
	The Dhamra Port Company Limited		–		*9.32*
	Feedback Infra Private Limited		7.69		*6.32*
	Total	7.69		*15.67*	
12	Payment of salaries/perquisites (other than commission)	36.19		*16.98*	
	Key management personnel:				
	A.M. Naik		4.52		*4.22*
	K. Venkataramanan *^		15.19		*4.20*
	M.V. Kotwal **^^		9.60		*3.01*
	S.N. Subrahmanyan		2.02		*1.74*
	R. Shankar Raman		1.70		*1.59*
	S. N. Roy		2.31		*2.22*
	D. K. Sen #		0.61		–
	M. V. Satish ##		0.24		–
	Total	36.19		*16.98*	
13	Commission to directors @	59.93		*64.27*	
	Key management personnel:				
	A.M. Naik		22.81		*23.10*
	K. Venkataramanan *		4.28		*9.38*
	M.V. Kotwal **		2.31		*6.24*
	S.N. Subrahmanyan		12.57		*11.09*
	R. Shankar Raman		8.76		*8.78*
	S. N. Roy		5.59		*5.68*
	D. K. Sen #		2.68		–
	M. V. Satish ##		0.93		–
	Total	59.93		*64.27*	

* Retired on September 30, 2015.
** Retired on August 26, 2015.
\# Appointed w. e. f. October 1, 2015.
Appointed w. e. f. January 29, 2016.
^ Includes leave encashment payment ₹ 13.53 cr.
^^ Includes leave encashment payment ₹ 7.89 cr.

Notes forming part of the Consolidated Accounts (contd.)

NOTE [Q] ***(contd.)***

@ Commision to Directors comprises :

Sr. No.	Particulars	2015-16	*2014-15*
1	Commission	47.81	*50.61*
2	Contribution to provident fund	5.04	*6.07*
3	Contribution to superannuation fund on commission	7.08	*7.59*
	Total	59.93	*64.27*

"Major parties" denote entities accounting for 10% or more of the aggregate for that category of transaction during respective period.

iii. Amount due to/from related parties

₹ crore

Sr. No.	Nature of transaction/relationship/major parties	2015-16 Amount	2015-16 Amounts for major parties	*2014-15 Amount*	*2014-15 Amounts for major parties*
1	Accounts Receivable				
	Associates & joint ventures, including:	128.95		*40.00*	
	Metro Tunneling Chennai - L&T Shanghai Urban Construction (Group) Corporation Joint Venture		36.82		–
	Metro Tunneling Delhi - L&T Shanghai Urban Construction (Group) Corporation Joint Venture		18.91		–
	Civil Work Joint Venture		57.64		–
	Feedback Infra Private Limited		–		*40.00*
	Total	128.95		*40.00*	
2	Accounts Payable (including acceptance & interest accrued)				
	Associates & joint ventures, including:	15.19		*31.87*	
	L&T- Chiyoda Limited		6.42		*8.19*
	Magtorq Private Limited		7.79		–
	Salzer Electronics Limited		–		*18.54*
	Total	31.87		*31.87*	
3	Unsecured loan				
	Joint ventures:	30.00		*30.00*	
	Metro Tunneling Group		30.00		*30.00*
	Total	30.00		*30.00*	
4	Loans & advances recoverable (Including loans and advances towards financing activities)				
	Associates & joint ventures, including:	87.58		*28.10*	
	L&T Camp Facilities LLC		19.18		*17.92*
	L&T- Chiyoda Limited		–		*6.73*
	Feedback Infra Private Limited		60.00		–
	Key management personnel	0.01		*0.01*	
	K. Venkataramanan * & Mrs. Jyothi Venkataramanan		0.01		*0.01*
	Total	87.59		*28.11*	

Notes forming part of the Consolidated Accounts (contd.)

NOTE [Q] ***(contd.)***

₹ *crore*

Sr. No.	Nature of transaction/relationship/major parties	2015-16 Amount	2015-16 Amounts for major parties	*2014-15 Amount*	*2014-15 Amounts for major parties*
5	Due to Whole-time Directors (Key Management Personnel)	47.83		*50.61*	
	A.M. Naik		17.96		*18.19*
	K. Venkataramanan *		3.77		*7.39*
	M.V. Kotwal **		2.04		*4.91*
	S.N. Subrahmanyan		9.90		*8.73*
	R. Shankar Raman		6.90		*6.91*
	S.N. Roy		4.40		*4.48*
	D. K. Sen #		2.13		–
	M. V. Satish ##		0.73		–
	Total	47.83		*50.61*	

* Retired on September 30, 2015.
** Retired on August 26, 2015.
# Appointed w. e. f. October 1, 2015.
Appointed w. e. f. January 29, 2016.

"Major parties" denote entities who account for 10% or more of the aggregate for that category of transaction during respective period.

Q(11) Disclosure in respect of Leases pursuant to Accounting Standard (AS) 19 ''Leases'':

i. Where the Company is a Lessor:

(a) Finance leases:

i) The Company has given certain assets on finance leases. The leases have a primary period that is fixed and non-cancellable and a secondary period. There are no exceptional/restrictive covenants in the lease agreement.

ii) The total gross investment in these leases as on March 31, 2016 and the present value of minimum lease payments receivable as on March 31, 2016 is as under:

₹ *crore*

	Particulars	As at 31-3-2016	*As at 31-3-2015*
1.	Receivable not later than 1 year	1505.22	*973.64*
2.	Receivable later than 1 year and not later than 5 years	6644.52	*6994.20*
3.	Receivable later than 5 years	19696.08	*20390.00*
	Gross investment in lease (1+2+3)	27845.82	*28357.84*
	Less: Unearned finance income	18319.95	*19065.23*
	Present value of minimum lease payments receivable	9525.87	*9292.61*

Notes forming part of the Consolidated Accounts (contd.)

NOTE [Q] ***(contd.)***

(b) Operating leases:

i) The Company has given assets under non-cancellable operating lease, the future minimum lease payments receivable in respect of which, as at March 31, 2016 are as follows:

₹ crore

Particulars	As at 31-3-2016	*As at 31-3-2015*
1. Receivable not later than 1 year	58.62	*74.49*
2. Receivable later than 1 year and not later than 5 years	74.66	*100.53*
3. Receivable later than 5 years	9.68	*13.99*
Total	142.96	*189.01*

ii. Where the Company is a Lessee:

(a) Finance leases:

i) Assets acquired on finance lease comprises of motor vehicles. The leases have a primary period, which is fixed and non-cancellable. The Company has an option to renew the lease for a secondary period. The agreements provide for revision of lease rentals in the event of changes in (a) taxes, if any, leviable on the lease rentals (b) rates of depreciation under the Income Tax Act, 1961 and (c) change in the lessor's cost of borrowings. There are no exceptional/restrictive covenants in the lease agreements.

ii) The minimum lease rentals as at March 31, 2016 and the present value as at March 31, 2016 of minimum lease payments in respect of assets acquired under finance leases are as follows:

₹ crore

Particulars	Minimum lease payments		Present value of minimum lease payments	
	As at 31-3-2016	*As at 31-3-2015*	As at 31-3-2016	*As at 31-3-2015*
1. Payable not later than 1 year	0.12	*0.18*	0.11	*0.16*
2. Payable later than 1 year and not later than 5 years	0.19	*0.31*	0.17	*0.28*
3. Payable later than 5 years	–	–	–	–
Total	0.31	*0.49*	0.28	*0.44*
Less: Future finance charges	0.03	*0.05*		
Present value of minimum lease payments	0.28	*0.44*		

(b) Operating leases:

i) The Company has taken various commercial premises and plant & equipment under cancellable operating leases. These lease agreements are normally renewed on expiry.

ii) [a] The Company has taken certain assets on non-cancellable operating leases, the future minimum lease payments in respect of which, as at March 31, 2016 are as follows:

₹ crore

Particulars	As at 31-3-2016	*As at 31-3-2015*
1. Payable not later than 1 year	69.89	*91.00*
2. Payable later than 1 year and not later than 5 years	171.30	*190.11*
3. Payable later than 5 years	94.07	*115.43*
Total	335.26	*396.54*

[b] The lease agreements provide for an option to the Company to renew the lease period at the end of the non-cancellable period. There are no exceptional/restrictive covenants in the lease agreements.

iii) Lease rental expense in respect of operating leases: ₹ 262.54 crore *(previous year: ₹ 173.78 crore)*

iv) Contingent rent recognised in the Statement of Profit and Loss: ₹ 0.60 crore *(previous year: ₹ 0.30 crore)*

Notes forming part of the Consolidated Accounts (contd.)

NOTE [Q] *(contd.)*

Q(12) Basic and Diluted Earnings per share [EPS] computed in accordance with Accounting Standard (AS) 20 "Earnings per Share":

Particulars		Before extraordinary items		After extraordinary items	
		2015-16	*2014-15*	2015-16	*2014-15*
Basic					
Profit after tax as per accounts (₹ crore)	A	5090.53	*4764.82*	5090.53	*4764.82*
Weighted average number of shares outstanding	B	93,07,61,648	*92,83,48,310*	93,07,61,648	*92,83,48,310*
Basic EPS (₹)	A/B	54.69	*51.33*	54.69	*51.33*
Diluted					
Profit after tax as per accounts (₹ crore)	A	5090.53	*4764.82*	5090.53	*4764.82*
Weighted average number of shares outstanding	B	93,07,61,648	*92,83,48,310*	93,07,61,648	*92,83,48,310*
Add: Weighted average number of potential equity shares on account of employee stock options	C	43,62,080	*62,19,750*	43,62,080	*62,19,750*
Weighted average number of shares outstanding for diluted EPS	D=B+C	93,51,23,728	*93,45,68,060*	93,51,23,728	*93,45,68,060*
Diluted EPS (₹)	A/D	54.44	*50.98*	54.44	*50.98*
Face value per share (₹)		2	*2*	2	*2*

Note: Potential equity shares that could arise on conversion of FCCBs are not resulting into dilution of EPS in the current year. Hence, they have not been considered in workings of diluted EPS in accordance with Accounting Standard (AS) 20 ''Earnings per Share''.

Q(13) Major components of deferred tax liabilities and deferred tax assets pursuant to Accounting Standard (AS) 22 ''Accounting for Taxes on Income'':

₹ crore

Particulars	Deferred tax liabilities/ (assets) as at 31-3-2015	Charge/ (credit) to Statement of Profit and Loss	Charge/ (credit) to opening retained earnings*	Effect due to acquisition/ disposal	Charge/(credit) to reserves		Deferred tax liabilities/ (assets) as at 31-3-2016
					Foreign currency translation reserve	Hedging reserve**	
Deferred tax liabilities:							
Difference between book and tax depreciation	*1210.79*	371.22	(2.13)	(85.77)	–	–	1494.11
Gain on derivative transactions to be offered for tax purposes in the year of transfer to Statement of Profit and Loss	*38.49*	10.06	–	–	–	(8.83)	39.72
Disputed statutory liabilities paid and claimed as deduction for tax purposes but not debited to Statement of Profit and Loss	*102.11*	14.00	–	–	–	–	116.11
Other items giving rise to timing differences	*346.00*	(10.08)	–	2.34	1.21	–	339.47
Total	*1697.39*	385.20	(2.13)	(83.43)	1.21	(8.83)	1989.41

Notes forming part of the Consolidated Accounts (contd.)

NOTE [Q] ***(contd.)***

Particulars	Deferred tax liabilities/ (assets) as at 31-3-2015	Charge/ (credit) to Statement of Profit and Loss	Charge/ (credit) to opening retained earnings*	Effect due to acquisition/ disposal	Charge/(credit) to reserves		Deferred tax liabilities/ (assets) as at 31-3-2016
					Foreign currency translation reserve	Hedging reserve**	
Deferred tax (assets):							
Provision for doubtful debts, advances and non-performing assets debited to Statement of Profit and Loss	*(512.24)*	(236.57)	–	0.71	–	–	(748.10)
Loss on derivative transactions to be claimed for tax purposes in the year of transfer to Statement of Profit and Loss	*(223.41)*	(0.01)	–	–	–	84.76	(138.66)
Unpaid statutory liabilities/provision for compensated absences debited to Statement of Profit and Loss	*(237.60)*	(35.07)	–	0.05	–	–	(272.62)
Unabsorbed depreciation/brought forward business losses	*(781.12)*	(333.64)	–	17.88	–	–	(1096.88)
Difference between book and tax depreciation	*(10.31)*	3.61	–	–	–	–	(6.70)
Other items giving rise to timing differences	*(117.35)*	0.77	–	–	(1.68)	–	(118.26)
Total	*(1882.03)*	(600.91)	–	18.64	(1.68)	84.76	(2381.22)
Net deferred tax liability/(assets)	**(184.64)**	**(215.71)**	**(2.13)**	**(64.79)**	**(0.47)**	**75.93**	**(391.81)**
Previous year	*337.46*	*(408.67)*	*(39.39)*	*(8.33)*	*(0.85)*	*(64.86)*	*(184.64)*

*Represents reversal of deferred tax on depreciation charged against opening retained earnings as on April 1, 2015, pursuant to Schedule II of Companies Act 2013.

** The amount of ₹ 483.42 crore *(previous year: ₹ 382.27 crore)* representing net losses on effective hedges is recognised in hedge reserve, applying the principles of hedge accounting set out in Accounting Standard (AS) 30 ''Financial Instruments: Recognition and Measurement''. The amount is after considering the net deferred tax liability of ₹ 75.93 crore during the year *(previous year: deferred tax asset (net) ₹ 64.86 crore).*

Q(14) The effect of acquisitions (including newly incorporated subsidiaries) and disposals during the year on the Consolidated Financial Statements is as under:

a) Acquisitions (including newly incorporated entities):

₹ crore

Sr. No.	Name of company	Effect on Group profit/(loss) after minority interest for the year ended March 31, 2016	Net Assets/ (liabilities) as at March 31, 2016
1	L&T Infotech Austria GMBH LLC	(0.05)	0.21
2	Marine Infrastructure Developer Private Limited	–	0.01
3	L&T Global Holdings Limited	(0.51)	0.15
4	LTH Milcom Private Limited	(0.05)	0.11
5	L&T Information Technology Spain SL	(0.06)	0.30
	Total	(0.67)	0.78

Notes forming part of the Consolidated Accounts (contd.)

NOTE [Q] ***(contd.)***

b) Disposals:

₹ crore

Sr. No.	Name of company	Effect on Group profit/(loss) after minority interest for the year ended March 31		Net Assets/ (liabilities) as at the date of disposal (during 2015-16)	*Net assets as at March 31, 2015*
		2015-16	*2014-15*		
1	CSJ Infrastructure Private Limited	(2.25)	*16.61*	245.11	*247.36*
2	Larsen &Toubro (Qingdao) Rubber Machinery Company Limited	(1.77)	*(6.11)*	0.23	*2.00*
3	Larsen & Toubro Consultoria E Projeto Ltda	–	*0.09*	(0.05)	*(0.05)*
4	L&T Infocity Limited	7.20	*5.29*	143.62	*135.53*
5	L&T Hitech City Limited	2.22	*(1.41)*	57.48	*54.11*
6	Hyderabad International Trade Expositions Limited	5.38	*1.82*	38.41	*28.01*
	Total	10.78	*16.29*	484.80	*466.96*

Q(15) The Company's share in respect of the assets, liabilities, reserves, income and expenses, related to its interests in the jointly controlled entities, incorporated in the Consolidated Financial Statements are:

₹ crore

Particulars				31-3-2016	*31-3-2015*
I	**Assets**		**Non-current assets**		
		1	Fixed Assets		
			(a) Tangible assets	448.91	*205.25*
			(b) Intangible assets	0.18	–
			(c) Capital work-in-progress	1.20	*81.19*
		2	Deferred tax assets (net)	–	*0.45*
		3	Long term loans and advances	0.02	–
			Current assets		
		1	Current investments	7.56	*14.38*
		2	Inventories	67.12	*12.44*
		3	Trade receivables	657.11	*376.19*
		4	Cash and bank balances	1831.10	*1437.16*
		5	Short term loans and advances	543.47	*583.58*
		6	Other current assets	691.37	*710.34*
II	**Liabilities**		**Non-current liabilities**		
		1	Long term borrowings	9.88	–
		2	Other long term liabilities	115.14	*1.39*
			Current liabilities		
		1	Short term borrowings	346.04	*247.39*
		2	Current maturities of long term borrowings	33.84	–
		3	Trade payables	1202.78	*732.88*
		4	Other current liabilities	2183.90	*2317.57*
		5	Short term provisions	0.24	*0.02*
III	**Reserves**	1	Foreign currency translation reserve	7.42	*1.10*
		2	Hedging reserve	0.17	*(0.25)*
		3	Retained earnings	348.25	*105.62*
IV	**Income**	1	Revenue from operations	3593.69	*1987.80*
		2	Other income	21.04	*6.78*

Notes forming part of the Consolidated Accounts (contd.)

NOTE [Q] ***(contd.)***

₹ crore

Particulars				31-3-2016	*31-3-2015*
V	**Expenses**	1	Operating expenses	2774.59	*1463.90*
		2	Staff expenses	422.17	*196.90*
		3	Sales, administration and other expenses	178.39	*107.13*
		4	Interest expense	11.76	*53.64*
		5	Depreciation	(1.48)	*165.96*
		6	Provision for tax	1.53	*(0.88)*
VI	**Contingent Liability**	1	Contingent liabilities, if any, incurred in relation to interests in joint ventures	4170.76	*3248.49*
		2	Share in contingent liabilities of joint ventures themselves for which the Company is contingently liable	58.18	*80.13*
		3	Contingent liabilities in respect of liabilities of other venturers of joint ventures	8006.19	*10840.81*
VII	**Capital Commitments**	1	Capital commitments, if any, in relation to interests in joint ventures	–	–
		2	Share in capital commitments of joint ventures themselves for which the Company is contingently liable	2.61	*159.34*

Q(16) Disclosures pursuant to Accounting Standard (AS) 29 "Provisions, Contingent Liabilities and Contingent Assets":

a) Movement in provisions:

₹ crore

Sr. No.	Particulars	Class of provisions					
		Product warranties/ liquidated damages	Expected tax liability in respect of indirect taxes	Litigation related obligations	Periodic major maintenance	Contractual rectification cost - construction contracts	Total
1	*Balance as at 01-04-2015*	*140.99*	*111.73*	*10.35*	*213.72*	*186.55*	*663.34*
2	Additional provision during the year	97.31	46.52	–	182.65	148.49	474.97
3	Provision used/reversed during the year #	(116.58)	(1.30)	(0.36)	(22.94)	(167.30)	(308.48)
4	Translation adjustments	0.30	–	0.04	–	0.14	0.48
5	Balance as on 31-03-2016 (5=1+2-3+4)	122.02	156.95	10.03	373.43	167.88	830.31

includes provision used during the year ₹ 42.26 crore *(previous year: ₹ 171.36 crore)*

b) Nature of provisions:

i. Product warranties/liquidated damages: The Company gives warranties on certain products and services, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Provision made as at March 31, 2016 represents the amount of the expected cost of meeting such obligations of rectification/replacement. The timing of the outflows is expected to be within a period of five years from the date of Balance Sheet. Liquidated damages represent the estimated cost the Company is likely to incur due to delay in delivery as per its contract obligations and accrued on the basis of advice from distributors/customers.

ii. Expected tax liability in respect of indirect taxes represents mainly the differential sales tax liability on account of non-collection of declaration forms for the period prior to five years.

iii. Provision for litigation related obligations represents liabilities that are expected to materialise in respect of matters in appeal.

iv. Periodic major maintenance represents provision made for resurfacing obligations in accordance with the terms of concession agreement with National Highway Authority of India (NHAI).

Notes forming part of the Consolidated Accounts (contd.)

NOTE [Q] ***(contd.)***

v. Contractual rectification cost represents the estimated cost the Company is likely to incur during defect liability period as per the contract obligations in respect of completed construction contracts accounted under Accounting Standard (AS) 7 (Revised) "Construction Contracts".

c) Disclosures in respect of contingent liabilities are given as part of Note [I] to the Balance Sheet.

Q(17) In line with the Company's risk management policy, the various financial risks mainly relating to changes in the exchange rates, interest rates and commodity prices are hedged by using a combination of forward contracts, swaps and other derivative contracts, besides the natural hedges.

a) The particulars of derivative contracts entered into for hedging purposes outstanding as at March 31, 2016 are as under:

₹ crore

Category of derivative instruments		Amount of exposures hedged	
		As at 31-3-2016	*As at 31-3-2015*
i)	For hedging foreign currency and interest rate risks:		
	a) Forward contracts for receivables including firm commitments and highly probable forecasted transactions	16813.93	*16665.89*
	b) Forward contracts for payables including firm commitments and highly probable forecasted transactions	19381.84	*15338.11*
	c) Currency and interest rate swaps	3528.69	*3931.51*
	d) Option contracts	285.36	*578.48*
ii)	For hedging commodity price risks:		
	Commodity futures	486.90	*289.36*
iii)	For hedging investment in mutual fund and bonds:		
	a) Stock market index futures	671.58	–
	b) Interest rate swaps	900.00	*200.00*

b) Unhedged foreign currency exposures as at March 31, 2016 are as under:

₹ crore

Unhedged foreign currency exposures		As at 31-3-2016	*As at 31-3-2015*
i)	Receivables, including firm commitments and highly probable forecasted transactions	62936.93	*43427.97*
ii)	Payables, including firm commitments and highly probable forecasted transactions	53132.13	*40724.60*

Note: As per Royal Monetary Authority of Bhutan, Bhutan's national currency is pegged to the Indian rupee at parity. Accordingly, the unhedged foreign currency exposures reported above excludes exposures [Receivables amounting to ₹ 2385.28 crore *(previous year: ₹ 1646.07 crore)* and payables amounting to ₹ 1801.09 crore *(previous year: ₹ 1142.08 crore)*] with respect to currencies such as Bhutan Ngultrum (BTN).

Q(18) a) The Group has undertaken various projects on Design-Build-Finance-Operate-Transfer (DBFOT)/Build-Operate-Transfer (BOT) basis as per the concession agreements with the government authorities. Under the agreements, the concession period for toll collection or annuity payments ranges from 15 to 35 years. At the end of the said concession period, the entire facilities are transferred to the concerned government authorities.

b) The aggregate amount of revenues and profits before tax (net) recognised during the year in respect of construction services related to BOT/DBFOT projects is ₹ 1741.44 crore *(previous year: ₹ 2659.37 crore)* and ₹ 174.61 crore *(previous year: ₹ 324.20 crore)* respectively [Note R(3)(A)(a)(ix)].

c) Long term loans and advances towards financing activities include ₹ 293.43 crore *(previous year: ₹ 305.05 crore)* being cumulative construction costs incurred including related margins in respect of annuity based Build-Operate-Transfer (BOT) projects.

Notes forming part of the Consolidated Accounts (contd.)

NOTE [Q] ***(contd.)***

d) Short term Loans and advances towards financing activities include ₹ 41.28 crore *(previous year: ₹ 75.48 crore)* being cumulative construction costs incurred including related margins in respect of annuity based Build-Operate-Transfer (BOT) projects.

Q(19) In terms of provisions of sub-section 1A of section 115O of the Income Tax Act 1961, dividend distribution tax payable by the Parent Company of ₹ 140.88 crore, is net of dividend distribution tax paid by its subsidiary companies amounting to ₹ 198.70 crore, relating to dividend of ₹ 1007.91 crore declared by them.

Q(20) Deferred payment liability of ₹ 11050.36 crore *(previous year: ₹ 3058.82 crore)* represents:

(a) Negative grant/additional concession fee of ₹ 11017.96 crore *(previous year: ₹ 2999.47 crore)* payable to National Highway Authority of India (NHAI), as per the concession agreement entered into with NHAI.

(b) Commitment payable to National Housing Development Authority (NHDA) amounting to ₹ 32.40 crore *(previous year: ₹ 34.40 crore)* as per the joint venture agreement entered into with NHDA.

(c) Deferred conversion fee liability of ₹ Nil *(previous year: ₹ 24.94 crore)* towards conversion of land from Industrial to commercial use as per the approval from Chandigarh Housing Board (CHB).

(d) In respect of the total amount of ₹ 11050.36 crore, an amount of ₹ 210.50 crore *(previous year: ₹ 127.23 crore)* is payable within a period of one year.

Q(21) One of the subsidiaries, which has been awarded a Build-Operate-Transfer (BOT) project for construction of a bypass toll road and a bridge over the River Noyyal in Coimbatore District of Tamil Nadu State, under the Concession Agreement dated October 3, 1997, had received a termination notice from the Ministry of Road Transport and Highways, Government of India, (MORTH). The ground of termination was Government of India's subsequent intention to go for four-laning of the existing two lane road. The subsidiary had obtained injunction from Delhi High Court against the said notice of the Government and is accordingly continuing to collect the toll. The tolling rights of the subsidiary are protected under the aforesaid concession agreement.

The subsidiary had also filed an application opting for arbitration for resolution of disputes and an Arbitral Tribunal had been constituted as provided in the concession agreement. The Arbitral Tribunal has pronounced the award on December 12, 2014 in favour of the Company. The Tribunal has also awarded, interalia, compensation to be paid to the Company for loss of revenue at Athupalam Bridge and suitable extension of the concession period.

The MORTH has challenged the award of March 12, 2015 seeking stay of the aforesaid Tribunal award before the Delhi High Court. Since the matter is sub-judice, the compensation has not been recognised in the financial statements.

Q(22) There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at March 31, 2016.

Q(23) Additional information pursuant to Schedule III to the Companies Act, 2013

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount (₹ crore)	As % of consolidated profit or loss	Amount (₹ crore)
Larsen and Toubro Limited	92.56%	40718.33	104.34%	5311.46
Indian Subsidiaries				
Infrastructure:				
Hi-Tech Rock Products & Aggregates Limited	0.01%	5.01	0.05%	2.38
L&T Geostructure LLP	0.00%	1.98	0.95%	48.37
L&T Infrastructure Engineering Limited	0.08%	35.01	0.02%	0.87
Power:				
L&T-MHPS Boilers Private Limited	1.71%	754.08	5.06%	257.53
L&T-MHPS Turbine Generators Private Limited	0.46%	201.65	(1.70%)	(86.67)
L&T Howden Private Limited	0.08%	36.33	0.32%	16.16
L&T-Sargent & Lundy Limited	0.13%	57.03	0.33%	16.69

Notes forming part of the Consolidated Accounts (contd.)

NOTE [Q] ***(contd.)***

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount (₹ crore)	As % of consolidated profit or loss	Amount (₹ crore)
Heavy Engineering:				
L&T Cassidian Limited	0.00%	0.04	–	–
L&T Special Steels and Heavy Forgings Private Limited	(1.16%)	(508.17)	(5.58%)	(284.27)
Spectrum Infotech Private Limited	0.04%	17.79	0.02%	1.26
LTH Milcom Private Limited	0.00%	0.11	(0.00%)	(0.09)
Marine Infrastructure Developer Private Limited	0.00%	0.01	–	–
Hydrocarbon:				
L&T Hydrocarbon Engineering Limited	2.90%	1275.87	1.70%	86.47
L&T Sapura Offshore Private Limited	0.00%	0.87	0.02%	0.96
L&T Sapura Shipping Private Limited	0.45%	198.41	0.43%	22.05
L&T-Gulf Private Limited	0.05%	22.68	0.04%	1.99
L&T-Valdel Engineering Limited	0.16%	71.41	0.22%	11.36
IT & Technology Services:				
GDA Technologies Limited	0.08%	37.08	0.04%	1.84
Larsen & Toubro Infotech Limited	4.24%	1863.27	18.43%	938.13
L&T Technology Services Limited	2.54%	1116.25	8.53%	434.24
L&T Thales Technology Services Private Limited	(0.01%)	(3.16)	(0.04%)	(1.85)
Financial Services:				
Consumer Financial Services Limited	0.00%	0.39	–	–
Family Credit Limited	1.44%	631.97	1.72%	87.40
L&T Access Distribution Services Limited	(0.03%)	(11.24)	(0.09%)	(4.65)
L&T Capital Company Limited	0.01%	6.40	0.08%	4.17
L&T Capital Markets Limited	0.02%	6.96	(0.47%)	(23.73)
L&T Finance Holdings Limited	11.79%	5187.34	7.43%	378.04
L&T Finance Limited	4.85%	2134.87	4.07%	207.22
L&T FinCorp Limited	2.32%	1019.47	3.60%	183.37
L&T General Insurance Company Limited	0.32%	142.29	(2.00%)	(102.02)
L&T Housing Finance Limited	1.35%	594.40	1.14%	58.04
L&T Infra Debt Fund Limited	1.64%	721.50	0.77%	39.29
L&T Infra Investment Partners Advisory Private Limited	0.02%	8.18	0.12%	5.91
L&T Infra Investment Partners Trustee Private Limited	0.00%	0.05	0.00%	0.01
L&T Infrastructure Finance Company Limited	6.51%	2863.36	4.72%	240.04
L&T Investment Management Limited	1.11%	490.45	(1.02%)	(51.90)
L&T Mutual Fund Trustee Limited	0.00%	1.57	0.00%	0.03
L&T Trustee Company Private Limited	–	–	–	–
L&T Vrindavan Properties Limited	0.21%	90.34	(0.48%)	(24.30)
Mudit Cement Private Limited	(0.02%)	(8.15)	(0.11%)	(5.66)
Developmental projects:				
Kudgi Transmission Limited	0.43%	190.45	(0.01%)	(0.60)
L&T Ahmedabad-Maliya Tollway Limited	0.14%	62.80	(1.06%)	(54.01)
L&T BPP Tollway Limited	0.44%	195.75	(0.94%)	(47.66)
L&T Chennai-Tada Tollway Limited	0.10%	41.81	–	–

Notes forming part of the Consolidated Accounts (contd.)

NOTE [Q] ***(contd.)***

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount (₹ crore)	As % of consolidated profit or loss	Amount (₹ crore)
L&T Deccan Tollways Limited	0.34%	150.30	(0.02%)	(1.13)
L&T Devihalli Hassan Tollway Limited	0.54%	238.63	(0.29%)	(14.66)
L&T Halol-Shamlaji Tollway Limited	0.06%	24.23	(1.90%)	(96.91)
L&T Infrastructure Development Projects Limited	11.34%	4987.01	(10.98%)	(558.94)
L&T Interstate Road Corridor Limited	0.15%	67.03	(0.35%)	(17.67)
L&T Krishnagiri Thopur Toll Road Limited	(0.05%)	(23.64)	0.21%	10.55
L&T Krishnagiri Walajahpet Tollway Limited	0.18%	78.18	(0.10%)	(4.85)
L&T Metro Rail (Hyderabad) Limited	4.60%	2024.18	(0.14%)	(7.14)
L&T Panipat Elevated Corridor Limited	(0.50%)	(219.69)	(0.57%)	(29.06)
L&T Port Kachchigarh Limited	(0.00%)	(0.44)	(0.00%)	(0.03)
L&T Rajkot-Vadinar Tollway Limited	(0.09%)	(41.74)	(1.11%)	(56.64)
L&T Samakhiali Gandhidham Tollway Limited	0.15%	63.80	(1.15%)	(58.64)
L&T Sambalpur-Rourkela Tollway limited	0.49%	213.40	(0.02%)	(1.08)
L&T Transportation Infrastructure Limited	0.36%	156.57	0.40%	20.27
L&T Vadodara Bharuch Tollway Limited	(0.65%)	(285.22)	0.15%	7.85
L&T Western Andhra Tollways Limited	(0.04%)	(17.43)	(0.06%)	(2.94)
L&T Western India Tollbridge Limited	0.07%	32.78	0.04%	1.95
PNG Tollway Limited	(0.17%)	(76.92)	(2.84%)	(144.67)
Power Develoment:				
L&T Arunachal Hydropower Limited	0.09%	40.21	–	–
L&T Himachal Hydropower Limited	0.45%	195.81	(0.01%)	(0.26)
L&T Power Development Limited	7.08%	3115.71	0.02%	0.80
L&T Uttaranchal Hydropower Limited	1.75%	772.04	0.01%	0.69
Nabha Power Limited	6.73%	2959.29	3.85%	196.21
Realty:				
Chennai Vision Developers Private Limited	(0.00%)	(0.01)	0.00%	0.01
CSJ Infrastructure Private Limited	(0.01%)	(2.25)	(0.04%)	(2.25)
Hyderabad International Trade Expositions Limited	0.02%	10.40	0.20%	10.40
L&T Asian Realty Project LLP	(0.00%)	(1.49)	(0.01%)	(0.26)
L&T Hitech City Limited	0.01%	3.37	0.07%	3.37
L&T Infocity Limited	0.02%	8.09	0.16%	8.09
L&T Parel Project LLP	0.25%	110.30	1.60%	81.50
L&T Realty Limited	1.70%	747.27	5.54%	282.06
L&T Seawoods Limited	7.23%	3178.96	0.22%	11.41
L&T South City Projects Limited	0.30%	134.06	0.11%	5.70
L&T Vision Ventures Limited	(0.01%)	(4.60)	(0.00%)	(0.02)
Construction Equipment and Others (Valves and Welding Equipment):				
L&T Construction Equipment Limited	0.54%	235.88	0.01%	0.59
L&T Cutting Tools Limited	0.08%	36.87	0.33%	16.55
L&T Kobelco Machinery Private Limited	0.08%	33.21	0.07%	3.63

Notes forming part of the Consolidated Accounts (contd.)

NOTE [Q] ***(contd.)***

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount (₹ crore)	As % of consolidated profit or loss	Amount (₹ crore)
L&T Valves Limited	1.18%	520.64	2.71%	137.91
Ewac Alloys Limited	0.22%	95.88	0.68%	34.40
Shipbuilding:				
L&T Shipbuilding Limited	0.23%	100.32	(13.54%)	(689.08)
Others:				
Bhilai Power Supply Company Limited	0.00%	0.05	–	–
L&T Electricals and Automation Limited	0.00%	0.03	–	–
L&T Power Limited	0.01%	4.64	0.00%	0.21
Kesun Iron & Steel Company Private Limited	(0.00%)	(0.25)	–	–
L&T Aviation Services Private Limited	0.10%	44.17	0.00%	0.09
Raykal Aluminium Company Private Limited	0.00%	0.41	(0.00%)	(0.03)
Foreign Subsidiaries				
Infrastructure:				
Larsen & Toubro (Oman) LLC	0.84%	369.11	1.48%	75.13
Larsen & Toubro Qatar LLC	0.00%	0.28	(0.01%)	(0.33)
Larsen & Toubro Saudi Arabia LLC	(0.04%)	(19.16)	2.40%	122.22
Larsen & Toubro T&D SA (Proprietary) Limited	0.01%	2.29	(0.00%)	(0.03)
Heavy Engineering:				
Larsen & Toubro Heavy Engineering LLC	(0.05%)	(20.15)	(0.18%)	(9.03)
Hydrocarbon:				
Larsen & Toubro Hydrocarbon International Limited LLC	(0.00%)	(0.24)	(0.01%)	(0.36)
L&T Modular Fabrication Yard LLC	(0.23%)	(102.16)	(0.63%)	(31.87)
L&T Overseas Projects Nigeria Limited	0.00%	0.05	(0.00%)	(0.01)
Larsen Toubro Arabia LLC	(0.39%)	(169.63)	(2.95%)	(149.95)
Larsen & Toubro ATCO Saudia LLC	(1.10%)	(484.12)	(2.53%)	(128.96)
Larsen & Toubro Electromech LLC	(0.29%)	(126.37)	(1.20%)	(61.01)
Larsen & Toubro Kuwait Construction General Contracting Company, WLL	(0.00%)	(0.94)	(0.09%)	(4.54)
PT Larsen & Toubro Hydrocarbon Engineering Indonesia	–	–	–	–
IT & Technology Services:				
L&T Information Technology Services (Shanghai) Co. Ltd.	0.00%	0.52	0.01%	0.29
L&T Infotech Financial Services Technologies Inc.	0.74%	327.10	0.38%	19.35
Larsen & Toubro Infotech Canada Limited	0.02%	10.03	0.06%	3.08
Larsen & Toubro Infotech LLC	0.03%	11.26	0.02%	1.25
Larsen & Toubro Infotech South Africa (PTY) Limited	0.00%	2.07	0.01%	0.52
Larsen & Toubro Infotech GmbH LLC	0.06%	28.18	0.11%	5.68
L&T Infotech Austria GmbH	0.00%	0.21	(0.00%)	(0.05)
L&T Information Technology Spain SL	0.00%	0.30	(0.00%)	(0.06)
Larsen & Toubro LLC	0.01%	2.43	0.00%	0.06
L&T Technology Services LLC	(0.05%)	(22.07)	(0.33%)	(16.74)

Notes forming part of the Consolidated Accounts (contd.)

NOTE [Q] ***(contd.)***

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount (₹ crore)	As % of consolidated profit or loss	Amount (₹ crore)
Developmental projects:				
L&T IDPL Trustee Manager Pte Ltd.	0.00%	0.89	(0.02%)	(0.80)
L&T Infrastructure Development Projects Lanka (Private) Limited	0.15%	67.54	–	–
Realty:				
L&T Realty FZE	0.02%	9.55	(0.00%)	(0.10)
Construction Equipment and Others (Valves and Welding Equipment):				
Larsen &Toubro (Qingdao) Rubber Machinery Company Limited	(0.00%)	(1.77)	(0.03%)	(1.77)
Electrical & Automation:				
Henikwon Corporation Sdn. Bhd.	(0.02%)	(9.88)	0.06%	2.94
Kana Controls General Trading & Contracting Company W.L.L.	(0.00%)	(1.27)	(0.04%)	(2.14)
L&T Electrical & Automation FZE	0.31%	138.48	(1.00%)	(50.74)
L&T Electricals & Automation Saudi Arabia Company LLC	0.01%	5.83	(0.46%)	(23.27)
PT Tamco Indonesia	(0.10%)	(45.70)	(0.11%)	(5.79)
Servowatch Systems Limited	(0.01%)	(5.99)	0.03%	1.49
Tamco Electrical Industries Australia Pty Ltd.	0.03%	13.49	(0.22%)	(11.25)
Tamco Switchgear (Malaysia) Sdn. Bhd.	1.31%	574.41	1.32%	67.18
Thalest Limited	0.02%	8.13	(0.01%)	(0.30)
Others:				
Larsen & Toubro (East Asia) Sdn.Bhd.	0.00%	0.63	(0.00%)	(0.02)
Larsen & Toubro Consultoria E Projeto Ltda	–	–	–	–
Larsen & Toubro International FZE	1.91%	838.75	(7.95%)	(404.82)
L&T Global Holdings Limited	0.00%	0.15	(0.01%)	(0.51)
Larsen & Toubro Readymix & Asphalt Concrete Industries LLC	(0.04%)	(16.02)	0.01%	0.69
Total Subsidiaries		40650.76		899.82
Minority interests in all subsidiaries	(15.39%)	(6768.78)	(8.74%)	(444.95)
Indian Associates				
L&T-Chiyoda Limited	0.10%	42.31	(0.20%)	(10.16)
Gujarat Leather Industries Limited	–	–	–	–
International Seaports (Haldia) Private Limited	0.03%	14.67	(0.00%)	(0.25)
Vizag IT Park Limited	–	–	0.01%	0.52
Feedback Infra Private Limited	0.09%	38.96	0.02%	0.96
JSK Electricals Private Limited	–	–	0.00%	0.22
Salzer Electronics Limited	–	–	0.04%	2.27
Rishi Consfab Private Limited	–	–	(0.00%)	(0.24)
Magtorq Private Limited	0.01%	5.88	0.00%	0.09
Grameen Capital India Limited	0.01%	6.00	–	–
Foreign Associates				
Larsen & Toubro Qatar & HBK Contracting LLC	–	–	0.01%	0.31
L&T Camp Facilities LLC	0.00%	2.11	0.07%	3.77
Total Associates		109.93		(2.51)

Notes forming part of the Consolidated Accounts (contd.)

NOTE [Q] ***(contd.)***

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount (₹ crore)	As % of consolidated profit or loss	Amount (₹ crore)
Jointly controlled entities - Indian joint ventures				
L&T-AM Tapovan Joint Venture	(0.09%)	(38.84)	(0.01%)	(0.72)
International Metro Civil Contractors Joint Venture	(0.00%)	(0.09)	(0.00%)	(0.03)
Desbuild-L&T Joint Venture	0.00%	0.69	–	–
HCC-L&T Purulia Joint Venture	0.01%	3.89	(0.00%)	(0.01)
Metro Tunneling Group	0.04%	16.20	0.01%	0.64
L&T-Hochtief Seabird Joint Venture	0.17%	74.84	(0.00%)	(0.01)
L&T-Shanghai Urban Construction (Group) Corporation Joint Venture	0.02%	7.90	0.00%	0.19
Metro Tunneling Chennai - L&T Shanghai Urban Construction (Group) Corporation Joint Venture	0.01%	2.62	(0.23%)	(11.94)
Metro Tunneling Delhi - L&T Shanghai Urban Construction (Group) Corporation Joint Venture	0.00%	0.78	(0.01%)	(0.29)
Larsen and Toubro Limited - Shapoorji Pallonji & Co. Ltd. Joint Venture	(0.03%)	(15.05)	(0.10%)	(4.96)
L&T-Shanghai Urban Construction (Group) Corporation Joint Venture CC27 Delhi	0.01%	4.56	0.04%	1.84
Larsen and Toubro Limited-Scomi Engineering BHD Consortium-Residual Joint works Joint Venture	0.01%	2.21	0.01%	0.64
Larsen and Toubro Limited-Scomi Engineering BHD Consortium-O&M Joint Venture	(0.05%)	(21.44)	(0.14%)	(7.03)
Larsen & Toubro Limited & NCC Limited Joint Venture	0.03%	14.28	0.28%	14.28
DAEWOO and L&T Joint Venture	–	–	–	–
Bauer-L&T Geo Joint Venture	0.00%	0.15	0.00%	0.15
Jointly controlled entities - Foreign joint ventures				
L&T-Eastern Joint Venture	0.01%	5.51	0.01%	0.30
Civil Works Joint Venture	0.61%	267.60	4.02%	204.52
Aktor- Larsen & Toubro-Yapi Merkezi-stfa-Al Jaber Engineering Joint Venture	–	–	–	–
L&T-Delma Mafraq Joint Venture	0.07%	30.60	0.59%	30.23
L&T-AL-Sraiya LRDP 6 Joint Venture	(0.00%)	(0.05)	(0.00%)	(0.05)
PESB and Larsen & Toubro Joint Venture	–	–	–	–
Indiran Engineering Projects and Systems Kish PJSC	(0.00%)	(0.13)	0.00%	0.02
Total Joint Ventures		356.23		227.77
CFS adjustment and elimination	(70.64%)	(31074.74)	(17.70%)	(901.06)
Total		43991.73		5090.53

Q(24) Figures for the previous year have been regrouped/reclassified wherever necessary.

NOTE [R] SIGNIFICANT ACCOUNTING POLICIES

1. Basis of accounting

The Company maintains its accounts on accrual basis following the historical cost convention, except for the revaluation of certain fixed assets, in accordance with generally accepted accounting principles ["GAAP"] in compliance with the provisions of the Companies Act, 2013 and the Accounting Standards as specified in the Companies (Accounting Standards) Rules, 2006 read with Rule 7(1) of the Companies (Accounts) Rules, 2014 issued by the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. Further, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also considered, wherever applicable except to the extent where compliance with other statutory promulgations override the same requiring a different treatment.

Notes forming part of the Consolidated Accounts (contd.)

NOTE [R] SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

The preparation of financial statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include the useful lives of tangible and intangible fixed assets, allowance for doubtful debts/advances, future obligations in respect of retirement benefit plans, etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

The accounts of Indian subsidiaries, joint ventures and associates have been prepared in compliance with the Accounting Standards as specified in the Companies (Accounting Standards) Rules, 2006 read with Rule 7(1) of the Companies (Accounts) Rules, 2014, prescribed by the Central Government, and those of the foreign subsidiaries, joint ventures and associates have been prepared in compliance with the local laws and applicable Accounting Standards. Necessary adjustments for differences in the accounting policies, wherever applicable, have been made in the Consolidated Financial Statements.

2. Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The Cash Flow Statement has been prepared and presented as per the requirements of Accounting Standard (AS) 3 "Cash Flow Statements". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the notified Accounting Standards and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Amounts in the financial statements are presented in Indian Rupees in crore [1 crore = 10 million] rounded off to two decimal places in line with the requirements of Schedule III. Per share data are presented in Indian Rupees to two decimal places.

3. Revenue recognition

Revenue is recognised based on nature of activity when consideration can be reasonably measured and there exists reasonable certainty of its recovery.

A. Revenue from operations

a. Sales & service

i. Sales and service include excise duty and adjustments made towards liquidated damages and price variation, wherever applicable. Escalation and other claims, which are not ascertainable/acknowledged by customers, are not taken into account.

ii. Revenue from sale of manufactured and traded goods is recognised when the substantial risks and rewards of ownership are transferred to the buyer under the terms of the contract.

iii. Revenue from property development activity which are in substance similar to delivery of goods, is recognised when all significant risks and rewards of ownership in the land and/or building are transferred to the customer and a reasonable expectation of collection of the sale consideration from the customer exists.

Revenue from those property development activities which have the same economic substance as construction contract is recognised based on the 'Percentage of Completion method' (POC) when the outcome of a real estate project can be estimated reliably upon fulfillment of all the following conditions:

a. All critical approvals necessary for commencement of the project have been obtained;

b. When the stage of completion of the project reaches a reasonable level of development i.e. contract costs for work performed bears a reasonable proportion to the estimated total contract costs. For this purpose, a reasonable level of development is treated as achieved only if the cost incurred (excluding cost of land/ developmental rights and borrowing cost) is atleast 25% of the total of such cost;

c. Atleast 25% of the saleable project area is secured by contracts or agreements with buyers;

d. Atleast 10% of the total revenue as per the agreements of sale or any other legally enforceable documents are realised at the reporting date in respect of each of the contracts and it is reasonable to expect that the parties to such contracts will comply with the payment terms as defined in the contracts.

Notes forming part of the Consolidated Accounts (contd.)

NOTE [R] SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

The costs incurred on property development activities are carried as "Inventories" till such time the outcome of the project cannot be estimated reliably and all the aforesaid conditions are fulfilled. When the outcome of the project can be ascertained reliably and all the aforesaid conditions are fulfilled, revenue from property development activity is recognised at cost incurred plus proportionate margin, using percentage of completion method. Percentage of completion is determined based on the proportion of actual cost incurred to the total estimated cost of the project. For this purpose, actual cost includes cost of land and developmental rights but excludes borrowing cost.

Expected loss, if any, on the project is recognised as an expense in the period in which it is foreseen, irrespective of the stage of completion of the contract.

iv. Revenue from construction/project related activity and contracts for supply/commissioning of complex plant & equipment is recognised as follows:

a. Cost plus contracts: Contract revenue is determined by adding the aggregate cost plus proportionate margin as agreed with the customer.

b. Fixed price contracts: Contract revenue is recognised only to the extent of cost incurred till such time the outcome of the job cannot be ascertained reliably. When the outcome of the contract is ascertained reliably contract revenue is recognised at cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed to-date to the total estimated contract costs.

Government grants in the nature of subsidy related to customer contracts are recognised as revenue from operations in the Statement of Profit and Loss, on a prudent basis, in proportion to work completed when there is reasonable assurance that the conditions for the grant of subsidy will be fulfilled. Expected loss, if any, on the construction/project related activity is recognised as an expense in the period in which it is foreseen, irrespective of the stage of completion of the contract. While determining the amount of foreseeable loss, all elements of costs and related incidental income not included in contract revenue are taken into consideration.

v. Revenue from contracts for rendering of engineering design services and other services which are directly related to the construction of an asset is recognised on similar basis as stated in (iv) *supra*.

vi. Revenue from construction/project related activity and contracts executed in joint ventures under work-sharing arrangement [being jointly controlled operations, in terms of Accounting Standard (AS) 27 "Financial Reporting of Interests in Joint Ventures"], is recognised on the same basis as similar contracts independently executed by the Company.

vii. Revenue from software development is recognised based on software developed or time spent in person hours or person weeks, and billed to customers as per the terms of specific contracts. Unbilled revenue represents value of services performed in accordance with the contract terms but not billed.

viii. Income from hire purchase and lease transactions is accounted on accrual basis, pro-rata for the period, at the rates implicit in the transaction. Income from bill discounting, advisory and syndication services and other financing activities is accounted on accrual basis. Income from interest-bearing assets is recognised on accrual basis over the life of the asset based on the constant effective yield. Loan origination income i.e. processing fees and other charges collected upfront, are recognised at the inception of the loan. Income including interest or any other charges on non-performing asset is recognised only when realised. Any such income recognised before the asset became non-performing and remaining unrealised is reversed.

ix. Revenue relatable to construction services rendered in connection with Build-Operate-Transfer (BOT) projects undertaken by the Group is recognised during the period of construction using percentage of completion method. After the completion of construction period, revenue relatable to toll collections of such projects from users of facilities are accounted when the amount is due and recovery is certain. Licence fees for way-side amenities are accounted on accrual basis. Revenue from annuity based projects is recognised in the Statement of Profit and Loss over the concession period of the respective projects based on the implicit rate of return embedded in the projected cash flows. Such income is duly adjusted for any variation in the amount and timing of the cash flows in the period in which such variation occurs.

Notes forming part of the Consolidated Accounts (contd.)

NOTE [R] SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

x. In respect of information technology (IT) and technology services, revenue from contracts awarded on time and material basis is recognised when services are rendered and related costs are incurred. Revenue from fixed price contracts is recognised using the proportionate completion method.

xi. Commission income is recognised as and when the terms of the contract are fulfilled.

xii. Revenue from engineering and service fees is recognised as per the terms of the contract.

xiii. Income from investment management fees is recognised in accordance with the Investment Management Agreement and SEBI regulations based on average Assets Under Management (AUM) of mutual fund schemes over the period of the agreement in terms of which services are performed. Portfolio management fees are recognised in accordance with Portfolio Management Agreement entered with respective clients over the period of the agreement in terms of which the services are rendered. Trusteeship fees are accounted on an accrual basis in accordance with the Trust Deed and are dependent on the net asset value as recorded by the respective mutual fund schemes.

xiv. Revenue from port operation services is recognised on completion of respective services.

xv. Revenue from charter hire is recognised based on the terms of the time charter agreement.

xvi Revenue from operation and maintenance services of power plant receivable under the Power Purchase Agreement is recognised on accrual basis.

xvii. Insurance premium (net of service tax) is recognised as income over the contract period or period of risk, as appropriate, after adjusting for unearned premium (unexpired risk) and premium deficiency, if any. Premium deficiency, if any, is recognised if the sum of expected claim costs and related claim management costs exceed related reserve for unexpired risk for every line of business. Reserve for unexpired risk is recognised net of reinsurance ceded and represents premium written that is attributable and to be allocated to succeeding accounting periods for risks to be borne by the Company under contractual obligations on a contract period basis or risk period basis, whichever is appropriate. It is calculated on a daily pro-rata basis, written on policies during the twelve months preceding the Balance Sheet date for fire, marine cargo and miscellaneous business (excluding project related engineering insurance contracts) and 100% for marine hull business, on all unexpired policies at Balance Sheet date, in accordance with Section 64 V(1)(ii)(b) of the Insurance Act, 1938. The reserve for unexpired risk is computed for project related engineering insurance contract through the usage of Cubic Curve Method. A reserve for unexpired risks is recorded at 50% of the net premium retro-ceded to the Company from India Motor Third Party Insurance Pool (IMTPIP) during the year. Reinsurance premium ceded is accounted in the year in which the risk commences and over the period of risk in accordance with the treaty arrangements with the reinsurers.

Reinsurance premium ceded on unearned premium is carried forward to the period of risk and is set off against related unearned premium. Premium on excess of loss reinsurance cover is accounted as per the terms of the reinsurance arrangements.

Commission on reinsurance ceded is recognised as income on ceding of reinsurance premium.

Profit commission under reinsurance treaties, wherever applicable, is recognised in the year of final determination of the profits.

Claims incurred comprise claims paid, estimated liability for outstanding claims made following a loss occurrence reported and estimated liability for claims Incurred But Not Reported ('IBNR') and claims Incurred But Not Enough Reported ('IBNER'). Further, claims incurred also include specific claim settlement costs such as survey/legal fees and other directly attributable costs.

Claims (net of amounts receivable from reinsurers/co-insurers) are recognised on the date of intimation based on estimates from surveyors/insured in the respective revenue accounts. Estimated liability for outstanding claims at Balance Sheet date is recorded net of claims recoverable from/payable to co-insurers/reinsurers and salvage to the extent there is certainty of realisation. Estimated liability for outstanding claims is determined by management on the basis of ultimate amounts likely to be paid on each claim based on the past experience. These estimates are progressively revalidated on availability of further information. IBNR represents that amount of claims that may have been incurred during the accounting period but have not been reported or claimed. IBNR provision also includes

Notes forming part of the Consolidated Accounts (contd.)

NOTE [R] SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

provision, if any, required for claims IBNER. Estimated liability for claims Incurred But Not Reported ('IBNR') and claims Incurred But Not Enough Reported ('IBNER') is based on actuarial estimate duly certified by the appointed actuary of the Company. IBNR/IBNER has been created on reinsurance accepted from Indian Motor Third Party Insurance Pool (IMTPIP) based on actuarial estimates received from the IMTPIP.

b. Other operational revenue

Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

B. Other income

a. Interest income is accrued at applicable interest rate.

b. Dividend income is accounted in the period in which the right to receive the same is established.

c. Other Government grants, which are revenue in nature and are towards compensation for the related costs, are recognised as income in the Statement of Profit and Loss in the period in which the matching costs are incurred.

d. Other items of income are accounted as and when the right to receive arises.

4. Principles of consolidation

a. The financial statements of the Parent Company and its subsidiaries have been consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses, after eliminating intra-group balances and the unrealised profits/losses on intra-group transactions, and are presented to the extent possible, in the same manner as the Parent Company's independent financial statements.

b. Investments in associate companies have been accounted for, by using equity method whereby investment is initially recorded at cost and the carrying amount is adjusted thereafter for post-acquisition change in the Company's share of net assets of the associate. The carrying amount of investment in associate companies is reduced to recognise any decline which is other than temporary in nature and such determination of decline in value, if any, is made for each investment individually. The unrealised profits/losses on transactions with associate companies are eliminated by reducing the carrying amount of investment.

c. Goodwill on consolidation represents the difference between the Group's share in the net worth of a subsidiary, an associate or a joint venture, and the cost of acquisition at each point of time of making the investment in the subsidiary, the associate or the joint venture as per Accounting Standard (AS) 21 "Consolidated Financial Statements". For this purpose, the Group's share of net worth is determined on the basis of the latest financial statements, prior to the acquisition, after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition. Capital reserve on consolidation represents negative goodwill arising on consolidation. Goodwill arising on consolidation as per Accounting Standard (AS) 21 "Consolidated Financial Statements" is not amortised, however, it is tested for impairment. In the event of cessation of operations of a subsidiary, associate or joint venture, the unimpaired goodwill is written off fully.

d. Minority interest represents that part of the net profit or loss and net assets of subsidiaries attributable to interests which are not owned, directly or indirectly, by the Group. Further, Preference shares issued by the subsidiaries to stakeholders outside the Group together with dividend accruals thereon also form part of minority interest in the Consolidated Financial Statements.

e. The gains/losses in respect of part dilution of stake in subsidiary companies pursuant to issue of additional shares to minority shareholders are recognised directly in capital reserve under reserves and surplus in the Balance Sheet. The gains/losses in respect of part divestment of stake in subsidiary companies pursuant to sale of shares by the holding company are recognised in the Statement of Profit and Loss.

Notes forming part of the Consolidated Accounts (contd.)

NOTE [R] SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

f. The Company's interests in joint ventures are consolidated as follows:

Type of joint venture	Accounting treatment
Jointly controlled operations	Company's share of revenues, common expenses, assets and liabilities are included in revenues, expenses, assets and liabilities respectively.
Jointly controlled assets	Share of the assets, according to nature of the assets, and share of the liabilities are shown as part of gross block and liabilities respectively. Share of expenses incurred on maintenance of the assets is accounted as expense. Monetary benefits, if any, from use of the assets are reflected as income.
Jointly controlled entities	The Company's interest in jointly controlled entities are proportionately consolidated on a line-by-line basis by adding together the book values of assets, liabilities, income and expenses, after eliminating the unrealised profits/losses on intra-group transactions.

Joint venture interests accounted as above are included in the segments to which they relate.

5. Extraordinary and exceptional items

Income or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the Company are classified as extraordinary items. Specific disclosure of such events/transactions is made in the financial statements. Similarly, any external event beyond the control of the Company, significantly impacting income or expense, is also treated as extraordinary item and disclosed as such.

On certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company, is such that its disclosure improves an understanding of the performance of the Company. Such income or expense is classified as an exceptional item and accordingly disclosed in the notes to accounts.

6. Research and development

a. Revenue expenditure on research is expensed under respective heads of account in the period in which it is incurred.

b. Development expenditure on new products is capitalised as intangible asset, if all of the following can be demonstrated:

i. The technical feasibility of completing the intangible asset so that it will be available for use or sale

ii. The Company has intention to complete the intangible asset and use or sell it

iii. The Company has ability to use or sell the intangible asset

iv. The manner in which the probable future economic benefits will be generated including the existence of a market for output of the intangible asset or intangible asset itself or if it is to be used internally, the usefulness of intangible assets

v. The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset and

vi. The Company has ability to measure the expenditure attributable to the intangible asset during its development reliably

The development expenditure capitalised as intangible asset is amortised over its useful life.

Other development costs that do not meet above criteria are expensed in the period in which they are incurred.

7. Employee benefits

a. Short term employee benefits:

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits. The benefits like salaries, wages, short term compensated absences etc. and the expected cost of bonus, ex-gratia are recognised in the period in which the employee renders the related service.

b. Post-employment benefits:

i. Defined contribution plans: The Company's superannuation scheme, state governed provident fund scheme, employee state insurance scheme and employee pension scheme are defined contribution plans. The contribution paid/payable under the schemes is recognised during the period in which the employee renders the related service.

Notes forming part of the Consolidated Accounts (contd.)

NOTE [R] SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

ii. Defined benefit plans: The employees' gratuity fund schemes, post-retirement medical care scheme, pension scheme and provident fund scheme managed by trust are the Company's defined benefit plans. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the related obligations at the Balance Sheet date. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

The interest element in the actuarial valuation of defined benefit plans, which comprises the implicit interest cost and the impact of changes in discount rate, is classified under finance cost and balance charge is recognised as employee benefit expenses in the Statement of Profit and Loss. In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Past service cost is recognised as expense on a straight line basis over the average period until the benefits become vested.

c. Long term employee benefits:

The obligation for long term employee benefits such as long term compensated absences, long service award etc. is recognised in the similar manner as in the case of defined benefit plans as mentioned in (b)(ii) *supra*.

d. Termination benefits:

Termination benefits such as compensation under voluntary retirement cum pension scheme are recognised as expense in the period in which they are incurred.

8. Tangible fixed assets

Tangible fixed assets are stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment and those which were revalued as on October 1,1984 are stated at the values determined by the valuers less accumulated depreciation and cumulative impairment. Assets acquired on hire purchase basis are stated at their cash values. Specific know-how fees paid, if any, relating to plant & equipment is treated as part of cost thereof.

Administrative and other general overhead expenses that are specifically attributable to construction or acquisition of fixed assets or bringing the fixed assets to working condition are allocated and capitalised as a part of the cost of the fixed assets.

Own manufactured assets are capitalised at cost including an appropriate share of overheads.

Tangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as "capital work-in-progress".

(Also refer to policy on leases, borrowing costs, impairment of assets and foreign currency transactions *infra*).

9. Leases

The determination of whether an agreement is, or contains, a lease is based on the substance of the agreement at the date of inception.

a. Lease transactions entered into prior to April 1, 2001:

Assets leased out are stated at original cost. Lease equalisation adjustment is the difference between capital recovery included in the lease rentals and depreciation provided in the books of account. Lease rentals in respect of assets acquired under leases are charged to the Statement of Profit and Loss.

b. Lease transactions entered into on or after April 1, 2001:

Finance leases:

i. Assets acquired under leases where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalised at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated

NOTE [R] SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

ii. Assets given under leases where the Company has transferred substantially all the risks and rewards of ownership to lessee, are classified as finance leases. Where under a contract, the Company has agreed to manufacture/construct an asset and convey, in substance, a right to the beneficiary to use the asset over a major part of its economic life, for a pre-determined consideration, such arrangement is also accounted as finance lease.

iii. Assets given under a finance lease are recognised as a receivable at an amount equal to the net investment in the lease. Wherever the asset is manufactured/constructed by the Company, the fair value of the asset, representing the net investment in the lease, is recognised as sales revenue in accordance with the Company's revenue recognition policy. Lease income is recognised over the period of the lease so as to yield a constant rate of return on the net investment in the lease.

iv. Initial direct costs relating to assets given on finance leases are charged to the Statement of Profit and Loss.

Operating leases:

i. Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Statement of Profit and Loss on accrual basis.

ii. Assets leased out under operating leases are capitalised. Rental income is recognised on accrual basis over the lease term.

(Also refer to policy on depreciation *infra*).

10. Depreciation

A. Indian companies

a. Owned assets

i. Revalued assets:

Depreciation on assets carried at revalued amount i.e., values determined by valuers is provided on straight line method on the basis of useful life as specified in Schedule II to the Companies Act, 2013 except in respect of certain assets where the useful life was determined by technical evaluation.

With effect from April 1, 2015, the difference between depreciation provided on revalued amount and on historical cost is transferred from revaluation reserve to retained earnings.

ii. Assets carried at historical cost:

Depreciation on assets carried at historical cost is provided on straight line method on the basis of useful life as specified in Schedule II to the Companies Act, 2013 except in respect of certain assets where the useful life was determined by technical evaluation. The carrying amount of the assets as on April 1, 2014 is depreciated over the remaining useful life. Where the useful life of the asset has expired, the carrying amount as on April 1, 2014 has been charged to the retained earnings as on April 1, 2014.

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. In respect of asset components, whose useful life has expired as on April 1, 2015, the carrying amount as on April 1, 2015 has been charged to the retained earnings as on April 1, 2015.

iii. Depreciation for additions to/deductions from owned assets is calculated pro-rata. Extra shift depreciation is provided on a location basis.

iv. Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

Notes forming part of the Consolidated Accounts (contd.)

NOTE [R] SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

b. Leased assets

i. Lease transactions entered into prior to April 1, 2001:

Lease charge comprising statutory depreciation and lease equalisation charge is provided for assets given on lease over the primary period of the lease equal to recovery of net investment in the lease. Accordingly, while the statutory depreciation on such assets is provided for on straight line method as per Schedule II to the Companies Act, 2013, the difference is adjusted through lease equalisation and lease adjustment account.

ii. Lease transactions entered into on or after April 1, 2001:

Assets acquired under finance leases are depreciated on a straight line basis over the lease term. Where there is reasonable certainty that the Company shall obtain ownership of the assets at the end of the lease term, such assets are depreciated based on the useful life prescribed under Schedule II to the Companies Act, 2013 or based on the useful life adopted by the Company for similar assets.

iii. Leasehold improvements:

Leasehold improvements are amortised over the period of lease.

iv. Leasehold land:

Land acquired under long term lease is classified under "tangible assets" and is depreciated over the period of lease.

B. Foreign companies

Depreciation has been provided on methods and at the rates required/permissible by the local laws so as to write off the assets over their useful lives.

11. Intangible assets and amortisation

Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are amortised as follows:

a. Specialised software: over a period of three to ten years;

b. Technical know-how: over a period of three to seven years;

c. Development costs for new products: over a period five years;

d. Customer contracts and relationships: over a period of seven to ten years;

e. Toll collection rights obtained in consideration for rendering construction services represent the right to collect toll revenue during the concession period in respect of Build-Operate-Transfer (BOT) projects undertaken by the Group. Toll collection rights are capitalised as intangible asset upon completion of the project at the cumulative construction costs including related margins (refer to policy on revenue recognition *supra*) plus obligation towards negative grants payable to National Highway Authority of India (NHAI), if any. Till the completion of the project, the same is recognised as intangible assets under development. The revenue towards collection of toll/other income during the period of construction is reduced from the cost of intangible asset under development.

Toll collection rights in respect of road projects are amortised over the period of concession using the revenue based amortisation method prescribed under Schedule II to the Companies Act, 2013. Under the revenue based amortisation method, amortisation is provided based on proportion of actual revenue earned till the end of the year to the total projected revenue from the intangible assets expected to be earned over the concession period. Total projected revenue is reviewed at the end of each financial year and is adjusted to reflect changes in earlier estimate vis-à-vis the actual revenue earned till the end of the year so that the whole of the cost of the intangible asset is amortised over the concession period.

f. Exploration and evaluation expenditure incurred for potential mineral reserves is recognised and reported as part of "intangible assets under development" under "intangible assets" when such costs are expected to be either recouped in

NOTE [R] SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

full through successful exploration and development of the area of interest or alternatively, by its sale; or when exploration and evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically available reserves and active and significant operations in relation to the area are continuing or are planned for the future. Exploration assets are re-assessed on a regular basis and these costs are carried forward provided that at least one of the conditions outlined above is met. All other exploration and evaluation expenditure is recognised as expense in the period in which it is incurred.

g. Utility right to use costs are amortised over the period of 'agreement to use', but not exceeding 10 years.

Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

Intangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as "intangible assets under development".

Amortisation on impaired assets is provided by adjusting the amortisation charges in the remaining periods so as to allocate the assets' revised carrying amount over its remaining useful life.

12. Impairment of assets

As at each Balance Sheet date, the carrying amount of assets is tested for impairment so as to determine:

a. the provision for impairment loss, if any; and

b. the reversal of impairment loss recognised in previous periods, if any.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

a. in the case of an individual asset, at the higher of the net selling price and the value in use;

b. in the case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

(Value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life).

13. Investments

Trade investments comprise investments in entities in which the Company has strategic business interest.

Investments, which are readily realisable and are intended to be held for not more than one year from the date of acquisition, are classified as current investments. All other investments are classified as long term investments.

Long term investments (other than associates) including trade investments are carried at cost, after providing for any diminution in value, if such diminution is other than temporary in nature.

Current investments are carried at lower of cost and fair value. The determination of carrying amount of such investments is done on the basis of weighted average cost of each individual investment.

Investment in associate companies is accounted using "equity method" [Note R(4)(b)]. Purchase and sale of investments are recognised based on the trade date accounting.

14. Inventories

Inventories are valued after providing for obsolescence, as under:

a. Raw materials, components, construction materials, stores, spares and loose tools at lower of cost or net realisable value. However, these items are considered to be realisable at cost if the finished goods in which they will be used, are expected to be sold at or above cost;

Notes forming part of the Consolidated Accounts (contd.)

NOTE [R] SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

b. Manufacturing work-in-progress at lower of cost including related overheads or net realisable value. In some cases, manufacturing work-in-progress is valued at lower of specifically identifiable cost or net realisable value. In the case of qualifying assets, cost also includes applicable borrowing costs vide policy relating to borrowing costs;

c. Finished goods and stock-in-trade (in respect of goods acquired for trading) at lower of cost or net realisable value. Cost includes related overheads and excise duty paid/payable on such goods; and

d. Completed property/work-in-progress (including land) in respect of property development activity at lower of specifically identifiable cost or net realisable value.

Cost of inventories is computed either on a weighted average or on First-in-First-out (FIFO) basis.

15. Cash and bank balances

Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term and liquid investments being not free from more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

16. Government grant of capital nature

Grants received/receivable from NHAI in the nature of "promoter contribution" are credited to "capital reserve".

17. Securities premium account

a. Securities premium includes:

i. The difference between the market value and the consideration received in respect of shares issued pursuant to Stock Appreciation Rights Scheme; and

ii. The discount allowed, if any, in respect of shares allotted pursuant to Stock Options Scheme.

b. The following expenses are written off against securities premium account:

i. Expenses incurred on issue of shares;

ii. Expenses (net of tax) incurred on issue of debentures/bonds; and

iii. Premium (net of tax) on redemption of debentures/bonds.

18. Borrowing costs

Borrowing costs include interest, commitment charges, amortisation of ancillary costs, amortisation of discounts/premium related to borrowings, finance charges in respect of assets acquired on finance lease and exchange differences arising from foreign currency borrowings, to the extent they are regarded as an adjustment to interest costs.

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised/inventorised as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

19. Employee stock ownership schemes

In respect of stock options granted pursuant to the Company's Stock Options Scheme, the intrinsic value of the options (excess of market price of the share over the exercise price of the option) is treated as discount and accounted as employee compensation cost over the vesting period. The amount recognised as expense each year is arrived at based on the number of grants expected to vest. If a grant lapses after the vesting period, the cumulative discount recognised as expense in respect of such grant is transferred to the general reserve.

20. Foreign currency transactions, foreign operations, forward contracts and derivatives

a. The reporting currency of the Company is Indian Rupee.

b. Foreign currency transactions are recorded on initial recognition in the reporting currency, using the exchange rate at the date of the transaction. At each Balance Sheet date, foreign currency monetary items are reported using the closing rate.

NOTE [R] SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

Non-monetary items, carried at historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing rate are:

i. adjusted in the cost of fixed assets specifically financed by the borrowings contracted upto March 31, 2004 to which the exchange differences relate;

ii. adjusted in the cost of fixed assets specifically financed by borrowings contracted between the period April 1, 2004 to March 31, 2007 and to which the exchange differences relate, provided the assets are acquired from outside India;

iii. recognised as income or expense in the period in which they arise, in cases other than (i) and (ii) *supra*.

c. Financial statements of foreign operations comprising jobs contracted prior to April 1, 2004, are translated as follows:

i. Closing inventories at rates prevailing at the end of the year.

ii. Fixed assets as at April 1, 1991 at rates prevailing at the end of the year in which the additions were made. Subsequent additions are at rates prevailing on the dates of the additions. Depreciation is accounted at the same rate at which the assets are translated.

iii. Other assets and liabilities at rates prevailing at the end of the year.

iv. Net revenues at the average rate for the year.

d. Financial statements of foreign operations comprising jobs contracted on or after April 1, 2004, are treated as integral operations and translated as in the same manner as foreign currency transactions, as described *supra*. Exchange differences arising on such translation are recognised as income or expense of the period in which they arise.

e. Financial statements of overseas non-integral operations are translated as under:

i. Assets and liabilities at the rate prevailing at the end of the year. Depreciation and amortisation is accounted at the same rate at which assets are converted.

ii. Revenues and expenses at yearly average exchange rates prevailing during the year.

Exchange differences arising on translation of non-integral foreign operations are accumulated in the foreign currency translation reserve until the disposal of such operations.

f. Forward contracts, other than those entered into to hedge foreign currency risk on unexecuted firm commitments or highly probable forecasted transactions, are treated as foreign currency transactions and accounted accordingly as per Accounting Standard (AS) 11 "The Effects of Changes in Foreign Exchange Rates". Exchange differences arising on such contracts are recognised in the period in which they arise.

Gains and losses arising on account of roll over/cancellation of forward contracts are recognised as income/expense of the period in which such roll over/cancellation takes place.

g. All the other derivative contracts, including forward contracts entered into to hedge foreign currency risks on unexecuted firm commitments and highly probable forecasted transactions, are recognised in the financial statements at fair value as on the Balance Sheet date, in pursuance of the announcement of the ICAI dated March 29, 2008 on accounting of derivatives. In addition, the derivative arrangements embedded in the contracts entered in the course of business are accounted separately if the economic characteristics and risks of the embedded derivatives are not closely related to economic characteristics and risks of the host contract.

The Company has adopted Accounting Standard (AS) 30 "Financial Instruments: Recognition and Measurement" for accounting of such derivative contracts, not covered under Accounting Standard (AS) 11 "The Effects of Changes in Foreign Exchange Rates", as mandated by the ICAI in the aforesaid announcement.

Accordingly, the resultant gains or losses on fair valuation/settlement of the derivative contracts (including embedded derivatives) covered under Accounting Standard (AS) 30 "Financial Instruments: Recognition and Measurement" are recognised in the Statement of Profit and Loss or Balance Sheet as the case may be after applying the test of hedge

Notes forming part of the Consolidated Accounts (contd.)

NOTE [R] SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

effectiveness. Where the hedge in respect of off-balance sheet items is effective, the gains or losses are recognised in the "hedging reserve" which forms part of "reserves and surplus" in the Balance Sheet. The amount recognised in the "hedging reserve" is transferred to the Statement of Profit and Loss in the period in which the underlying hedged item affects the Statement of Profit and Loss. Gains and losses in respect of ineffective hedges are recognised in the Statement of Profit and Loss in the period in which such gains or losses are incurred.

h. The premium paid/received on a foreign currency forward contract is accounted as expense/income over the life of the contract.

21. Segment accounting

a. Segment accounting policies

Segment accounting policies are in line with the accounting policies of the Company. In addition, the following specific accounting policies have been followed for segment reporting:

i. Segment revenue includes sales and other operational revenue directly identifiable with/allocable to the segment including (a) inter segment revenue and (b) profit on sale of stake in the subsidiary and/or joint venture companies under Developmental projects segment and Realty business grouped under "Others" segment.

ii. Expenses that are directly identifiable with/allocable to segments are considered for determining the segment result. In respect of (a) Financial Services Segment and (b) certain projects under Developmental Projects segment viz. power generation projects & power transmission system projects which are classified as finance lease and annuity based road projects, the interest expenses on borrowings are accounted as segment expenses. Expenses which relate to the Company as a whole and not allocable to segments are included under "unallocable corporate expenditure".

iii. Income which relates to the Company as a whole and not allocable to segments is included in "unallocable corporate income".

iv. Segment result includes margins on inter-segment capital jobs, which are reduced in arriving at the profit before tax of the Company.

v. Segment assets and liabilities include those directly identifiable with the respective segments. In respect of (a) financial services segment, and (b) certain projects under developmental projects segment viz. power generation projects & power transmission system projects which are classified as finance lease and annuity based road projects, segment liabilities include borrowings as the interest expenses on borrowings are accounted as segment expenses in respect of the segment and projects.

Unallocable corporate assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

vi. Segment non-cash expenses forming part of segment expenses include the intrinsic value of the employee stock options which is accounted as employee compensation cost [Note R(19)] and is allocated to the segment.

b. Inter-segment transfer pricing

Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer price agreed between the segments. Such transfer prices are either determined to yield a desired margin or agreed on a negotiated basis.

22. Taxes on income

a. Indian companies:

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961 and based on the expected outcome of assessments/appeals.

Deferred tax is recognised on timing differences between the income accounted in financial statements and the taxable income for the year, and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Notes forming part of the Consolidated Accounts (contd.)

NOTE [R] SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

Deferred tax assets relating to unabsorbed depreciation/business losses/losses under the head "capital gains" are recognised and carried forward to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Other deferred tax assets are recognised and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

b. Foreign companies:

Foreign companies recognise tax liabilities and assets in accordance with the applicable local laws.

23. Provisions, contingent liabilities and contingent assets

Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if

a. the Company has a present obligation as a result of a past event

b. a probable outflow of resources is expected to settle the obligation and

c. the amount of the obligation can be reliably estimated

Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received. Contingent liability is disclosed in case of

a. a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation

b. a present obligation arising from past events, when no reliable estimate is possible

c. a possible obligation arising from past events, where the probability of outflow of resources is not remote

Contingent assets are neither recognised, nor disclosed.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

24. Commitments

Commitments are future liabilities for contractual expenditure.

Commitments are classified and disclosed as follows:

a. Estimated amount of contracts remaining to be executed on capital account and not provided for

b. Uncalled liability on shares and other investments partly paid

c. Funding related commitments to associate and joint venture companies and

d. Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

25. Operating cycle for current and non-current classification

Operating cycle for the business activities of the Company covers the duration of the specific project/contract/product line/service including the defect liability period, wherever applicable and extends up to the realisation of receivables (including retention monies) within the agreed credit period normally applicable to the respective lines of business.

26. Deferred payment liabilities

The obligation towards additional concession fee payable to NHAI is recognised as deferred payment liability when the Company, in its capacity of Concessionaire, becomes entitled to exercise the right and collect toll in accordance with the terms of the concession agreement on Commercial Operations Date.

Notes forming part of the Consolidated Accounts (contd.)

NOTE [R] SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

27. Cash flow statement

Cash flow statement is prepared segregating the cash flows from operating, investing and financing activities. Cash flow from operating activities is reported using indirect method. Under the indirect method, the net profit is adjusted for the effects of:

a. transactions of a non-cash nature

b. any deferrals or accruals of past or future operating cash receipts or payments and

c. items of income or expense associated with investing or financing cash flows

Cash and cash equivalents (including bank balances) are reflected as such in the Cash Flow Statement. Those cash and cash equivalents which are not available for general use as on the date of Balance Sheet are also included under this category with a specific disclosure.

Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

Part A: "Subsidiaries"

₹ crore

Sr. no.	Sr. no.	1	2	3	4	5	6	7	8
	Particulars	**L&T Cutting Tools Limited**	**Bhilai Power Supply Company Limited**	**L&T-Sargent & Lundy Limited**	**Spectrum Infotech Private Limited**	**L&T-Valdel Engineering Limited**	**L&T Shipbuilding Limited**	**L&T Electricals and Automation Limited**	**Hi-Tech Rock Products & Aggregates Limited**
	Financial year ending on	**31-Mar-16**	**31-Mar-16**	**31-Mar-16**	**31-Mar-16**	**31-Mar-16**	**31-Mar-16**	**31-Mar-16**	**31-Mar-16**
	Currency								
	Exchange rate on the last day of financial year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
1	Share capital (including share application money pending allotment)	6.80	0.05	5.57	0.44	1.18	2315.86	0.05	0.05
2	Reserves	30.07	–	51.47	17.35	70.23	(2215.54)	(0.02)	4.27
3	Liabilities	44.82	8.81	72.58	13.31	27.14	4873.58	0.03	43.85
4	Total liabilities	81.69	8.86	129.62	31.10	98.55	4973.90	0.06	48.17
5	Total assets	81.69	8.86	129.62	31.10	98.55	4973.90	0.06	48.17
6	Investments	0.01	–	64.90	–	0.35	8.39	–	–
7	Turnover	159.00	–	131.29	17.04	123.23	548.05	–	145.87
8	Profit before taxation	20.52	–	24.14	1.89	18.34	(689.08)	–	3.33
9	Provision for taxation	3.97	–	7.45	0.63	6.90	–	–	1.27
10	Profit after taxation	16.55	–	16.69	1.26	11.44	(689.08)	–	2.06
11	Interim dividend - equity	(14.28)	–	(19.16)	–	–	–	–	–
12	Interim dividend - Preference	–	–	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–	–	–
15	% of share holding	100.00	99.90	50.0001	100.00	100.00	97.00	100.00	100.00

Sr. no.	Sr. no.	9	10	11	12	13	14	15	16
	Particulars	**L&T Seawoods Limited**	**L&T-Gulf Private Limited**	**L&T-MHPS Boilers Private Limited**	**L&T-MHPS Turbine Generators Private Limited**	**Raykal Aluminium Company Private Limited**	**L&T Special Steels and Heavy Forgings Private Limited**	**PNG Tollway Limited**	**Kesun Iron & Steel Company Private Limited**
	Financial year ending on	**31-Mar-16**	**31-Mar-16**	**31-Mar-16**	**31-Mar-16**	**31-Mar-16**	**31-Mar-16**	**31-Mar-16**	**31-Mar-16**
	Currency								
	Exchange rate on the last day of financial year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
1	Share capital (including share application money pending allotment)	2233.20	8.00	234.10	710.60	0.05	566.60	292.22	0.01
2	Reserves	945.76	14.68	519.98	(508.95)	0.36	(1074.77)	(369.14)	(0.26)
3	Liabilities	383.18	6.12	2669.02	2440.45	0.53	2119.99	1737.75	0.26
4	Total liabilities	3562.14	28.80	3423.10	2642.10	0.94	1611.82	1660.83	0.01
5	Total assets	3562.14	28.80	3423.10	2642.10	0.94	1611.82	1660.83	0.01
6	Investments	0.64	0.39	457.34	–	–	–	0.09	–
7	Turnover	229.21	19.33	1711.70	718.27	–	94.63	84.90	–
8	Profit before taxation	14.51	3.04	362.86	(86.98)	(0.03)	(284.27)	(144.67)	–
9	Provision for taxation	3.10	1.05	105.33	(0.31)	–	–	–	–
10	Profit after taxation	11.41	1.99	257.53	(86.67)	(0.03)	(284.27)	(144.67)	–
11	Interim dividend - equity	–	–	–	–	–	–	–	–
12	Interim dividend - Preference	–	–	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–	–	–
15	% of share holding	100.00	50.0002	51.00	51.00	75.50	74.00	72.11	95.00

Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

Part A: "Subsidiaries" *(contd.)*

₹ *crore*

Sr. no.	Sr. no.	17	18	19	20	21	22	23	24
	Particulars	**L&T Howden Private Limited**	**L&T Sapura Shipping Private Limited**	**L&T Sapura Offshore Private Limited**	**Ewac Alloys Limited**	**L&T Kobelco Machinery Private Limited**	**L&T Valves Limited**	**L&T Realty Limited**	**Chennai Vision Developers Private Limited**
	Financial year ending on	**31-Mar-16**	**31-Mar-16**	**31-Mar-16**	**31-Mar-16**	**31-Mar-16**	**31-Mar-16**	**31-Mar-16**	**31-Mar-16**
	Currency								
	Exchange rate on the last day of financial year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
1	Share capital (including share application money pending allotment)	30.00	158.85	0.01	8.29	50.00	18.00	695.46	0.01
2	Reserves	6.33	39.56	0.86	87.59	(16.79)	502.64	51.81	(0.02)
3	Liabilities	126.10	491.27	13.76	74.88	58.57	739.18	297.76	0.02
4	Total liabilities	162.43	689.68	14.63	170.76	91.78	1259.82	1045.03	0.01
5	Total assets	162.43	689.68	14.63	170.76	91.78	1259.82	1045.03	0.01
6	Investments	–	–	–	20.42	2.00	–	80.25	–
7	Turnover	137.98	198.93	6.28	220.64	100.08	1465.32	294.85	–
8	Profit before taxation	27.53	22.57	1.22	52.41	3.64	208.75	328.17	0.01
9	Provision for taxation	11.37	0.52	0.26	18.01	0.01	70.84	46.11	–
10	Profit after taxation	16.16	22.05	0.96	34.40	3.63	137.91	282.06	0.01
11	Interim dividend - equity	–	–	–	(25.05)	–	–	–	–
12	Interim dividend - Preference	–	–	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–	–	–
15	% of share holding	50.10	60.00	60.00	100.00	51.00	100.00	100.00	100.00

Sr. no.	Sr. no.	25	26	27	28	29	30	31	32
	Particulars	**L&T South City Projects Limited**	**L&T Vision Ventures Limited**	**L&T Power Limited**	**L&T Cassidian Limited**	**L&T General Insurance Company Limited**	**L&T Aviation Services Private Limited**	**Larsen & Toubro Infotech Limited**	**GDA Technologies Limited**
	Financial year ending on	**31-Mar-16**	**31-Mar-16**	**31-Mar-16**	**31-Mar-16**	**31-Mar-16**	**31-Mar-16**	**31-Mar-16**	**31-Mar-16**
	Currency								
	Exchange rate on the last day of financial year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
1	Share capital (including share application money pending allotment)	56.48	0.05	0.05	0.05	705.00	45.60	16.98	0.17
2	Reserves	77.58	(4.65)	4.59	(0.01)	(562.71)	(1.43)	1846.29	36.91
3	Liabilities	208.92	10.84	0.07	–	581.23	62.65	1374.76	0.01
4	Total liabilities	342.98	6.24	4.71	0.04	723.52	106.82	3238.03	37.09
5	Total assets	342.98	6.24	4.71	0.04	723.52	106.82	3238.03	37.09
6	Investments	–	–	4.69	–	595.11	–	322.36	36.19
7	Turnover	0.74	–	–	–	288.69	27.58	5569.52	–
8	Profit before taxation	(5.55)	(0.02)	0.21	–	(102.02)	0.03	1153.17	1.91
9	Provision for taxation	(11.25)	–	–	–	–	(0.06)	215.04	0.07
10	Profit after taxation	5.70	(0.02)	0.21	–	(102.02)	0.09	938.13	1.84
11	Interim dividend - equity	–	–	–	–	–	–	(546.73)	–
12	Interim dividend - Preference	–	–	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–	(44.15)	–
14	Proposed dividend - preference	–	–	–	–	–	–	–	–
15	% of share holding	51.00	68.00	99.99	74.00	100.00	100.00	94.96	94.96

Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

Part A: "Subsidiaries" *(contd.)*

₹ crore

Sr. no.	Sr. no.	33	34	35	36	37	38	39	40
	Particulars	**L&T Finance Holdings Limited**	**L&T Housing Finance Limited**	**Consumer Financial Services Limited**	**Family Credit Limited**	**L&T Finance Limited**	**L&T Capital Markets Limited**	**L&T Investment Management Limited**	**L&T Mutual Fund Trustee Limited**
	Financial year ending on	**31-Mar-16**	**31-Mar-16**	**31-Mar-16**	**31-Mar-16**	**31-Mar-16**	**31-Mar-16**	**31-Mar-16**	**31-Mar-16**
	Currency								
	Exchange rate on the last day of financial year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
1	Share capital (including share application money pending allotment)	3084.86	121.40	1.00	204.31	238.42	47.75	251.82	0.15
2	Reserves	2102.47	473.00	(0.61)	427.66	1896.45	(40.79)	238.63	1.42
3	Liabilities	767.52	6987.03	–	4771.56	13107.21	7.59	30.78	0.03
4	Total liabilities	5954.85	7581.43	0.39	5403.53	15242.08	14.55	521.23	1.60
5	Total assets	5954.85	7581.43	0.39	5403.53	15242.08	14.55	521.23	1.60
6	Investments	5571.01	638.83	–	43.61	143.07	5.28	79.37	1.34
7	Turnover	348.50	657.85	0.01	776.22	2338.45	28.97	245.19	0.05
8	Profit before taxation	368.09	89.29	–	134.32	317.59	(23.73)	(51.90)	0.04
9	Provision for taxation	(9.95)	31.25	–	46.92	110.37	–	–	0.01
10	Profit after taxation	378.04	58.04	–	87.40	207.22	(23.73)	(51.90)	0.03
11	Interim dividend - equity	(0.06)	–	–	–	(301.98)	–	–	–
12	Interim dividend - Preference	(162.07)	–	–	–	–	–	–	–
13	Proposed dividend - equity	(140.27)	–	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–	–	–
15	% of share holding	66.71	66.71	66.71	66.71	66.71	66.71	66.71	66.71

Sr. no.	Sr. no.	41	42	43	44	45	46	47	48
	Particulars	**L&T FinCorp Limited**	**L&T Infrastructure Finance Company Limited**	**L&T Infra Debt Fund Limited**	**L&T Infra Investment Partners Advisory Private Limited**	**L&T infra Investment Partners Trustee Private Limited**	**L&T Vrindavan Properties Limited**	**L&T Access Distribution Services Limited**	**Mudit Cement Private Limited**
	Financial year ending on	**31-Mar-16**	**31-Mar-16**	**31-Mar-16**	**31-Mar-16**	**31-Mar-16**	**31-Mar-16**	**31-Mar-16**	**31-Mar-16**
	Currency								
	Exchange rate on the last day of financial year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
1	Share capital (including share application money pending allotment)	272.97	846.25	570.97	5.00	0.10	18.75	6.00	2.10
2	Reserves	746.50	2017.11	150.53	3.18	(0.05)	71.59	(17.24)	(10.25)
3	Liabilities	6398.38	21367.89	1896.03	2.55	0.02	411.15	15.77	44.58
4	Total liabilities	7417.85	24231.25	2617.53	10.73	0.07	501.49	4.53	36.43
5	Total assets	7417.85	24231.25	2617.53	10.73	0.07	501.49	4.53	36.43
6	Investments	325.26	2037.34	181.75	8.59	0.07	19.10	–	–
7	Turnover	773.19	2382.00	81.47	11.88	0.03	10.87	4.87	–
8	Profit before taxation	279.06	353.51	39.29	8.56	0.01	(21.70)	(0.41)	(3.95)
9	Provision for taxation	95.69	113.47	–	2.65	–	2.60	4.24	1.71
10	Profit after taxation	183.37	240.04	39.29	5.91	0.01	(24.30)	(4.65)	(5.66)
11	Interim dividend - equity	–	–	–	–	–	–	–	–
12	Interim dividend - Preference	–	–	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	(5.02)	–	–	–	–	–
15	% of share holding	66.71	66.71	66.71	66.71	66.71	66.71	66.71	66.71

Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

Part A: "Subsidiaries" *(contd.)*

₹ *crore*

Sr. no.	Sr. no.	49	50	51	52	53	54	55	56
	Particulars	**L&T Capital Company Limited**	**L&T Trustee Company Private Limited**	**L&T Power Development Limited**	**L&T Uttaranchal Hydropower Limited**	**L&T Arunachal Hydropower Limited**	**L&T Himachal Hydropower Limited**	**Nabha Power Limited**	**L&T Infrastructure Development Projects Limited**
	Financial year ending on	**31-Mar-16**	**31-Mar-16**	**31-Mar-16**	**31-Mar-16**	**31-Mar-16**	**31-Mar-16**	**31-Mar-16**	**31-Mar-16**
	Currency								
	Exchange rate on the last day of financial year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
1	Share capital (including share application money pending allotment)	0.05	0.01	3112.70	287.25	40.01	196.08	2397.60	2321.06
2	Reserves	6.35	(0.01)	3.01	484.79	0.20	(0.27)	561.69	2665.95
3	Liabilities	6.57	–	1.92	31.23	0.54	0.97	8406.51	1174.33
4	Total liabilities	12.97	–	3117.63	803.27	40.75	196.78	11365.80	6161.34
5	Total assets	12.97	–	3117.63	803.27	40.75	196.78	11365.80	6161.34
6	Investments	5.56	–	3105.40	1.51	0.05	0.06	–	4652.83
7	Turnover	2.97	–	11.41	–	–	–	3298.35	1013.50
8	Profit before taxation	5.23	–	1.27	0.75	–	(0.26)	250.64	(557.01)
9	Provision for taxation	1.06	–	0.47	0.06	–	–	54.43	1.93
10	Profit after taxation	4.17	–	0.80	0.69	–	(0.26)	196.21	(558.94)
11	Interim dividend - equity	–	–	–	–	–	–	–	–
12	Interim dividend - Preference	–	–	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–	–	–
15	% of share holding	100.00	100.00	100.00	100.00	100.00	100.00	100.00	97.45

Sr. no.	Sr. no.	57	58	59	60	61	62	63	64
	Particulars	**L&T Panipat Elevated Corridor Limited**	**L&T Krishnagiri Thopur Toll Road Limited**	**L&T Western Andhra Tollways Limited**	**L&T Vadodara Bharuch Tollway Limited**	**L&T Transportation Infrastructure Limited**	**L&T Western India Tollbridge Limited**	**L&T Interstate Road Corridor Limited**	**L&T Port Kachchigarh Limited**
	Financial year ending on	**31-Mar-16**	**31-Mar-16**	**31-Mar-16**	**31-Mar-16**	**31-Mar-16**	**31-Mar-16**	**31-Mar-16**	**31-Mar-16**
	Currency								
	Exchange rate on the last day of financial year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
1	Share capital (including share application money pending allotment)	84.30	78.75	56.50	43.50	41.40	13.95	57.16	4.16
2	Reserves	(303.99)	(102.39)	(73.93)	(328.72)	115.17	18.83	9.87	(4.60)
3	Liabilities	659.03	573.85	258.21	1028.22	106.54	0.15	408.86	0.44
4	Total liabilities	439.34	550.21	240.78	743.00	263.11	32.93	475.89	–
5	Total assets	439.34	550.21	240.78	743.00	263.11	32.93	475.89	–
6	Investments	14.96	29.05	27.88	44.37	5.30	0.50	72.93	–
7	Turnover	59.07	128.19	63.25	282.13	25.78	–	86.42	–
8	Profit before taxation	(29.06)	13.41	(2.94)	9.86	17.93	2.49	(17.44)	(0.03)
9	Provision for taxation	–	2.86	–	2.01	(2.34)	0.54	0.23	–
10	Profit after taxation	(29.06)	10.55	(2.94)	7.85	20.27	1.95	(17.67)	(0.03)
11	Interim dividend - equity	–	–	–	–	–	–	–	–
12	Interim dividend - Preference	–	–	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–	–	–
15	% of share holding	97.45	97.45	97.45	97.45	98.12	97.45	97.45	97.45

Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

Part A: "Subsidiaries" *(contd.)*

₹ *crore*

Sr. no.	Sr. no.	65	66	67	68	69	70	71	72
	Particulars	**L&T Ahmedabad -Maliya Tollway Limited**	**L&T Halol -Shamlaji Tollway Limited**	**L&T Krishnagiri Walajahpet Tollway Limited**	**L&T Devihalli Hassan Tollway Limited**	**L&T Metro Rail (Hyderabad) Limited**	**L&T Chennai -Tada Tollway Limited**	**L&T BPP Tollway Limited**	**L&T Rajkot -Vadinar Tollway Limited**
	Financial year ending on	**31-Mar-16**	**31-Mar-16**	**31-Mar-16**	**31-Mar-16**	**31-Mar-16**	**31-Mar-16**	**31-Mar-16**	**31-Mar-16**
	Currency								
	Exchange rate on the last day of financial year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
1	Share capital (including share application money pending allotment)	346.32	389.52	90.00	90.00	2030.66	42.00	247.20	228.04
2	Reserves	(283.52)	(365.29)	(11.82)	148.63	(6.48)	(0.19)	(51.45)	(269.78)
3	Liabilities	1375.99	1208.75	1046.58	317.25	8080.89	390.80	10381.57	1036.98
4	Total liabilities	1438.79	1232.98	1124.76	555.88	10105.07	432.61	10577.32	995.24
5	Total assets	1438.79	1232.98	1124.76	555.88	10105.07	432.61	10577.32	995.24
6	Investments	40.19	–	4.80	1.80	29.26	–	26.72	1.21
7	Turnover	152.84	74.80	124.28	37.68	–	–	242.37	91.76
8	Profit before taxation	(53.98)	(96.91)	(4.85)	(14.64)	(7.14)	–	(47.66)	(56.64)
9	Provision for taxation	0.03	–	–	0.02	–	–	–	–
10	Profit after taxation	(54.01)	(96.91)	(4.85)	(14.66)	(7.14)	–	(47.66)	(56.64)
11	Interim dividend - equity	–	–	–	–	–	–	–	–
12	Interim dividend - Preference	–	–	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–	–	–
15	% of share holding	97.45	97.45	97.45	97.45	97.48	97.45	97.45	97.45

Sr. no.	Sr. no.	73	74	75	76	77	78	79	80
	Particulars	**L&T Deccan Tollways Limited**	**L&T Samakhiali Gandhidham Tollway Limited**	**Kudgi Transmission Limited**	**L&T Sambalpur-Rourkela Tollway Limited**	**L&T Technology Services Limited**	**L&T Construction Equipment Limited**	**L&T Infrastructure Engineering Limited**	**L&T Thales Technology Services Private Limited**
	Financial year ending on	**31-Mar-16**	**31-Mar-16**	**31-Mar-16**	**31-Mar-16**	**31-Mar-16**	**31-Mar-16**	**31-Mar-16**	**31-Mar-16**
	Currency								
	Exchange rate on the last day of financial year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
1	Share capital (including share application money pending allotment)	152.50	126.03	192.60	215.85	1050.00	120.00	3.60	2.05
2	Reserves	(2.20)	(62.23)	(2.15)	(2.45)	66.25	115.88	31.41	(5.21)
3	Liabilities	652.93	3423.18	1155.71	466.33	706.48	293.31	20.74	28.88
4	Total liabilities	803.23	3486.98	1346.16	679.73	1822.73	529.19	55.75	25.72
5	Total assets	803.23	3486.98	1346.16	679.73	1822.73	529.19	55.75	25.72
6	Investments	7.05	0.14	7.47	2.63	61.63	35.30	–	–
7	Turnover	–	110.68	–	–	2894.04	460.51	39.79	36.75
8	Profit before taxation	(1.13)	(58.64)	(0.59)	(1.08)	552.01	1.02	1.37	(1.82)
9	Provision for taxation	–	–	0.01	–	117.77	0.43	0.54	–
10	Profit after taxation	(1.13)	(58.64)	(0.60)	(1.08)	434.24	0.59	0.83	(1.82)
11	Interim dividend - equity	–	–	–	–	(227.00)	–	–	–
12	Interim dividend - Preference	–	–	–	–	(75.00)	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–	–	–
15	% of share holding	97.45	97.45	97.45	97.45	100.00	100.00	100.00	74.00

Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

Part A: "Subsidiaries" *(contd.)*

₹ *crore*

Sr. no.	Sr. no.	81	82	83	84	85	86	87	88
	Particulars	**L&T Hydrocarbon Engineering Limited**	**Larsen & Toubro LLC**	**Larsen & Toubro Infotech GmbH**	**Larsen & Toubro Infotech Canada Limited**	**Larsen & Toubro Infotech LLC**	**L&T Infotech Financial Services Technologies Inc.**	**Larsen & Toubro Infotech South Africa (PTY) Limited**	**L&T Information Technology Services (Shanghai) Co. Ltd.**
	Financial year ending on	**31-Mar-16**	**31-Dec-15**	**31-Mar-16**	**31-Mar-16**	**31-Mar-16**	**31-Mar-16**	**31-Mar-16**	**31-Dec-15**
	Currency		**USD**	**EURO**	**CAD**	**USD**	**CAD**	**ZAR**	**CNY**
	Exchange rate on the last day of financial year	**–**	**66.16**	**75.37**	**51.22**	**66.25**	**51.22**	**4.49**	**10.23**
1	Share capital (including share application money pending allotment)	1760.05	0.35	0.11	–	–	280.00	0.27	1.10
2	Reserves	(484.17)	2.07	28.07	10.04	11.26	47.11	1.80	(0.60)
3	Liabilities	4350.46	0.52	10.50	5.23	0.54	26.44	22.26	1.91
4	Total liabilities	5626.34	2.94	38.68	15.27	11.80	353.55	24.33	2.41
5	Total assets	5626.34	2.94	38.68	15.27	11.80	353.55	24.33	2.41
6	Investments	228.74	–	–	–	–	–	–	–
7	Turnover	7111.24	7.95	93.41	67.56	13.35	235.50	56.41	4.19
8	Profit before taxation	127.02	0.25	6.50	4.06	1.25	27.09	0.79	0.22
9	Provision for taxation	40.55	0.05	0.82	0.98	–	7.74	0.27	–
10	Profit after taxation	86.47	0.20	5.68	3.08	1.25	19.35	0.52	0.22
11	Interim dividend - equity	–	–	–	–	–	–	–	–
12	Interim dividend - Preference	–	–	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–	–	–
15	% of share holding	100.00	100.00	94.96	94.96	94.96	94.96	71.12	94.96

Sr. no.	Sr. no.	89	90	91	92	93	94	95	96
	Particulars	**L&T Infrastructure Development Projects Lanka (Private) Limited**	**L&T IDPL Trustee Manager Pte Ltd.**	**L&T Realty FZE**	**Larsen & Toubro International FZE**	**Larsen & Toubro Hydrocarbon International Limited LLC**	**Thalest Limited**	**Servowatch Systems Limited**	**Larsen & Toubro (Oman) LLC**
	Financial year ending on	**31-Mar-16**	**31-Mar-16**	**31-Dec-15**	**31-Mar-16**	**31-Dec-15**	**31-Mar-16**	**31-Mar-16**	**31-Dec-15**
	Currency	**LKR**	**SGD**	**AED**	**USD**	**SAR**	**GBP**	**GBP**	**OMR**
	Exchange rate on the last day of financial year	**0.46**	**49.24**	**18.01**	**66.25**	**17.64**	**95.45**	**95.45**	**171.83**
1	Share capital (including share application money pending allotment)	70.25	6.16	16.21	1817.50	0.88	1.28	24.34	25.04
2	Reserves	(2.71)	(5.28)	(6.20)	(981.99)	(0.93)	6.85	(30.33)	313.47
3	Liabilities	26.89	0.04	0.13	461.43	5.98	0.06	48.86	2436.57
4	Total liabilities	94.43	0.92	10.14	1296.94	5.93	8.19	42.87	2775.08
5	Total assets	94.43	0.92	10.14	1296.94	5.93	8.19	42.87	2775.08
6	Investments	–	–	–	382.29	–	–	–	–
7	Turnover	–	–	–	–	–	–	87.67	2930.84
8	Profit before taxation	1.18	(0.80)	0.34	(389.88)	(0.51)	(0.24)	1.49	3.81
9	Provision for taxation	0.06	–	–	–	–	0.06	–	2.04
10	Profit after taxation	1.12	(0.80)	0.34	(389.88)	(0.51)	(0.30)	1.49	1.77
11	Interim dividend - equity	–	–	–	–	–	–	–	–
12	Interim dividend - Preference	–	–	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–	–	–
15	% of share holding	93.48	97.45	100.00	100.00	100.00	100.00	100.00	65.00

Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

Part A: "Subsidiaries" *(contd.)*

₹ crore

Sr. no.	Sr. no.	97	98	99	100	101	102	103
	Particulars	**Larsen & Toubro Electromech LLC**	**L&T Modular Fabrication Yard LLC**	**Larsen & Toubro (East Asia) Sdn. Bhd.**	**Larsen & Toubro Qatar LLC**	**L&T Overseas Projects Nigeria Limited**	**L&T Electricals & Automation Saudi Arabia Company LLC**	**Larsen & Toubro Kuwait Construction General Contracting Company, WLL**
	Financial year ending on	**31-Dec-15**	**31-Dec-15**	**31-Mar-15**	**31-Dec-15**	**31-Dec-15**	**31-Mar-16**	**31-Dec-15**
	Currency	**OMR**	**OMR**	**MYR**	**QAR**	**NGN**	**SAR**	**KWD**
	Exchange rate on the last day of financial year	**171.83**	**171.83**	**16.88**	**18.17**	**0.34**	**17.66**	**217.54**
1	Share capital (including share application money pending allotment)	5.15	49.57	1.27	0.36	0.34	31.78	43.51
2	Reserves	(95.93)	(155.68)	(0.64)	0.32	(0.29)	(25.95)	(43.77)
3	Liabilities	366.63	361.55	4.91	0.78	0.03	126.61	33.91
4	Total liabilities	275.85	255.44	5.54	1.46	0.08	132.44	33.65
5	Total assets	275.85	255.44	5.54	1.46	0.08	132.44	33.65
6	Investments	–	–	–	–	–	–	–
7	Turnover	479.05	342.24	2.31	0.65	–	72.23	–
8	Profit before taxation	(16.31)	(36.97)	(0.39)	0.02	–	(21.23)	(6.66)
9	Provision for taxation	0.16	–	–	–	–	–	–
10	Profit after taxation	(16.47)	(36.97)	(0.39)	0.02	–	(21.23)	(6.66)
11	Interim dividend - equity	–	–	–	–	–	–	–
12	Interim dividend - Preference	–	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–	–
15	% of share holding	65.00	65.00	30.00	49.00	100.00	100.00	49.00

Sr. no.	Sr. no.	104	105	106	107	108	109	110	111	112
	Particulars	**Larsen & Toubro Readymix & Asphalt Concrete Industries LLC**	**Larsen & Toubro Saudi Arabia LLC**	**Larsen Toubro Arabia LLC**	**Larsen & Toubro ATCO Saudia LLC**	**Tamco Switchgear (Malaysia) Sdn. Bhd.**	**Henikwon Corporation Sdn. Bhd.**	**Tamco Electrical Industries Australia Pty Ltd.**	**PT Tamco Indonesia**	**Larsen & Toubro Heavy Engineering LLC**
	Financial year ending on	**31-Mar-16**	**31-Dec-15**	**31-Dec-15**	**31-Dec-15**	**31-Mar-16**	**31-Mar-16**	**31-Mar-16**	**31-Dec-15**	**31-Dec-15**
	Currency	**AED**	**SAR**	**SAR**	**SAR**	**MYR**	**MYR**	**AUD**	**IDR**	**OMR**
	Exchange rate on the last day of financial year	**18.03**	**17.64**	**17.64**	**17.64**	**16.99**	**16.99**	**50.95**	**0.01**	**171.83**
1	Share capital (including share application money pending allotment)	1.80	25.36	17.64	1.76	169.87	10.96	83.92	0.25	97.34
2	Reserves	(17.66)	(162.78)	(71.11)	(437.33)	404.53	(20.84)	(70.43)	(43.58)	(117.32)
3	Liabilities	106.73	969.47	493.89	723.77	323.89	29.16	4.40	102.68	464.63
4	Total liabilities	90.87	832.05	440.42	288.20	898.29	19.28	17.89	59.35	444.65
5	Total assets	90.87	832.05	440.42	288.20	898.29	19.28	17.89	59.35	444.65
6	Investments	–	–	–	–	–	–	–	–	–
7	Turnover	115.85	1621.27	775.61	312.89	787.50	55.49	10.89	52.56	266.72
8	Profit before taxation	0.85	11.79	(45.82)	217.96	76.62	2.96	(11.25)	4.95	(13.72)
9	Provision for taxation	–	2.77	–	–	9.44	0.02	–	0.12	1.49
10	Profit after taxation	0.85	9.02	(45.82)	217.96	67.18	2.94	(11.25)	4.83	(15.21)
11	Interim dividend - equity	–	–	–	–	–	–	–	–	–
12	Interim dividend - Preference	–	–	–	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–	–	–	–
15	% of share holding	49.00	100.00	75.00	75.00	100.00	100.00	100.00	100.00	70.00

Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

Part A: "Subsidiaries" *(contd.)*

₹ *crore*

Sr. no.	Sr. no.	113	114	115	116	117	118	119	120	121
	Particulars	L&T Electrical & Automation FZE	Kana Controls General Trading & Contracting Company W.L.L.	Larsen & Toubro T&D SA (Proprietary) Limited	L&T Technology Services LLC	L&T Infotech Austria GMBH LLC	Marine Infrastructure Developer Private Limited	L&T Global Holdings Limited	LTH Milcom Private Limited	L&T Information Technology Spain SL
	Financial year ending on	31-Mar-16	31-Mar-16	31-Mar-16	31-Mar-16	31-Mar-16	31-Mar-16	31-Mar-16	31-Mar-16	31-Mar-16
	Currency	AED	KWD	ZAR	USD	EURO		USD		EURO
	Exchange rate on the last day of financial year	18.03	219.31	4.49	66.25	75.37	–	66.25	–	75.37
1	Share capital (including share application money pending allotment)	1.80	2.19	3.37	0.07	0.26	0.01	0.66	0.20	0.37
2	Reserves	136.24	(3.47)	(1.08)	(22.13)	(0.05)	–	(0.51)	(0.09)	(0.06)
3	Liabilities	240.08	21.36	0.40	124.06	0.04	–	1159.59	0.09	0.11
4	Total liabilities	378.12	20.08	2.69	102.00	0.25	0.01	1159.74	0.20	0.42
5	Total assets	378.12	20.08	2.69	102.00	0.25	0.01	1159.74	0.20	0.42
6	Investments	–	–	–	–	–	–	1136.29	–	–
7	Turnover	275.43	20.62	–	184.86	–	–	–	–	–
8	Profit before taxation	(50.84)	(2.14)	(0.03)	(15.93)	(0.04)	–	(0.51)	(0.09)	(0.08)
9	Provision for taxation	–	–	–	0.81	0.01	–	–	–	(0.02)
10	Profit after taxation	(50.84)	(2.14)	(0.03)	(16.74)	(0.05)	–	(0.51)	(0.09)	(0.06)
11	Interim dividend - equity	–	–	–	–	–	–	–	–	–
12	Interim dividend - Preference	–	–	–	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–	–	–	–
15	% of share holding	100.00	49.00	72.50	100.00	94.96	100.00	100.00	56.67	94.96

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
	Name of Associates/Joint ventures	**Feedback Infra Private Limited**	**L&T-Chiyoda Limited**	**International Seaports (Haldia) Private Limited**	**L&T Camp Facilities LLC**	**Rishi Consfab Private Limited**	**Vizag IT Park Limited**	**JSK Electicals Private Limited**
1	Latest audited Balance Sheet date	31-Mar-16	31-Mar-16	31-Mar-15	31-Dec-15	31-Mar-15	31-Mar-16	31-Mar-15
2	Shares of Associate/Joint Ventures held by the company at the year end							
	Number	37,90,000	45,00,000	98,30,000	2,450	–	–	–
	Amount of Investment in Associates/Joint Venture (₹ Crore)	37.90	4.50	9.83	4.42	–	–	–
	Total No of shares	1,63,61,704	90,00,000	4,40,58,020	5,000	1,04,00,000	90,00,000	81,54,000
	Extent of Holding %	15.74%	50.00%	21.74%	49.00%	–	–	–
3	Description of how there is significant influence	Refer Note 1						
4	Reason why the Associate/Joint Venture is not consolidated					Refer Note 5	Refer Note 5	Refer Note 5
5	Networth attributable to Shareholding as per latest audited Balance Sheet (₹ Crore)	11.88	41.63	15.32	1.70	–	–	–
6	Profit/Loss for the year (₹ Crore)							
	Considered in Consolidation	12.60	(20.33)	3.26	5.85	(0.92)	3.75	0.94
	Not Considered in Consolidation	–	–	–	–	–	–	–

Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

Part B: "Associates/Joint ventures" *(contd.)*

Sr. no.	Sr. no.	8	9	10	11	12	13
	Name of Associates/Joint ventures	**Larsen & Toubro Qatar & HBK Contracting LLC**	**Salzer Electronics Limited**	**Magtorq Private Limited**	**Gujarat Leather Industries Limited**	**Grameen Capital India Limited**	**Indiran Engineering Projects and Systems Kish PJSC**
1	Latest audited Balance Sheet date	31-Dec-15	31-Mar-15	31-Mar-16		31-Mar-15	31-Mar-16
2	Shares of Associate/Joint Ventures held by the company at the year end						
	Number	100	–	9,000	7,35,000	21,26,000	875
	Amount of Investment in Associates/Joint Venture (₹ Crore)	0.18	–	4.42	0.56	2.13	0.39
	Total No of shares	200	1,02,83,737	21,003	Refer Note 4	81,77,887	1,750
	Extent of Holding %	50.00%	–	42.85%	50.00%	23.87%	50.00%
3	Description of how there is significant influence	Refer Note 1					
4	Reason why the Associate/Joint Venture is not consolidated		Refer Note 5		Refer Note 4	Refer Note 3	Refer Note 2
5	Networth attributable to Shareholding as per latest audited Balance Sheet (₹ Crore)	(3.59)	–	4.58	–	–	(0.30)
6	Profit/Loss for the year (₹ Crore)						
	Considered in Consolidation	0.30	5.66	0.21	–	–	(0.54)
	Not Considered in Consolidation	–	–	–	–	(0.26)	–

Notes:

1. Significant influence is demonstrated by holding 20% or more of the voting power of the investee (Para 4 of AS 23 - Accounting for Investments in Associates)
2. The Incorporated joint venture is not required to be audited as per regulatory laws in Iran. Hence the management certified accounts have been considered for consolidation.
3. The associate company operates under severe long term restrictions that significantly impair its ability to transfer funds to the company and hence the same has not been considered for consolidation.
4. The associate company is under liquidation process and investment is fully provided in the accounts.
5. The Group has sold its stake in the associate companies during FY 2015-16.

A. M. NAIK
Group Executive Chairman (DIN 00001514)

R. SHANKAR RAMAN
Chief Financial Officer & Whole-time Director
(DIN 00019798)

M.M.CHITALE
(DIN 00101004)

VIKRAM SINGH MEHTA
(DIN 00041197)

SUSHOBHAN SARKER
(DIN 00088276)

SUNITA SHARMA
(DIN 02949529)

Directors

N.HARIHARAN
Company Secretary
M. No. A3471

Mumbai, May 25, 2016

NOTES

LARSEN & TOUBRO

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules 2014]

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: lgrc@larsentoubro.com, Website: www.larsentoubro.com

Name of the member(s)			
Registered Address			
Email ID			
Folio No./Client ID		DP ID	

I/We, being the member(s) of _____ shares of LARSEN & TOUBRO LIMITED, hereby appoint:

1) _____ of _____ having e-mail id _____ or failing him

2) _____ of _____ having e-mail id _____ or failing him

3) _____ of _____ having e-mail id _____

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Seventy First Annual General Meeting of the Company, to be held at Birla Matushri Sabhagar, 19, Marine Lines, Mumbai - 400 020 on Friday, August 26, 2016 at 3.00 p.m. and at any adjournment thereof in respect of such resolutions as are indicated below:

** I wish my above Proxy to vote in the manner as indicated in the box below:

Item No.	Resolutions	For	Against
1	Adoption of audited financial statements for the year ended March 31, 2016 and the Reports of the Board of Directors and Auditors thereon and the audited consolidated financial statements of the Company and the reports of the auditors thereon for the year ended March 31, 2016.		
2	Dividend on equity shares for the financial year 2015-16.		
3	Appoint Ms. Sunita Sharma (DIN: 02949529) as a Director liable to retire by rotation.		
4	Appoint Mr. S. N. Subrahmanyan (DIN: 02255382) as a Director liable to retire by rotation.		
5	Appoint Mr. A. M. Naik (DIN: 00001514) as a Director liable to retire by rotation.		
6	Appoint Mr. D. K. Sen (DIN: 03554707) as a Director liable to retire by rotation.		
7	Appoint Mr. M. V. Satish (DIN: 06393156) as a Director liable to retire by rotation.		
8	Appoint Ms. Naina Lal Kidwai (DIN: 00017806) as an Independent Director.		
9	Appoint Mr. S. N. Subrahmanyan (DIN: 02255382) as the Deputy Managing Director & President of the Company.		
10	Appoint Mr. D. K. Sen (DIN: 03554707) as a Whole-time Director of the Company.		
11	Appoint Mr. M. V. Satish (DIN: 06393156) as a Whole-time Director of the Company.		
12	Payment of commission to the Executive Chairman, Chief Executive Officer and Managing Director, if any, Deputy Managing Director and Whole-time Directors.		
13	Appoint Mr. R. Shankar Raman (DIN: 00019798) as a Whole-time Director of the Company.		
14	Appoint Mr. Shailendra N. Roy (DIN: 02144836) as a Whole-time Director of the Company.		
15	Appoint Mr. Sanjeev Aga (DIN: 00022065) as an Independent Director.		

Item No.	Resolutions	For	Against
16	Appoint Mr. Narayanan Kumar (DIN: 00007848) as an Independent Director.		
17	Raise funds through issue of convertible bonds and/or equity shares through depository receipts and including by way of Qualified Institution Placement ('QIP'), to Qualified Institutional Buyers ('QIB') for an amount not exceeding ₹ 3600 crore or US $ 600 million, whichever is higher.		
18	Issue listed/unlisted secured/unsecured redeemable non-convertible debentures, in one or more series/tranches/ currencies, aggregating up to ₹ 6000 crore.		
19	Ratification of appointment of M/s. Sharp & Tannan as Joint Statutory Auditors of the Company.		
20	Ratification of appointment of M/s. Deloitte Haskins & Sells LLP as Joint Statutory Auditors of the Company.		
21	Ratification of remuneration payable to M/s R. Nanabhoy & Co. Cost Accountants (Regn. No. 00010) for the financial year 2016-17.		

Signed this ..... day of 2016

Signature of shareholder : .....

Affix a 1 Rupee Revenue Stamp

Signature of proxy holder(s)

Note:

(1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

(2) A Proxy need not be a member of the Company.

(3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

**(4) This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

(5) Appointing a proxy does not prevent a member from attending the meeting in person if he/she so wishes.

(6) In the case of jointholders, the signature of any one holder will be sufficient, but names of all the jointholders should be stated.

LARSEN & TOUBRO LIMITED

Regd. Office : L&T House, Ballard Estate, Mumbai 400 001.
CIN: L99999MH1946PLC004768

Shareholder's Satisfaction Survey Form – 2016

Dear Shareholders,

It has been our constant endeavor to provide best of the services to our valuable shareholders and maintain highest level of Corporate Governance in this Company. In order to further improve shareholder service standards, we seek your inputs through this survey.

We would be grateful, if you could spare your valuable time to fill the questionnaire given below and send it back to us at the Registered Office address mentioned above. Alternatively, a softcopy of the questionnaire can be downloaded from the Investors section on our website www.Larsentoubro.com. The duly filled in questionnaire can be sent by e-mail to IGRC@Larsentoubro.com.

Thank You,

N. Hariharan
Company Secretary
M. No. A3471

Name & Address of the Shareholder _____

_____

_____

Folio No. / DP ID / Client ID _____

Kindly put a tick in relevant columns below.

ATTRIBUTES	Please indicate your satisfaction level		
	Delighted	**Satisfied**	**Dissatisfied**
Transfer/Transmission/Demat/Remat of Shares			
Issue of Duplicate Share Certificates			
Issue of shares – on demerger/bonus – 2004, 2006, 2008 & 2013			

ATTRIBUTES	Please indicate your satisfaction level		
	Delighted	**Satisfied**	**Dissatisfied**
Issue of duplicate dividend warrants			
Dividend through ECS/ Warrants/ Demand Drafts			
Responses to queries/complaints			
Interaction with Company/ R&T Agent personnel			
Presentation of information on Company's website			
Quality and Contents of Annual Report 2015-16			
Please give your overall rating of our investor service (1 to 5 where 1 = highly dissatisfied and 5 = highly statisfied)			
Did you find the e-mail id IGRC@Larsentoubro.com for redressal of Investors' Grievances useful?	YES / NO		
Give details of outstanding grievances, if any			
Any suggestions ?			

Date :

_____

Signature

Disclaimer: L&T will keep the information provided by you as confidential and it will not be used in any way that is detrimental to you.

NOTES

www.Larsentoubro.com

Pursuing Dreams
Partnering Growth



L&T partners the nation, industry and people to build a newer, brighter future. We offer talented young people the opportunity to grow professionally and augment our engineering and construction offerings to critical sectors, transforming glorious vision into glittering reality.

Technology I Engineering I Projects
Construction I Manufacturing

LARSEN & TOUBRO

Regd. Office: Larsen & Toubro Limited, L&T House, N. M. Marg, Ballard Estate, Mumbai - 400 001, INDIA CIN: L99999MH1946PLC004768

Developing Smarter Technology
Partnering Growth



L&T partners the nation, industry and people to build a newer, brighter future. As India's largest producer of low-tension switchgear, we develop smarter solutions to meet emerging needs. And transform glorious vision into glittering reality.

Technology I Engineering I Projects
Construction I Manufacturing

LARSEN & TOUBRO

Regd. Office: Larsen & Toubro Limited, L&T House, N. M. Marg, Ballard Estate, Mumbai - 400 001, INDIA CIN: L99999MH1946PLC004768

NOTES

AWARDS & RECOGNITION



Every year, L&T and its people receive a number of national and international awards that acknowledge its varied accomplishments. Presented by the media, industry associations, independent bodies and academia, they honour the Company's contribution in various spheres of business, technology, financial performance, growth and environmental protection.

For details of recent awards, please visit **www.Larsentoubro.com**

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