

INTEGRATED
ANNUAL REPORT
2023-24



ENGINEERING
A SUSTAINABLE FUTURE



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.





CHAIRMAN AND MANAGING DIRECTOR'S STATEMENT

S. N. Subrahmanyam

Dear Shareholders

India stands tall as an oasis of opportunity amidst global turmoil and supply chain disruptions. The Government's continuous efforts towards strengthening the domestic economy through **enhanced annual outlays for capital spending, policy shifts towards improving the ease of doing business and creation of a world-class digital infrastructure and payments platform** have all contributed towards fuelling an annual GDP growth rate of minimum 7% for the last three years, and over 8% in the year under review. The motif of '**Aatmanirbharta**' (self-reliance) pursued through innovative schemes like the Production Linked Incentive (PLI) scheme to provide an impetus to manufacturing, the Start-Up India scheme to create an ecosystem for entrepreneurship in digital and technology ventures and the creation of the National Infrastructure Pipeline have set a strong foundation to propel the realisation of a **Viksit Bharat with a USD 35 trillion economy size by 2047**.

During the year under review, your Company has benefitted from all the positive policy interventions and that is evident from the Company's stellar financial performance.

Group Businesses

Your Company's journey has been one of resilience, innovation, and unwavering commitment to excellence. The diverse business portfolio comprises of:

1. EPC Projects (Construction & Energy):

L&T's expertise in executing large-scale EPC projects is unparalleled. Your Company's indelible stamp of excellence graces iconic bridges, hydrocarbon facilities, large solar fields, and infrastructure across India and beyond.

Notable recent achievements include the Mumbai Trans Harbour Link (MTHL), Mumbai Coastal Road Phase 1, and Shree Ram Mandir Ayodhya. Internationally, your Company delivered

the 1.8 GWp Sudair Solar PV plant in Saudi Arabia, a gas compression facility in Algeria, contributed to blue hydrogen infrastructure in Rotterdam, Netherlands among various other projects.

2. Hi-Tech Manufacturing (Heavy Engineering and Precision Engineering & Systems):

Your Company's Heavy Engineering division remains a global leader, supplying bespoke industrial equipment. L&T is at the forefront of adapting to Industry 4.0 techniques, ensuring efficiency and quality.

The Precision Engineering & Systems business focusses on indigenous design and has proudly contributed to India's lunar programme through Chandrayaan-3.

3. Services (IT, Engineering, Digital, and Financial):

Your Company's listed arms continue to play pivotal roles, creating shareholder value:

LTIMindtree: India's 6th largest IT player is a beacon of IT innovation, bridging physical and digital realms.

L&T Technology Services (LTTS):

India's leading Engineering and Technology Services company provides cutting-edge ER&D solutions globally.

L&T Finance (LTF): Empowers millions of lives with diverse financial products in the retail sector.

Your Company's digital ventures, include **L&T-SuFin** (an integrated B2B marketplace), **L&T Cloudfiniti** (end-to-end data center and cloud services),

L&T Semiconductor Technologies (focussed on fabless chip design), and **L&T Edutech** (bridging industry-academia skills gaps), showcase your Company's adaptability and foresight.

4. Other Businesses:

L&T Realty: Crafts integrated spaces, residential complexes, and commercial hubs. More than 50 million sq.ft. of properties are currently under development. Your Company's accolades such as 'Best Realty Brand 2024', 'Iconic Developer for the year 2023-24' affirm its commitment to quality.

Construction and Mining Machinery:

Your Company's in-house Product Development Centre drives cost-effective solutions, with over 40,000 active machines in the market.

Others: A global leader in tyre curing machinery, your Company is the #1 Off-the-Road tyre curing machinery manufacturer in the world. L&T's valves operate across 61 countries, which is a sheer testament to the product reliability.

L&T's legacy continues to shape industries worldwide. Together, your Company continues to build a stronger L&T—one that transcends boundaries and leaves a lasting mark on generations to follow.

Group Performance Review

This year, your Company crossed a historic milestone: annual Group

Order Inflow **surpassed ₹ 3 lakh crore**, and registered an impressive **31% growth** year-on-year.

This was achieved on the back of major

Crossed ₹ 3 lakh crore Order Inflow

international order wins in Hydrocarbon and Infrastructure businesses. A large, growing and diversified **Order Book of ₹ 4,75,809 crore** as on March 31, 2024, with a growth of 20% over the previous year, provides clear revenue visibility in the medium term.

Revenues clocked in at ₹ **2,21,113 crore**, while **Profit After Tax** reached ₹ **13,059 crore**, registering a **21% and 25% growth** respectively.

A combination of improved productivity and reduced capital intensity, including return of capital to the shareholders during the year in the form of your Company's first Share Buyback programme, has resulted in improved return ratios as well.

Your Company continues to focus on **shareholder value creation by divesting non-core assets, capturing cost efficiencies, and leveraging technology for productivity gains**.

A strategically diversified business portfolio, geographical diversification, a healthy balance sheet and strong order book are definite markers to long-term value creation.

In line with its stated strategy to grow the core and exit from concessions, your



Company is pleased to inform you that on April 10, 2024, it has

successfully concluded the divestment of its 51% stake in L&T Infrastructure Development Projects Limited, a joint venture having multiple toll road concessions and a power transmission line. For Hyderabad Metro, in addition to receiving financial assistance from the Government of Telangana during the year, your Company has

also concluded monetisation of a commercial property. Going forward, a combination of improved operations, capital restructuring, support from the State Government and Transit Oriented Development (TOD) monetisation will turn the Metro asset value accretive.

In FY 2023-24, your Company **outperformed the Nifty 50 growth index**, achieving a stupendous growth of 77% compared to the index's 29%.

It gives me immense pleasure to inform you that the Board of Directors of the Company has recommended a final dividend of ₹ 28/- per share for FY 2023-24, in addition to the special dividend of ₹ 6/- per share paid during the year, thus making the total **dividend ₹ 34/- per share**.

Tech-tonic Shifts

Your Company had embarked on a journey to leverage technology for making progress which is sustainable, well ahead of its global peers. The journey which began long back with exploring how manual activities in the various businesses could get digitalised, ultimately paid rich dividends during the COVID pandemic. As India's leading infrastructure player, L&T was one of the first to realise the importance of digitalisation and began its **digital acceleration journey as early as 2016**. The proactive move to invest in **digital technology** and in **Industrial Internet of Things (IIoT)** to automate the manufacturing processes paid off when remote working became the norm during the pandemic-induced lockdowns. Thus, when it comes to digital initiatives, your Company has consistently been a trend-setter and has constantly led the path in adapting to paradigm shifts.

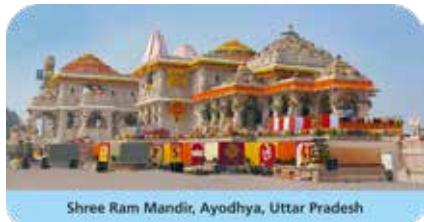
The qualitative as well as quantitative benefits of digitalisation are now visible. Project execution has become faster, safer, cleaner, more accurate, less polluting, economical, and most importantly, the use of technology has

 **During FY 2024 L&T's Market Cap grew by 77%**

While Nifty 50 grew by 29%

shaped a more sustainable growth path for your Company.

Digital Governance - Today, your Company leverages a vast array of technologies across its various verticals, including **AI, ML, VR/AR, Cloud, Big Data & Analytics, Drones, GPS, RFID & QR Codes, LiDAR, BIM, IoT, 3D printing**. Adoption of more frontier technologies like advanced sensors, embedded software and robotics is in progress. Your Company has digitally connected over 15,000 assets across its global projects and manufacturing bases to a central IoT platform. This generates a wealth of data, which is being leveraged by advanced analytics to optimise asset utilisation and resource planning, ensuring maximum efficiency.



Shree Ram Mandir, Ayodhya, Uttar Pradesh

Projects - Under project execution, technologies like **LiDAR and drone-based photometry** have substantially **improved the planning** accuracy (as evident in projects like the creation of a 4.6 km tunnel under Tungareshwar Wildlife Sanctuary as part of the Surya Water Supply Project in Maharashtra and for the aerial survey of a total of 1 lakh hectares of cultivable command area under the Parwati Micro Lift Irrigation Project in Madhya Pradesh). During the year under review, L&T Construction made news by completing in just 45 days, **India's first 3D concrete printed post office building** in Bengaluru, Karnataka. While the technology has been approved by the Building Materials and Technology Promotion Council (BMTPC), the structural design of the post office has been validated by IIT Madras. Your Company built the Ayodhya Ram Temple in Uttar Pradesh with utmost fidelity to the intricate design, using advanced

RFID for material tracking. CCTV-enabled **image and video analytics** are constantly helping to **track raw materials** at project sites and assess **worker productivity** and identify their **training needs**.

Hi-tech Manufacturing - Your Company's **Precision Engineering & Systems** business has been integral to the development of India's aerospace industry right from the beginning and has been a **trusted partner of ISRO for over five decades**. During the year under review, your Company played **pivotal roles in the successful soft-landing of Chandrayaan-3's Vikram Lander near the south pole of the Moon and in the successful take-off of Aditya L-1, India's first solar mission**. In both missions, your Company manufactured mission-critical launch segments, antennae, radars and tracking systems, and even had its team stationed at ISRO's Sriharikota launchpad for systems integration.

For both Projects and Manufacturing, the creation of **digital twins** has accelerated the delivery process by substantially crunching timelines for designing, modelling and testing, thereby enhancing quality and efficiency, and making the work environment safer.

The Central Eye - With a 24x7 monitoring system in place, real-time visibility of all the data on a one-stop dashboard allows the management to take instant reviews of the progress of work anywhere within the L&T universe and make timely and objective data-driven decisions.

Immersive experience in the form of simulated walk-throughs is also allowing L&T Realty to convert more potential customers into actual ones.

Keeping in mind the **requirements of a digital future**, your Company has created platforms to promote e-commerce solutions in two areas important for **Viksit Bharat**.



L&T develops and provides critical components and systems for India's Space Programme

L&T-SuFin: Your Company has created a **digital marketplace**, L&T-SuFin, to enable e-commerce for MSMEs involved in construction and industrial products, and also provides financial and logistical support. It has onboarded more than 42,000 sellers with a catalogue of more than 5 lakh Stock Keeping Units (SKUs) in 49 categories and has crossed a Gross Merchandise Value (GMV) of over ₹ 2,700 crore since inception.

L&T EduTech: To bridge the skill gap, your Company has developed L&T EduTech in collaboration with education institutes, corporations, channel partners and government agencies. Aimed at higher education students and working professionals, this platform provides high-quality hybrid education and facilitates skill upgradation in niche core engineering and IT domains. More than 4.2 lakh campus recruitments have been carried out, and over 66,000 students and faculty members have been trained, along with 16,000 working professionals on the platform, as on March 2024.

Taking note of the evolving trends in a digital world and its ramifications, your Company is also **incubating and scaling up new-age businesses like data centers and semiconductor chip design**.

To sum up, with all the thought leadership that your Company has demonstrated so far in delivering global solutions by leveraging technology, **it is essentially a technology company – shaped, driven, and powered by technology, with engineering at its core.**

Tech-elerating Sustainable Progress

The year witnessed a dual disruption. **Generative Artificial Intelligence** (GenAI) emerged as a game-changer, and the severity of **climate change** became undeniable. All of your Company's AI and GenAI initiatives leverage the strength of good data. From co-pilot enabling efficient note-taking in meetings, to using GenAI in tendering, generating technical queries, identifying contractual risks, and creating centralised alerts for every project site globally, your Company has been adapting to the GenAI wave in an innovative way.

Leveraging AI for Tomorrow – Your Company recognises the power of AI across the entire project lifecycle, from contract management to design to execution and operation and maintenance. To fuel this innovation, Your Company has launched a collaborative platform. This initiative connects aspiring data scientists with domain experts and technology champions. Together, this team will develop cutting-edge future-proof solutions.

Digitised Recruitment – Technology is also playing an important role in onboarding of workers. Your Company has created a digital skill inventory tool named Worker Induction & Skill Assessment (WISA), where around **5 million workers** have been categorised as per 300 plus skill sets of the National Skill Development Council (NSDC). WISA helps managers track the location of each worker, gauge their daily productivity, and suggest training to upgrade their skills.

Its IT arm, LTIMindtree launched Canvas.ai, an enterprise-ready AI platform guaranteeing a 40-50% reduction in app modernisation and cloud migration efforts. By jumpstarting GenAI capabilities for customers, Canvas.ai is poised to disrupt the industry.

Worldover, the importance of embracing **sustainable practices** gained traction. How countries and organisations gear up to make sustainability central to their growth models in order to confront climate change is bound to have an impact on global macroeconomics.

Recognising the environmental impact of its actions, your Company's commitment to responsible corporate governance extends beyond shareholder value creation, prioritising the well-being of the world and the communities it serves.

By championing Technology, Green practices, and Corporate Social Responsibility (CSR), your Company is well-positioned to navigate this evolving landscape and contribute to a sustainable future.

Going Green

Building of climate-friendly infrastructure is likely to be the next big global trend, and that can open up massive possibilities for your Company globally. Aligned to its sustainability vision 'For A Better World', your Company has developed strong capability in executing projects for its customers in **Clean Energy, Clean Mobility, Water and Sanitation, Green Infra** and other areas. Collectively termed as '**Green Business**', such projects help in lowering carbon emissions, improving water availability, recycling and reuse, scaling up energy efficiency, reducing air pollution, and enhancing resource conservation.

Green Buildings - Your Company is in the business of constructing green buildings which are LEED/IGBC/GRIHA-

**14.8 Mn sq.ft.
of Green Buildings Infrastructure**

certified. Through their design, construction and operations, Green

Buildings help reduce carbon emissions, energy and waste, and also conserve water. In FY 2023-24, your Company created Green Buildings infrastructure of 14.8 million sq.ft. (and cumulatively 42 million sq.ft. over last five years).

Clean Mobility - Your Company is an active participant in clean mobility through execution of mass transit systems offering faster, affordable and greener modes of transport. In this cause, your Company completed electrification of more than 3,400 track km in FY 2023-24.

Clean Energy - Your Company is in the business of building Clean Energy projects supporting the global megatrend towards low/no carbon energy generation. This includes renewable energy plants, primarily solar and hydro, as well as nuclear power plants.

The Renewables business group offers comprehensive EPC services globally for GW-scale Solar PV, Energy Storage, Microgrid, and Hybrid Renewable Projects. This expertise allows your Company to handle diverse module technologies, mounting structures, and storage types, a capability offered by very few players.

Solar Power - 5.8 GWp constructed globally, with an additional 12 GWp under execution. In FY 2023-24, your Company commissioned 2.2 GWp of solar capacity.

**2.2 GWp
of
Solar Energy Capacity**

Hydel Power - 3.5 GW constructed, with 6.2 GW under execution (including storage).

Nuclear Power - 6.2 GW constructed, with 6.8 GW under execution.

Your Company contributes to the mitigation of carbon footprint through the production of equipment for renewable diesel and bio-fuel and through emission control technologies such as flue gas desulphurisation, which removes sulphur dioxide (SO₂) from the exhaust flue gases of fossil fuel-based power plants.

Conscious Execution - Your Company strives to ensure that during project execution stage too, environmentally sustainable measures are undertaken, which are in sync with local ecological conditions.

Taking care of Ecology - The actions span from translocation of coral patches and development of marine biodiversity plan in Mumbai Costal Road Project to preservation and planting of mangroves at Mumbai Ahmedabad High Speed Rail Package.

Selection of Materials - Your Company promotes the use of low-carbon materials such as fly ash and granular blast furnace slag to blend with cement at its construction sites. This results in concrete with lesser embodied carbon, which is good for the environment and a great way for safe disposal of fly ash. Share of fly ash and granular blast furnace slag in cementitious materials stood at 14% in FY 2023-24.



90 MWp Floating Solar Project,
Omkareshwar, Madhya Pradesh

Overall, the **Green Business contributed 50% to the revenue of the Company on standalone basis in FY 2023-24.**

Green Energy Business - During the year under review, your Company has constituted a Green Energy Council with

globally renowned energy sector experts to provide expertise and strategic guidance on technology trends in green energy, analyse the evolving global policy framework in this space, evaluate emerging business models, and advise on possible collaborations.

L&T Energy Green Tech, a wholly owned subsidiary of your Company, has a strategic vision to develop Green Hydrogen and Green Ammonia plants in India, catering to both domestic consumption and international markets. For domestic operations, your Company has entered into a Joint Venture (JV) agreement with Indian Oil Corporation Ltd. and ReNew, a move aimed at spearheading India's growing Green Hydrogen sector.

Your Company created a major benchmark for 'Make in India' during the year under review. It commissioned its first indigenously manufactured 1 MW Hydrogen Electrolyser (expandable to 2 MW) at its Green Hydrogen Plant. L&T Electrolysers plans to leverage its upcoming giga-scale facility in Hazira to meet the growing demand for green hydrogen, maximise product localisation through an enhanced local supply chain, and serve export markets as well.

Towards the goal of becoming **Carbon Neutral by 2040**, your Company has reduced energy intensity by 16% and emission intensity by 12%, during the year under review. This was achieved mainly by diesel consumption optimisation through digitalisation, switching from diesel-powered equipment to grid electricity or low carbon fuel. In addition, your Company is working to increase renewable energy sourcing. Options like on-site ground mounted Solar and Renewable Open Access are being implemented across manufacturing and office locations.

These initiatives underscore your Company's commitment to driving sustainable development and facilitating the global transition towards clean energy solutions.

Your Company believes in the following maxim – 'We have inherited this earth from our ancestors, we cannot afford to borrow it from our children too'. It is a collective responsibility to leave a habitable planet for future generations, and thus we must refrain from irresponsible use of natural resources. Your Company is not only translating this belief into action for itself, it is also helping others to do the same.

Social Initiatives & Community Service

Your Company is a firm believer in fostering inclusive growth and in building long term relationships with all stakeholders based on mutual trust and respect. Thus, your Company identifies itself in spirit and deed with the members of the community wherever it operates. Your Company has undertaken CSR initiatives, which have benefitted more than 16 lakh people.

**Benefitted
1.6+ Mn
people through
CSR initiatives**

During the year under review, your Company has carried forward that tradition, and focussed on initiatives pertaining to health, education, skill development and water & sanitation.



Girls in STEM.

Your Company planted **4 million saplings globally**. Your Company's Integrated Community Development Programme (ICDP), initiated 10 years ago, has helped in building resilience in rural communities, especially in remote **water-scarce locations of Maharashtra, Tamil Nadu, and Rajasthan, covering an area of ~43,091 hectares** (the size of over 57,000 soccer fields). Furthermore, a total of **10,974 youth completed various courses at the nine Construction Skill Training Institutes (CSTIs) and the five sub-centres**. Over the years, communities have seen tangible and durable benefits from your Company's presence. Change cannot happen overnight, but with every step, your Company gets closer to the social goals it has set for itself.

Governance & Ethics

Your Company believes responsible corporate governance is the foundation for long-term success. Committed to the highest ethical standards in all business dealings, fostering transparency and accountability throughout the organisation, your Company's robust governance framework ensures compliance with regulations and global best practices.

Workplace Safety

Safety remains a paramount concern for the leadership team. This commitment is reflected in your Company's 'Mission Zero Harm' principle and the 'L.I.F.E.' (Live Injury-Free Everyday) Framework. Leading by example to ensure a safe working environment for all employees and stakeholders, allocating significant resources and assigning clear responsibilities is a top priority. Your Company takes full responsibility for this and has thoroughly investigated all incidents. Enhanced supervision, more frequent safety briefings, expert consultations for high-risk projects, and stronger engagement with subcontractors are some of the initiatives that have been further strengthened. Your Company remains

firmly committed to protecting lives of every employee both on-site and in office as every life matters.

With safety-first approach, the image and video analytics have enabled your Company to maintain a strict vigil to spot violations of safety protocols and instant alerts are generated to inform the concerned site managers. Use of **robotics** has helped in making previously hazardous operations **accident-free**. Use of VR, AR and Mixed Reality HoloLens has provided an edge in training your Company's manpower to handle specialised equipment and in also getting accustomed to working in unfamiliar terrains and challenging situations.

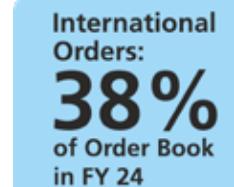
Your Company is also making innovative use of technology to improve safety practices. Your Company has **groomed more than 500 safety champions** who have benefitted from digital training on safety protocol and then spread the lessons learnt among their peer and linguistic groups.

International Business

In today's VUCA (Volatility, Uncertainty, Complexity and Ambiguity) world, the key to mitigate geopolitical risk is through geographical diversification. While **India, the Middle East, Africa and ASEAN** are the active markets for your Company's **EPC businesses**, **Hi-Tech Manufacturing** is a healthy mix of **local and international exposure**. **Financial Services**, on the other hand, is **largely domestic** on the retail side, whereas **IT Services** and **Technology Services** are predominantly

international, with **Americas and Europe** being the primary geographies. This policy of aiming

for wider geographical dispersal aids broad-basing your Company's portfolio, continues to yield positive results, and de-risks exposure to a particular region.



At the Group level, apart from the 62% domestic share in the total Order Book, the Middle East is the other significant source of orders, accounting for 35%, while the rest of the world accounts for the balance 3%.

In revenue terms at the Group level, apart from the share of 57% generated from India (mostly from EPC), USA and Europe jointly account for 17% of the revenues (generated mostly from technology businesses), the Middle East accounts for 22% (generated from EPC), and the balance 4% is generated from the rest of the world.

As part of its due diligence exercise, your Company carries out extensive analysis of sovereign and client financial strength at the time of bidding for projects. As per the MEED (Middle East Economic Digest) February 2024 report, **L&T was the top contractor in terms of projects awarded in Saudi Arabia in 2023**.

People Power

Your Company is what it is today because of its people. Your Company's eight decades of success is attributable to the dedication, hard work and accomplishments of every member of Team L&T. Your Company's people policies revolve around the core principles of onboarding the right talent, providing them with a conducive work environment, nurturing talent, i.e. offering opportunities for learning and self-development, empowering them by encouraging collaboration and innovation, recognising, rewarding, and celebrating achievements, facilitating career transition and mobility, as well as promoting gender diversity. For the **second consecutive year, your Company has been recognised as a Great Place to Work (GPTW)**.



Your Company's commitment to excel extends beyond traditional training methods. Your Company offers a multitude of online digital platforms with rich content on self-improvement courses, accessible to all employees. During the year under review, a staggering 36 lakh learning hours were clocked by nearly 42,000 employees on these various platforms – both online and offline.

Your Company's transformation to a technology powerhouse and creation of a team of digital natives has been possible because of the employees' willingness to embrace change, and the emergence of numerous young digital champions deserves a special mention in this transformation.

Diversity, Equity & Inclusion

Your Company's transformation into a tech-driven conglomerate has a direct bearing on its Diversity, Equity & Inclusion (DEI) quotient. There is empirical evidence on how women participation in both engineering and non-engineering roles has translated into improvements in efficiency across operations. With several exclusive career-assisting schemes for females and installation of women-friendly facilities in the offices, your Company is on course to achieve its Lakshya target of women employees comprising 10% of the total employee strength by 2026.

During the year under review, your Company has hired 1,766 female employees. Female employees comprised 8.1% of your Company's employee strength as on March 31, 2024.

Customer Centricity

Your Company's relentless efforts to stay ahead of the competition by investing in frontier technologies and delivering excellent governance are ultimately aimed at enhanced customer delight through improved performance, better solutions and completing projects on time and within budget. The unwavering commitment to the customers remains your Company's guiding force as it is well aware that there can be no better advertisement of one's capabilities than a satisfied and delighted customer.

Conclusion

Among the transformational shifts happening throughout the world, your Company is well-positioned to ride the waves and reap the rewards. Its proven expertise in building world-class infrastructure and EPC projects across multiple sectors, readiness to participate in the energy transition opportunities, proven capabilities in Hi-Tech Manufacturing and Services, and its emphasis on leveraging technology to deliver top-quality output, place your Company in a sweet spot to take advantage of the opportunities as they unfold. Further, all the businesses are aligned with the larger goals of transitioning into a cleaner, greener economy.

I would like to thank our employees, our customers, supply chain partners, and the Government for their contributions, directly and indirectly, to our growth. I also thank my fellow Board members for their invaluable support in guiding the Company through volatile times when there are multiple variables at play.

My special thanks to all our shareholders for the trust you have reposed in us. You remain an invaluable pillar of strength, and I look forward to your continued support in our journey towards achieving higher levels of excellence.

For nearly eight decades, your Company has served as a cornerstone of India's infrastructure and industrial development. The unwavering commitment to 'Building India' is deeply embedded in the DNA of every L&T-ite. Your Company is not merely present in core sectors of the economy; it is consciously structured to anticipate and swiftly respond to the nation's evolving needs.

Your Company takes immense pride in being the architect behind many of India's most iconic landmarks and critical infrastructure projects. From grand structures like the Statue of Unity to the intricate engineering marvels powering India's space missions, your Company consistently strives to deliver projects that not only serve a purpose but also inspire national pride. Your Company's commitment extends beyond brick and mortar, fostering innovation and technological advancements, continuously pushing boundaries to ensure India remains at the forefront of global progress.

This dedication to excellence has earned your Company the reputation as a Nation-builder, instrumental in shaping the landscape of a new, modern and aspiring India. **L&T BUILDS THE THINGS THAT MAKES INDIA PROUD.**

Jai Hind!

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SHAREHOLDER'S SATISFACTION SURVEY FORM - 2023-24

COMPANY INFORMATION

MR. A. M. NAIK

Chairman Emeritus

BOARD OF DIRECTORS (AS ON MAY 8, 2024)

MR. S. N. SUBRAHMANYAN

Chairman & Managing Director

MR. R. SHANKAR RAMAN

President, Whole-time Director & CFO

MR. SUBRAMANIAN SARMA

Whole-time Director & President (Energy)

MR. S. V. DESAI

Whole-time Director & Sr. Executive Vice President (Civil Infrastructure)

MR. T. MADHAVA DAS

Whole-time Director & Sr. Executive Vice President (Utilities)

MR. ANIL V PARAB

Whole-time Director & Sr. Executive Vice President (Heavy Engineering & L&T Valves)

MR. ADIL ZAINULBHAI

Independent Director

MR. SANJEEV AGA

Independent Director

MR. NARAYANAN KUMAR

Independent Director

MR. HEMANT BHARGAVA

Nominee of Life Insurance Corporation of India (upto May 27, 2024)

MRS. PREETHA REDDY

Independent Director

MR. PRAMIT JHAVERI

Independent Director

MR. RAJNISH KUMAR

Independent Director

MR. JYOTI SAGAR

Independent Director

MR. AJAY TYAGI

Independent Director

MR. P R RAMESH

Independent Director

MR. SIDDHARTHA MOHANTY

Nominee of Life Insurance Corporation of India (from May 28, 2024)

Company Secretary & Compliance Officer

Mr. Sivaram Nair A

Registered Office

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

Auditors

M/s. Deloitte Haskins & Sells LLP

Registrar & Share Transfer Agents

KFin Technologies Limited

79th Annual General Meeting through Video Conferencing or Other Audio-Visual Means on Thursday, July 4, 2024 at 3:00 p.m. IST



LARSEN & TOUBRO

The

The world is on fast-forward.

The climate is flashing red.

Future

Curiosity is accelerating innovation.

It's not enough to just keep up. It's time to take the lead.

Isn't

We are forging a path to a cleaner future, one innovation at a time.

Built on the bedrock of engineering, fuelled by technology.

Waiting.

This isn't just about keeping the lights on. It's about lighting the way forward.

Find us on:

www.Larsentoubro.com

EXECUTIVE COMMITTEE (ECOM)



S. N. Subrahmanyam
Chairman & Managing Director



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



Subramanian Sarma
Whole-time Director &
President (Energy)



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



T. Madhava Das
Whole-time Director &
Sr. Executive Vice President
(Utilities)



Anil V. Parab
Whole-time Director &
Sr. Executive Vice President
(Heavy Engineering and L&T Valves)



M. V. Satish
Advisor to the Chairman & MD
(Buildings)



D. K. Sen
Advisor to the Chairman & MD
(Development Projects, Minerals & Metals,
L&T Special Steels & Heavy Forgings,
L&T SuFin and L&T Aviation)

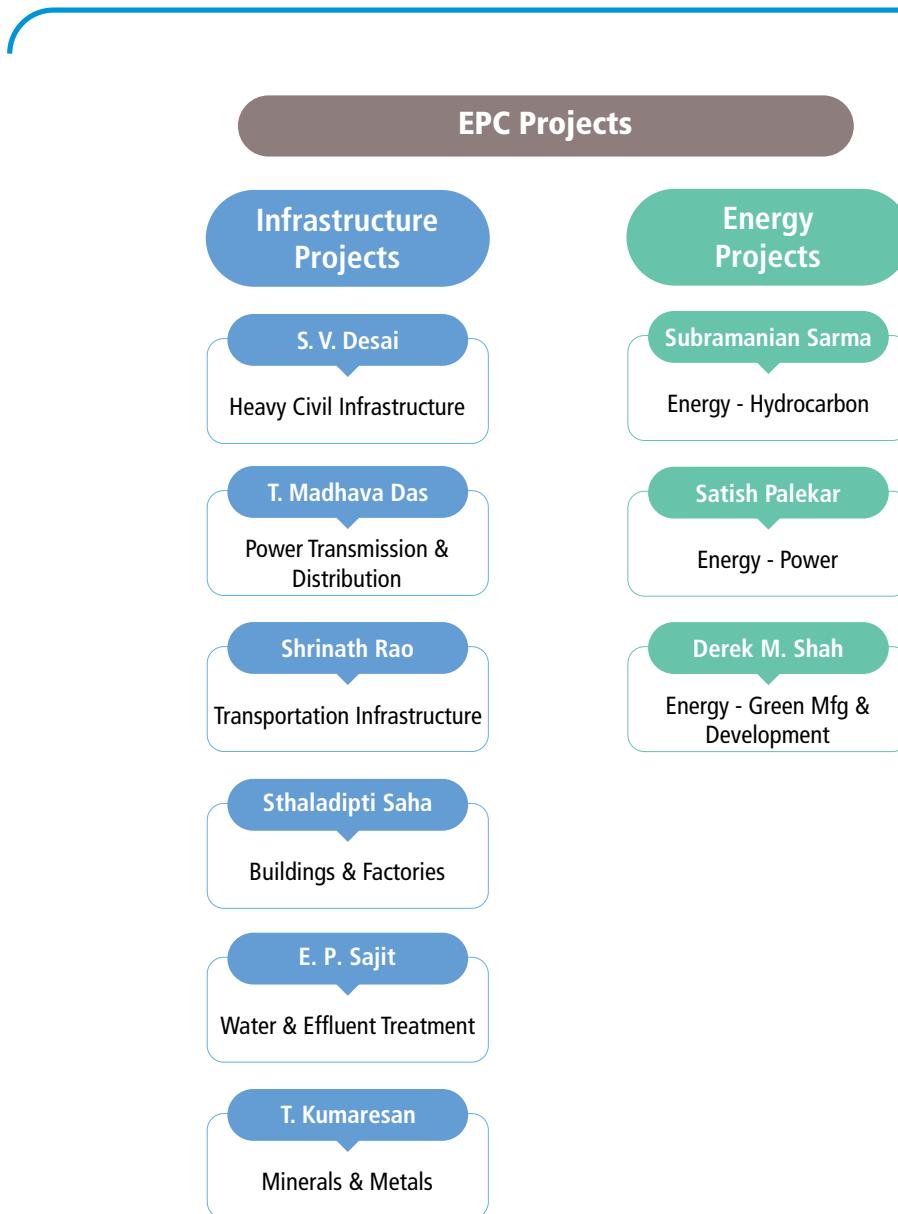


J. D. Patil
Advisor to the Chairman & MD
(Precision Engineering and Systems,
and L&T Semiconductor Technologies)



Shrikant Joshi
Advisor to the Chairman & MD
(L&T Realty)

GROUP BUSINESS STRUCTURE



S. N. Subrahmanyam
Chairman & Managing Director

Hi-Tech Manufacturing

Anil V. Parab

Heavy Engineering and
L&T Valves

Arun Ramchandani

Precision Engineering and
Systems

IT & Technology Services

Debasis Chatterjee

LTI Mindtree

Amit Chadha

L&T Technology Services

Development Projects

K. V. B Reddy

Hyderabad Metro

S. K. Narang

Nabha Power Limited

Digital Services &
E-Commerce Platforms

L&T SuFin

L&T EduTech

L&T Cloudfiniti

L&T Semiconductor
Technologies

Financial Services

Sudipta Roy

L&T Finance

Other Businesses

Anupam Kumar

L&T Realty

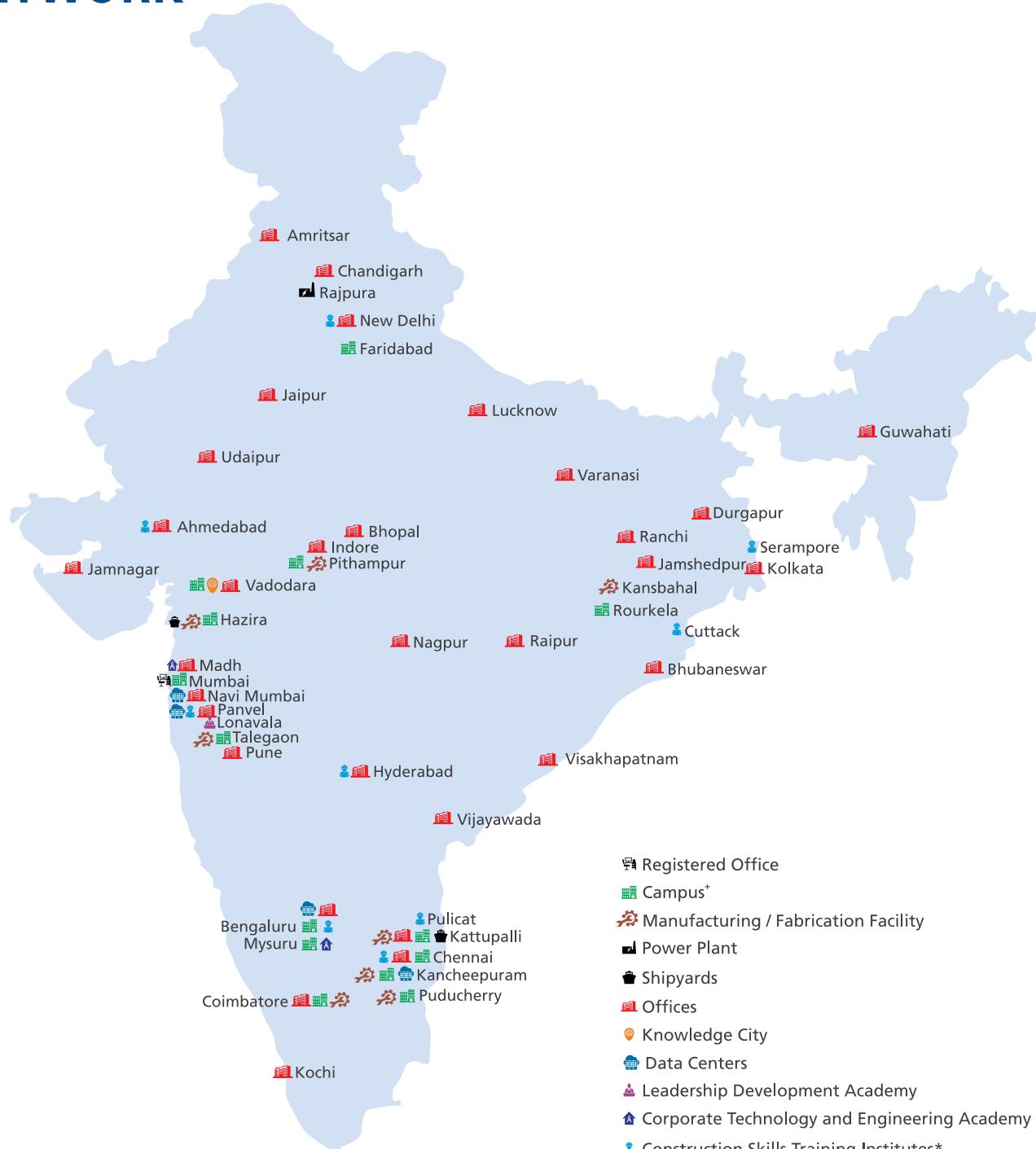
Arvind Garg

Construction, Mining, and
Industrial Machinery

Rubber Processing
Machinery

Hydraulics

NATIONWIDE NETWORK

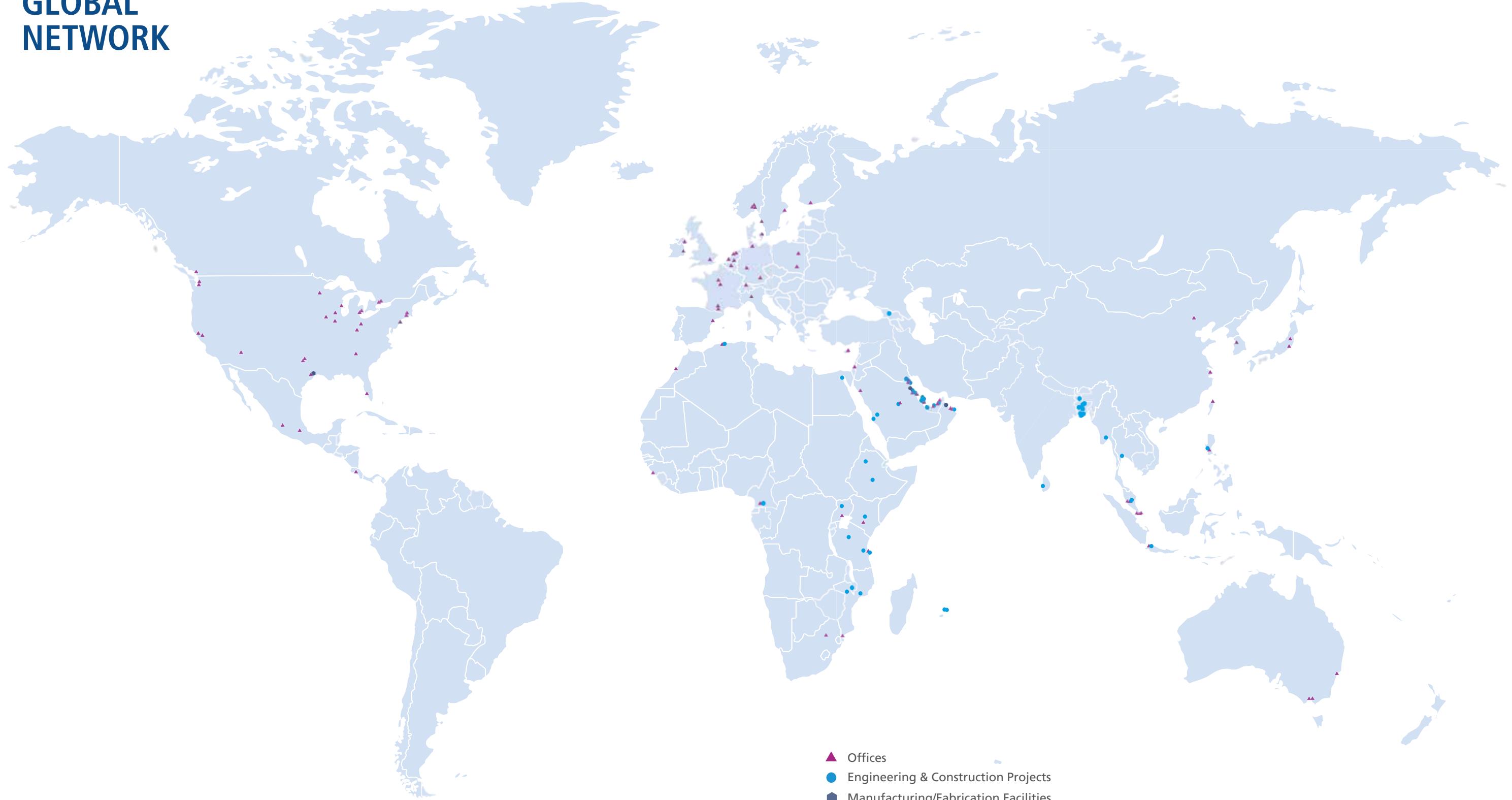


This pictorial representation does not purport to be the political map of India.

⁺ Campus denotes facilities for design and manufacture

* Part of L&T's Corporate Social Initiatives

GLOBAL NETWORK





CELEBRATING THE JOY OF GIVING

Larsen & Toubro is leading the change by creating happier, brighter tomorrows for 1.6 million lives through our CSR initiatives on Water & Sanitation, Education, Health, Greening, and Skill Building.

Building India's Social Infrastructure

Access to Clean Water | Sustainable and Climate Resilient Agriculture | Building Hygienic and Dignified Sanitation Facilities | Water Harvesting Structures | School Infrastructure | Community Learning Centres | 'Engineering Futures' through STEM Education Programmes | Digitizing Schools | Community Health Centres | Mobile Medical Units | Health Awareness and Health Camps | Supporting National Health Missions | Technology Based Skill Training for Youth | Skilling Of Women | Skill Trainers Academy

STANDALONE FINANCIALS- 10 YEAR HIGHLIGHTS

Description	₹ crore									
	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
IndAS [12]										
Statement of Profit and Loss										
Gross revenue from operations [1]	126236	110501	101000	87255	82384	82287	74612	66301	63813	57558
PBDIT [1][2]	9685	9295	9055	8309	6838	7653	7701	6481	5829	6488
Profit after tax (excluding exceptional items [3])	8856	7849	7612	5966	5414	5466	4861	4560	4454	4699
Profit after tax (including exceptional items [3])	9304	7849	7879	11798	6679	7491	5387	5454	5000	5056
IGAAP [12]										
Balance Sheet										
Net worth	64416	71528	67114	61738	52175	50048	49174	46013	42135	37085
Borrowings	22540	18151	20298	24474	25785	11990	10561	10558	13924	12936
Capital employed	86956	89679	87412	86212	77960	62038	59735	56571	56059	50021
Ratios and statistics										
PBDIT as % of net revenue from operations [1][4]	7.67	8.41	8.97	9.52	8.30	9.30	10.34	9.86	9.23	11.38
PAT as % of (net revenue from operations) [1][5]	7.37	7.10	7.80	13.52	8.11	9.10	7.23	8.30	7.91	8.87
RONW % [6]	13.69	11.32	12.23	20.54	13.07	15.74	11.32	12.37	12.39	14.30
Gross Debt: Equity ratio	0.35:1	0.25:1	0.30:1	0.40:1	0.49:1	0.24:1	0.21:1	0.23:1	0.33:1	0.35:1
Basic earnings per equity share (₹) [7]	66.95	55.85	56.09	84.02	47.59	53.43	38.46	39.00	35.81	36.31
Book value per equity share (₹) [8]	468.59	508.92	477.67	439.55	371.65	356.79	350.90	328.79	301.57	265.85
Dividend per equity share (₹) [8][11]	34.00	24.00	22.00	36.00	18.00	18.00	16.00	14.00	12.17	10.83
No. of equity shareholders	15,64,085	14,25,064	14,92,124	13,71,535	12,51,569	10,21,275	8,99,902	9,23,628	10,28,541	8,53,824
No. of employees	59,344	55,202	50,267	49,107	45,467	45,205	42,924	41,466	43,354	44,081

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

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

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

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

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

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

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

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

[9] Figures from 2020-21 include the impact of the merger of L&T Hydrocarbon Engineering Limited with the Company.

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

[11] Dividend for 2020-21 includes special dividend of ₹ 18.00 per share and final dividend of ₹ 18.00 per share. Dividend for 2023-24 includes special dividend of ₹ 6.00 per share and final dividend of ₹ 28.00 per share.

[12] Figures from 2015-16 are as per Ind AS and for 2014-15 are as per IGAAP and hence not directly comparable.

CONSOLIDATED FINANCIALS- 10 YEAR HIGHLIGHTS

Particulars	Ind AS [11]									IGAAP [11]
	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	
Statement of Profit and Loss										
Gross revenue from operations [1]	221113	183341	156521	135979	145452	135220	119862	110011	101975	92762
PBDIT [1][2]	23494	20753	18205	15624	16329	15330	13641	11130	10463	11258
Profit for the year [PAT]	15547	12531	10419	12921	10894	10217	8004	6486	4545	4966
Profit attributable to the Owners of the Company (excluding exceptional items [3])	12966	10374	8572	6965	8894	8144	7151	5920	4154	4470
Profit attributable to the Owners of the Company (including exceptional items [3])	13059	10471	8669	11583	9549	8905	7370	6041	4233	4765
Balance Sheet										
Net worth attributable to the Owners of the Company	86359	89326	82408	75869	66723	62375	54904	50217	44180	40909
Non-controlling interest	16190	14241	12966	12052	9521	6826	5201	3564	2893	4999
Borrowings	114040	118513	123468	132605	141007	125555	107524	93954	88135	90571
Capital employed	216589	222080	218842	220525	217251	194756	167629	147735	135208	136479
Ratios and statistics										
PBDIT as % of net revenue from operations [4][1]	10.63	11.32	11.63	11.49	11.23	11.34	11.40	10.18	10.35	12.24
PAT as % of (net revenue from operations [1]) [5]	7.03	6.83	6.66	9.50	7.49	7.56	6.69	5.93	4.49	5.40
RONW % [6]	14.87	12.19	10.95	16.25	14.80	15.35	14.12	12.80	9.91	12.13
Gross Debt: Equity ratio	1.11:1	1.14:1	1.29:1	1.51:1	1.85:1	1.81:1	1.79:1	1.75:1	1.87:1	2.21:1
Basic earnings per equity share (₹) [7]	93.96	74.51	61.71	82.49	68.04	63.51	52.62	43.20	30.32	34.22
Book value per equity share (₹) [8]	628.22	635.55	586.52	540.16	475.27	444.67	391.78	358.83	316.20	293.29
Dividend per equity share (₹) [8][9][10]	34.00	24.00	22.00	36.00	18.00	18.00	16.00	14.00	12.17	10.83

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

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

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

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

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

[6] RONW = [(Profit attributable to the Owners of the Company including exceptional items)/(average net worth excluding revaluation reserve)].

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

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

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

[10] Dividend for the year 2023-24 includes special dividend of ₹ 6.00 per share and final dividend of ₹ 28.00 per share.

[11] Figures for 2015-16 to 2023-24 are as per Ind AS and for 2014-15 are as per IGAAP and hence not directly comparable.

MANAGEMENT DISCUSSION AND ANALYSIS



Economy

Indian Economy

The Financial Year 2023-24 remained a mixed bag of opportunities and challenges. On one hand, domestic activity exhibited resilience on the back of strong domestic demand, whilst on the other, global geopolitical uncertainty continued to impact inflation, interest rates, and the supply chain.

Amidst global headwinds, the Indian economy has displayed strength and has grown by 8.2% for FY 2023-24, mainly driven by sustained investment through an infrastructure-driven policy by the government. Better capacity utilisation in the manufacturing sector, buoyancy in auto and real estate, healthy corporate balance sheets, strong credit momentum, higher tax collections, and acceptable levels of inflation are aptly aiding the growth prospects of the Indian economy.

India's growth story momentum is likely to continue in the next fiscal year with sustained strength in domestic demand, easing of inflationary pressures, focussed fiscal outlay by the government, and a strong manufacturing revival. However, due to the general elections in India, public CapEx could witness a temporary slowdown in the very near-term.

While private industrial capital spending has been measured in FY 2023-24, it is expected to pick up in the next fiscal year with the ongoing global supply chain diversification trends and investors' response to the government's Production Linked Incentive (PLI) scheme to boost key targeted manufacturing industries.

However, headwinds from geopolitical tensions, volatility in international financial markets, geoeconomic fragmentation, continuing sea route trade disruptions, and extreme weather events pose risks to the otherwise optimistic outlook. India, given its structural reforms, strengthening physical and digital infrastructure, as well as upbeat business and consumer confidence, is in a better position to overcome these multiple challenges and emerge stronger.

Global Economy

The global economy has been in better shape than anticipated at the start of the year, having demonstrated some signs of growth, as reflected in the various high-frequency indicators. However, elevated debt levels and continuing geopolitical hostilities aggravate risks to global growth and inflation outlook in the medium-term.

The US economy has shown elasticity so far, but inflation being higher than expected has postponed rate cuts by the Fed. The US Presidential election in November is expected to contribute to the economic volatility. Further, the UK and Europe economies are still fragile. Also, concerns about the real estate bubble in China could further dampen economic revitalisation.

The medium-term outlook has worsened for many developing economies amid slowing growth, sluggish global trade, and tighter financial conditions. Additionally, the volatility in crude oil prices and the ongoing shipping disruptions through the Red Sea may further pose challenges to global supply chains and aid inflation.

The Middle East region is also feeling the pressure on account of the Israel conflict. An escalation or spread of the conflict beyond Gaza and Israel, as well as an intensification of the disruptions in the Red Sea, could have an economic impact on the region. Structural reforms remain critical to boosting growth in the Middle East region by way of diversification into clean energy and other industrial sectors besides oil.

Despite all the turmoil, India is on track to become the third-largest economy by 2027, overtaking Japan and Germany. It is also the fastest-growing large economy with the tailwinds of young demographics, improving institutional strength and strong governance.



Business Model and Strategy

Strategy Formulation

Business strategy formulation aims to set long-term goals for the Group and identify areas to leverage its strengths, explore new business opportunities, and enhance its existing capabilities and offerings. This is enabled through plans with three different time horizons, viz., a long-term perspective plan (7-10 years), medium-term strategy (5 years), and short-term (annual) budget targets. Directions and Objectives determined in the Perspective Plan become guideposts for medium-term and short-term plans.

'Lakshya', the Group's 5-year strategic plan, is developed through a collaborative process across the organisation. Lakshya 2026 seeks to achieve value-accretive growth in the existing business portfolio through a multi-pronged approach of targeting opportunities arising out of global trends, with a focus on ESG and Sustainability. The underlying emphasis of Lakshya 2026 is to ride the

momentum in existing and emerging technology trends for IT services, reorganise the business offerings to serve customers better, and drive profitability through operational excellence, value engineering, and various digitalisation-led productivity improvement initiatives.

Lakshya 2026 has completed its third year in FY 2023-24 and is progressing towards achieving the targets set in the plan. With the aim of being future-ready, the Group has recently incubated L&T Semiconductor Technologies, which focusses on fabless chip design and the delivery of smart products globally. This is in addition to the scaling up of Green Hydrogen and its derivatives, Data Centers, and E-commerce Platform businesses, viz. L&T EduTech and L&T-SuFin. The Group also continues to pursue its goal of unlocking value by exiting non-core businesses and staying asset-light.

Business Model

Value creation is enabled through a portfolio comprising:



EPC Projects

EPC Projects focus on the proven core competencies of conceptualising, designing, executing, and commissioning large, complex projects in the areas of mobility infrastructure, power transmission and distribution, water and irrigation infrastructure, buildings and factories, metals and mining, energy generation & storage solutions, oil & gas, and energy transition.



Hi-Tech Manufacturing

Hi-Tech Manufacturing focusses on custom-designed and built equipment catering to process plants for various sectors (including nuclear), precision engineering and systems for the defence & aerospace sectors, electrolyzers for hydrogen production, industrial and bulk material handling, construction machinery and mining equipment, and industrial valves.



Services

The Services businesses cater to sectors of IT (through LTIMindtree), Engineering R&D (through LTTS), financial services (through L&T Finance), real estate development (through L&T Realty), B2B E-commerce (through L&T-SuFin), skilling and assessment (through L&T EduTech), data/cloud services (through L&T-Cloudfiniti) and fabless chip design (through L&T Semiconductor Technologies).

In the past, the Group had made investments in concession projects such as Toll Roads, Airports, Ports, Hyderabad Metro, and power generation (Nabha Power). However, in recent years, the focus has been on reducing its exposure to such public-private partnerships (PPPs) through divestment. Further, the Group recently concluded its divestment of the 51% holding in L&T Infrastructure Development Projects Limited, an intermediate Holdco for Roads and Transmission Line concession.

The Group's businesses and offerings are closely linked to global megatrends.

Urbanisation Boom



- High-rise Buildings (**B&F**)
- Multi-modal Transportation Network (**TI, HCI**)
- High-capacity Utility Networks (**PT&D, WET**)
- Safe and Smart Cities (**LTTs**)

Increasing population pressures in cities leading to various challenges e.g., congestion and call for better solutions

Climate Change



- Renewables – Solar, Hydel and Energy Storage (**HCI, PT&D**)
- Green Buildings (**B&F**)
- Clean Fuels (**HE, LTEH**)
- Green Hydrogen (**LTEG**)
- Water Recycle and Reuse (**WET**)

Climate change and resource scarcity driving need for solutions to balance growing needs with the environment

Mobility Growth



- Mass Rapid Transit Systems (**HCI, TI**)
- World-class Airports (**B&F, TI**)
- Electric, Autonomous and Connected Systems (**LTTs**)
- Expressways and Rail Networks (**TI**)

Safe, fast, affordable and environment-friendly solutions for movement of people and goods



Societal Challenge



- Water and Sewage Treatment Systems (**WET**)
- Housing (**B&F, LTR**)
- Energy Efficient Power Systems and Microgrids (**PT&D**)
- Financial Services (**LTF**)

Universal coverage for basic amenities while keeping up with growing demands of global population

Digital Transformation



- Big Data, AI/ML, AR/VR, 5G, Cloud, Cyber Security (**LTIM, LTTs**)
- Automation, Industry 4.0, Digital Engineering (**LTIM, LTTs**)
- Chip design (**LTSCT**)
- Data Storage and Computing (**L&T-Cloudfiniti**)
- Platforms (**L&T-SuFin, L&T EduTech**)

Technology and services offerings to transform businesses across various domains

B&F	Buildings & Factories
HCI	Heavy Civil Infrastructure
HE	Heavy Engineering
LTEG	L&T Energy - GreenTech
LTEH	L&T Energy - Hydrocarbon
LTF	L&T Finance
LTIM	LTIMindtree

LTR	L&T Realty
LTSCT	L&T Semiconductor Technologies
LTTs	L&T Technology Services
PT&D	Power Transmission & Distribution
TI	Transportation Infrastructure
WET	Water & Effluent Treatment

Portfolio Strategy

The portfolio strategy aims to pursue growth by de-risking revenue streams, exploring new adjacencies, and improving profitability with the aim of creating value for all stakeholders:

Complementing the mature businesses with growth-stage businesses

While the Group relies on mature businesses for cash generation and steady growth, the focus is also on seeding and scaling up new businesses with high growth potential that are tech-oriented and can deliver superior financial returns.



Geographically diversified businesses

India continues to remain the primary market for EPC Projects, Hi-Tech Manufacturing, and Financial Services businesses. This is complemented by a focus on select international geographies, i.e., the Middle East, Africa, and ASEAN. The Americas and Europe will continue to be the primary geographies for the IT services businesses.

Balancing the cyclical nature of the EPC business through a portfolio of Services businesses

To have a better revenue profile and improved profitability, the Group intends to increase the share of the IT&TS Services business while pursuing growth in the traditional EPC and Hi-Tech Manufacturing businesses.



Supplementing the standalone offerings with partnerships

For Hi-Tech Manufacturing and EPC Projects businesses, the Group has partnered with several large global processes, technology licensors, and EPC contractors to improve the scope of its business offerings. For the IT and Technology Services businesses, the Group has strategic partnerships with established global software product and technology companies.



IT Services business, with a focus on the Americas and Europe, is currently witnessing some sectorial headwinds. This, however, has been balanced by robust growth in the EPC Projects and Hi-Tech Manufacturing portfolio, aided by Infra CapEx-led focus in India and oil & gas investments in the Middle East, reflecting the resilience of the portfolio strategy.

Strategic Thrust & Direction

The Group re-evaluated its Strategic Objectives in FY 2021-22 as part of the assessment done in the Lakshya 2026 exercise. These objectives illustrate how the Group creates value for its stakeholders, fulfils social obligations, and meets sustainability goals. These are:

Strategic Objectives

ROE Growth

- SO-I** Value-accretive growth of current businesses
- SO-II** Scaling-up digital and e-commerce businesses
- SO-III** Developing business offerings to ride the Energy Transition wave
- SO-IV** Divestment of non-core businesses
- SO-V** Enabling business sustainability through a high focus on ESG and stakeholder value creation

Strategic Objectives are supported through:

Strategic Enablers

- SE-1** Operational Excellence for leadership in cost-competitiveness and world-class execution
- SE-2** Industry-leading capabilities in digital technologies and analytics for productivity, ESG effectiveness and strengthening revenue streams
- SE-3** Financial resources to enable growth of the businesses and strong financial health to facilitate access to capital markets, when required
- SE-4** Talent and leadership pipeline to drive business continuity and growth
- SE-5** Capability development through R&D, absorption of new technologies and partnerships

Performance in FY 2023-24 against Strategic Objectives:

Objectives	Performance Measures	Performance
SO-I Value-accretive growth of current businesses	<ul style="list-style-type: none"> □ Revenue Growth □ Composition of Services in Total Revenues 	<p>In FY 2023-24, the Group achieved revenues of ₹ 2,21,113 crore (21% growth y-o-y). The Services businesses reported modest growth of 9% y-o-y with a stable percentage share in revenues at 28% in FY 2023-24.</p>
SO-II Scaling up digital and e-commerce businesses	<ul style="list-style-type: none"> □ Growth of digital & e-commerce businesses 	<p>In FY 2023-24, L&T-Cloudfiniti (Business offering linked to data centers and related services) saw its operations start at the Panvel Data Center with ~1.4 MW capacity. The business is also in the process of launching its Kancheepuram Data Center with 30 MW capacity in the near-term. Further, two new data centers in Mahape, Navi Mumbai and Whitefield, Bangalore, are under active consideration.</p> <p>L&T Semiconductor Technologies was incorporated in FY 2023-24 with an initial focus on a fabless design approach.</p> <p>L&T SuFin and L&T EduTech have continued to grow during FY 2023-24.</p>
SO-III Developing business offerings to ride the Energy Transition wave	<ul style="list-style-type: none"> □ Size of Green Business □ New Business or Business offerings developed 	<p>The Group increased the share of Green Business to ₹ 634 billion, which is 50% of standalone revenues in FY 2023-24 (as compared to 37% in FY 2022-23).</p> <p>The Group invested ~₹ 110 crore during FY 2023-24 in the Green Business against the overall commitment of ~₹ 500 crore.</p> <p>The Group has instituted a Green Hydrogen Council comprising stalwarts from academia and business to provide guidance in building a global green energy business. In parallel, it has also joined The Hydrogen Council, a CEO-led coalition of 140+ MNCs for advancing Hydrogen in the global energy transition and energy mix.</p> <p>The Group progressed towards electrolyser manufacturing by making the first indigenously manufactured electrolyser.</p>
SO-IV Divestment of non-core businesses	<ul style="list-style-type: none"> □ Businesses Divestment 	<p>The entire stake in L&T IDPL (a joint venture with investments in road projects and a power transmission asset) was divested on April 10, 2024.</p> <p>The Group continues to actively pursue divestments from other non-core assets and is also exploring various alternatives to de-risk the current exposure in Hyderabad Metro.</p>
SO-V Enabling business sustainability through a high focus on ESG and stakeholder value creation	<ul style="list-style-type: none"> □ Metrics linked to ESG performance are based on materiality. e.g. <ul style="list-style-type: none"> - Carbon Footprint - Resource consumption - LTIFR - Training hours 	<p>For details, refer to the following in the Integrated Report section:</p> <ul style="list-style-type: none"> □ Natural Capital □ Social and Relationship Capital □ Human Capital

Risk Management Framework

Risk Management includes identification, measurement, and mitigation of risks. This includes judgements on the probability as well as severity of risk events. The Company has a 3-pronged approach to Risk Management – Operational, Tactical, and Strategic. These risks, at the level of individual projects as well as the portfolio level, are managed by robust processes, including statutorily mandated and various other internal processes. The Risk Management framework involves Business Heads and Risk Teams at various businesses working in close coordination with the Company-level teams. In addition to project-level risks, risks arising from Corporate Functions such as IT (including Cyber Security) and HR are also mapped and mitigated appropriately. The overall aim of the Risk Management function is to improve project outcomes, and thereby, aid financial performance.

The Chief Risk Officer closely monitors the overall Risk Management Process, which includes Project Pre-Bid, Execution, and Close-out Risk Reviews. Further, significant risks are presented to the Company's Risk Management Committee (twice a year) as well as the Apex Risk Management Committee, which lays down the essential guardrails such as Country Risk exposures, etc. The outcomes/learnings of Risk Reviews are captured in the ERM system, which helps track project-related and portfolio-related risks. Efforts are being made to use AI on the system to produce actionable insights.

Efforts are being undertaken to absorb risk-related learnings from an individual business and spread across the Company using forums such as 'Annual Risk Awards' and regular meetings of Business Level Risk Heads. These initiatives help in the dissemination of learnings across the Company, with respect to Specific Risks, Clients, Geographies, etc. Apart from internal learnings, efforts are also made to absorb best practices from outside the Company by participating in industry bodies/forums, etc.

Operational Risks

In the Projects business, normal risks like right-of-way, resource availability, utilities shifting, etc., are typically encountered. These are managed by proper planning at the pre-bid stage and continuous monitoring at the execution stage. Risks arising from the financial position of clients, JV partners, suppliers, etc., are also analysed and appropriately mitigated. Risk Registers are maintained and updated regularly. Further, all ongoing projects are also suitably insured.

Risks from large, complex projects are mitigated by having guardrails at the pre-bid review stage as well as by measures such as having experienced project managers, good client relationship management, and suitable mitigation of counterparty and payment risks. However, if there are issues in the execution of large/marquee orders, risks to reputation need to be guarded against.

Legal and contractual risks are also thoroughly reviewed at the pre-bid stage to ensure that these stay within the Company's overall risk appetite.

Supply Chain Risks - These risks have risen due to the volatile geopolitical environment, especially in the Middle East. These are being closely monitored. While they are not likely to have a significant impact on operations in the short-term, the long-term persistence of these challenges may result in adverse outcomes. Despite this, commodity-related inflation has remained subdued, with the overall environment for commodity prices remaining manageable.

Cyber Security - The Company has a Cyber Security Assurance Framework encompassing Processes & Standards and Technology. These risks are monitored/managed at the level of individual businesses/domains as well as by various Committees, including the Company's Risk Management Committee.

Climate Change - Climate change increases the impact and likelihood of some physical risks, which could lead to execution disruption and losses. These risks manifest both as acute physical risks, e.g., extreme weather conditions, heavy precipitation, etc., as well as chronic physical risks, e.g., higher ambient temperatures, increase in sea levels, etc. While business operations typically face a higher impact of such risks, now even assets and the built environment are increasingly facing such threats. The Company's major business segments, i.e., EPC projects and Hi-Tech Manufacturing, are exposed to such physical risks from climate change, requiring risk mitigation strategies. Some of the major challenges are:

- i. Increasing frequency and intensity of extreme weather events or natural calamities pose significant threats to safety as well as the availability and utilisation of resources
- ii. Extremely high daytime temperatures pose a danger to the health and safety of the workforce, which, in turn, impacts productivity
- iii. Heavy precipitation or flooding poses a significant risk to project schedules
- iv. Actual weather patterns at project sites/manufacturing facilities may be significantly different from historical or predicted meteorological data and can impact business performance
- v. Changing weather patterns have the potential to cause disruptions in logistics and transportation of materials
- vi. In addition to loss of productivity and threat to safety, climate events pose an additional burden in terms of higher contingencies and insurance costs
- vii. Resource scarcity, e.g., availability of water due to changing rainfall patterns

To mitigate the impact of such risks, the Company proactively assesses the likelihood and impact of such risks. For EPC projects, this assessment is done both

at the bidding stage and during the execution stage. Manufacturing facilities also undertake such assessments on a periodic basis. The Company has adopted and implemented Environment Management Systems based on ISO 14001 and Occupational Health & Safety Management Systems based on ISO 45001. This helps not only in meeting regulatory compliance, but also improves operational performance by identifying and addressing business operations risks.

Monsoon preparedness plans, cover plans for the protection of equipment (covering, tying down, or other suitable arrangements), backup for power/fuel, human safety, and plans for restoring normal operations, e.g., dewatering arrangements are a standard requirement now for all projects. For dealing with periods of extremely high temperature, measures are taken to reschedule the work-rest cycle, additional measures are taken for shelters and hydration of the workforce, and awareness sessions and advisories are organised to apprise the workforce of risks, reporting issues, and preventive measures to be taken.

Tactical and Strategic Risks

For the Projects Business, the risks arising from high debt levels in various emerging markets (Asia/Africa) have to be addressed while bidding for/executing projects in these regions. This is done using an appropriate approval matrix for Country Risk and focussing on multilaterally funded projects to mitigate sovereign risk.

Both Manufacturing and Projects businesses have faced additional risks due to the ongoing geopolitical tensions and a shifting Sanctions regime. Appropriate measures, such as end-to-end Sanction checks, are in place to manage these risks. Apart from Sanctions, every country's foreign policy can also impact business to some extent. This year, post-election outcomes (in India and overseas) are additional risks to be mitigated when required.

Technology/Business Model Risks - Changes in technologies/business models can affect the performance of clients and thus impact the type of projects that the Company executes. As such, the Company closely monitors these changes with respect to its clients. Trends in Business Model changes for the EPC business (e.g. the trends towards localisation, reduced site work/greater modularisation, and digitalisation) are also tracked.

Concentration Risks - The increase in the order book share of the Middle East has increased the concentration risk. This risk is monitored regularly at various levels and suitably mitigated by measures such as rigorous Sovereign Analysis and Client Financial Strength reviews.

Business Continuity Plan (BCP) - The Company has a process by which BCPs for various risk scenarios are prepared and tested. BCPs are reviewed at several levels and updated suitably, keeping in mind project/portfolio level changes in the Order Book.

Risks from Energy Transition - The current megatrend of Energy Transition is fundamentally reshaping several industries across the globe. This affects the businesses at the operational level by increasing 'green specifications' in tenders, building codes, etc. It has also facilitated opportunities such as Green EPC in the Middle East, domestic Pump Hydro Storage Projects (PSP), new business areas such as Green Hydrogen/Electrolyser manufacturing, and more Transmission & Distribution opportunities due to evacuation requirements/grid reconfiguration for renewables. However, risks could arise from the potential failure of any of these new initiatives.

The Company also sees significant business opportunities from energy transition linked to the decarbonisation of the energy sector. These are in areas of renewable energy (solar, hydel), clean energy (nuclear, natural gas), renewable fuels (green diesel), green hydrogen, battery energy storage, offshore wind, etc.

Talent Risks - The large volume of projects underway in India, as well as in key markets like Saudi Arabia, has increased the demand for key skill sets. As such, talent risks are likely to persist, given the focus on CapEx by both the Central and State Governments of India, as well as Saudi Arabia's ongoing plan to diversify its economy away from oil.

Overall, the Company strives to maintain its robust Risk Management Process, which is far ahead of the statutory stipulation. Despite this, tail risks (potential large impact from a very low probability event) can manifest themselves and will need to be appropriately managed when they arise.

Financial Risks

Financial risk management is governed by the Risk Management Framework and Policy approved by the Company's Audit Committee under the guidance of the Board. Financial risks in each business portfolio are collated, measured, and managed by the Corporate Finance Department.

The global economy proved to be resilient in 2023 despite high inflation, significantly tight monetary policy, supply chain disruptions, volatile commodity prices, and a fragile Chinese economy. However, 2024 is likely to have comparatively slower growth due to the lagged impacts of monetary policy tightening. Political and geopolitical risks will be more pronounced in 2024, with an election-packed events calendar. More than 60 countries, representing half the world's population, will go to the polls in 2024. For G10, the main event is likely to be the US election. Inflation dynamics will look quite similar across developed and emerging economies, as most countries are experiencing gradual disinflation driven by the dissipating effects of supply-side shocks combined with tightening financial conditions. Disinflation in goods is proving to be faster than

in services, but as it continues normalising, it is expected that the Fed & ECB would start their easing cycles by the middle of 2024.

With oil prices expected to be in a range of USD 80-90 per barrel, the Middle Eastern countries are likely to continue their investments in the energy transition journey. The Company had a record order inflow from the Middle East in FY 2023-24 in the hydrocarbon and renewable segments, and the positive momentum may continue in FY 2024-25 as well.

The Indian economy has exhibited remarkable resilience. Output has expanded at a faster pace compared to major economies in 2023, and the outlook remains positive in the medium-term. The country is on track to emerge as the third largest economy in the world within this decade after overtaking the United Kingdom to become the fifth-largest in the world on a nominal GDP (USD) basis last year. An expanding growth pie is expected to lift per capita GDP, which trails most emerging market peers at this juncture. Going by the Government's CapEx emphasis in the Interim Budget of FY 2024-25, we expect public spending to remain strong and consequently, drive growth. Private CapEx could pick up incrementally in FY 2024-25 post-general elections, with improvement in capacity utilisation. However, private consumption is likely to remain modest as the lagged impact of past rate hikes filters through the real economy. NPAs in the banking system have reduced sharply. Hence, banks are well-positioned to fund the next CapEx cycle. Real GDP growth is likely to average around 7.0-7.5 % in FY 2024-25.

Unlike advanced countries, India does not face a big risk from wage-price inflation, which is supported by the recent trend of moderation in core inflation (currently at 3.5% vs. 6%+ in 2022). Headline CPI inflation is expected to moderate to 4.7% in the calendar year 2024.

There is a broad consensus on economic stability over the short- to medium-term post-general election results, which is positive for the continuation of the reform agenda and the structural outlook for the Indian economy. One can also expect fiscal consolidation to pick up pace, with the centre's fiscal deficit likely to narrow to 5.1% of GDP in FY 2024-25 and finally to 4.5% of GDP in FY 2025-26, as per the medium-term macro framework.

India's foreign exchange reserves stood at an all-time high of USD 646 billion as of March 29, 2024. The relative stability of the INR reflects India's sound macroeconomic fundamentals, financial stability and improvements in the external position. The slowing trajectory of inflation and improving CAD position would also allow the RBI to ease rates, maybe towards the end of the financial year.

Foreign Exchange and Commodity Price Risks

The Company's businesses are exposed to fluctuations in foreign exchange rates and commodity prices. Additionally, it has exposures to foreign currency-denominated financial assets and liabilities. Net foreign exchange risk on revenues, costs, assets, and liabilities are managed through a combination of forwards and options wherein the counterparties are regulated banking entities. The financial risks involving commodity prices are managed through a combination of price variation clauses embedded in customer contracts, hedges in financial markets, and price pass-through arrangements. In the case of contracts with price variation clauses, the Company may run a Basis Risk between the actual price of the commodity and the reference indices.

The disclosure of commodity exposures as required under clause 9(n) of Part C, Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in the format specified vide Chapter VI-E of SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 is given below:

Sr No	Commodity Name	Exposure in INR towards the particular commodity (₹ crore)	Exposure in Quantity terms towards the particular commodity (Tn)	% of such exposure hedged through commodity derivatives				Total	
				Domestic market		International market			
				OTC	Exchange	OTC	Exchange		
1	Aluminium - Buy	2,314.98	1,10,094	-	-	73.33	-	73.33	
2	Aluminium - Sell	(23.30)	(1,406)	-	-	75.11	-	75.11	
3	Zinc - Buy	69.11	3,400	-	-	100.00	-	100.00	
4	Copper - Buy	2,774.60	38,952	-	-	62.59	-	62.59	
5	Copper - Sell	(283.80)	(5,654)	-	-	100.00	-	100.00	
6	Lead - Buy	78.11	5,000	-	-	100.00	-	100.00	
7	Coking coal - Buy	71.04	30,030	-	-	9.99	-	9.99	
8	Iron ore - Buy	53.55	57,290	-	-	58.65	-	58.65	
9	Steel - Buy	19,410.19	53,67,394	-	-	-	-	-	
10	Cement - Buy	5,502.16	85,61,148	-	-	-	-	-	
11	Nickel - Buy	292.67	1,458	-	-	88.38	-	88.38	
12	Thermal Coal - Buy	8.43	6,440	-	-	-	-	-	
Total exposure		30,267.73							

Liquidity and Interest Rate Risks

The Company constantly monitors the liquidity levels and economic & capital market conditions and maintains access to sources of liquidity with competitive cost structure through a combination of approved banking lines, trade finance and capital markets. The Company judiciously deploys its surplus funds in short-term investments, which is in line with its Treasury Policy. The Company dynamically manages interest rate risks through a mix of fund-raising, investment products, and derivatives across maturity profiles and currencies within the robust Risk Management Framework.

Financial Resources and Capital Allocation

The capital allocation philosophy of the Company is geared to support business initiatives for the profitable growth of the Company, while retaining adequate liquidity to support any sudden short-term requirements of the Group. After facing uncertainties in past periods due to the pandemic and geopolitics, which resulted in liquidity and supply chain disruptions, the Company has built appropriate cash buffers to meet both opportunities and challenges.

In the financial year, the Company supported the capital expenditure required to execute projects awarded in the Projects and Manufacturing business segment. Going forward, the Company will continue to support the growth of new businesses, including green energy, data centers, and semiconductors.

In line with its stated strategy to monetise non-core assets, the Company concluded the divestment of its roads concessions and transmission line business (L&T IDPL), which resulted in the release of capital to the tune of ~₹1300 crore.

Given the recovery in the business environment and financial markets and with reduced working capital requirements in the Company's businesses and a healthier economic scenario in FY 2023-24, the Company rewarded its shareholders by executing its first-ever equity share buyback that consumed approximately ₹ 12,300 crore, including taxes. Further, this transaction has a positive impact on the Group return ratios as well.

In FY 2024-25, the Company proposes to raise long-term debt to refinance about ~₹ 5,000 crore of maturing debt and to partly fund its proposed capital expenditure.

Low gearing levels (Gross Debt to Equity ratio at 0.35x) at the parent entity level and a healthy cash buffer equips the Company with enough flexibility to deal with normal business uncertainties.

The Company has seen a significant volume of large-value contracts in the Middle East, especially from Saudi Arabia, which requires large banking facilities, primarily non-fund based. The Company is confident of tying up the required banking facilities during the year to address the upcoming requirements.

Internal Controls and Safeguards

Corporate governance is the foundation for the Company to achieve predictable growth and desired outcomes, and robust internal controls are one of the important pillars of corporate governance. The Company has adopted the globally accepted framework issued by the Committee of Sponsoring Organisations (COSO) of the Treadway Commission for Internal Controls. This framework assists in the alignment of controls with the dynamics of recent challenges and changes in risk profiles arising due to varying internal and external factors. The Company ensures integrity in conducting its business, safeguarding its assets, timely preparation of reliable financial information, accuracy & completeness in maintaining accounting records, and prevention & detection of frauds & errors through a set of detailed policies and procedures.

The Board of Directors and Management at all levels exhibit the right tone through their actions, behaviour, and directives. The 'Code of Conduct', which serves as a beacon for employees, defines the Company culture and values, and emphasises the importance of integrity and ethical values. Besides, the suppliers also have to conform to a separate 'Code of Conduct' to ensure that they align with the Company's commitment to seek sustainable growth by integrating Environment, Social and Governance (ESG) principles with its businesses. 'Whistle-blower/Vigil Mechanism' policies are available to both employees and business partners to enable them to raise genuine concerns about any actual or suspected ethical/legal violations, misconduct or fraud, with adequate safeguards against victimisation, fear of punishment or unfair treatment.

The Company has well-documented policies, procedures, and authorisation guidelines commensurate with the level of responsibility, besides standard operating procedures specific to respective businesses. This ensures the propriety of the transactions, besides authorisation at an appropriate level of Management. The Corporate Manuals on Accounting & Internal Controls prescribes the Accounting and Internal Controls Policies. Internal Financial Controls (IFC) at the entity and process level are aligned with the requirements of the Companies Act 2013. The Internal Controls teams at the corporate and business levels assist the Management in setting up appropriate internal controls and establishing and upgrading the system/procedures. Business teams ensure adherence to the documented policies, procedures, authorisation guidelines and IFC framework.

The effectiveness of Internal Controls is tested by the Statutory Auditor as well as by the Company's Corporate Audit Services (CAS) Department. CAS develops an audit plan for the Company, which covers core business operations and corporate & support functions. The Audit Committee of the Board reviews the annual internal audit plan. Significant audit observations from the independent internal audits are presented quarterly to the Audit Committee of the Board, along with the status of the Management actions and the progress of the implementation of recommended remedial measures. The Company also periodically engages independent professional firms to carry out reviews of the effectiveness of control in businesses and support functions.

OVERALL FINANCIAL REVIEW 2023-24

I. L&T CONSOLIDATED

Against the backdrop of domestic economic resurgence amidst global volatility, the Group has recorded a healthy performance across its businesses, spread across diverse sectors and geographies. The Company has continued its focus towards the goal of maximising shareholder value by utilising technology towards improving productivity and efficiency, timely & profitable execution of its record order book, containing working capital along with better funds management, and divesting assets identified for sale.

During the year, the Company successfully completed its first-ever buyback of equity shares in alignment with the long-term Lakshya 2026 plan to enhance shareholder value. Additionally, as part of the strategy to exit non-core businesses, on April 10, 2024, the Company completed the divestment of its entire shareholding in L&T Infrastructure Development Projects Limited, a joint venture primarily engaged in the development and operation of toll roads and a power transmission asset. Further, the Company also sold its entire stake in L&T Infrastructure Engineering Limited (LTIEL) to STUP Consultants Private Limited, a subsidiary of Assystem SA of France, to remain focussed on its core offerings.

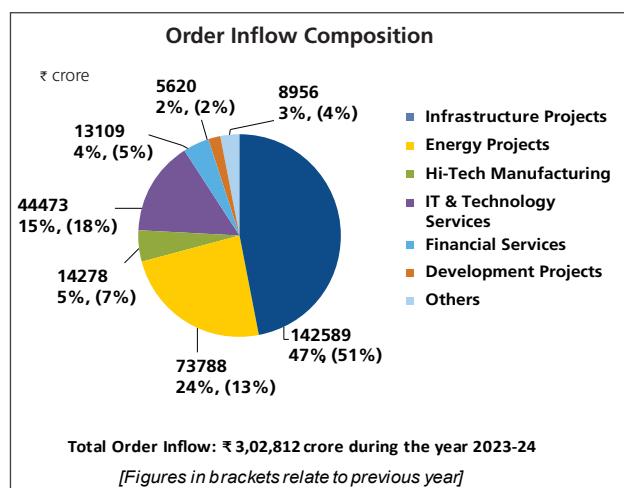
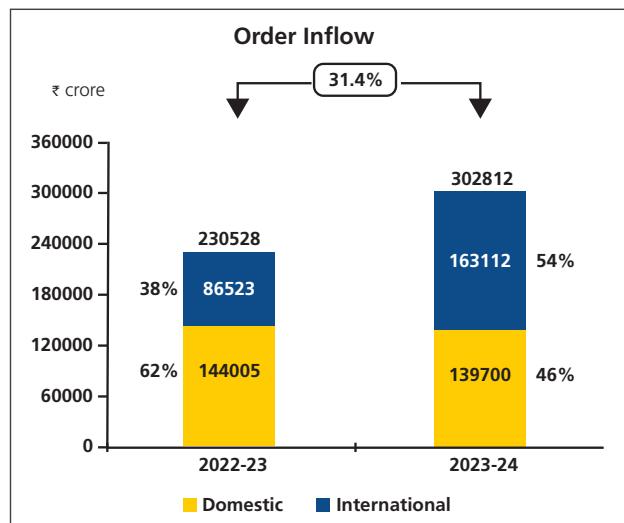
During the year, the Company successfully commissioned its first indigenously manufactured electrolyser at the Green Hydrogen Plant at A. M. Naik Heavy Engineering Complex in Hazira, Gujarat. This pioneering accomplishment signifies L&T Electrolysers Limited's foray into domestic electrolyser manufacturing, underscoring the Company's steadfast dedication to propelling sustainable energy solutions. The Company also launched its first Data Center Pilot project at Panvel, Mumbai, with a capacity of ~1.4 MW.

The Group has also forayed into fabless semiconductor chip design during the year by incorporating L&T Semiconductor Technologies Limited (LTST), a wholly-owned subsidiary. A fabless semiconductor company specialises in the design and creation of semiconductor chips without owning or operating semiconductor manufacturing facilities.

The financial services business of the Group, during the year, also concluded the merger of L&T Finance Holdings Ltd. and its wholly owned subsidiaries, viz. L&T Finance Ltd., L&T Infra Credit Ltd. and L&T Mutual Fund Trustee Ltd., resulting in the creation of a single lending entity – L&T Finance Holdings. Further, the name of L&T Finance Holdings Ltd. has been changed to L&T Finance Ltd. This merger leads to the creation of a simplified 'Single Lending Entity' and will create internal synergies, superior governance, and newer avenues for growth.

As at March 31, 2024, the L&T Group comprised 86 subsidiaries, 5 associate companies, 26 joint ventures, and 33 jointly held operations. Out of the total 150 entities, 36 companies belong to the listed subsidiaries, and 20 are associated with Development Projects. The rest of the entities in the Group are mostly strategic extensions of the traditional businesses, viz. EPC Contracts and Hi-Tech Manufacturing, to enable access to new geographies, technology, and nuanced business segments.

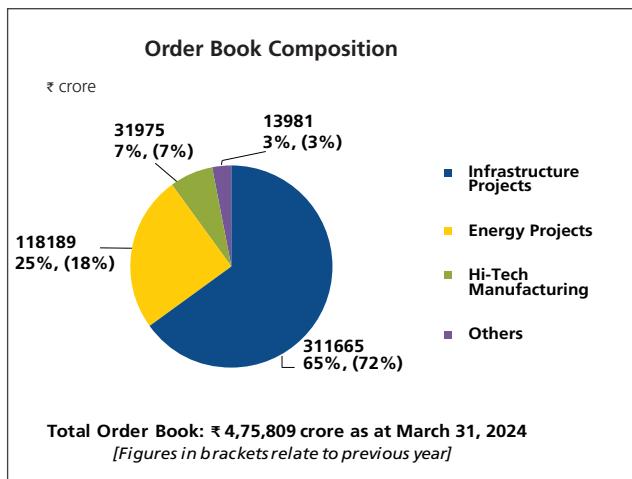
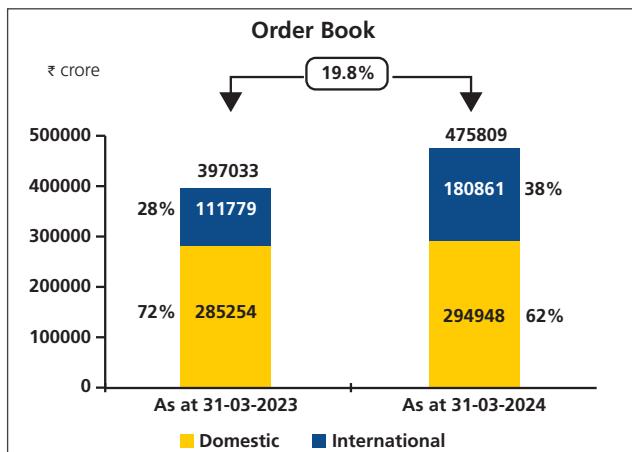
Order Inflow and Order Book



L&T Group achieved order inflows of ₹ 3,02,812 crore during FY 2023-24, registering a growth of 31.4% over the previous year. Growth was largely driven by the strong investment momentum in the Middle East region, further complemented by the Government of India's CapEx push. The buoyancy in Middle East orders led to an increase in the share of international order inflow to 54% from 38% in the previous year.

The year witnessed the booking of some noteworthy orders in the Urban Transit space, including another package for Mumbai-Ahmedabad High-Speed Rail in the Heavy Civil business, a few orders in the residential vertical of Buildings & Factories business, multiple renewable energy projects from the Middle East under the Power Transmission & Distribution business, Electrification Work package for Mumbai-Ahmedabad High-Speed Rail, and a road project in Mumbai in Transportation Infrastructure, a couple of orders in ferrous metal space, a major order from Ministry of Defence in the Precision Engineering & Systems business, a mega order in the Offshore vertical, and few ultra-mega orders in the Onshore vertical of the Hydrocarbon business.

With higher ordering in the Energy segment primarily due to CapEx acceleration in the Middle East region, the contribution of the Infrastructure segment in the overall order inflow has decreased to 47% from 51% in the previous year, while continuing to remain the largest segment in the Company's business portfolio.

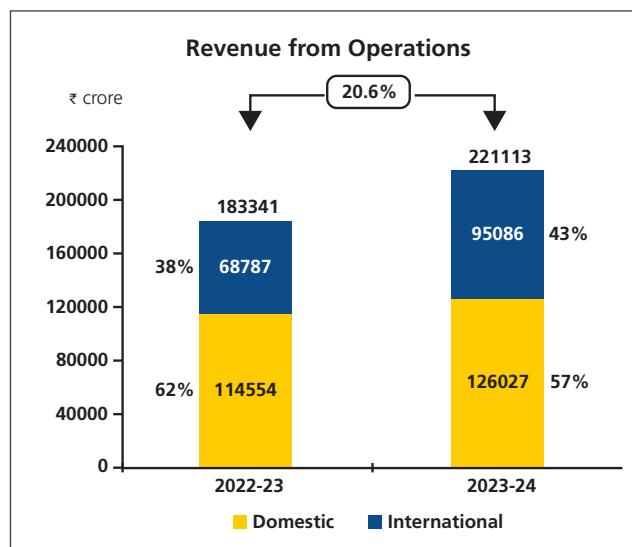


As at March 31, 2024, the order book is at a record level of ₹ 4,75,809 crore, thereby providing a multi-year revenue visibility for the Group. The infrastructure segment continues to dominate with a share of 65% of the consolidated order book.

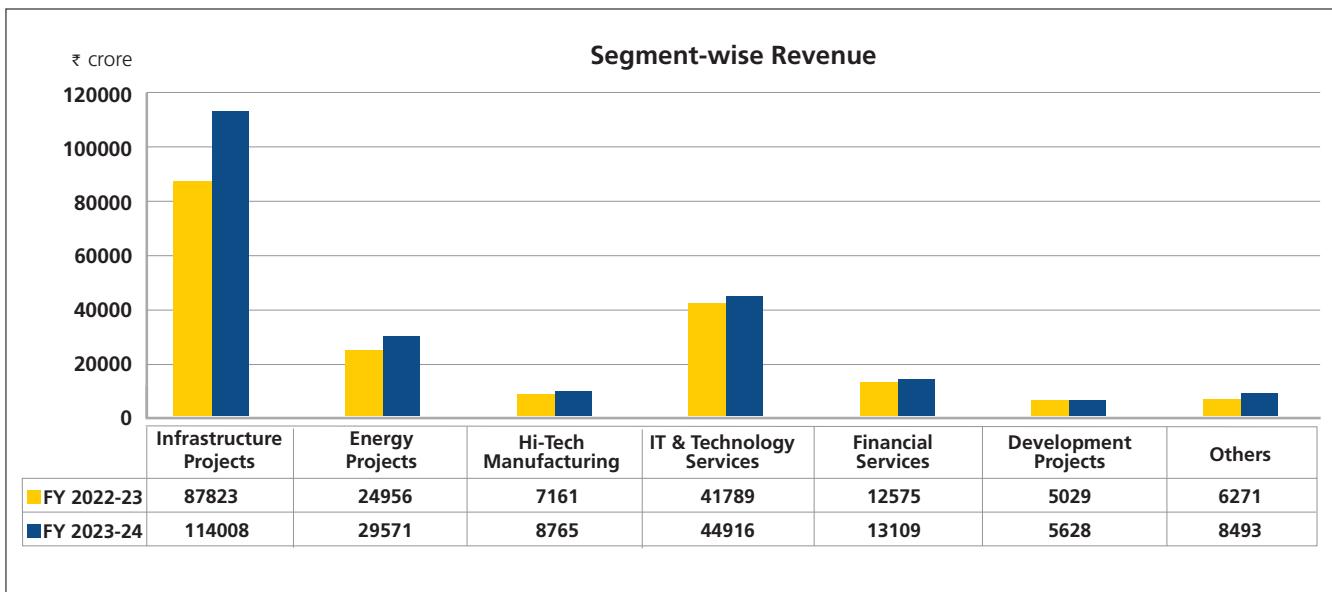
The order book registered a growth of 19.8% on a y-o-y basis, mainly with the receipt of some high-value orders during the year. Around 77% of the total order book comprises orders received from Indian Central and State Governments (including local authorities) and State-owned Enterprises (both domestic and international). The private sector has marginally declined and has a share of 23% of the total order book as on March 2024, as against 25% as on March 2023. Of the domestic order book, 29% of the orders are funded by multilateral agencies.

The share of the international order book increased from 28% to 38% on account of the intake of higher international orders during the year.

Consolidated Revenue from Operations

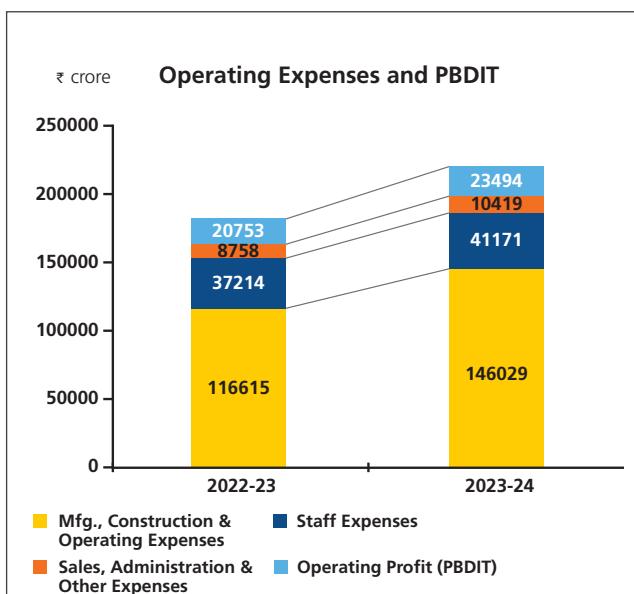


L&T Group recorded revenue of ₹ 2,21,113 crore during FY 2023-24, registering a growth of 20.6%. The growth was mainly achieved with the pick-up of execution momentum in project and manufacturing businesses. The composition of international revenue at the group level is at 43% in FY 2023-24 compared to 38% in the previous year.



During the year, all the segments registered growth over the previous year, with the Infrastructure segment leading the pack.

Operating Expenses and PBDIT



Manufacturing, Construction and Operating (MCO) expenses for FY 2023-24 at ₹ 1,46,029 crore increased by 25.2% over the previous year. These expenses mainly comprise the cost of construction materials, raw materials and components, sub-contracting expenses, and interest costs in the Financial Services business. This represents 66.0% of revenue as compared to 63.6% in the previous year, mainly on account of cost overruns encountered in a few projects and changes in job mix.

Staff expenses for FY 2023-24 at ₹ 41,171 crore increased by 10.6% over the previous year, reflecting a combination of manpower ramp-up and salary revisions. Although, as a percentage of revenue, it decreased by ~170 bps during FY 2023-24, consequent upon higher revenue. The Group continues to focus on productivity improvements, digitalisation, and manpower optimisation across its businesses.

Sales and administration expenses at ₹ 10,419 crore increased by 19.0% over the previous year. This represents 4.7% of revenue, which is almost in line with the previous year.

The Group's operating profit at ₹ 23,494 crore for FY 2023-24 registered a growth of 13.2% y-o-y, largely due to higher business volumes. The EBITDA margin for the year, however, declined by 70 bps and is at 10.6%.

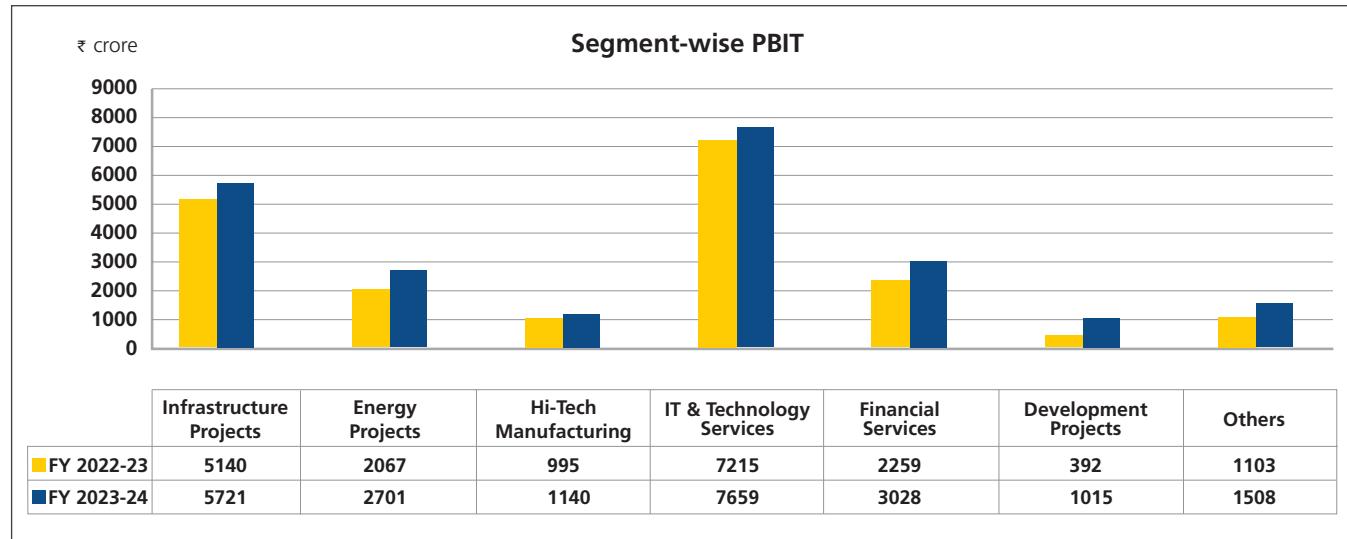
The impact of additional execution costs incurred in the Infrastructure segment and higher provisions on contract assets and customer receivables impacted the Company's overall margin. At the same time, cost savings in projects of the Energy segment, higher NIM in Financial Services, and sale of commercial property along with improved ridership in Hyderabad Metro, partially mitigated the impact.

Depreciation and Amortisation Charge

Depreciation and amortisation charges for FY 2023-24 increased to ₹ 3,682 crore from ₹ 3,502 crore in the previous year, registering an increase of 5.1%, mainly reflective of higher CapEx spending in recent years.

Profit Before Interest and Tax

Segment-wise composition of PBIT for FY 2023-24 is represented below:



The segment-wise PBIT registered improvement over the previous year across all businesses. The PBIT of Development Projects is higher during the year primarily due to a non-recurring gain on the sale of commercial property in Hyderabad Metro.

Other Income

This mainly consists of interest, dividend, and gains from treasury operations. Other income at ₹ 4,158 crore improved by 42.0% over ₹ 2,929 crore for the previous year, reflective of gain on sale/fair valuation of investments and efficient treasury operations.

Finance Cost

The interest expenses for FY 2023-24 at ₹ 3,546 crore were higher by 10.6% over ₹ 3,207 crore for the previous year. The increasing average borrowing at a group level was partly offset by the reduction in the borrowing in Hyderabad Metro. The interest cost for FY 2023-24 was higher by 30 bps as compared to the previous year.

Tax Expense

Income Tax charge for FY 2023-24 was higher at ₹ 4,947 crore by 10.3% compared to ₹ 4,484 crore in the previous year on higher taxable income.

Exceptional Items

Exceptional items during the year mainly comprise gain on the divestment of stake in L&T Transportation Infrastructure Limited, a subsidiary of L&T IDPL and reversal of impairment of investment in L&T IDPL. The previous year mainly included a gain on divestment of the Mutual Fund business

of the Financial Services, partially offset by a one-time charge on remeasurement of the wholesale loan assets of the Financial Services segment at fair value.

Consolidated Profit after Tax and EPS

Consolidated Profit after Tax (PAT) at ₹ 13,059 crore for FY 2023-24 increased by 24.7% over the previous year at ₹ 10,471 crore. The increase is mainly due to growth in revenues and improved treasury operations.

Consolidated Basic Earnings per Share (EPS) for FY 2023-24 at ₹ 93.96 improved over the previous year at ₹ 74.51.

Return on Consolidated Net Worth

The Consolidated Net Worth, as on March 31, 2024, at ₹ 86,359 crore, reflects a net decrease of ₹ 2,967 crore, as compared to the position as on March 31, 2023. The Return on Net Worth (RONW) for FY 2023-24 was higher at 14.9%, compared to 12.2% in the previous year, mainly on account of higher profits and share buyback.

Liquidity & Gearing

Cash flow from Operations (including change in loans and advances towards financing activities) for FY 2023-24 decreased to ₹ 18,266 crore as compared to ₹ 22,777 crore in the previous year, mainly due to build-up of customer outstanding and higher contract assets from an increase

in business volumes. During the year, additional funds were generated mainly from the divestment of commercial property in Hyderabad Metro, treasury and dividend income and investment sales.

Funds were utilised mainly for repayment of borrowings of ₹ 4,513 crore, capital expenditure of ₹ 4,210 crore, and payment of dividend of ₹ 4,217 crore. Further, funds were utilised for the buyback of equity shares ₹ 12,280 crore (including tax and expenses on buyback) and net interest payment of ₹ 3,605 crore (attributable to the level of Borrowing) during FY 2023-24.

Consequently, there was a net decrease of ₹ 4,984 crore in the cash balances as of March 31, 2024, compared to the beginning of the financial year.

Consolidated Fund Flow Statement ₹ crore		
Particulars	FY 2022-23	FY 2023-24
Operating Activities	22,777	18,266
Net Divestment	2,670	1,000
Treasury and Dividend Income	1,767	2,634
Sale/(Purchase) of investments	(8955)	2739
ESOP Proceeds (Net)	10	10
Decrease/(Increase) in cash balance	(2893)	4,984
Source of Funds	15,376	29,633
Capital expenditure (Net)	3,793	4,210
Repayment of borrowings	4,832	4,513
Dividend Paid	3,091	4,217
Interest Paid	3,047	3,605
Payment to minority interest (net)	613	808
Buyback of equity shares (Incl. tax and expenses on buyback)	-	12,280
Utilisation of Funds	15,376	29,633

The total Group borrowings as at March 31, 2024, was lower at ₹ 1,14,040 crore compared to ₹ 1,18,513 crore as at March 31, 2023. The major decrease is in borrowings of the Financial Services, Hyderabad Metro and Nabha

Power, partly offset by a higher level of borrowing at the Parent level. At a group level, the gross debt-to-equity ratio decreased to 1.11:1 as at March 31, 2024, from 1.14:1 as at March 31, 2023. However, the net debt-to-equity ratio marginally increased to 0.64:1 as at March 31, 2024, from 0.62:1 as at March 31, 2023.

Details of significant changes in key financial ratios along with explanation:

In compliance with the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the key financial ratios of the Group have been provided hereunder along with the explanation only for the significant changes, i.e., change of 25% or more as compared to the previous financial year:

Sr. No	Particulars	FY 2022-23	FY 2023-24	% Growth
(i)	Gross Debt Equity Ratio	1.14	1.11	2.8%
(ii)	PBDIT as % of net revenue	11.3%	10.6%	-6.1%
(iii)	Net Working Capital % of Sales* (Excluding Financial Services & Corporate)	16.1%	12.0%	25.9%
(iv)	Interest Coverage ratio (excludes Financial Services and Finance Lease Activity)	5.45	5.79	6.2%

* The significant change in the Net Working Capital % of Sales for FY 2023-24 has been due to better collections and efficient working capital management.

II. L&T STANDALONE

L&T's standalone financials reflect the performance of Infrastructure Projects, Energy Projects, Hi-Tech Manufacturing, and Others. The Others segment comprises Realty, Smart World & Communication, Construction & Mining Machinery, Rubber Processing Machinery, E-commerce/digital platforms, and Data Centers.

Brief Summary of Performance at Standalone Level:

Particulars	₹ crore		
	FY 2022-23	FY 2023-24	% Growth
Order Inflow	1,49,984	1,71,663	14%
Share of International Order Inflow	20%	35%	
Revenue	1,10,501	1,26,236	14%
Share of International Revenue	17%	21%	
Order Book	3,30,555	3,71,381	12%
Share of International Order Book	15%	23%	
PBDIT	9,295	9,685	4%
PAT	7,849	9,304	19%
Net Worth	71,528	64,416	(10)%
RONW (%)	11.3%	13.7%	
EPS (in Rs.)	55.85	66.95	

Liquidity & Gearing

Business operations generated cash flows of ₹ 8,294 crore during the year, compared to ₹ 7,264 crore in the previous year. The increase is attributable to improved working capital management. During the year, additional funds were borrowed to support an increase in business volumes. The proceeds from cash generated through the sale of investments ₹ 4,645 crore, treasury income of ₹ 2,041 crore, and dividend income from S&A companies at ₹ 2,649 crore have been utilised towards Share Buyback (including expenses and tax) of ₹ 12,280 crore, CapEx payment of ₹ 2,822 crore, a dividend payment of ₹ 4,217 crore, and interest payment of ₹ 2,268 crore.

There was a net increase of ₹ 133 crore in the cash balances as at March 31, 2024, compared to the beginning of the year.

Fund Flow Statement		
Particulars	₹ crore	
	FY 2022-23	FY 2023-24
Operating activities	7,264	8,294
Borrowings/(Repayment of Borrowings)	(2,027)	4,232
Sale/(Purchase) of Other investments	(2,904)	4,645
Treasury and dividend income	3,035	4,690
ESOP Proceeds	10	10
Sources of Funds	5,378	21,871
Capital expenditure (Net)	2,236	2,822
Net investment/(Divestment)	(352)	151
Dividend paid	3,091	4,217
Interest paid	2,333	2,268
Buyback of shares (Including buyback expenses and tax)	-	12,280
Increase/(Decrease) in cash balance	(1,930)	133
Utilisation of Funds	5,378	21,871

Total borrowings as at March 31, 2024, increased to ₹ 22,540 crore, compared to ₹ 18,151 crore in the previous year. The loan portfolio of the Company comprises a mix of Rupee and suitably hedged foreign currency loans. The gross debt-to-equity ratio increased to 0.35:1 as at March 31, 2024, from 0.25:1 as at March 31, 2023. The net debt ratio as at March 31, 2024, is 0.02:1 after netting off cash and cash equivalents.

INFRASTRUCTURE PROJECTS SEGMENT

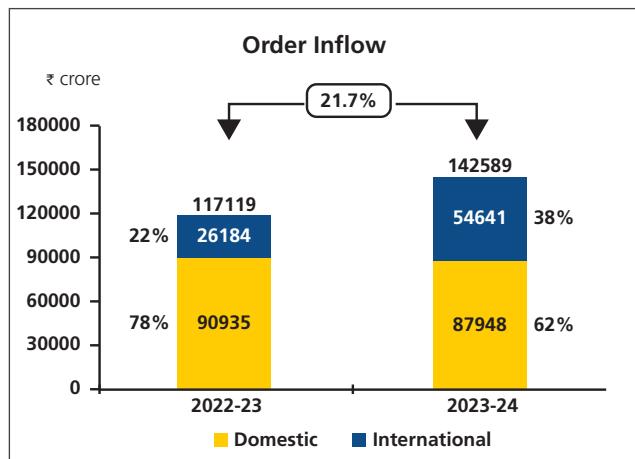


AIIMS Rewari, Haryana

The Infrastructure Projects Segment comprises the engineering and construction of:

- a) Buildings & Factories
- b) Transportation Infrastructure
- c) Heavy Civil Infrastructure
- d) Power Transmission & Distribution
- e) Water & Effluent Treatment
- f) Minerals & Metals

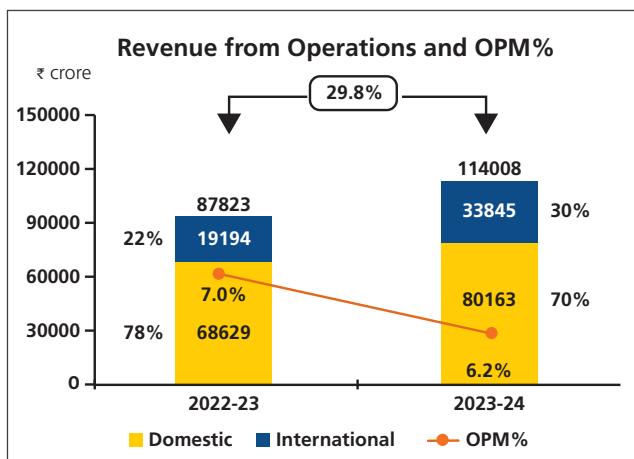
Financial performance of the segment



The Infrastructure segment secured orders worth ₹ 1,42,589 crore in FY 2023-24, higher by 21.7% over the previous year, with the receipt of multiple orders across various sub-segments. During the current year, the Buildings & Factories business registered growth with the

receipt of some residential as well as IT park orders. The Transportation Infrastructure business registered growth with the receipt of a prestigious order for electrification work in the High-Speed Rail project as well as for a few road projects. The Heavy Civil Infrastructure business registered growth on receipt of a few high-value orders for Urban Transportation. Power Transmission & Distribution business benefitted from the receipt of multiple orders for renewable energy projects. Water & Effluent Treatment business and Minerals & Metals business registered de-growth over the previous year due to deferment/delay in finalisation of orders.

The share of international orders for the Infrastructure segment increased to 38% from 22% in the previous year, with the share of the Middle East in overall international order inflow for the segment remaining at 93% in line with the previous year.





Hyderabad International Airport, Hyderabad, Telangana

The Infrastructure segment registered revenue of ₹ 1,14,008 crore for FY 2023-24 – a growth of 29.8% over the previous year. The growth was mainly driven by the ramp-up of execution across multiple project sites. Revenue from international operations constituted 30% of the total compared to 22% in the previous year.

The segment's operating margin for FY 2023-24 declined to 6.2% from 7.0% in the previous year. The decline is largely reflective of time and cost overruns in multiple jobs coupled with increased provision on contract assets and customer receivables.

The funds employed by the segment at ₹ 24,048 crore as on March 31, 2024, registered a decline of 2.2% vis-à-vis March 31, 2023, mainly on account of improved working capital management.

Buildings & Factories

Overview

The Buildings & Factories (B&F) business stands at the forefront of building urban infrastructure, offering end-to-end design-and-build turnkey solutions that seamlessly traverse the entire project lifecycle, from concept to commissioning. Its expertise extends across sectors such as airports, hospitals, stadia, retail establishments, educational campuses, IT parks, office towers, data centers, high-rise structures, industrial warehouses, test tracks, and other light factory structures.

Driving the success of the business are dedicated engineering design centres, various competency cells, and

innovative formwork systems. The business' commitment to innovation is further amplified by the mechanised project execution, a robust network of seasoned consultants and reliable vendors, and a meticulously digitised project control framework. Its talented workforce, adept at navigating complex challenges, contributes significantly to the realisation of iconic structures both in India and overseas.

The business is organised into the following Strategic Business Groups (SBGs):

Public Spaces, Airports & Factories SBG:

This SBG consists of the following three businesses:

- The Public Space business undertakes design & execution of iconic projects like statues, museums, stadia, metro stations/depots, convention centres, malls, integrated multi-modal developments, etc., right from concept to commissioning on an engineering, procurement and construction (EPC) basis
- The Airports business specialises in designing and constructing airport terminal buildings, along with their associated service structures. The business also provides integrated airport system solutions, including baggage-handling systems, passenger-flow monitoring, passenger boarding bridges, visual docking guidance systems, and other essential facilities
- The Factories business offers comprehensive EPC solutions with single-point accountability, catering to the needs of sectors like automobile plants & test tracks, semiconductor electronics & solar PV manufacturing, glass & paint manufacturing, vaccine manufacturing, warehouses, and FMCG products



Phoenix H10, Hyderabad, Telangana

Health, Residential & Commercial Buildings SBG:

- The Health business provides world-class healthcare infrastructure development, right from concept to commissioning in EPC mode, including medical and paramedical services as well as medical equipment
- The Residential business is a prime EPC solutions provider of elite, affordable, and mass-housing projects. The business has expertise in executing high-rise towers and developing mass-dwelling units
- The IT Office Spaces & Data Centers business specialises in end-to-end services, from conceptualisation to commissioning, for establishing innovative data centers. It also provides turnkey Design & Build solutions for Information Technology and office spaces. The business also strategically embraces innovative construction technologies, including prefabricated prefinished volumetric construction (PPVC), modular construction, and 3D printing

Business Environment

Public Spaces

The Private customer segment has demonstrated robust growth across multiple sectors, including MUD (Mixed Use Development), Hotels, and Malls. However, in large-size state-sponsored projects, the Government has strategically opted to split high-volume tenders for better price discovery. Also, some marquee public projects were delayed because of lower initial estimates that were not adequately aligned with the proposed scope of work.

Airports

The Airport sector is experiencing a dynamic business landscape with several key trends. First, passenger traffic has crossed pre-COVID levels, signalling a positive trajectory for airport infrastructure development. Second, there is a growing demand for air travel in tier II and tier III cities as well, thereby presenting multiple lucrative opportunities for greenfield airports and expansion/modernisation of existing airports.

Factories

The factory construction business is experiencing sustained growth driven by orders from private players in response to the Government's impetus to manufacturing through the Production Linked Incentive (PLI) Scheme.

Health

In the hospital infrastructure industry, private investments are proceeding cautiously, leading to delayed expansions. Notably, many Indian Institutes of Technology (IITs) are establishing postgraduate medical research institutes along with super speciality Hospitals. Additionally, the Government's plan to set up infectious disease hospital blocks in all districts has expanded the scope of new hospital projects. These developments signal a dynamic landscape with potential for growth and innovation in healthcare infrastructure.



India International Convention Centre, Dwarka, New Delhi

Residential

Real estate has seen exponential growth in the previous year, with residential property sales scaling new highs amidst rising customer confidence, stable interest rates, and improved affordability. The surge in demand was witnessed in the upper middle class and luxury segments. New launches and sales in the top 7 cities have registered a growth of 25% and 31%, respectively, on a y-o-y basis.

IT OS and Data Center

With the cessation of the Work-from-Home (WFH) culture over time, the business is seeing growth from many real estate developers wanting to develop premium office spaces. The B&F Fast segment is witnessing significant interest in 3D concrete printing technology. Noteworthy is that the business is executing the world's largest 3D concrete printed facility in Chandigarh and also received an order for constructing villas in Bengaluru using the technology. The Data Center business is also gaining traction, not only in India but also in the GCC region.

International

The business has strategically expanded its presence in the Middle East, capitalising on the economic upswing in Oman. Furthermore, selective opportunities are being pursued in Saudi Arabia.

Major Achievements

Major Orders Won:

- Construction of two residential towers for Oberoi Realty in Thane
- Commercial and residential development for Prestige Group in Mumbai and Bengaluru
- Mass Housing development for CIDCO at Navade, Navi Mumbai
- Commercial development for Raheja Group in Hyderabad
- Commercial building at four locations in Bangladesh
- Commercial tower for TAISEI Corporation at BKC (Bandra Kurla Complex), Mumbai
- Airport at Bhogapuram, near Visakhapatnam, for GMR Airports Infrastructure Limited
- AIIMS hospital and allied infrastructure at Rewari, Haryana
- AIIMS hospital and allied infrastructure at Madurai, Tamil Nadu
- AI NAMAA General Hospital at Oman
- MAHSR C3 High-Speed Railway Stations & Depot
- Paint Polymer Manufacturing Plant in Gujarat for Asian Paints
- Paint Manufacturing Plant in Kharagpur for Birla Paints

Key Projects Commissioned:

- Food Processing Plant in Ahmedabad for JR Simplot India
- Paint Manufacturing Plants for Birla Paints at Panipat, Ludhiana and Cheyyar, Tamil Nadu



Flacq Teaching Hospital, Mauritius

- Assam Cancer Care Foundation, Guwahati & Silchar, Assam
- AIIMS Guntur, Andhra Pradesh
- Delhi International Airport T1 Expansion and Hyderabad International Airport Expansion from GMR Airports Infrastructure Limited
- India International Convention & Expo Centre (IICC) Dwarka, IIT Hyderabad Ph2 and IIT Bhilai projects
- Statue Of Oneness in Omkareshwar, Madhya Pradesh
- Kalinga Stadium in Bhubaneshwar, Odisha

Other Key Achievements:

The business successfully designed and built the Shri Ram Janmabhoomi Temple and was instrumental in the timely consecration ceremony of Ram Mandir in Ayodhya, Uttar Pradesh.

The construction industry has taken significant strides towards sustainability. Spearheading this transformation, CIDCO Kharkopar, CIDCO Bamandongri, and the CIDCO Precast yard at Bamandongri have teamed with the Maharashtra Electricity Board to operate entirely on renewable energy sources. These initiatives, in addition to reducing carbon footprint, also set a precedent for other construction projects to follow suit. Furthermore, the Prestige Serenity Project at Bengaluru recently implemented a Power Purchase Agreement – a first in the construction industry for the use of renewable energy for site operations. These milestones underscore the business' commitment to environmental stewardship.

B&F is pioneering 3D concrete printing in India by constructing the country's first post office building using this cutting-edge technology. The Halasuru Post Office in

Bengaluru spans 1000 sq. feet and was built within an impressive 45 days. The project encompasses the entire spectrum of construction, including structures, MEP (mechanical, electrical, and plumbing), and finishes.

Outlook

Public Spaces: Central Government initiatives such as the Target Olympic Podium Scheme (TOPS) and the improved scenario in the hospitality industry, contribute to existing traction in the Public Spaces business. The business is also actively tracking the expansions of global retailers like IKEA. Further, prospects from the Central Government in Central Vista projects, Mixed-Use Development, and other sports redevelopment projects signal a healthy outlook for this business.

Airports: Supportive Government policies such as UDAN (Ude Desh ka Aam Nagrik) and the Air Cargo Policy are driving investments in various airport projects. While the business envisages an uptick in investments from the Central Government, large airports/expansions from private Airport Operators could be deferred. The business is also looking at opportunities in this sector in the GCC region.

Factories: Backed by schemes like the 'National Policy on Electronics 2019', the Electronics and Semiconductor industry is expected to grow significantly in FY 2024-25. Major players are looking to set up manufacturing facilities for batteries and semiconductor chips. With major automobile players actively expanding their existing production and venturing into Green Energy vehicles, this business is seeing healthy prospects in the medium-term.



Meerut Aligarh Ghaziabad Road Project, Uttar Pradesh

Health: Mega healthcare projects are on the rise with the Government accelerating healthcare infrastructure development across India. The Central Government's initiative to establish one medical college in each district (with a population of 10 lakh people +) has led to competition among state governments and private players to develop medical infrastructure. The Government's focus is on improving the bed-to-population ratio in order to align with WHO norms. Further, many large hospital redevelopment projects are shaping up across the country.

Residential: In the Indian residential building sector, post-COVID, there has been a consistent year-on-year increase in project launches and property sales across the top 7 cities. Simultaneously, the average inventory has reached an all-time low of 15 months by the end of the previous year. This, coupled with improved affordability, stable interest rates, and wealth effect, are contributors to medium-term growth.

IT OS and Data Center Business: The IT OS and Data Center Business is well-positioned to capitalise on the growing demand for Data Center construction in India and abroad, leveraging its experience, expertise, and strategic partnerships to tap into this lucrative market segment while continuing to serve its clients in the commercial and retail segments as well.

International Opportunities: Projects within the GCC countries present substantial prospects in the international markets as well. Notably, Saudi Arabia offers promising opportunities in sectors like airports, data centers, and stadia. Further, in Oman, the business is focussed on projects in the hospitality industry, encompassing both hotels and hospitals.

With healthy investment opportunities across public and private space anticipated in the medium-term across geographies, the business is well-placed to benefit from the improved momentum.

Transportation Infrastructure

Overview

L&T's Transportation Infrastructure business is one of the leading contractors in India, offering turnkey Design & Build/EPC solutions with single-point responsibility for all kinds of transportation infrastructure such as Roads, Runways, Bridges, Elevated Corridors, Railways, City Infra, Urban Transit, and Airports. The business is divided into two Strategic Business Groups (SBGs), namely, Railways Business Group (RBG) and Roads, Bridges & Formations (RBF) Business Group.

The Railways Business Group (RBG) is subdivided into Mainline Business Unit (MLBU) and Metro Business Unit (MTBU). MLBU addresses EPC construction works in the domains of civil & trackwork, electrification and system integration, including signalling & telecommunication for all Mainline Railway Projects, Dedicated Freight Corridors, Rail Links for Port, Mining and Power Plant facilities, etc. MTBU carries out EPC construction works involving ballastless trackwork, electrification, and system integration for all Mass Rapid Transit System Projects and Regional Rapid Transit Systems in India and abroad.

The Roads, Bridges & Formations (RBF) Business Group provides EPC Design & Build Construction services. RBF comprises a Roads & Runways (R&R) Business Unit,



Eastern Dedicated Freight Corridor (Contract Package 303), Uttar Pradesh

a Bridges Business Unit, and a Formations & Structure Business unit (F&S) with projects currently spanning across India, the UAE, and Mauritius. The R&R business is involved in the roads sector, viz. associated structures, cross-drainage, toll plaza, wayside amenities, etc.; in the airport sector, viz. construction of complete airside infrastructure (runways, taxiways, aprons, airfield ground lighting, fuel hydrant systems for international airports, both greenfield & brownfield); and to decongest urban areas, it provides design and construction solutions for elevated corridors. The Bridges Business deals with the construction of bridges, both in India and overseas, using ingenious and cutting-edge bridge construction techniques like incremental launching, segmental construction, full span, cable stay, precast & pre-stressed concrete, as well as steel & concrete composite construction. The F&S business provides construction services for all types of railway civil work in dedicated freight corridors, high-speed rail, and urban railway network projects.

The business has Engineering Design Centres located in Mumbai, Faridabad, and Chennai. It also has a Competency Development Centre at Kancheepuram and a Workmen Training Centre at Ahmedabad.

Business Environment

Railways Business Group

The Railway sector has been on a high growth trajectory for the past few years. The pace of investment has been at an all-time high with adequate financial support from the Government.

The Finance Minister, in the interim budget speech of FY 2024-25, announced the Government's focus on implementing three major railway economic corridors – Energy, Port Connectivity, and High Traffic Density. The budget allocation in the interim budget FY 2024-25 saw the largest ever capital expenditure allocation of ₹ 2.52 lakh crore in various areas like rolling stock, track augmentation works, electrification, passenger amenities, High-Speed Rail, and the Dedicated Freight Corridors.

With an emphasis on the introduction of High-Speed and Semi High-Speed Corridors, Regional Rapid Transport Systems, Suburban Rail Systems, first & last mile connectivity projects, modernisation of railway stations, implementation of Automatic Train Protection System 'KAVACH', manufacturing of Vande Bharat trainsets, and Electric Locomotives, the sector has been abuzz with activities, thereby opening up various opportunities for the business.

Roads, Bridges & Formations

The total budgetary outlay for infrastructure-related ministries increased from around ₹ 3.7 lakh crore in FY 2022-23 to ₹ 5 lakh crore in FY 2023-24, offering investment prospects for the private sector across the various transport sub-segments. The Government has also set ambitious targets for the transport sector, including the development of a two lakh-km national highway network and expanding airports to 220 by 2025.

The aviation sector has seen increased activity in the past ten years. The number of airports has doubled to 149 during this period.



Dwarka Expressway, Haryana

The Government is also focussing on developing new elevated corridor/flyover projects across major cities, with the primary aim of decongesting urban roads and highways.

Major Achievements

Major Orders Won:

- Mumbai-Ahmedabad High-Speed Rail – Traction Power Supply Package (EW1) from National High-Speed Rail Corporation Limited (NHSRCL)
- Jakarta Mass Rapid Transit (MRT) Project (Phase 2A) (Contract Package CP205) for MRT Jakarta through L&T's long-term Japanese partner, Sojitz Corporation
- Palasbari to Sualkuchi Cable-Stayed Bridge across the river Brahmaputra in Assam, from Public Works Roads Department (PWRD), Assam
- Dahisar Bhayandar Bridge in Mumbai, from Municipal Corporation of Greater Mumbai (MCGM)
- Versova Dahisar Bridge in Mumbai, from Municipal Corporation of Greater Mumbai (MCGM)
- Bhogapuram Airport in the state of Andhra Pradesh, from GMR Visakhapatnam International Airport Limited (GVIAL)
- Bengaluru Suburban Rail project (Package C4) in Bengaluru, Karnataka, from Rail Infrastructure Development Company (Karnataka) Limited (K-RIDE)

Key Projects Completed:

The business has completed/commissioned the following projects:

- Bar Bilara Jodhpur Road Project in Rajasthan was inaugurated in May 2023
- Mukkola Junction to Kerala/Tamil Nadu Border Road Project was completed and received PCOD (Provisional Commercial Operations Date) in June 2023
- RRTS – Priority stretch (Sahibabad to Duhai – 34 TKM) in Uttar Pradesh was inaugurated in October 2023
- Dhaka Metro (Phase 2 – Agragaon to Motijheel – 18 TKM) was inaugurated in November 2023
- Commercial Operation commenced in the entire section of 283 TKM in the WDFC CP 303 Project (Khurja to Pilkhan in Uttar Pradesh – 283 TKM) in November 2023
- The complete stretch of the 902 TKM section in EDFC CP-204, New Bhaupur to Mugalsarai in Uttar Pradesh, was commissioned in December 2023
- EDFC CP-105, Dadri to Khurja in Uttar Pradesh, was inaugurated in January 2024
- The Indergarh to Mej River Expressway Project in Rajasthan was inaugurated in February 2024
- CTP 14, a portion of the Dedicated Freight Corridor project, was inaugurated in March 2024
- Dwarka Package 3 (Delhi-Haryana Border to Gurugram (Haryana)) was inaugurated in March 2024
- Dwarka Package 4 (NH248 BB ROB to NH-8 SPR Intersection (Haryana)) was inaugurated in March 2024



Western Dedicated Freight Corridor (Civil & Track Package 14), Haryana-Uttar Pradesh

- Delhi International Airport (Phase 3A) was inaugurated in March 2024
- Meerut Aligarh Ghaziabad Road Project in Uttar Pradesh, completed in March 2024
- Kanpur & Agra Metro Track package 12 TKM from Fatehabad to Jama Masjid was inaugurated for public operation in March 2024
- A portion of EDFC projects CP 304 & CP 305 – 558 TKM (World Bank funded) was commissioned in March 2024
- Signalling & Telecom STP-17 (JICA funded) – 488 TKM between New Makarpura to New Ghovad in Gujarat was completed and in commercial operation since March 2024

Outlook

Railways Business Group

As envisaged under the National Infrastructure Pipeline, Railway investments revolve around improving track capacity and freight efficiency, augmenting the speed of trains, enhancing safety, and ensuring better connectivity.

Indian Railways (IR) has been actively focussing on network expansion in the past few years. In the Interim Union Budget for FY 2024-25, the railways sector has received the highest ever CapEx allocation of ₹ 2.6 trillion, with many projects aimed at capacity augmentation and traffic decongestion in the IR network.

The Government is targeting Rail Line Construction of 20 km/day in FY 2024-25 to add 45,000 Km of rail route in the next 8 years, with an estimated cost of ₹ 12 lakh crore, thereby increasing railways share in overall passenger/freight movement from 25% to 50% by 2030. In recent

years, there has been a thrust for the development of Semi-HSR Corridor projects, for which Track and Systems packages worth ₹ 25,000 crore are expected to be finalised in the next five years.

Further, as part of the development of the Regional Rapid Transit System (RRTS), civil packages and system tenders in the next round are expected under the four RRTS corridors being implemented by the National Capital Region Transport Corporation (NCRTC).

There is continued thrust on building new and expanding Metro/MRT Systems to facilitate ease of movement and reduce carbon footprint. Systems orders are expected to be finalised across four Metros in the upcoming two years. The business outlook for the next five years includes 12 new projects (450 Km) in the Track and Systems domain.

Roads, Bridges & Formations

The Government of India has identified roads and highways as the 'go to sector' for spurring infrastructure investment in India. It is believed that investments in infrastructure yield a direct multiplier of over 2.5x on the economy and the roads sector in India has presented itself as a priority recipient of these investments. Over the last decade, there has been more than a 50% increase in the total length of highways in the country. The Government's budget support for road infrastructure has also rapidly increased, leading to a budget of approximately USD 31.5 billion for FY 2023-24.

The Ministry of Road Transport and Highways has requested a budgetary allocation of ₹ 3.25 lakh crore for FY 2024-25, marking a 25% y-o-y increase.



Mumbai Coastal Road (Package 1 & 4), Maharashtra

The National Highways Authority of India spent a record ₹ 2,07,000 crore in the construction of national highways in 2023-24, the highest ever capital expenditure so far, and a jump of 20% compared to ₹ 1,73,000 crore spent in 2022-23 and ₹ 1,72,000 crore in 2021-22.

The largest portion of the capital expenditure – equivalent to 24.5% or ₹ 2.7 Tn (USD 33.2 Bn) – has been allocated to the Ministry of Road Transport and Highways (MoRTH) in the Interim Budget of FY 2024-25. The Government increased its allocation to the MoRTH by 2.8% in the FY 2024-25 Budget. Higher budgetary allocations will help the ministry develop more highways and expressways amid difficulties such as rising interest rates and increasing land acquisition costs.

A fair risk sharing between Government and private sectors, as well as an improved dispute resolution mechanism, will encourage public-private participation in infrastructure projects.

International Front

While the business continues to focus on neighbouring countries like Bangladesh, it is also strongly examining entry into ASEAN, the Middle East, and North & East African countries, where L&T has a strong presence and footprint.

Most importantly, the business is targeting only those projects that are funded through secured sources like the Government of India – Lines of Credit or through Bilateral/Multilateral funding agencies such as JICA, EBRD, ADB, etc.

Heavy Civil Infrastructure

Overview

The Heavy Civil Infrastructure business is a market leader in EPC projects in the core civil infrastructure segments that are crucial for the country's sustainable economic growth and development.

The business has a strong domestic presence to undertake projects of mega scale and complexity, with an ability to provide both EPC and turnkey solutions to suit customer requirements. The domestic market contributes more than 95% of the total revenue of the business.

Further, the business derives a competitive edge due to its dedicated in-house design and technical capabilities, competency cells, fabrication facilities, specialised training centres, and strong resource base consisting of a huge fleet of Plant & Machinery, skilled workforce and a talented pool of employees.

The business segments include:

- Urban Transit Infrastructure consisting of Metros, Semi & High-Speed Rail, Urban tunnels
- Nuclear
- Hydel & Tunnels
- Ports & Harbours
- Defence Infrastructure

Urban Transit: As a frontrunner in augmenting urban transit infrastructure in India, this segment is currently involved in the construction of various metro rail packages, both elevated and underground, in Mumbai, Bengaluru, Chennai, Kolkata, Patna, New Delhi, and in Riyadh, KSA.



Kudankulam Nuclear Power Plant, Tamil Nadu

The segment is also executing multiple mega packages in India's first High-Speed Rail Corridor, connecting Mumbai to Ahmedabad. It has deployed the latest high-end construction techniques for the construction of Full Span Launching Girders, which is a first-of-its-kind being implemented in India. With a view to promoting the 'Aatmanirbhar Bharat' initiative, in-house fabricated equipment like Straddle Carrier, Launching Girders, and Girder Transporter are being used in the construction of this prestigious project.

The business also undertakes Semi High-Speed Rail construction and has successfully completed a portion of the Delhi-Meerut RRTS project during the year.

Hydel & Tunnels: The Hydel sub-segment offers comprehensive turnkey construction solutions for hydroelectric dam projects, barrages, pumped storage plants, and complex irrigation projects. Presently, the business is executing projects in Madhya Pradesh, Assam, Arunachal Pradesh, Uttarakhand, and Jammu & Kashmir.

In the Tunnels segment, the business is executing two major rail tunnel packages connecting Rishikesh-Karnaprayag, Uttarakhand.

Nuclear: The Nuclear sub-segment undertakes civil construction works for nuclear power plants. It has expertise in the construction of Pressurised Heavy Water Reactors (PHWRs) and Light Water Reactors (LWRs) in addition to Natural Draft Cooling Towers (NDCTs). Currently, the business is engaged in the construction of nuclear power plants and associated facilities in Tamil Nadu, Maharashtra, and Rajasthan.

Ports & Harbours: This sub-segment has extensive expertise in constructing greenfield ports, shipyard structures, and seawater intake systems along the country's coastline. It specialises in offering comprehensive construction solutions for various marine infrastructure elements that include breakwaters, berths, jetties, wharfs, dry docks, and shore protection structures. Currently, the business has a presence in Tamil Nadu, Kerala, Andhra Pradesh, and Maharashtra.

Defence Infrastructure: L&T has established a pre-eminent position in shoring up the country's defences. The Defence Segment offers single-point EPC solutions, from concept to commissioning, for various defence establishment infrastructure facilities in India.

L&T GeoStructure Private Limited, a wholly-owned subsidiary, is a pioneer in the ground engineering space and is engaged in foundation and ground improvement-related projects. It has a strong, professional, and specialised team with knowledge of design, equipment, and methods to execute and supervise sophisticated foundation works. The business has expertise in deep piling and diaphragm walls, multi-cellular intake wells for river-linking, marine terminals with berths, jetties, and deep cut-off walls.

Business Environment

The Government is keen on developing core infrastructure that is crucial for economic advancement, as evidenced by the enhanced budgetary allocation in the Union Budget. The capital expenditure outlay for the FY 2024-25 has increased by 11.1% to ₹ 11.1 trillion, equivalent to 3.4% of GDP.



Mumbai-Ahmedabad High-Speed Rail Project

Urban Transit

India's metro network is expanding at an unprecedented pace, with construction work currently in progress covering about 990 km across various cities. With the focus on sustainable development, continual expansion of our cities, and the realisation of greater first-mile and last-mile connectivity, India's metro systems have the necessary prioritisation from the Government. With over 12 corridors proposed in the National Rail Plan, High-Speed Rail projects are also being prioritised. Newer technology of hyperloop, more sustainable high-speed transportation, is also being considered in the country, with an MoU being signed between India and Switzerland. With the aim of alleviating city traffic congestion and improving connectivity between cities, many tunnel projects are also being prioritised by the Government.

Hydel

India's commitment at COP26 held at Glasgow in 2021 was for the creation of 500 GW non-fossil power generating capacity by 2030 and the Government is taking steps to increase investment towards offshore wind, pumped storage, hydel power, nuclear power, etc. Pumped Storage Plant (PSP) projects are considered as one of the first priorities amongst all energy storage systems to facilitate the achievement of this goal. The Government's prioritisation of mega hydel projects in Northeastern states and J&K also signals a promising business landscape.

Nuclear

As part of the country's efforts to achieve a cleaner energy transition, Nuclear Power Corporation of India Limited (NPCIL) is currently on a mission to commission

a nuclear power reactor every year. The nuclear power capacity is expected to increase from 7,480 MW to 22,480 MW by 2032. Even though large-scale plants remain the main focus for the country, the Government is also exploring options for Small Modular Reactors (SMRs), with effectiveness and feasibility studies and collaboration with other countries.

Ports & Harbours

SagarMala, a flagship programme of the Ministry of Ports, Shipping and Waterways, aims to promote port-led development of the country. According to the Ministry, as many as 800 projects have been identified as a part of the programme, including Port Modernisation & New Port Development and Port Connectivity Enhancement, which will result in increased capacity and world-class infrastructure at Indian ports. With Indian regulation encouraging private sector involvement in the sector, the Ministry has identified around 80 Public Private Partnership (PPP) Projects, valued at ₹ 42,300 crore, set to unfold by FY 2024-25.

Defence

The Government is focussing on building new capacities and upgrading existing defence infrastructure with an increased budget allocation to the Ministry of Defence. This will lead to the creation of opportunities in various Defence Infrastructure projects.

International

The business is exploring opportunities in the Middle East and SAARC countries with prospects visible in the Urban Transit, Ports, and Harbours businesses.



Mumbai Coastal Road (Package 1 & 4), Maharashtra

Major Achievements

Major Orders Won:

- Mumbai-Ahmedabad High-Speed Rail (MAHSR) C3 project – Construction of 135.45 km stretch of the prestigious Mumbai-Ahmedabad High-Speed Rail Project, including construction of viaducts, stations, major river bridges, depots, tunnels, earth structures, stations, and other auxiliary works
- Orange Gate Tunnel – Design and construction of an Underground Road Tunnel Project between Orange Gate, Eastern Free Way to Marine Drive Coastal Road at Mumbai
- Kolkata Metro – Design and Construction of an Underground Metro Project connecting the Joka – Esplanade Metro Corridor in the city of Kolkata
- Patna Subway Tunnel – Construction of a 1.5 km pedestrian tunnel connecting Patna Museum and Bihar Museum, between Bailey Road and Chajju Bagh in Patna, Bihar

Key Projects Completed:

- Mumbai Trans Harbour Link (MTHL 1) – India's longest sea bridge (connects South Mumbai with Navi Mumbai), spanning nearly 22 km, was inaugurated in January 2024
- Mumbai Coastal Road Project Phase 1 (MCRP) – This ambitious project was inaugurated in March 2024
- Delhi Meerut RRTS Lot 1 – A leap in India's urban transit infrastructure. The project was inaugurated in March 2024

Other Key Achievements:

- Successful completion of 100 km of superstructure erection in Mumbai-Ahmedabad High-Speed Rail (MAHSR) C4 project with cumulative concrete pouring of 50 lakh cubic metre
- India's first 30 m U-Girder span in metro construction placed successfully in Chennai Metro Rail Ltd. (CMRL RT-01)
- Record tunnelling of 37.4 m in a single day and an average of 450 m/month per TBM of 9.1 m dia. in RVNL Package 4
- Head Race Tunnel breakthrough three months ahead of schedule at 120 MW Lower Kopili HEP in Assam

Outlook

According to CRISIL, India is expected to spend nearly ₹ 143 lakh crore on infrastructure in the next seven fiscals through 2030, more than twice the ~ ₹ 67 lakh crore spent in the previous seven fiscal 2017 to 2023, with a primary focus on Urban Transit, Renewable Energy, and Ports. The upcoming phase of infrastructure development is set to witness an increase in the average project size and a notable increase in mega-scale projects. The Government is also striving to encourage private and foreign investment through various initiatives such as a liberalised FDI policy, fiscal incentives, and measures such as PM Gati Shakti and the National Single Window System (NSWS) to improve ease of doing business.

With India's aim to achieve Net Zero by 2070, the country has to focus on green construction technologies in future infrastructure projects. Faced with rapid urbanisation, the Government is considering the implementation of



90 MW Floating Solar Project, Omkareshwar, Madhya Pradesh

Mass Transit Systems such as Metro/Metro Lite/Metro Neo/Personal Rapid Transit System in Tier 1 and Tier 2 cities as an initiative, part of the green mobility drive to reduce the country's carbon footprint in the fight against climate change. With a strong push towards green energy initiatives, including favourable policies and incentives, the business has unprecedented opportunities in the Hydro, Nuclear, and Pumped Storage Sectors and an opportunity to contribute meaningfully to India's sustainable energy transition.

Power Transmission & Distribution

Overview

L&T's Power Transmission & Distribution business vertical is a major EPC player, providing technology-focussed, end-to-end solutions for enabling access to clean, reliable electricity. It offers integrated EPC services and related digital solutions, starting from the establishment of Solar PV plants to smart & efficient transmission and distribution networks to last-mile electrification. It serves Renewable Energy Developers, Utilities, Industrial, and Infrastructure customers in 30 countries across the SAARC, ASEAN, the Middle East, Africa, North America, and CIS regions.

The business is broadly organised into four major groups, viz., Renewables SBG, Transmission & Distribution (Domestic) SBG, International Transmission & Distribution Business Units, and the Digital Energy Solutions business.

The **Renewables business group** is a single-stop EPC service provider globally for GW-scale Solar PV, Energy

Storage, Microgrid, and Hybrid Renewable Projects. There are very few players with such strong experience and expertise in handling different module technologies, module mounting structures, and storage types.

The business group has accumulated in-depth engineering and construction know-how to execute a vast range of renewable projects, be it hybrid, floating or linear, with best-suited technologies for terrain type and tracking. The round-the-clock renewable energy required by emerging load centres such as Data Centers and Green Hydrogen plants can be effectively provided by the business, with its wide-ranging capabilities in Solar PV Plants, Battery Energy Storage Systems, Energy Management Systems/SCADA, Wind Balance of Plant, and grid elements.

The container integration facility at Kancheepuram augments the capabilities of the business with an annual capacity to integrate ~ 400MWh of battery energy storage system with associated intelligent management and control systems. In addition to India, the Renewables SBG has a major presence in Saudi Arabia and the United Arab Emirates.

The **Transmission & Distribution (Domestic) business group** caters to various T&D utilities and developers, along with the bulk power supply consumers like metros, airports etc.

The *Substation business unit* provides turnkey solutions for Extra High Voltage (EHV) air-insulated/gas-insulated substations up to 1200kV, Flexible AC Transmission Systems (FACTS) devices such as Static Synchronous Compensator (STATCOMs) and Static VAR Compensator (SVCs), Digital Substation related solutions, and EHV cable systems.