

4. Significant adjustments made in the financial statements arising out of audit findings
 5. Compliance with listing and other legal requirements relating to financial statements
 6. Disclosure of any related party transactions
 7. Modified opinion(s) in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
 - Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the agency monitoring the utilisation of proceeds of public or rights issue or preferential issue or Qualified Institutional Placement, and making appropriate recommendations to the Board to take up steps in this matter, if any.
 - Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
 - Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 - Discussion with internal auditors about any significant findings and follow up there on.
 - Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
 - To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
 - To review the functioning of the Whistle Blower mechanism.
 - Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate, if any.
 - The recommendation for appointment, remuneration and terms of appointment of secretarial auditors of the Company.
 - The recommendation for appointment, remuneration and terms of appointment of cost auditors of the Company.
 - Review and monitor the auditor's independence and performance, and effectiveness of audit process.
 - Review the management discussion and analysis of financial condition and results of operations.
 - Approval or any subsequent material modification and ratification of transactions of the Company with related parties.
 - Reviewing the utilization of loans and/ or advances from/investment in the subsidiary companies exceeding Rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower, including existing loans/ advances / investments.
 - Valuation of undertakings or assets of the Company, wherever it is necessary.
 - Evaluation of internal financial controls and risk management systems.
 - Monitoring the end use of funds raised through public offers and related matters.
 - Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
 - Consider and comment on rationale, cost benefit and impact of Schemes involving

mergers, demerger, amalgamation etc on the entity and its shareholders.

Apart from the quarterly meetings for discussing the financial results, additional Audit Committee meetings are held wherein matters like Internal Audit findings, Internal Audit plan, Statutory Audit plan, treasury framework, material vendor complaints, Insider trading compliances, major litigations, related party transactions, cost audit, etc are discussed. The Audit Committee also reviews and approves the permitted non-audit services proposed to be availed by the Company or its subsidiaries from the statutory auditors.

ii) Composition:

As on March 31, 2025, the Audit Committee comprised three Independent Directors.

iii) Meetings:

During the year ended March 31, 2025, 8 meetings of the Audit Committee were held on April 19, 2024, May 7, 2024, July 23, 2024, August 21, 2024, October 29, 2024, November 21, 2024, January 29, 2025 and February 28, 2025.

The attendance of Members at the Meetings was as follows:

Name	Status	No. of meetings held during the year	No. of Meetings Attended
Mr. P. R. Ramesh	Chairman	8	8
Mr. Sanjeev Aga	Member	8	8
Mr. Rajnish Kumar	Member	8	8

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

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

The President, Whole-time Director & CFO and Head - Corporate Audit Services are permanent invitees to the Meetings of the Audit Committee. The Company Secretary is the Secretary to the Committee.

iv) Internal Audit:

The Company has an internal corporate audit team consisting of Chartered Accountants, Certified Internal Auditors and Engineers from various disciplines. Over a period, the Corporate Audit Services department ("CAS") has acquired in-depth knowledge about the Company, its businesses, its systems & procedures, the knowledge of which is now institutionalized. The Head of CAS reports to the Audit Committee. The staff of CAS are rotated periodically to have a holistic view of the entire operations and share the findings and good practices.

The CAS team while drawing out their Audit Plan for the year, also plans for some theme-based audits to have in-depth and detailed review of the theme selected, which is incorporated in the overall audit programme and also performs certain audits using services of Guest Auditors. The Company being predominantly a project-oriented Company, CAS emphasizes a risk-based focus areas in project audits. It encourages its team members to obtain globally renowned Certified Information Systems Auditor (CISA), Certified Internal Auditor (CIA) and Certified Fraud Examiner (CFE) Certification, etc., which will enhance the capabilities. Every year, CAS reviews the Audit Universe which is an exhaustive list of businesses, functions, activities and locations across the Company. The yearly plan, details out the scope and coverage of audits proposed for the year and it is ensured that, on an average, all operations in the Audit Universe gets into an audit coverage, at least once in 2 years.

The CAS team of the Company also covers the internal audit of all ICs and unlisted subsidiary companies. An in-depth audit is conducted by the team. The major deviations are highlighted and discussed with the concerned IC Leadership and / or subsidiary company Board and key audit observations are also placed before the Audit Committee of the Company once in every quarter. Internal Audits of few subsidiaries and few other service functions have been outsourced to external audit firms.

2) Nomination & Remuneration Committee (NRC)

The Nomination & Remuneration Committee was constituted in 1999 even before it was mandated by law.

i) Terms of reference:

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

ii) Composition:

As at March 31, 2025, the Committee comprised 3 Independent Directors and the Chairman & Managing Director.

iii) Meetings:

During the year ended March 31, 2025, 5 meetings of the Nomination & Remuneration Committee were held on May 8, 2024, July 24, 2024, October 30, 2024, January 30, 2025 and March 21, 2025. The attendance of Members at the meetings was as follows:

Name	Status	No. of meetings held during the year	No. of Meetings Attended
Mr. Adil Zainulbhai [^]	Chairman	1	1
Mr. Narayanan Kumar [*]	Chairman	5	5

Name	Status	No. of meetings held during the year	No. of Meetings Attended
Mr. Pramit Jhaveri	Member	5	5
Ms. Preetha Reddy [§]	Member	4	4
Mr. S. N. Subrahmanyam	Member	5	5

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

[^]Ceased to be a member of the Committee w.e.f May 28, 2024

^{*}Appointed as Chairman of the Committee w.e.f May 28, 2024

[§] Appointed as a member of the Committee w.e.f May 28, 2024

iv) Board Membership Criteria:

The Committee, while screening, selecting and recommending to the Board new members, ensures objectivity, no conflict of interest, availability of diverse perspectives, business experience, legal, financial and other expertise, integrity, leadership and managerial qualities, practical wisdom, ability to read and understand financial statements, commitment to ethical standards and values of the Company.

While appointing/re-appointing any Independent Director/Non- Executive Director on the Board, the NRC considers the criteria as laid down in the Companies Act, 2013 and the SEBI LODR Regulations besides being guided by the Nomination and Remuneration Policy.

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

The Independent Directors satisfy and fulfill the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and all the applicable provisions of the SEBI LODR Regulations.

Each Independent Director gives a certificate confirming that they meet the "independence criteria" as mentioned in Section 149(6) of the Companies Act, 2013 and SEBI LODR Regulations.

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

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

The role, responsibilities and duties of Independent Directors are set out in the letter of appointment issued to them. Copy of the draft letter of appointment issued to Independent Directors is available on the Company's website at <https://investors.larsentoubro.com/listing-compliance-disclosuresunderstatutes.aspx>

v) Remuneration Policy:

The remuneration of Board members is determined by several key factors, including the Company's size, its global presence, and its overall economic and financial standing. Industry trends and compensation packages offered by peer companies also play a critical role in shaping the remuneration framework. The compensation structure is designed to reflect each Board member's individual performance and accountability, ensuring that their contributions are appropriately recognized and rewarded.

For Executive Directors, the level of compensation is carefully calibrated to be competitive, aligning with prevailing industry standards. This approach ensures that the Company can attract and retain top-tier talent, fostering a leadership team that is well-equipped to guide the Company towards achieving its strategic objectives. The remuneration policy thus serves as a vital component in the Company's strategy to maintain a strong governance framework, driving both organizational growth and shareholder value.

The Company pays remuneration to Executive Directors by way of salary, perquisites and retirement benefits (fixed components) and commission (variable component), stock options based on recommendation

of the NRC, approval of the Board and the shareholders. The commission payable is based on the overall performance of the Company, performance of the business / function as well as qualitative factors. The commission is calculated with reference to net profits of the Company in the financial year subject to overall ceilings stipulated under Section 197 of the Companies Act, 2013.

The Independent Directors / Non-Executive Directors are paid remuneration by way of commission and sitting fees. The Company pays sitting fees of ₹ 1,00,000/- per meeting of the Board and ₹ 75,000/- per meeting for Audit Committee, Nomination & Remuneration Committee and Board Risk Management Committee and ₹ 50,000/- per meeting for Stakeholders' Relationship Committee and CSR & Sustainability Committee, during the year. The commission is paid in accordance with the provisions of Section 197 of the Companies Act, 2013.

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

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

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

vi) Performance Evaluation Criteria for Independent Directors:

The performance evaluation questionnaire covers qualitative/ subjective criteria with respect to the board structure, culture, board processes and selection, effectiveness of the Board and Committees, strategic decision making, functioning of the Board and Committees, Committee composition, information availability, remuneration framework, succession planning, adequate participation, assessment of their independence etc. It also contains specific

criteria for evaluating the CMD and individual Directors. An external consultant is engaged to receive the responses of the Directors and consolidate/analyze the responses.

The Chairman of the NRC discusses the performance evaluation results with the CMD and Executive Directors and the CMD of the Company interacts with all the Non-Executive Directors and Independent Directors.

Key suggestions made by the Directors as part of the Board evaluation exercise of FY 2023-24 included board processes and related issues for enhanced board effectiveness. The Company has taken necessary actions on the suggestions given by the Board members viz. Board visits were arranged at major sites of the Company during FY 2024-25, strategic sessions were part of board meetings held in October 2024 & March 2025 and presentation was made on listed subsidiary activities.

Members are also requested to refer to page No. 385 of the Board Report.

vii) Training & Succession Planning:

The Company places significant emphasis on the continuous growth of its workforce. It is committed to developing internal talent and capable leaders. To achieve this, the Company has established robust processes for creating and sustaining a leadership and talent pipeline through Development Centres (DC), its Leadership Development initiatives, and Talent Review Process. The process for identifying and nurturing high-potential employees through DC is designed to assess and groom future business leaders and the Technology Leadership Program (TLP) focuses on employees in specialized technical domains such as engineering design, construction methods, plant & machinery, precast and formwork. In FY 2024-25, over 1,500 employees were assessed through DC, and Individual Development Plan (IDP) were prepared to map their personalized growth journeys.

The Nomination & Remuneration Committee discusses matters relating to succession planning of Directors and senior officials of the Company.

For more details on training and succession planning, please refer to the Human Capital section of the Integrated Report.

viii) Details of remuneration paid / payable to Directors for the year ended March 31, 2025:

(a) Executive Directors:

The details of remuneration paid / payable to the Executive Directors for FY 2024-25 is as follows:

Names	Salary	Perquisites	Perquisites	Retirement Benefits	Commission	Total
		other than ESOP	related to ESOP*			
Mr. S. N. Subrahmanyam	3.96	2.53	15.88	12.30	41.58	76.25
Mr. R. Shankar Raman	2.40	1.61	–	7.60	25.73	37.33
Mr. M. V. Satish ^{\$}	0.04	0.66	–	30.63	0.18	31.50
Mr. Subramanian Sarma	2.19	1.30	12.05	6.63	22.37	44.55
Mr. S. V. Desai	1.35	0.94	4.54	4.22	14.29	25.34
Mr. T. Madhava Das	1.35	0.89	–	5.08	17.45	24.77
Mr. Anil V Parab	1.14	0.55	–	3.16	10.55	15.40

^{\$} Ceased to be Whole-time Director with effect from April 7, 2024.

* Represents perquisite value related to ESOPs exercised during the year in respect of stock options granted over the past several years by the Company and includes tax on ESOPs borne by the Company wherever applicable.

- Notice period for termination of appointment of Chairman & Managing Director, DMD and other Whole-time Directors is six months on either side.
- No severance pay is payable on termination of appointment.
- Details of Options granted under Employee Stock Option Schemes are provided on the website of the Company <https://investors.larsentoubro.com/listing-compliance-agm.aspx#>.

(b) Non-Executive Directors:

The details of remuneration paid / payable to the Non-Executive Directors for FY 2024-25 is as follows:

Names	Sitting Fees for Board Meeting	Sitting Fees for Committee Meetings	Commission	Total
Mr. Adil Zainulbhai [^]	0.01	0.008	0.11	0.128
Mr. Sanjeev Aga	0.06	0.075	0.62	0.755
Mr. Narayanan Kumar	0.06	0.038	0.59	0.688
Mr. Hemant Bhargava [#]	0.01	–	0.05	0.060
Mrs. Preetha Reddy	0.06	0.030	0.43	0.520
Mr. Pramit Jhaveri	0.06	0.045	0.49	0.595

₹ crore

Names	Sitting Fees for Board Meeting	Sitting Fees for Committee Meetings	Commission	Total
Mr. Rajnish Kumar	0.06	0.070	0.59	0.720
Mr. Jyoti Sagar	0.05	0.015	0.33	0.395
Mr. Ajay Tyagi	0.06	0.020	0.45	0.530
Mr. P. R. Ramesh	0.06	0.060	0.79	0.910
Mr. Siddhartha Mohanty [@]	0.02	0.005	0.12	0.145

[#] Ceased to be a Director of the Company w.e.f May 27, 2024. Payable to the Institution he represents.

[^] Ceased to be a Director of the Company w.e.f May 28, 2024.

[@] Appointed as a Director of the Company w.e.f May 28, 2024. Remuneration is payable to the Institution he represents.

Details of shares of the Company held by the Directors and Key Managerial Personnel, as on March 31, 2025, are as follows:

Name	No. of Shares	Shareholding Percentage
Mr. S. N. Subrahmanyam	3,00,584	0.02
Mr. R. Shankar Raman	2,96,616	0.02
Mr. Subramanian Sarma	2,09,053	0.02
Mr. S. V. Desai	35,810	–
Mr. T. Madhava Das	16,265	–
Mr. Anil V. Parab	1,11,040	0.01
Mr. Sanjeev Aga	–	–
Mr. Narayanan Kumar	1,500	–
Mrs. Preetha Reddy	180	–
Mr. Pramit Jhaveri	20,550	–
Mr. Rajnish Kumar	100	–
Mr. Jyoti Sagar	100	–
Mr. Ajay Tyagi	100	–
Mr. P. R. Ramesh	100	–
Mr. Siddhartha Mohanty	–	–
Mr. Sivaram Nair A	10,384	–

3) Stakeholders' Relationship Committee:

i) Terms of reference:

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

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

- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
- Review of Investor Relation activities.
- Resolving grievances of debenture holders related to creation of charge, payment of interest/principal, maintenance of security cover & any other covenants.

ii) Composition:

As on March 31, 2025, the Stakeholders' Relationship Committee comprised 3 members including 1 Independent Director, 1 Non-Executive Director and 1 Executive Director.

iii) Meetings:

During the year ended March 31, 2025, 2 meetings of the Stakeholders' Relationship Committee were held on August 26, 2024 and December 3, 2024.

The attendance of Members at the Meetings was as follows:

Name	Status	No. of meetings eligible to attend during the year	No. of Meetings Attended
Mr. Narayanan Kumar [#]	Chairman	–	–
Mr. Rajnish Kumar [@]	Chairman	2	2
Mr. Hemant Bhargava [#]	Member	–	–
Mr. Siddhartha Mohanty [^]	Member	2	1
Mr. T. Madhava Das	Member	2	2

[#] Ceased as a member of the Committee w.e.f May 27, 2024

[@] Appointed as a member and Chairman of the Committee w.e.f May 28, 2024

[^] Appointed as a member of the Committee w.e.f May 28, 2024

Company Secretary is the Compliance Officer of the Company.

iv) Number of Requests / Complaints:

The Company has redressed the investor grievances in a timely manner except for cases constrained by disputes or legal impediments.

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

Particulars	Opening Balance	Received	Resolved	Pending*
Complaints:				
SEBI / Stock Exchange	1	187	179	9
Shareholders	4	179	183	-
Shareholder Queries:				
Dividend Related	5	10,081	9,902	184
Transmission/ Others	100	4,880	4,904	76
Demat / Remat	3	1,333	1,325	11

* Investor complaints / queries shown outstanding as on March 31, 2025 have been subsequently resolved to the complete satisfaction of the investors. The Company repeatedly sends reminders to shareholders regarding unclaimed shares and dividends. This results in an increase in the number of queries received.

Pursuant to the amendments in SEBI LODR Regulations, transfer of securities in physical form are not being processed by the Company. Further, all requests for transmission, transposition, issue of duplicate share certificate, claim from unclaimed suspense account, renewal/exchange of securities certificate, endorsement, sub-division/splitting of securities certificate and consolidation of securities certificates/folios are being processed only in demat form. In such cases the Company issues a letter of confirmation, which needs to be submitted to Depository Participant to get credit of these securities in dematerialized form.

4) Board Risk Management Committee:

i) Terms of reference:

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

- Review of the existing Risk Management Policy, framework and processes, Risk Management Structure and Risk Mitigation Systems. Broadly, the key risks will cover strategic risks of the group at the domestic and international level including sectoral developments, risk related to market, financial, geographical, political and reputational issues, Environment, Social and Governance (ESG) risks, etc.

- Evaluate risks related to cyber security.

The Committee periodically reviews the risk status to ensure that executive management mitigates the risks by means of a properly designed framework.

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

ii) Composition:

As on March 31, 2025, the Board Risk Management Committee comprised 3 members including 2 Independent Directors and 1 Executive Director.

iii) Meetings:

During the year ended March 31, 2025, 2 meetings of the Board Risk Management Committee were held on April 10, 2024 and October 19, 2024. The attendance of Members at the Meetings was as follows:

Name	Status	No. of meetings eligible to attend during the year	No. of Meetings Attended
Mr. Adil Zainulbhai®	Chairman	1	–
Mr. Sanjeev Aga§	Chairman	2	2
Mr. Pramit Jhaveri#	Member	1	1
Mr. Subramanian Sarma	Member	2	2

® Ceased as a member and Chairman of the Committee w.e.f May 28, 2024

§ Appointed as Chairman of the Committee w.e.f May 29, 2024

Appointed as a member of the Committee w.e.f May 29, 2024

5) CSR & Sustainability Committee:

i) Terms of reference:

The CSR & Sustainability (CSR) Committee has also been entrusted with the task of reviewing the sustainability initiatives of the Company. The CSR Committee also reviews the Business Responsibility and Sustainability Report of the Company.

The terms of reference of the Committee are as follows:

A. Corporate Social Responsibility:

- i. Formulate and recommend to the Board a Corporate Social Responsibility Policy and suggest any changes thereto.
- ii. Provide guidance for the development of annual CSR Action Plan.
- iii. Recommend the CSR annual budget to the Board for approval.
- iv. Monitor the implementation of the CSR Action Plan of the Company from time to time; and
- v. Identify and recommend to the Board the CSR projects that will qualify to be ongoing projects.

B. Sustainability:

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

ii) Composition:

As on March 31, 2025, the CSR Committee comprised 4 members being 2 Independent Directors and 2 Executive Directors.

iii) Meetings:

During the year ended March 31, 2025, 4 meetings of the CSR Committee were held on May 27, 2024, August 16, 2024, December 2, 2024 and March 7, 2025.

The attendance of Members at the Meetings was as follows:

Name	Status	No. of meetings eligible to attend during the year	No. of Meetings Attended
Mr. Ajay Tyagi	Chairman	4	4
Mr. R. Shankar Raman	Member	4	4

Name	Status	No. of meetings eligible to attend during the year	No. of Meetings Attended
Mr. S. V. Desai	Member	4	4
Mr. Jyoti Sagar	Member	4	3

iv) CSR Activities & Impact Assessment:

The Company builds meaningful social impact while pursuing progress and driving inclusive growth. By aligning business goals with societal needs, the Company contributes to social change, fostering growth and well-being across India.

The Company's CSR programmes are well-entrenched, focusing on areas that align with the global and national matrices of development: Water & Sanitation, Health, Education and Skill Building.

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

The Company has carried out CSR programs in the following areas based on the need assessment:

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

training capacity, improved infrastructure of skill development centres).

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

The detailed disclosures of CSR spending during the year have been given in Annexure 'C' forming part of this Board Report. Please refer to Pages 425 to 428 of this Integrated Annual Report.

G. OTHER INFORMATION

a) Directors' Familiarization Program:

The Directors of the Company are updated on changes/developments in the domestic/global markets and industry scenario through presentations made at Board, Committee meetings and interactions with senior company personnel. The directors are also updated about changes in statutes/legislations and economic environment, and on matters significantly affecting the Company, to enable them to take well informed and timely decisions. The Board meetings are also held in locations where the Company has operations to apprise the directors about its operations.

The internal newsletters of the Company, the press releases, etc. are circulated to all the directors so that they are updated about the operations of the Company.

Presentations are made regularly to the Board / NRC / AC / BRMC/ CSR / SRC where Directors get an opportunity to interact with senior managers. Minutes of these committees are also circulated to the Board. Presentations, *inter alia*, cover business strategies, management structure, HR policy, management development and succession planning, quarterly and annual results, budgets, treasury policy, review of internal

audit, risk management framework, operations of subsidiaries and associates, etc.

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

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

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

b) Policy for determination of materiality of events or information

The Company has a policy for determination of materiality of events or information for disclosure to the stock exchanges. The policy has clearly defined guidelines and materiality thresholds in accordance with provisions of law for determination of materiality certain events or transaction or information with respect to the Company, its Subsidiaries and Associate Companies. The Company has also implemented a software application to assist its employees to report potential material event/information to authorised key managerial personnel. The Policy is available on the Company's website at <https://www.larsentoubro.com/corporate/about-lt-group/corporate-policies/>.

c) Vigil Mechanism / Whistle Blower Policy:

The Company has a Whistle Blower Policy in place since April 2004. The said policy was modified in line with the requirements of the Vigil Mechanism under the Companies Act, 2013 and subsequently in 2018 to include reporting of instances of leakage of unpublished price sensitive information as per SEBI (PIT) Amendment Regulations 2018. The Company has a Whistle Blower Investigation Committee (WBIC) to manage complaints from "Identified" Whistle Blowers. In addition, WBIC considers "Anonymous" complaints which in their judgement are serious in nature and require investigation. The WBIC has five members viz. Chief Financial Officer, Company Secretary, Head-Corporate HR, Chief Internal Auditor and a senior Finance & Accounts person from

business. The WBIC is responsible for end-to-end management of the investigations, from the time of receipt of complaints to bringing them to a logical conclusion, keeping in mind the interest of the Company. Suitable actions are taken against employees, wherever investigation confirms the allegations.

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

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

The WBIC is appraised periodically on the complaints received, current status, actions contemplated and closure of the cases. The WBIC reviews the complaints and their progress. Queries by the WBIC members are immediately attended to by CAS and the implementation of the recommended actions are undertaken by the respective HR/Accounts Departments.

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

The Audit Committee is periodically briefed about the various cases received, the status of the investigation, findings and action taken, if any and a comprehensive update is provided semi-annually

which is presented and discussed at the Audit Committee Meeting. During the year, no person has been declined access to the Audit Committee, wherever desired.

The Company has a zero-tolerance policy towards breach of Code of Conduct and to this extent, the Company has built a robust framework around the Whistle Blower mechanism to actively address all complaints received.

The Company also has a separate Whistle Blower Policy for its vendors and channel partners. This policy provides all stakeholders an opportunity to report genuine concerns about unethical behaviour, improper practices, misconduct, any violation of legal or regulatory requirements, actual or suspected fraud without fear of punishment or unfair treatment. The details of the same are available on the Company's website <https://larsentoubro.com/corporate/about-lt-group/corporate-policies/>.

d) Statutory Auditors:

For FY 2024-25, the total fees paid by the Company and its subsidiaries, on a consolidated basis, to Deloitte Haskins & Sells LLP and M S K A & Associates, Statutory Auditors and all entities in the network firm/network entity of which the statutory auditors are a part thereof for all the services provided by them is ₹ 11.95 crore and ₹ 2.74 crore respectively.

e) Code of Conduct:

The Company has laid down a Code of Conduct for all Board members and senior management personnel. The Code of Conduct is available on the website of the Company <https://www.larsentoubro.com/corporate/about-lt-group/corporate-policies/>. The declaration of the CMD is given below:

To the Shareholders of Larsen & Toubro Limited

Sub: Compliance with Code of Conduct

I hereby declare that all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for Board Members and Senior Management.

S. N. Subrahmanyan
Chairman & Managing Director

Date: May 8, 2025
Place: Mumbai

f) General Body Meetings:

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

Financial Year	Date	Venue	Time
2023-2024	July 4, 2024	Meeting was held through Video Conferencing/ Other Audio-Visual Means	3:00 p.m.
2022-2023	August 9, 2023	Birla Matushri Sabhagar, 19, Marine Lines, Mumbai – 400 020 and virtually at www.evoting.nsdl.com	3.00 p.m.
2021-2022	August 4, 2022	Meeting was held through Video Conferencing/ Other Audio-Visual Means	3:30 p.m.

The following special resolutions were passed by the members during the past 3 Annual General Meetings:

Annual General Meeting held on July 4, 2024:

To amend the Articles of Association of the Company by deleting Article 107 pertaining to qualification shares.

Annual General Meeting held on August 9, 2023:
None**Annual General Meeting held on August 4, 2022:**

To approve raising of capital through QIP's by issue of shares / convertible debentures / securities upto an amount of USD 600 million or ₹ 4,500 crore, whichever is higher.

g) Resolution(s) passed through Postal Ballot:

There was a Postal Ballot conducted by the Company during FY 2025, wherein all the resolutions were passed with requisite majority of votes. Details of the Resolutions passed through postal ballot during FY 2025 are given below.

Description of the resolution	Postal Ballot Notice date	Date of publication of voting results	Voting Pattern	
			Votes in favour	Votes against
Approval of material Related Party Transaction(s) with L&T-MHI Power Boilers Private Limited	January 30, 2025	March 10, 2025	96.44%	3.56%
Approval of material Related Party Transaction(s) with L&T-MHI Power Turbine Generators Private Limited			75.33%	24.67%

Mr. S. N. Ananthasubramanian, Practising Company Secretary, (M. No: FCS 4206, COP No. 1774) and failing him, Ms. Aparna Gadgil, Practising Company Secretary (M. No: ACS 14713, COP No. 8430), was appointed as Scrutinizer for conducting the Postal Ballot in a fair and transparent manner. The detailed voting procedure mentioned in the postal ballot notice(s), the scrutiniser's report and the voting results are available on the website of the Company.

h) Disclosures:

- During the year, there were no transactions of material nature with the Directors or the Management or relatives or the subsidiaries that had potential conflict with the interests of the Company.
- Details of all related party transactions form a part of the accounts as required under IND AS 24 and the same are given in Note No. 47 forming part of the financial statements.
- The Company has followed all relevant Accounting Standards notified by the Companies (Indian Accounting Standards) Rules, 2015 while preparing the Financial Statements.
- The Company makes presentations to Institutional Investors and Equity Analysts on the Company's performance on a quarterly basis. These presentations are provided to the Stock Exchanges and also available on our website <https://investors.larsentoubro.com/Analyst-Presentation-Archives.aspx>
- There were no instances of non-compliance, penalties, strictures imposed on the Company by the Stock Exchanges on any matter related to the capital markets, during the last three years except as mentioned below:

National Stock Exchange of India Limited and BSE Limited vide their notices dated April 15, 2024, levied a fine of ₹ 10,000 each for delayed submission of intimation of Board meeting held on March 26, 2024 where the proposal of fund raising was approved. The Company has paid the said fine.

- The policies for determining material subsidiaries and transactions are available on the Company's website <https://www.larsentoubro.com/corporate/about-lt-group/corporate-policies/>.

7. Details of risk management including foreign exchange risk, commodity price risk and hedging activities form a part of the Management Discussion & Analysis. Please refer to pages 30 to 34 of this Integrated Annual Report.
8. As required under the provisions of SEBI LODR Regulations, a certificate confirming that none of the Directors on the Board have been debarred or disqualified by the Securities and Exchange Board of India or Ministry of Corporate Affairs or any such statutory authority, obtained from M/s S. N. Ananthasubramanian & Co., Company Secretaries, is a part of this report.
9. Details in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 form a part of the Board's Report. Please refer to page 387 of this Integrated Annual Report.
10. The Company has not provided any loans or advances in the nature of loans to firms/ companies in which directors are interested.
11. The Company has not entered into any agreements with its related parties, directors, key managerial personnel, employees, employees of the subsidiary or associate company or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the Company or impose any restriction or create any liability upon the Company.

i) Means of communication:

Financial Results and other Communications	<p>Quarterly & Annual Results are published in prominent daily newspapers viz. The Financial Express, Business Hindu Line & Loksatta. The results are also posted on the Company's website: www.larsentoubro.com.</p> <p>Advertisements relating to IEPF, E-Voting, AGM related compliances, etc. are published in The Financial Express, The Indian Express & Loksatta.</p>
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News Releases	Official news releases that carry material information as per the Company's policy for determination of materiality of events or information, are sent to stock exchanges as well as displayed on the Company's website: www.larsentoubro.com .
Website	The Company's corporate website www.larsentoubro.com provides comprehensive information about its portfolio of businesses. Section on "Investors" serves to inform and service the Shareholders allowing them to access information at their convenience. The quarterly shareholding pattern of the Company is available on the website of the Company as well as the stock exchanges. The entire Annual Report including Accounts of the Company and subsidiaries are available in downloadable formats.
Filing with Stock Exchanges	Information to Stock Exchanges is now being also filed online on NEAPS for NSE, BSE Online for BSE and RNS for London Stock Exchange.
Annual Report and Annual General Meeting	<p>Annual Report is circulated to all the members and all others like auditors, equity analysts, etc. To enable a larger participation of shareholders for the Annual General Meeting, the Company has provided Webcast facility at its last three Annual General Meetings in co-ordination with NSDL/ KFin Technologies. This year the Company will be conducting the Annual General Meeting through Audio Visual Means, as permitted by Ministry of Corporate Affairs. The Annual Report is e-mailed to all members who have registered their email ids with the Company and to those shareholders who request for the same. The Annual Report would also be made available on the website of the Company. The Chairman & MD suitably responds to the queries raised by the shareholders during the AGM.</p> <p>A letter containing the weblink of the Integrated Annual Report for FY 2024-25, will be sent to those shareholders whose email addresses are not registered.</p>

SEBI Complaints Redress System (SCORES)/ Online Dispute Resolution (ODR) Portal:	<p>Investor complaints are processed at SEBI in a centralized web-based complaints redress system. The salient features of this system are centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaints and their current status. The Company submits ATR on timely basis with respect to the complaints received from SCORES.</p> <p>In case any investor is still not satisfied with the outcome of the resolution, they can initiate dispute resolution through the ODR Portal.</p> <p>The ODR Portal has the necessary features and facilities to, <i>inter alia</i>, enrol the investor to file the complaint/dispute. Your Company has done necessary enrolment on the ODR Portal of the stock exchanges.</p>
Management Discussion & Analysis	This forms a part of the Annual Report which is mailed to the shareholders of the Company.
Presentations made to Institutional Investors and Analysts	The schedule of analyst / institutional investor meets and presentations made to them on a quarterly basis are informed to the Stock Exchanges and also displayed on the Company's website. The audio recordings and transcripts of these meetings are also uploaded on the Company's website and weblink for the same is intimated to the Exchanges.

j) Investor FAQs

FAQs regarding rights and benefits entitled to Shareholders are available on the Company's website at <https://investors.larsentoubro.com/Investor-FAQ.aspx>

H. UNCLAIMED SHARES

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

In accordance with the provisions of the Section 124(6) of the Companies Act, 2013 and Rule 6(3)(a) of the

Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), the Company has transferred to IEPF equity shares on which dividend has remained unclaimed for a period of seven consecutive years upto the financial year 2016-17. The details are given in the Board Report. Please refer to Page 386 & 387 of this Integrated Annual Report.

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

I. GENERAL SHAREHOLDER INFORMATION

a) Annual General Meeting:

The Annual General Meeting of the Company has been convened on Tuesday, June 17, 2025, at 3:00 pm (IST) through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM"). Members can attend the AGM virtually through www.evoting.nsdl.com.

b) Financial calendar:

1. Annual Results of 2024-25	May 8, 2025
2. Mailing of Annual Reports	Last week of May 2025
3. Annual General Meeting	June 17, 2025
4. First Quarter Results	During the last week of July 2025*
5. Payment of Dividend	On or before June 21, 2025*
6. Second Quarter results	During last week of October 2025*
7. Third Quarter results	During last week of January 2026*

* Tentative

c) Record Date:

The Record date to determine the members entitled to the dividend for FY 2025 is Tuesday, June 3, 2025.

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

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

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

e) Listing Fees to Stock Exchanges:

The Listing fees for the FY 2025-26 to BSE & NSE have been paid in April 2025. The fees to London Stock Exchange and Luxembourg Stock Exchange have been paid in February 2025.

f) Custodial Fees to Depositories:

The fees to National Securities Depository Limited has been paid in May 2025. The fees to Central Depository Services (India) Limited (CDSL) shall be paid on the receipt of invoice.

g) Stock Code / Symbol:

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

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

The Company's shares constitute a part of BSE 30 Index of the BSE as well as NIFTY Index of the NSE.

h) Stock market data for the FY 2024-25:

Month	L&T BSE Price (₹)			BSE SENSEX		
	High	Low	Month Close	High	Low	Month Close
2024						
April	3,859.65	3,474.00	3,594.15	75,124.28	71,816.46	74,482.78
May	3,745.00	3,225.80	3,667.40	76,009.68	71,866.01	73,961.31
June	3,948.60	3,175.50	3,549.40	79,671.58	70,234.43	79,032.73
July	3,819.90	3,461.00	3,812.55	81,908.43	78,971.79	81,741.34
August	3,838.00	3,401.05	3,703.10	82,637.03	78,295.86	82,365.77
September	3,837.95	3,518.00	3,675.50	85,978.25	80,895.05	84,299.78

Month	L&T BSE Price (₹)			BSE SENSEX		
	High	Low	Month Close	High	Low	Month Close
October	3,724.00	3,262.95	3,624.40	84,648.40	79,137.98	79,389.06
November	3,759.95	3,452.95	3,725.90	80,569.73	76,802.73	79,802.79
December	3,963.00	3,552.35	3,608.00	82,317.74	77,560.79	78,139.01

2025

January	3,724.00	3,396.05	3,567.20	80,072.99	75,267.59	77,500.57
February	3,628.80	3,141.30	3,164.75	78,735.41	73,141.27	73,198.10
March	3,528.00	3,153.65	3,491.00	78,741.69	72,633.54	77,414.92

Month	L&T NSE Price (₹)			NIFTY		
	High	Low	Month Close	High	Low	Month Close

2024

April	3,860.00	3,472.40	3,594.30	22,783.35	21,777.65	22,604.85
May	3,744.80	3,225.20	3,669.30	23,110.80	21,821.05	22,530.70
June	3,919.90	3,175.05	3,548.45	24,174.00	21,281.45	24,010.60
July	3,822.00	3,460.00	3,815.00	24,999.75	23,992.70	24,951.15
August	3,838.95	3,511.50	3,704.65	25,268.35	23,893.70	25,235.90
September	3,838.80	3,516.40	3,675.55	26,277.35	24,753.15	25,810.85
October	3,724.00	3,262.55	3,622.30	25,907.60	24,073.90	24,205.35
November	3,761.00	3,452.45	3,724.80	24,537.60	23,263.15	24,131.10
December	3,963.50	3,550.00	3,607.65	24,857.75	23,460.45	23,644.80

2025

January	3,724.10	3,395.00	3,567.40	24,226.70	22,786.90	23,508.40
February	3,629.20	3,141.00	3,163.85	23,807.30	22,104.85	22,124.70
March	3,528.00	3,153.05	3,492.30	23,869.60	21,964.60	23,519.35

i) Registrar and Share Transfer Agents (RTA):

KFin Technologies Limited
Unit: Larsen & Toubro Limited
Selenium Building, Tower-B, Plot No 31 & 32,
Financial District, Nanakramguda, Serilingampally,
Hyderabad, Rangareddy, Telangana - 500 032.

j) Share Transfer System:

Pursuant to SEBI notification dated January 24, 2022, requests for effecting transfer of securities in physical form, shall not be processed by the Company. The share related information is available online.

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

k) Distribution of Shareholding as on March 31, 2025:

No. of Shares	Shareholders		Shareholding	
	Number	%	Number	%
upto 500	16,12,377	94.49	9,18,61,589	6.68
501 – 1000	46,233	2.71	3,36,89,237	2.45
1001 – 2000	25,575	1.50	3,57,47,323	2.60
2001 – 3000	8,618	0.50	2,10,79,423	1.53
3001 – 4000	3,741	0.22	1,29,45,944	0.94
4001 – 5000	2,345	0.14	1,05,47,366	0.77
5001 – 10000	4,039	0.24	2,79,83,597	2.04
10001 and above	3,336	0.20	114,13,37,686	82.99
TOTAL	17,06,264	100.00	137,51,92,165	100.00

l) Categories of Shareholders is as under:

Category	31.03.2025		31.03.2024	
	No. of Shares	%	No. of Shares	%
Financial Institutions	21,24,90,650	15.45	18,41,59,970	13.40
Foreign Institutional Investors	26,91,74,120	19.57	33,02,78,309	24.02
Shares underlying GDRs	1,56,44,404	1.14	1,88,37,260	1.37
Mutual Funds	27,11,21,158	19.72	24,20,78,635	17.61
Bodies Corporate & Qualified Institutional Buyers	9,85,23,938	7.16	9,48,47,826	6.90
Directors & Relatives	10,89,114	0.08	10,80,537	0.08
L&T Employees Trust	19,48,87,516	14.17	19,48,87,516	14.18
Others	31,22,61,265	22.71	30,84,98,566	22.44
TOTAL	1,37,51,92,165	100.00	1,37,46,68,619	100.00

m) Dematerialization of shares & Liquidity:

The Company's shares are required to be compulsorily traded in the Stock Exchanges in dematerialized form. The number of shares held in dematerialized and physical mode as on March 31, 2025 is as under:

Particulars	No. of shares	% of total capital issued
Held in dematerialized form in NSDL	128,48,31,483	93.43
Held in dematerialized form in CDSL	8,09,12,039	5.88
Physical	94,48,643	0.69
Total	137,51,92,165	100.00

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

As on March 31, 2025, 1,56,44,404 GDRs were outstanding. These GDRs are backed up by underlying equity shares which are part of the existing paid-up capital.

o) Listing of Debt Securities:

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

p) Listing of Commercial Paper:

The Commercial Papers issued by the Company are listed on Wholesale Debt Market Segment of BSE Limited.

q) Debenture Trustees (for privately placed debentures):

IDBI Trusteeship Services Limited
Universal Insurance Building,
Ground Floor, Sir P. M. Road,
Fort, Mumbai – 400001

r) Credit Rating:

The Company has obtained rating from CRISIL Ratings Limited, ICRA Limited and India Ratings and Research Private Limited during FY 2024-25. There has been no revision in credit ratings during FY 2024-25. The ratings given by these agencies are as follows:

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

Further, Fitch Ratings on July 2, 2024 has assigned "BBB+ with stable outlook" Long-Term Foreign and Local-Currency Issuer Default Ratings (IDRs) to the Company. S&P Global Ratings vide its letter dated May 8, 2024 has assigned "BBB+ with stable outlook" long-term issuer credit rating to the Company.

s) Plant Locations:

The L&T Group's facilities for design, engineering, manufacture, modular fabrication and production are based at multiple locations within India including, Bengaluru, Chennai, Coimbatore, Faridabad, Hazira (Surat), Kattupalli (near

Chennai), Kanchipuram, Mumbai, Pithampur, Puducherry, Rajpura, Kansbahal (Rourkela), Talegaon, Vadodara and Visakhapatnam. L&T's international manufacturing footprint covers Oman, Saudi Arabia and USA. The L&T Group also has an extensive network of offices in India and around the globe. See page No. 18 of this Integrated Annual Report for details of the plant locations.

t) Address for correspondence:

Larsen & Toubro Limited,
L&T House, Ballard Estate,
Mumbai - 400 001.
Tel. No. (022) 6752 5656,
Fax No. (022) 6752 5858

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

KFin Technologies Limited
Unit: Larsen & Toubro Ltd
Selenium Building, Tower-B, Plot No 31 & 32,
Financial District, Nanakramguda,
Serilingampally, Hyderabad, Rangareddy,
Telangana, India - 500 032.
Toll Free Number: 1800 3094 001
Email: einward.ris@kfintech.com
Website: www.kfintech.com

KFin Technologies Limited
Unit: Larsen & Toubro Ltd
6/8 Ground Floor, Crossley House,
Near Bombay Stock Exchange,
Next Union Bank, Fort, Mumbai.
Pin code: 400 001
Phone: 022-46052082

u) Investor Grievances:

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

v) Securities Dealing Code:

The objective of the Securities Dealing Code ('Code') is to prevent purchase and / or sale of shares of the Company by an Insider based on unpublished price sensitive information. Under this Code, Designated Persons (Directors, Advisors, Officers and other concerned employees / persons) are prevented from dealing in the Company's shares during the closure of Trading Window. To deal in securities beyond specified limit, permission of Compliance Officer is also required. Directors and designated employees who

buy and sell shares of the Company are prohibited from executing contra-trades during the next six months following the prior transactions.

The Company has a policy for acting against Directors and employees who violate the SEBI PIT Regulations/Code. Pursuant to the amendments of the SEBI (Prohibition of Insider Trading) Amendment Regulations, 2024, the Company has suitably modified the provisions of the Code which are effective from 12th March 2025.

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

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

w) Stakeholders Engagement:

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

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

- For external stakeholders - Stakeholder engagement sessions, client satisfaction surveys, shareholder satisfaction assessment, analyst / investors meet, periodic feedback mechanism, general meeting for shareholders, online service and dedicated e-mail service for grievances, corporate website, etc.
- For internal stakeholders – Employee satisfaction surveys, employee engagement surveys for improvement in employee engagement processes, circulars and

messages from management, corporate social initiatives, welfare initiatives for employees and their families, online news bulletins for conveying topical developments, large bouquet of print and online in-house magazines, helpdesk facility, etc.

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

For more information regarding the initiatives undertaken by the Company to engage with its stakeholders please refer to the Relationship Capital section of the Integrated Report and disclosures given under Principle 4 of the Business Responsibility and Sustainability Report.

x) Supplier/Contractor management:

The Company strives to foster responsible behaviour in the supply chain in accordance with the highest standards of ethics and integrity, respect for the law, human and labour rights, and environmental protection. Various initiatives undertaken by the Company in this regard are given below:

- Mandatory signing of Code of Conduct as a part of vendor onboarding process, laying down minimum requirements for ESG compliance.
- Evaluation of key suppliers on ESG parameters.
- Conducting awareness programmes for vendors and suppliers.

For more information regarding supplier/contractor management please refer to Relationship Capital section of the Integrated Report.

y) Awareness Sessions / Workshops on Governance practices:

Employees across the Company as well as the group are being sensitized about the various policies and governance practices of the

Company. The Company has designed in-house training workshops on Corporate Governance with the help of an external faculty covering basics of Corporate Governance as well as internal policies and compliances under Code of Conduct, Whistle Blower Policy, Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, SEBI (Prohibition of Insider Trading) Regulations, 2015, etc.

The Company has established a scalable, multi-featured and externally integrated digital learning platform called ATLNext. It offers a gamut of online courses including competency courses, behavioural courses, and business-specific technical courses. ATLNext also provides for a course on Governance where employees can learn about Governance practices and give a self-assessment test after completion of the course.

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

z) Anti-bribery and Anti-corruption policy:

The Company has adopted the Anti-Bribery and Anti-Corruption (ABAC) Policy which acts as a guiding framework for ensuring compliance with various legislations and standards of behaviour to which the Company and all its officials must adhere to. This Policy is applicable to all employees of the Company working at all levels and is widely disseminated across the Company. The Policy is also available on the Company's website at <https://www.larsentoubro.com/corporate/about-lt-group/corporate-policies/>.

aa) ISO 9001:2015 Certification:

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

bb) Audit as per SEBI requirements:

As stipulated by SEBI, M/s. S. N. Ananthasubramanian & Co., Company Secretaries, Secretarial Auditors of the Company carries out Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) with the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges. The Audit has provided a reconciliation of total Listed and Paid-up capital

is in agreement with the aggregate of the total number of shares in dematerialized form and in physical form.

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

cc) Secretarial Audit:

Pursuant to the provisions of Section 204(1) of the Companies Act, 2013 and Regulation 24A of SEBI LODR Regulations, M/s. S. N. Ananthasubramanian & Co., Company Secretaries, conducts the secretarial audit of the compliance of applicable statutory provisions and the adherence of good corporate practices by the Company.

Pursuant to the SEBI circular no. CIR/CFD/CMD1/27/2019 dated February 8, 2019 and as per the NSE and BSE circulars dated March 16, 2023, the Company has obtained an annual secretarial compliance report from M/s. S. N. Ananthasubramanian & Co., Company Secretaries and shall submit the same to the Stock Exchanges within the prescribed timelines.

dd) Statutory Compliance System:

The Company has in place system to ensure compliance with applicable laws, rules and regulations. These comprise of Central and State Acts / Rules where the Company carries on business. The list of applicable laws is reviewed by an External Consultant along with the Legal & Finance & Accounts functions of each Business.

Each IC / Business head certifies compliance of all applicable laws by the IC on a quarterly basis. Based on these confirmations, the Company Secretary gives a compliance certificate to the Board of Directors. The Company verifies the compliances through a random review of the process / system / documentation with the Business / Corporate function.

The Company has a web-based portal known as "iCompliance portal", which enables to monitor the regulatory compliance performance, remediation plans for non-conformities. This portal also helps to maintain updated list of applicable laws and compliance checklist(s) which are monitored & tracked through the portal.

The Company also engages external consultants to prepare as well as review compliance checklists for the new geographies and update the existing checklist(s) of compliances. Compliance tasks are mapped on iCompliance portal to process owners who update the status with supporting evidence. Identified key stakeholders across functions ensure and confirm compliance with the provisions of all applicable laws on a regular basis.

ee) Group Governance Policy:

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

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

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

All the Listed Subsidiaries have atleast one Executive Director of the Company and L&T Technology Services Limited and LTIMindtree Limited have one Independent Director of the Company on its Board. Any financial assistance to the above companies or purchase/sale by the Company of their shares, is dealt with by the Company's Board.

These Listed Subsidiaries publish their Independent Auditor's certificate on Corporate Governance, Secretarial Audit Report of Practising Company Secretary and CEO/CFO's certificate for internal controls for financial reporting.

The Company has entered into brand/trademark licensing agreement with its equity listed subsidiaries and fees are charged based on turnover/profits/assets.

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

The ICs have separate internal teams to oversee their legal and compliance functions. All Subsidiary Companies associated with the respective ICs are reviewed by their respective IC leadership.

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

Certain unlisted subsidiaries have Executive Directors of the Company on their Board. The subsidiary companies' performance is reviewed by the Company's Board periodically (included in quarterly results presented to the Company's Board). F&A heads of some of the subsidiary companies functionally report to select senior finance officers of the Company.

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

A voluntary Secretarial Audit is conducted for all subsidiary companies, including foreign companies and companies which are not covered under the purview of Companies Act, 2013. Thus, there is

an audit of the compliance of applicable statutory provisions and governance practices.

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

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

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

Appropriate disclosures related to subsidiaries are made in Financial Statements / Directors' Report of the Company as well as its subsidiaries as per Companies Act, 2013 / applicable SEBI Regulations and applicable Accounting Standards. All companies are subject to Statutory Audit and applicable Secretarial Audit.

Independent Auditor's Certificate on Corporate Governance

**TO THE MEMBERS OF
LARSEN & TOUBRO LIMITED**

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

1. This certificate is issued in accordance with the terms of our engagement letter dated September 30, 2024.
2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of Larsen & Toubro Limited (the "Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2025, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and Para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (the "Listing Regulations").

Management's Responsibility

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

Auditor's Responsibility

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

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

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

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and Para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2025.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Terence Lewis
Partner
(Membership No. 107502)
UDIN: 25107502BMIBCQ9553

Place: Mumbai
Date: May 8, 2025

Secretarial Auditor's Certificate in respect of the Implementation of Employee Stock Option Schemes of the Company

[Pursuant to Regulation 13 of the Securities Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021]

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

BACKGROUND

1. This Certificate is issued in accordance with the terms of our engagement dated June 27, 2024.
2. We, Secretarial Auditor of Larsen & Toubro Limited ("the Company"), pursuant to Regulation 13 of the Securities Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("the Regulations") are required to certify that, for the Financial Year ended March 31, 2025, the Employees Stock Option Schemes, Larsen & Toubro Limited Employee Stock Ownership Scheme – 2003 and Larsen & Toubro Limited Employee Stock Option Scheme – 2006 (collectively referred to as "the Schemes") have been implemented in accordance with the Regulations and in accordance with the Special Resolutions passed at the General Meetings held on August 26, 1999, August 22, 2003 and August 25, 2006, respectively (the "Resolutions")

MANAGEMENT RESPONSIBILITY

3. It is the responsibility of the Management of the Company to implement the Schemes including designing, maintaining records and devising proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

AUDITOR'S RESPONSIBILITY

4. It is our responsibility to certify whether the Company has complied with the applicable provisions of the Regulations and the Resolutions, during the year ended March 31, 2025, in implementing the Schemes on the basis of information compiled or collated by the Management and the accounting and other relevant supporting records and documents provided to us for our examination.
5. We have conducted our examination and obtained the explanations in accordance with Referencer on

SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and the ICSI Auditing Standards, issued by the Institute of Companies Secretaries of India.

VERIFICATION

6. We have verified the following:
 - (a) the Schemes;
 - (b) the Resolutions;
 - (c) Note on Accounting Treatment followed by the Company.

CERTIFICATION

7. Based on our verification of the records and documents maintained by the Company as aforesaid and according to the information, explanations and written representations provided to us, we certify that the Company has complied with the applicable provisions of the Regulations and the Resolutions in implementing the Schemes during the year ended March 31, 2025.

RESTRICTION ON USE

8. This Certificate is addressed to and provided to the Members of the Company solely for the purpose of compliances with Regulation 13 of the Regulations. This Certificate should not be circulated, copied, used / referred to for any other purpose, without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care of for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing.

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

Company Secretaries

ICSI Unique Code: P1991MH040400

Peer Review Cert. No.: 5218/2023

S. N. Ananthasubramanian

Founding Partner

FCS: 4206 | COP No.: 1774

ICSI UDIN: F004206G000295068

Date: May 8, 2025

Place: Thane

Certificate of Non-Disqualification of Directors

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

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

We have examined the following documents:

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

as submitted by the Directors of **Larsen & Toubro Limited** ('the Company') bearing CIN: L99999MH1946PLC004768 and having its registered office at L&T House, Ballard Estate, Mumbai - 400001, to the Board of Directors of the Company ('the Board') for the **Financial Year 2024-25** and **Financial Year 2025-26** and relevant registers, records, forms and returns maintained by the Company and as made available to us for the purpose of issuing this Certificate in accordance with Regulation 34(3) read with Schedule V Para C Clause 10(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. We have considered non-disqualification to include non-debarment by Regulatory / Statutory Authorities.

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

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

Based on our examination as aforesaid and such other verifications carried out by us as deemed necessary and adequate (including Director Identification Number (DIN) status at the portal www.mca.gov.in), in our opinion and to the best of our information and knowledge and according to the explanations provided by the Company, its officers and authorized representatives, we hereby certify that during the **Financial Year ended March 31, 2025**, none of the Directors on the Board of the Company, as listed hereunder, have been debarred or disqualified from being appointed or continuing as Directors of Companies by Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority.

Sr. No.	Name of Director	Director Identification Number (DIN)	Date of Appointment	Date of Cessation
1)	Mr. Sekharipuram Narayanan Subrahmanyam	02255382	01-07-2011	—
2)	Mr. Ramamurthi Shankar Raman	00019798	01-10-2011	—
3)	Mr. Maddur Venkata Rao Satish	06393156	29-01-2016	07-04-2024
4)	Mr. Subramanian Sarma	00554221	19-08-2015	—
5)	Mr. Sudhindra Vasantrao Desai	07648203	11-07-2020	—
6)	Mr. Tharayil Madhava Das	08586766	11-07-2020	—
7)	Mr. Anil Vithal Parab	06913351	05-08-2022	—
8)	Mr. Adil Siraj Zainulbhai	06646490	30-05-2014	28-05-2024
9)	Mr. Sanjeev Aga	00022065	25-05-2016	—
10)	Mr. Narayanan Kumar	00007848	27-05-2016	—
11)	Mr. Hemant Bhargava	01922717	28-05-2018	27-05-2024
12)	Mrs. Preetha Reddy	00001871	01-03-2021	—
13)	Mr. Pramit Jhaveri	00186137	01-04-2022	—

Sr. No.	Name of Director	Director Identification Number (DIN)	Date of Appointment	Date of Cessation
14)	Mr. Rajnish Kumar	05328267	10-05-2023	—
15)	Mr. Jyoti Sagar	00060455	10-05-2023	—
16)	Mr. Ajay Tyagi	00187429	31-10-2023	—
17)	Mr. P.R. Ramesh	01915274	31-10-2023	—
18)	Mr. Siddhartha Mohanty	08058830	28-05-2024	-

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

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report for the Financial Year ended March 31, 2025.

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

Company Secretaries

ICSI Unique Code P1991MH040400

Peer Review Cert. No. 5218/2023

S. N. Ananthasubramanian

Founding Partner

FCS: 4206 | COP No. : 1774

ICSI UDIN: F004206G000295035

Date : May 8, 2025

Place : Thane

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

Dear Sirs,

Sub: CEO / CFO Certificate

[Issued in accordance with provisions of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We have reviewed the consolidated financial statements, read with the consolidated cash flow statement of Larsen & Toubro Limited for the year ended March 31, 2025 and that to the best of our knowledge and belief, we state that;

1. (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
(ii) these statements present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
2. There are no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies, if any, in the design or operation of such internal controls of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.
4. We have indicated to the Auditors and the Audit Committee:
 - (i) that there were no significant changes in internal controls over financial reporting during the year;
 - (ii) that there were no significant changes in accounting policies made during the year; and
 - (iii) that there were no instances of significant fraud of which we have become aware.

Yours sincerely,

R. Shankar Raman
*President, Whole-time
Director & CFO
DIN: 00019798*

S. N. Subrahmanyam
*Chairman &
Managing Director
DIN: 02255382*

*Date: May 8, 2025
Place: Mumbai*

Annexure 'C' to the Board's Report

ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR ENDED MARCH 31, 2025

1. Brief outline on CSR Policy of the Company

L&T strives to promote initiatives that enhance the quality of life for communities to achieve inclusive growth through empowerment and work towards social equity. CSR at L&T has been working towards social and economic development of communities across the country. The Company has a well-entrenched CSR program that contributes to inclusive growth and accelerating development through interventions in Water & Sanitation, Health, Education and Skill Development.

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

The Company's primary focus is on '**Building India's Social Infrastructure**' as part of its CSR programme including, amongst others, the following:

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

This is achieved through support to Balwadis and Anganwadis, strengthening the in-school interventions and providing after school study classes in the community. A renewed focus on kindling curiosity and scientific temper amongst students through experiential learning is deployed through the STEM programme which also focuses on training teachers to deploy imaginative pedagogy in the classroom.

- **Health** - includes but not limited to community health centres, mobile medical vans, dialysis centres, general and specialized health camps and outreach programs, support to HIV / AIDS and Tuberculosis control programs. A renewed impetus was provided to improve health awareness and promote health seeking behaviour in communities.
- **Skill Development** - includes but not limited to vocational training such as skill building, computer training, women empowerment, support to ITI's, support to specially abled (infrastructure support & vocational training), Construction Skills Training Centres and providing employability skills to women and youth.

In line with the 'Skill India Mission', initiatives such as digitization of curriculum, deploying hands-on-teaching learning methodology and providing platform skills training to Master Trainers through the Skill Training Institute provided an impetus to the skilling ecosystem within the Country.

Governance, Technology and Innovation are the Key enabling factor across these verticals.

2. Composition of CSR & Sustainability Committee.

The CSR & Sustainability Committee of the Board comprised of:

Sl No.	Name of Director	Designation /Nature of Directorship	Number of meetings of CSR Committee held during FY25	Number of meetings attended
1	Mr. Ajay Tyagi	Chairman (Independent Director)	4	4
2	Mr. R. Shankar Raman	Member (Whole-time Director)	4	4
3	Mr. S. V. Desai	Member (Whole-time Director)	4	4
4	Mr. Jyoti Sagar	Member (Independent Director)	4	3

Company Secretary & Compliance Officer of the Company, acts as the Secretary of the Committee.

3. Web-link where Composition of CSR committee, CSR Policy and CSR Annual Action Plan for FY 2024-25 approved by the Board are disclosed on the website of the Company.

The composition of CSR & Sustainability Committee, CSR Policy Framework and CSR Annual Action Plan for FY 2024-25 approved by the Board are available in the Corporate Governance section on the website of the Company and can be viewed through the following links:

- Composition of CSR Committee - <https://investors.larsentoubro.com/governance-architecture.aspx>
- CSR Policy - <https://www.larsentoubro.com/corporate/about-lt-group/corporate-policies/>
- CSR FY 2024-25 Annual Action Plan - <https://investors.larsentoubro.com/listing-compliance-disclosuresunderstatutes.aspx>

4. Executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

27 CSR Projects which were implemented in FY2022-23, qualified for impact assessment in FY 2024-25. Accordingly, the assessment of the aforesaid projects were carried out by **Thinkthrough Consulting** during FY 2024-25.

The Impact Assessment reports are made available on the website of the Company at <https://investors.larsentoubro.com/listing-compliance-agm.aspx>

An executive summary of the key findings from Thinkthrough Consulting is provided below:

The assessment was conducted using a mixed-methods approach, incorporating both quantitative and qualitative data to ensure a well-rounded understanding of program performance. The evaluation was guided by the Development Assistance Committee (DAC) criteria developed by the Organisation for Economic Co-operation and Development (OECD), focusing on five key dimensions: relevance, effectiveness, efficiency impact and sustainability. This framework allowed for a systematic evaluation of L&T's initiatives, measuring their alignment with community needs, implementation outcomes, long-term benefits, and potential for enduring change.

In terms of **relevance**, the programs demonstrate strong alignment with national priorities and multiple Sustainable Development Goals (SDGs), including SDG 1 (No Poverty), SDG 3 (Good Health and Well-being), SDG 4 (Quality Education), SDG 6 (Clean Water and Sanitation), SDG 8 (Decent Work and Economic Growth), SDG 9 (Industry, Innovation and Infrastructure), SDG 10 (Reduced Inequalities), SDG 11 (Sustainable Cities and Communities), and SDG 12 (Responsible Consumption and Production). The initiatives address pressing community needs while supporting government schemes and the broader development agenda.

In terms of **effectiveness**, the programs have been effective in enhancing inclusive access to essential services. This includes accessible healthcare, education, skills training, improved sanitation and hygiene and strengthened infrastructure. These interventions have contributed to holistic community development by ensuring that key social determinants of well-being are improved through systematic implementation and community engagement.

The projects have positively impacted approximately 5.5 lakh people across key areas of livelihood, education, healthcare, and sustainability. Around 16,000 individuals received vocational training in construction and other trades, significantly improving incomes, with many now earning up to ₹ 20,000 per month. Educational initiatives reached nearly 64,000 students, enhancing learning outcomes through improved infrastructure, STEM exposure, and teaching support. In healthcare, 4.5 lakh people gained access to essential services. Additionally, over 10,000 individuals benefited from soil & water conservation, sanitation, and health interventions, resulting in a 75% increase in farmers cultivating both Kharif and Rabi seasons, demonstrating enhanced food security and sustainable agricultural practices.

The projects exhibit **efficiency**. All the projects were able to meet their targets well within the stipulated time frame. The robust processes set to implement projects led to greater efficiency. By and large the projects were able to achieve targets in the funds allocated for each of the projects. No financial spill over was observed. The projects were implemented by skilled and experienced teams. Meticulous planning in terms of team structures lead to projects being implemented efficiently.

The interventions had a tangible and positive **impact** on the lives of participants and their communities. Beneficiaries have experienced improved quality of life through better livelihood opportunities, increased income and savings, and greater access to education, healthcare, and knowledge for sustainable living. Additionally, improved health and hygiene practices have led to a reduction in diseases and related issues, further enhancing community well-being and resilience.

In terms of **sustainability**, the participatory approach adopted across programs has empowered local communities to take ownership of initiatives. This local involvement has created a multiplier effect, with positive practices being shared and replicated across neighbouring communities, laying the foundation for long-term sustainability.

Relevance to community and policy priorities, effective implementation, meaningful impact, and sustainable design form the backbone of successful CSR programming. The initiatives have not only improved immediate outcomes for beneficiaries but have also catalysed broader societal development and positive change.

	₹ Crore
5. a) Average net profit of the Company as per sub-section (5) of section 135 for the previous three financial years.	8,230.61
b) Two percent of average net profit of the Company as per sub-section (5) of section 135 [2% of (a)].	164.61
c) Surplus arising out of the CSR Projects or programs or activities of the previous financial years.	–
d) Amount required to be set-off from the excess spend of previous financial years, during the financial year 2024-25, if any.	12.66
e) Total CSR obligation for the financial year 2024-25 [(b)+(c)-(d)].	151.95
	₹ Crore
6. a) Amount spent on CSR Projects (other than Ongoing Project)	155.45
b) Amount spent in Administrative Overheads	7.77
c) Amount spent on Impact Assessment, if applicable	0.43
d) Total amount spent for the Financial Year 2024-25 [(a)+(b)+(c)].	163.65
e) CSR amount spent or unspent for the Financial Year 2024-25:	

Total Amount Spent for the Financial Year 2024-25 (in ₹ crore)	Amount Unspent (in ₹ crore)			
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135	
	Amount	Date of transfer	Name of the Fund	Amount
163.65	NIL			NIL

f) Excess amount for set-off, if any:

Sl. No	Particulars	Amount (in ₹ crore)
(1)	(2)	(3)
(i)	Two percent of average net profit of the Company as per sub-section (5) of section 135	164.61
(ii)	Total amount spent for the Financial Year 2024-25 @	176.31
(iii)	Excess amount spent for the Financial Year 2024-25 [(ii)-(i)]	11.70
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	11.70

@ this includes ₹ 12.66 crore excess CSR amount spent during FY 2023-24 and adjusted against the required CSR spend for FY 2024-25.

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under Sub- section (6) of Section 135 (in ₹ crore)	Balance Amount in Unspent CSR Account under Sub- section (6) of Section 135 (in ₹ crore)	Amt. Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to Sub- section (5) of Section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹ crore)	Deficiency, if any
					Amount (in ₹ crore)	Date of Transfer		
1	FY 2021-22							
2	FY 2022-23				NOT APPLICABLE			
3	FY 2023-24							

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:
☒ YES ☐ NO

If Yes, enter the number of capital assets created/ acquired: 1,237

Details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Details of capital assets created or acquired through Corporate Social Responsibility amount is available on the Company's website <https://investors.larsentoubro.com/listing-compliance-agm.aspx>.

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135.

NOT APPLICABLE

For **Larsen & Toubro Limited**

S. N. Subrahmanyam

Chairman & Managing Director
DIN: 02255382

Ajay Tyagi

Chairman - CSR & Sustainability Committee
DIN: 00187429

Date : May 8, 2025

Place : Mumbai

Annexure 'D' to the Board's Report

A. Ratio of the remuneration of each director to the median remuneration of the employees of the Company for FY 2024-25, the percentage increase in remuneration of each Director & Key Managerial Personnel (KMP) during FY 2024-25 and comparison of the remuneration of each of the Director/KMP against the performance of the Company:

₹ crore

Name of the Director/KMP	Designation	Total Remuneration	Ratio of remuneration of director to the median remuneration **	Percentage increase in Remuneration
Mr. S. N. Subrahmanyam	Chairman & Managing Director	76.25	714.16	49.36
Mr. R. Shankar Raman	President, Whole-time Director & CFO	37.33	349.69	17.93
Mr. M. V. Satish [§]	Whole-time Director & Senior Executive Vice President (Buildings)	31.50	—	—
Mr. Subramanian Sarma	Deputy Managing Director & President	44.55	417.27	20.29
Mr. S. V. Desai	Whole-time Director & Sr. Executive Vice President (Civil Infrastructure)	25.34	237.39	31.88
Mr. T. Madhava Das	Whole-time Director & Sr. Executive Vice President (Utilities)	24.77	231.97	32.23
Mr. Anil V Parab	Whole-Time Director & Sr. Executive Vice President (Heavy Engineering & L&T Valves)	15.40	144.19	22.96
Mr. Adil Zainulbhai [®]	Independent Director	0.13	7.55	—
Mr. Sanjeev Aga	Independent Director	0.75	7.02	43.43
Mr. Narayanan Kumar	Independent Director	0.68	6.41	29.54
Mr. Hemant Bhargava ^{*#}	Nominee of Life Insurance Corporation of India (LIC)	0.06	3.65	—
Mrs. Preetha Reddy	Independent Director	0.52	4.87	139.63
Mr. Pramit Jhaveri	Independent Director	0.59	5.54	60.56
Mr. Jyoti Sagar	Independent Director	0.40	3.73	83.41 ⁺⁺
Mr. Rajnish Kumar	Independent Director	0.72	6.78	233.64 ⁺⁺
Mr. Ajay Tyagi	Independent Director	0.53	4.93	303.99 ⁺⁺
Mr. P. R. Ramesh	Independent Director	0.91	8.49	595.85 ⁺⁺
Mr. Siddhartha Mohanty [^]	Nominee of LIC	0.14	1.55	—
Mr. Sivaram Nair A	Company Secretary & Compliance Officer	1.87	17.53	9.01

[§] Ceased to be a Whole-time Director w.e.f April 7, 2024 on account of superannuation.

[®] Ceased to be Independent Director w.e.f May 28, 2024 on account of completion of tenure.

^{*} Ceased to be Nominee Director of LIC w.e.f May 27, 2024 on account of withdrawal of nomination by LIC.

[^] Appointed as Nominee Director of LIC w.e.f May 28, 2024.

[#] Remuneration has been paid to the institution the director represents.

— Details not given as the Director was there for the part of the year.

^{**} Ratio of remuneration of director to the median remuneration is calculated on pro-rata basis for those directors who served for only part of FY 2024-25.

⁺⁺ Impact of full year remuneration of new director/KMP appointed during FY 2023-24.

B. Percentage increase in the median remuneration of all employees in FY 2024-25:

The median remuneration of employees of the Company during the financial year was ₹ 10.68 lakh. In the financial year, there was an increase of 11.73% in the median remuneration of employees.

C. Number of permanent employees on the rolls of the Company as on March 31, 2025:

There were 58,244 permanent employees on the rolls of the Company as on March 31, 2025.

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

Average percentage increase made in the salaries of employees other than the managerial personnel for the year 2024-25 was 8.15% whereas there is an increase in the managerial remuneration by 21.81%.

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

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

Annexure 'E' to the Board's Report

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2025**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2025 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - **Not Applicable as there was no reportable event during the financial year under review;**
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - **Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review;**
 - f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - **Not Applicable as the Company has not delisted/ proposed to delist its equity shares from any Stock Exchange during the financial year under review;**
 - g. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **Not Applicable as there was no reportable event during the financial year under review;**
 - h. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015.
- vi. The Company has informed that there are no laws which are specifically applicable to the Company.

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

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

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

We further report that:

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

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

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

The Company has:

- redeemed Non-Convertible Debentures of ₹ 1,450 crore on May 6, 2024, ₹ 1,000 crore on June 10, 2024, ₹ 1,000 crore on September 9, 2024 and ₹ 1,500 crore on December 9, 2024, respectively on their due dates;

- raised ₹ 5,500 crore by a) issue and allotment of 1,50,000 Non-Convertible Debentures of ₹ 1 lakh each aggregating to ₹ 1,500 crore on December 5, 2024 and b) issue and allotment of 4,00,000 Non-Convertible Debentures of ₹ 1 lakh each aggregating to ₹ 4000 Crore on January 22, 2025.
- The Board at its meeting held on January 30, 2024 had approved Merger of L&T Energy Hydrocarbon Engineering Limited and L&T Offshore Private Limited, wholly owned subsidiaries, with the Company. The said merger has been approved by the necessary statutory and regulatory authorities including National Company Law Tribunal (NCLT). The necessary filings with the statutory and regulatory authorities has been completed and March 1, 2025 is the effective date of the said Merger.
- The Company has entered into an Investment Agreement on November 5, 2024 for acquisition of upto 21% stake in E2E Networks Limited (E2E), a listed Company. The Company has completed acquisition of 15% stake in E2E via preferential allotment on December 4, 2024. The Company has acquired additional 1.1% stake in E2E from the secondary market in tranches from April 22, 2025 to April 29, 2025. The purchase of entire stake will be completed in the month of May 2025.

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

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

Company Secretaries

ICSI Unique Code: P1991MH040400

Peer Review Cert. No.: 5218/2023

S. N. Ananthasubramanian

Founding Partner

FCS: 4206 | COP No.: 1774

ICSI UDIN: F004206G000294980

Date: May 8, 2025

Place: Thane

Annexure – A

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

Our Secretarial Audit Report for the Financial Year ended March 31, 2025, of even date is to be read along with this letter.

Management's Responsibility

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

Auditor's Responsibility

- 2 Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
- 3 We have conducted the Audit as per the applicable Auditing Standards issued by the Institute of Company Secretaries of India.
- 4 We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.

- 5 Wherever required, we have obtained reasonable assurance whether the statements prepared, documents or Records, in relation to Secretarial Audit, maintained by the Company, are free from misstatement.
- 6 Wherever required, we have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events, etc.

Disclaimer

- 7 The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
- 8 We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

For **S. N. ANANTHASUBRAMANIAN & Co.**
Company Secretaries
ICSI Unique Code: P1991MH040400
Peer Review Cert. No.: 5218/2023

S. N. Ananthasubramanian
Founding Partner
FCS: 4206 | COP No.: 1774
ICSI UDIN: F004206G000294980
Date: May 8, 2025
Place: Thane

Annexure 'F' to the Board's Report

NOMINATION & REMUNERATION POLICY

(As per Companies Act, 2013)

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

1. OBJECTIVE:

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

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

2. DEFINITIONS:

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

2.2. Board means Board of Directors of the Company.

2.3. Directors mean Directors of the Company.

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

2.5. Key Managerial Personnel means

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

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

3. ROLE OF COMMITTEE:

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

The Committee shall:

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

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

3.2.1. Appointment criteria and qualifications:

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

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

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

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

3.2.2. Term / Tenure:

a) Executive Directors:

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

b) Independent Director:

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

Company in any other capacity, either directly or indirectly.

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

c) Maximum Number of Directorships:

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

3.2.3. Evaluation:

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

The Company may disclose in the Annual Report:

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

3.2.4. Removal:

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

3.2.5. Retirement:

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

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

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

3.3.1. General:

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

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

a) Fixed pay:

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

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

b) Minimum Remuneration:

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

c) Provisions for excess remuneration:

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

d) Stock Options in Subsidiary Companies:

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

3.3.3. Remuneration to Non-Executive / Independent Director:

a) Remuneration / Commission:

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

b) Sitting Fees:

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

c) Commission:

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

d) Stock Options:

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

4. MEMBERSHIP:

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

5. CHAIRPERSON:

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

6. FREQUENCY OF MEETINGS:

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

7. COMMITTEE MEMBERS' INTERESTS:

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

8. SECRETARY:

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

9. VOTING:

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

10. NOMINATION DUTIES:

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

- 10.1** Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
- 10.2** Determining the appropriate size, diversity and composition of the Board;
- 10.3** Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- 10.4** Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- 10.5** Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- 10.6** Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;
- 10.7** Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- 10.8** Recommend any necessary changes to the Board; and
- 10.9** Considering any other matters, as may be requested by the Board.

11. REMUNERATION DUTIES:

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

- 11.1** To consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate and all elements of the remuneration of the members of the Board.
- 11.2** To ensure the remuneration maintains a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- 11.3** To delegate any of its powers to one or more of its members or the Secretary of the Committee.

- 11.4** To consider any other matters as may be requested by the Board.

- 11.5** To review professional indemnity and liability insurance for Directors and senior management.

12. MINUTES OF NOMINATION AND REMUNERATION COMMITTEE MEETING:

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

13. REVIEW & AMENDMENT:

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

Standalone Financial Statements

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LARSEN & TOUBRO LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Larsen & Toubro Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2025, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including material accounting policies and other explanatory information which includes 31 joint operations accounted on proportionate basis.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of joint operations referred to in the 'Other Matters' section below, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibility for the Audit of the Standalone Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in the 'Other Matters' section below is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended March 31, 2025. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Revenue recognition – accounting for construction contracts

Key audit matter Description	<p>There are significant accounting judgements in estimating revenue to be recognised on contracts with customers, including estimation of costs to complete. The Company recognises revenue on the basis of stage of completion in proportion of the contract costs incurred at balance sheet date, relative to the total estimated costs of the contract at completion. The recognition of revenue is therefore dependent on estimates in relation to total estimated costs of each such contract.</p> <p>Significant judgements are involved in determining the expected losses, when such losses become probable based on the expected total contract cost. Cost contingencies are included in these estimates to take into account specific risks of uncertainties or disputed claims against the Company, arising within each contract. These contingencies are reviewed by the Company's Management on a regular basis throughout the life of the contract and adjusted where appropriate. The revenue on contracts may also include variable consideration (change orders and claims). Variable consideration is recognised when the recovery of such consideration is highly probable based on company's contractual rights and /or a legal assessment.</p> <p>Refer to Note No. [1](II)(e) and 31 to the Standalone Financial Statements.</p>
Principal Audit Procedures	<p>Our audit procedures related to the</p> <ol style="list-style-type: none"> (1) identification of distinct performance obligations, (2) evaluation of the process for estimation of costs to complete, (3) evaluation of implications of change orders on costs estimates of costs to complete and revenue and (4) evaluation of any variable consideration, included the following, amongst others: <p>We tested the design, implementation and operating effectiveness of internal financial controls relating to the:</p> <ol style="list-style-type: none"> (a) evaluation of performance obligations and identification of those that are distinct. (b) estimation of costs to complete each of the performance obligations including the cost contingencies in respect thereof, as work progresses and the impact thereon as a consequence of change orders. (c) the impact of change orders on the transaction price of the related contracts; and (d) evaluation of the impact of variable consideration on the transaction price.

Revenue recognition – accounting for construction contracts

We selected a sample of contracts with customers and performed the following procedures:

- a. Obtained and read contract documents for each selection, change orders, and other documents that were part of the agreement.
- b. Identified significant terms and deliverables in the contract to assess management's conclusions regarding the
 - (i) identification of distinct performance obligations.
 - (ii) changes to costs to complete as work progresses and as a consequence of change orders.
 - (iii) the impact of change orders on the transaction price; and
 - (iv) the evaluation of the adjustment to the transaction price on account of variable consideration.
- c. Compared costs incurred with Company's estimates of costs incurred to date to identify significant variations and evaluated whether those variations have been considered appropriately in estimating the remaining costs to complete the contract.
- d. Tested the estimate for consistency with the status of delivery of milestones and customer acceptance to identify possible delays in achieving milestones, which require changes in estimated costs or efforts to complete the remaining performance obligation.

We read and verified the presentation and disclosure in the financial statements are in accordance with applicable accounting standards.

Measurement of contract assets in respect of overdue milestones and receivables in respect of overdue invoices.

Key audit matter
description

The Company, in its contract with customers, promises to transfer distinct services to its customers, which may be rendered in the form of engineering, procurement, and construction ("EPC") services through design-build contracts, and other forms of construction contracts. The recognition of revenue is based on contractual terms, which could be based on agreed unit price or lump-sum revenue arrangements. At each reporting date, revenue is accrued for costs incurred against work performed that may not have been invoiced. Identifying whether the Company's performance has resulted in a service that would be billable and collectable where the works carried out have not been acknowledged by customers as of the reporting date, including in the case of certain Defence contracts, where the audit evidences of customer contracts, work carried out and cost incurred are restricted due to confidentiality arrangements and secrecy commitments made to the Ministry of Defence under the Official Secrets Act, 1923, involves a significant judgement. Assessing the recoverability of contract assets related to overdue milestones and amounts overdue against invoices raised which have remained unsettled for a significantly long period after the end of the contractual credit period and the recognition of provision for expected credit loss thereon, involves a significant judgment.

Refer to Note Nos. [1](II)(e), [1](II)(m), 11 and 16 to the Standalone Financial Statements.

Principal Audit
Procedures

Our audit procedures related to the

- (1) evaluation of evidence supporting the execution of work;
- (2) evaluation of recoverability of the overdue amounts including the impact on the expected credit loss allowance; and
- (3) assessment of adjusting events after the reporting date i.e. March 31, 2025, and the date when the financial statements are approved by the Company's Board of Directors, included the following, amongst others:
 - We tested the design, implementation and operating effectiveness of internal financial controls relating to the :
 - (a) gathering and evaluation of evidence supporting the execution of work.
 - (b) evaluation of recoverability of the overdue amounts including the impact on the expected credit loss allowance; and
 - (c) assessment of adjusting events after the reporting date i.e. March 31, 2025, and the date when the financial statements are approved by the Company's Board of Directors and the impact thereof on the carrying amount of the related contract assets, measurement of contract assets in respect of overdue milestones and receivables in respect of overdue invoices.
 - We selected a sample of contracts for testing contract asset balances and overdue trade receivables and evaluated the basis for management's conclusions regarding the:
 - (1) evidence supporting the execution of work for which the contract assets were recognised.
 - (2) reasons for the delays in recovery of invoices and the basis on which recoverability of the contract assets was assessed;
 - (3) impact on the allowance for expected credit losses; and
 - (4) adjusting events after the reporting date i.e. March 31, 2025, and the date when the financial statements are approved by the Company's Board of Directors and the impact thereof on the carrying amount of the related contract assets.

Measurement of contract assets in respect of overdue milestones and receivables in respect of overdue invoices.

- In respect of the sample contracts, we compared previous estimates relating to billing of contract assets and recoverability of overdue trade receivable with actual billing and collections during the year.
 - In case of certain Defence contracts, (a) performed alternative procedures over progressive billing and collections from customer and (b) obtained specific management representation and also direct confirmation from the customer with respect to confidentiality restrictions.
 - Read and tested the presentation and disclosure in the financial statements are in accordance with applicable accounting standards.
-

Impairment of Investment in a Subsidiary

Key audit matter description

As at March 31, 2025, the Company held investment with a carrying amount of ₹ 7,412.99 crore (excluding investment of ₹ 973.73 crore in debentures) in L&T Metro Rail (Hyderabad) Limited, a wholly owned subsidiary. This investment is carried at cost less impairment in the Company's Standalone Financial Statements. Consequent to accumulation of losses incurred by the subsidiary, the Company's management has tested this investment for impairment in accordance with Ind AS 36 by comparing its recoverable amount with its carrying amount as at March 31, 2025. The recoverable amount of the investment in the subsidiary is assessed based on future discounted cash flows of the subsidiary, over the entire concession period.

We considered this as a key audit matter due to significant judgement involved in estimating future cash flows of the subsidiary and in determining the discount rate to be used. Changes in inputs and assumptions could impact the results of the impairment assessment.

Refer to Note Nos. [1](II)(m) and 5 to the Standalone Financial Statements

Principal Audit Procedures

Our audit procedures related to forecasts of future traffic, revenue, free cash flows generated, selection of the method for estimating recoverable value and discount rate for the entity, included the following:

- We tested the effectiveness of controls over forecasts of future traffic, revenue, free cash flows and selection of the discount rate.
 - We evaluated the reasons for variation between the management's previous estimate of traffic, revenue and cash flow forecasts and obtained our understanding of the manner in which revised forecasts were obtained.
 - With the assistance of our valuation specialists who have necessary skill and knowledge, we evaluated the reasonableness of the methodology and assumptions used by testing the source information underlying the determination of the such assumptions and mathematical accuracy of the calculations; and
 - We performed sensitivity analysis of the discount rate to assess the extent of change in discount rate that would be required for the investment to be impaired.
-

Information Other than the Financial Statements and Auditor's Report Thereon ('other information')

- The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including annexures to Board's Report, Business Responsibility & Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Management and Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of the Company and its joint operations to express an opinion on the standalone financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the standalone financial statements of which we are the independent auditors. For the other entities included in the standalone financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the year ended March 31, 2025 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- We did not audit the financial information of 29 joint operations included in the standalone financial statements of the Company whose financial statements/financial information reflect total assets of ₹ 3,836.02 crore as at 31st March 2025 and total revenue of ₹ 3438.75 crore and net cash flows of 132.99 crore for the year ended on that date, as considered in the standalone financial statements. The

financial information of these joint operations have been audited by the other auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these joint operations and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid joint operations, is based solely on the report of such other auditors.

- The standalone audited financial statements for the year ended March 31, 2024, included in the accompanying standalone financial statements were audited by Deloitte Haskins & Sells LLP, one of the joint auditors of the Company, whose report dated May 8, 2024 expressed an unmodified opinion on those standalone audited financial statements.

Our opinion on the standalone financial statements and our report on Other Legal and Regulatory Requirements below are not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial information of the joint operations, referred to in the 'Other Matters' section above we report, to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company and its joint operations which are companies incorporated in India so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March 2025 taken on record by the Company's Board of Directors, none of the directors is disqualified as on 31st March 2025 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act read with Schedule V of the Act and the rules thereunder.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 29 to the standalone financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts, including derivative contracts;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement;
 - v. The amount of dividend is in accordance with Section 123 of the Act.
 - (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.
 - (b) As stated in note 17 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. Such dividend proposed is in accordance with section 123 of the Act, to the extent it applies to payment of dividend.
 - vi. Based on our examination, which included test checks, the Company has used accounting software(s) for maintaining its books of account for the financial year ended March 31, 2025 which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

For M S K A & Associates
Chartered Accountants
(Firm's Regn. No -105047W)

Vishal Vilas Divadkar
Partner
(Membership No. 118247)
UDIN 25118247BMOXWL8842

Place: Mumbai
Date: May 8, 2025

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Regn. No -117366W/W - 100018)

Rupen K Bhatt
Partner
(Membership No. 046930)
UDIN 25046930BMODQU8516

Place: Mumbai
Date: May 8, 2025

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under "Report on Other Legal and Regulatory Requirements" section of our report of even date)

Report on the Internal Financial Controls with reference to Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls with reference to standalone financial statements of Larsen and Toubro Limited (the "Company") as of March 31, 2025 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date which includes internal financial controls with reference to standalone financial statements of one of the Company's 31 joint operations which is a company incorporated in India.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone Financial Statements of the Company and its joint operations company incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing ("SA"s) prescribed under Section 143(10) of the Companies Act, 2013 (the "Act"), to the extent applicable to an audit of internal financial controls with reference to Standalone Financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Standalone Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditor of the joint operation which is a company incorporated in India, in terms of their reports referred to in the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to Standalone Financial Statements.

Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A company's internal financial control with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Standalone Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to Standalone Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Standalone Financial Statements to future periods are subject to the risk that the internal financial control with reference to Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on internal financial controls with reference to Standalone Financial Statements of the joint operation referred to in the Other Matters paragraph below, the Company has, in all material respects, an adequate internal financial controls with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at March 31, 2025, based on the criteria for internal financial control with reference to Standalone Financial Statements established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Standalone Financial Statements insofar as it relates to one joint operation which is a company incorporated in India, is based on the corresponding report of the other auditor of such company incorporated in India.

Our opinion is not modified in respect of this matter.

For M S K A & Associates

Chartered Accountants
(Firm's Regn. No -105047W)

Vishal Vilas Divadkar

Partner
(Membership No. 118247)
UDIN:25118247BMOXWL8842

Place: Mumbai
Date: May 8, 2025

For Deloitte Haskins & Sells LLP

Chartered Accountants
(Firm's Regn. No -117366W/W - 100018)

Rupen K Bhatt

Partner
(Membership No. 046930)
UDIN 25046930BMODQU8516

Place: Mumbai
Date: May 8, 2025

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Larsen & Toubro Limited of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) In respect of the Company's property, plant and equipment and intangible assets:
- (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work-in progress, investment properties and relevant details of right-of-use assets.
 - (B) The Company has maintained proper records showing full particulars of intangible assets.
 - The Company has a program of physical verification of its property, plant and equipment and investment properties so to cover all the items in a phased manner over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain assets were due for verification during the year and were physically verified by the Management during the year. No material discrepancies were noticed on such verification.
 - With respect to immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements as a part of property, plant and equipment, capital work-in progress and investment property and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date, except for the following:

₹ crore

Description of property	Gross carrying value as at March 31, 2025 (₹ crore)	Carrying value in the financial statements as at March 31, 2025 (₹ crore)	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of Company Also indicate if in dispute
Freehold Land – Hazira West	1.01	1.01	1. Magan Kuber * 2. Kashiben Patel 3. Ishwar Prema	No	13 years (Since 2012)	Land acquired from farmers through Government Acquisition Route. The formalities are pending from the authorities side.

* Irrevocable Power of Attorney given to L&T by the owners, possession is with L&T

- The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.
 - No proceedings have been initiated or is pending against the company as at March 31, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) In respect of the Company's inventories:
- The inventories except for goods in transit, were physically verified during the year by the Management at reasonable intervals. In case of real estate inventory wherein, having regard to the nature of inventory, the physical verification by way of verification of title deeds, site visits by the Management and certification to the extent of work completion by competent persons, are at reasonable intervals. In our opinion, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. In respect of goods in transit, the goods have been received subsequent to the year end. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.
 - The Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed.

- (iii) The Company has made investments in, provided guarantee and granted loans, secured or unsecured, to companies or any other parties during the year, in respect of which:

- (a) The Company has provided loans during the year and details of which are given below:

₹ crore

Particulars	Loans	Guarantees	Security
Aggregate amount granted / provided during the year:			
Subsidiaries#	1517.67	2374.00	NIL
Joint Venture	NIL	NIL	NIL
Associates	NIL	NIL	NIL
Others	NIL	NIL	NIL
Balance Outstanding as at balance sheet date in respect of above cases*			
Subsidiaries	1858.51	NIL	NIL
Joint Venture	NIL	NIL	NIL
Associates	NIL	NIL	NIL
Others	NIL	NIL	NIL

* The amounts reported are at gross amounts (including interest accrued), without considering provisions made and includes investments made in debt instruments issued by subsidiaries.

#Includes acquisition of loan from JV partner aggregating to ₹ 170 cr.

The Company has not provided any advances in the nature of loans to any other entity during the year.

- (b) The investments made, guarantees provided and the terms and conditions of the grant of all the above-mentioned loans and guarantees provided, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.
- (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation, except for the following:

Name of the entity	Nature	Amount in ₹ crore	Due Date	Extent of Delay	Remarks, if any
L&T Special Steel & Heavy Forgings Pvt. Ltd.	Principal on Working Capital and Project Funding Loan	1730.38	June 30, 2022	1006 days	Principal on Working Capital and Project Funding Loan remains outstanding as on March 31, 2025
L&T Special Steel & Heavy Forgings Pvt. Ltd.	Interest on Working Capital and Project Funding Loan	168.05	June 30, 2022	1006 days	Interest on Working Capital and Project Funding Loan remains outstanding as on March 31, 2025
L&T Special Steel & Heavy Forgings Pvt. Ltd.	Principal on Working Capital and Project Funding Loan	102.00	Sep 30, 2022 Sep 30, 2023 Sep 30, 2024	914 days 549 days 183 days	Principal on Working Capital and Project Funding Loan remains outstanding as on March 31, 2025

Refer to Note No. 63(a)(i) to the Standalone Financial Statements.

- (d) In respect of following loans granted by the Company, which have been overdue for more than 90 days at the balance sheet date, as explained to us, the Management has taken reasonable steps for recovery of the principal and interest.

₹ crore

No. of cases.	Principal amount overdue	Interest overdue	Total overdue	Remarks, if any
1.	1,730.38	457.76	2,188.14	Principal and Interest on Working Capital and Project Funding Loan remains outstanding as on March 31, 2025
2.	102.00	—	102.00	Principal on Working Capital and Project Funding Loan remains outstanding as on March 31, 2025

Refer to Note No. 63(a)(i) to the Standalone Financial Statements.

- (e) During the year loans aggregating to ₹ 182.06 crore fell due from certain parties have been renewed. The details of such loans that fell due and were renewed during the year are stated below:

₹ crore

Name of the Party	Aggregate amount of existing loans renewed.	Percentage of the aggregate to the total loans or advances granted during the year
L&T Sapura Shipping Private Limited (Shareholder's Loan) due on December 31, 2024 and further extended upto December 31, 2026.(USD 21,260,000)	182.06	12.00%

Refer to Note No. 63(a)(ii) to the Standalone Financial Statements.

- (f) The Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.
- (iv) The Company has complied with the provisions of Sections 185 and 186 of the Act, to the extent applicable, in respect of grant of loans, making investments and providing guarantees and securities during the year, as applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Act. We have broadly reviewed the cost records maintained during the year by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) In respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Sales Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Sales Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2025 for a period of more than six months from the date they became payable.
- (c) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2025 on account of disputes are given below:

₹ crore

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which amount relates	Amount Involved	Amount Unpaid
Goods and Services Tax Act, 2017	Dispute of questions of law, Classification dispute, Tax levied on goods-in-transit, labour charges & disallowance of input tax credit on deemed export sales	Appellate authority	2017-18 to 2020-21, 2022-24	237.89	225.43
	Disallowance of input tax credits, Mismatch of Return, GST rate dispute and other matters	Commissioner (Appeals)	2017-18 to 2022-23	1,952.77	1,902.04
	Disallowance of input tax credits, credits claimed in Tran-1, Mismatch of Return, GST rate dispute, ineligible credit of educational cess and other matters	Assistant Joint Commissioner/ Assistant Commissioner/ Deputy Commissioner/ Joint Commissioner	2017-18 to 2020-21	502.17	474.95
	Disallowance of input tax credits, classification dispute related to place of supply and cross charge	High Court	2017-18 to 2019-20	1,276.86	1,238.58
The Central Excise Act, 1944, Service Tax under Finance Act, 1994 and Customs Act, 1962	Dispute regarding questions of law, classification dispute, Rate disputes and other matters	Supreme Court of India	1999-2000	10.80	–

₹ crore

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which amount relates	Amount Involved	Amount Unpaid
The Central Excise Act, 1944, Service Tax under Finance Act, 1994 and Customs Act, 1962	Dispute regarding question of law, Disallowance of CENVAT credit, short payment of service tax, Valuation disputes, dispute regarding classification of services/goods, disallowances of excise duty exemption, Non-Maintenance of Separate Books of Accounts, Export rebate disallowance, and other matters.	High Court	2014-15 to 2017-18	139.36	102.79
	Dispute regarding question of law, Disallowance of CENVAT credit, short payment of service tax, Valuation disputes, dispute regarding classification of services/goods, disallowances of excise duty exemption, Non-Maintenance of Separate Books of Accounts, Export rebate disallowance, Service Tax for CSR Disallowed and other matters.	CESTAT/ Department	2002-03 to 2020-21 and 2024-25	420.06	381.59
	Dispute regarding question of law, Disallowance of CENVAT credit, short payment of service tax, Valuation disputes, dispute regarding classification of services/goods, disallowances of excise duty exemption, Non-Maintenance of Separate Books of Accounts, Export rebate disallowance, and other matters.	Additional Commissioner Appeal, Appellate DC, Commissioner Appeals, Deputy Commissioner Appeals	2006-07, 2009-10, 2013-14 to 2017-18 and 2021-22	5.52	3.45
	Dispute regarding valuation disputes	Tribunal	2007-08 to 2010-11	161.61	134.61
	Differential Custom Duty	DGFT	2016-17, 2021-22	1.05	0.79
The Central Sales Tax Act, Entry tax, Local Sales Tax Act and Works Contract Tax Act	Dispute regarding questions of law, Classification dispute, Tax levied on goods-in-transit, labour charges & disallowance of input tax credit on deemed export sales, Taxability of sub- contractor turnover and non- submission of forms	Supreme Court	2006-07 to 2017-18	720.57	699.56
	Dispute regarding questions of law, classification dispute, sales in transit, high sea sales, non-submission of C forms & E1 forms, disallowance of ITC, valuation of goods, Non submission of Forms, inter-state sale turnover, Rate of tax of declared goods, Labour & service charges disallowed, Disallowance of exemptions claimed for imports & Sales in transit, Road permit issue and other matter	High Court	1986-87 to 1989-90, 1994-95, 1999-20 to 2016-17	530.91	511.94
	Disallowance of exemptions claimed for imports & Sales in transit, labour & service charges disallowed and other matters	CESTAT/Department	2004-05 to 2016-17	107.29	79.12
	Dispute regarding questions of law, sales in transit, high sea sales, non-submission of C forms & E1 forms, disallowance of ITC, valuation of goods, non submission of Forms, classification disputes, inter-state sale turnover, Rate of tax of declared goods, Labour & service charges disallowed, Disallowance of exemptions claimed for imports & Sales in transit, Road permit issue and other matter	Tribunal	1994-95 to 1995-96, 1999-20 to 2017-18	623.18	515.63

₹ crore					
Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which amount relates	Amount Involved	Amount Unpaid
The Central Sales Tax Act, Entry tax, Local Sales Tax Act and Works Contract Tax Act	Dispute regarding questions of law, sales in transit, high sea sales, non-submission of C forms & E1 forms, disallowance of ITC, valuation of goods, non submission of Forms, classification disputes, inter-state sale turnover, Rate of tax of declared goods, Labour & service charges disallowed, Disallowance of exemptions claimed for imports & Sales in transit, Sale mismatch & levy of tax on import of goods through Way bill, Road permit issue and other matter	Joint commissioner Appeals/ Additional Commissioner Appeals/ Deputy Commissioner Appeals/ Assistant Commissioner Appeals/ Commissioner Appeals/ Appellate DC	1993-94 to 2017-18	2,266.63	2,107.57
	Dispute regarding question of law, Disallowance of CENVAT credit, short payment of service tax, Valuation disputes, dispute regarding classification of services/goods, disallowances of excise duty exemption, Non-Maintenance of Separate Books of Accounts, Export rebate disallowance, sales in transit, high sea sales, non-submission of C forms & E1 forms, disallowance of ITC, valuation of goods, and other matters	Assistant Commissioner/ Deputy Commissioner/ Additional Commissioner/ Joint Commissioner/ Commissioner/ Assessing Officer	1989-90, 1997-98 to 1999-2000, 2001-02, 2003-04 to 2017-18	316.51	246.76
Income Tax Act, 1961	Demands arising out of Regular Assessment/ Reassessment	Income Tax Appellate Tribunal (ITAT)	2003-04, 2004-05, 2007-08 to 2012-13 and 2019-20	944.53	250.04
	Demands arising out of Regular Assessment/ Reassessment Demand arising out of order under section 201(1)/201(1A) of the Income Tax Act	CIT(A)	2011-12, 2014-15, 2015-16 to 2021-22	3,117.31	2,407.74

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) In respect of borrowings:

- In our opinion, during the year, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- The Company has not taken any term loan during the year and there are no unutilized term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.
- On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associates. or joint ventures.
- The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies.

(x) In respect of issue of securities:

- The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
- During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence, reporting under paragraph (x)(b) of the Order is not applicable to the Company.

- (xi) In respect of fraud:
- (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
 - (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
 - (c) We have taken into consideration, the whistle blower complaints received by the company during the year and upto the date of this report and provided to us, when performing our audit.
- (xii) The Company is not a Nidhi Company. Therefore, reporting under clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties undertaken during the year and the details of such related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) In respect of internal audit:
- (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
 - (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) In our opinion, during the year the Company has not entered any non-cash transactions with its Directors or persons connected to its Directors and hence provisions of section 192 of the Act are not applicable.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.
- (b) The Group does not have any Core Investment Company (CIC) as part of the group and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For M S K A & Associates
Chartered Accountants
(Firm's Registration No. 105047W)

Vishal Vilas Divadkar
Partner
(Membership No. 118247)
UDIN: 25118247BMOXWL8842

Place: Mumbai
Date: May 8, 2025

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rupen K. Bhatt
Partner
(Membership No. 046930)
UDIN: 25046930BMODQU8516

Place: Mumbai
Date: May 8, 2025

Standalone Balance Sheet as at March 31, 2025

₹ crore			
Particulars	Note	As at 31-3-2025	As at 31-3-2024
ASSETS:			
Non-current assets			
Property, plant and equipment	2	9155.12	9207.41
Capital work-in-progress	2	1117.33	1397.04
Investment property	3	741.34	567.93
Investment Property under construction	3	565.82	593.33
Goodwill	4	121.86	121.86
Other Intangible assets	4	107.95	152.42
Intangible assets under development	4	21.76	26.63
Right-of-use assets	54(b)	561.89	475.61
Financial assets:			
Investments	5	32853.88	30649.26
Loans	6	726.67	579.06
Other financial assets	7	976.02	596.84
		34556.57	31825.16
Deferred tax assets (net)	44(d)	1544.69	1594.48
Current tax assets (net)		3511.16	3264.38
Other non-current assets	8	1838.30	1417.84
Sub-total - Non-current assets		53843.79	50644.09
Current assets			
Inventories	9	3398.77	3520.97
Financials assets			
Investments	10	24788.29	16813.34
Trade receivables	11	38330.18	36960.51
Cash and cash equivalents	12	3583.55	3940.99
Other bank balances	13	763.06	829.98
Loans	14	635.02	63.04
Other financial assets	15	3775.12	4259.79
		71875.23	62867.65
Other current assets	16	57141.13	57553.44
Sub-total - Current assets		132415.12	123942.06
Group(s) of assets classified as held for sale	39	157.44	1177.91
TOTAL ASSETS		186416.35	175764.06

Standalone Balance Sheet as at March 31, 2025 (contd.)

₹ crore

Particulars	Note	As at 31-3-2025	As at 31-3-2024
EQUITY AND LIABILITIES:			
Equity			
Equity share capital	17	275.04	274.93
Other equity	18	71620.80	64241.17
Total equity		71895.84	64516.10
Liabilities			
Non- current liabilities			
Financial liabilities			
Borrowings	19	9286.00	11931.14
Lease liabilities		198.19	112.25
Other financial liabilities	20	143.07	75.81
		9627.26	12119.20
Provisions	21	765.72	703.43
Other non-current liabilities	22	18.47	22.67
Sub-total - Non-current liabilities		10411.45	12845.30
Current liabilities			
Financial liabilities:			
Borrowings	23	3743.58	4864.65
Current maturities of long-term borrowings	24	8905.30	5744.68
Lease liabilities		162.18	158.89
Trade payables:	25		
Due to micro enterprises and small enterprises		1170.16	873.17
Due to others		37625.83	39868.09
Other financial liabilities	26	3450.20	4097.83
		55057.25	55607.31
Other current liabilities	27	44764.13	39287.68
Provisions	28	2398.23	2202.05
Current tax liabilities (net)		1889.45	1305.62
Sub-total - Current liabilities		104109.06	98402.66
TOTAL LIABILITIES		114520.51	111247.96
TOTAL EQUITY AND LIABILITIES		186416.35	175764.06
CONTINGENT LIABILITIES	29		
COMMITMENTS (capital and others)	30		
NOTES FORMING PART OF THE FINANCIAL STATEMENTS	1 to 64		

In terms of our report attached
For M S K A & ASSOCIATES
Chartered Accountants
Firm's Registration No. 105047W
by the hand of

VISHAL VILAS DIVADKAR
Partner
Membership No. 118247

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
Firm's Registration No.117366W/W-100018
by the hand of

RUPEN K. BHATT
Partner
Membership No. 046930

For and on behalf of the Board of Directors of Larsen & Toubro Limited

S. N. SUBRAHMANYAN
Chairman & Managing Director
(DIN 02255382)

P. R. RAMESH
Independent Director
(DIN 01915274)

R. SHANKAR RAMAN
President, Whole-time Director &
Chief Financial Officer
(DIN 00019798)

SIVARAM NAIR A
Company Secretary & Compliance Officer
Membership No. FCS3939

Mumbai, May 8, 2025

Standalone Statement of Profit and Loss for the year ended March 31, 2025

		₹ crore	
Particulars	Note	2024-25	2023-24
INCOME:			
Revenue from operations	31	142509.01	126233.36
Other income (net)	32	5669.21	5329.70
Total Income		148178.22	131563.06
EXPENSES:			
Manufacturing ,construction and operating expenses	33		
Cost of raw materials and components consumed		15219.90	11621.48
Construction materials consumed		45457.97	43031.68
Purchase of stock-in-trade		1409.90	1078.54
Stores, spares and loose tools consumed		3060.70	3613.78
Sub-contracting charges		35741.21	30814.82
Changes in inventories of finished goods, stock-in-trade and work-in-progress		1089.23	411.83
Other manufacturing, construction and operating expenses		14676.41	13442.55
		116655.32	104014.68
Employee benefits expense	34	10380.08	9040.16
Sales, administration and other expenses	35	3885.36	3449.24
Finance costs	36	2195.46	2405.83
Depreciation, amortisation, impairment and obsolescence	37	1963.02	1753.17
Total Expenses		135079.24	120663.08
Profit before exceptional items and tax		13098.98	10899.98
Exceptional items before tax (net) [gain/(loss)]		474.78	586.47
Tax expense on exceptional items:			
Current tax	44(a)	—	20.83
Deferred tax	44(a)	—	117.65
Total tax expense on exceptional items		—	138.48
Exceptional items (net of tax)		474.78	447.99
Profit before tax		13573.76	11347.97
Tax expenses:			
Current tax	44(a)	2849.97	2207.96
Deferred tax	44(a)	(146.93)	(191.40)
Total tax expense		2703.04	2016.56
Net profit after tax		10870.72	9331.41
Other comprehensive income			
A Items that will not be reclassified to Profit or Loss:			
Gain/(loss) on remeasurement of the defined benefits plan		(266.31)	13.61
Income tax (expenses)/income on remeasurments of the defined benefits plan		67.02	(3.51)
		(199.29)	10.10
Carried forward - Other comprehensive income		(199.29)	10.10

Standalone Statement of Profit and Loss for the year ended March 31, 2025 (contd.)

		₹ crore	
Particulars	Note	2024-25	2023-24
Brought forward - Other comprehensive income		(199.29)	10.10
B Items that will be reclassified to Profit or Loss:			
Debt instruments through Other comprehensive income		264.26	171.92
Income tax (expenses)/income on debt instruments through Other comprehensive income		(60.46)	(39.34)
		203.80	132.58
Exchange differences in translating the financial statements of foreign operations		(15.57)	(6.93)
Income tax (expenses)/income on exchange differences in translating the financial statements of foreign operations		3.92	1.74
		(11.65)	(5.19)
Effective portion of gains/(losses) on hedging instruments in a cash flow hedge		164.92	(234.42)
Income tax (expenses)/income on effective portion of gains/(losses) on hedging instruments in a cash flow hedge		(41.56)	50.26
		123.36	(184.16)
Cost of hedging reserve		191.13	0.12
Income tax (expenses)/income on cost of hedging reserve		(48.10)	(0.03)
		143.03	0.09
Other comprehensive income for the year (net of tax)		259.25	(46.58)
Total comprehensive income for the year		11129.97	9284.83
Earnings per share (EPS) of ₹ 2 each:			
Basic earnings per equity share (₹)	49	79.06	67.14
Diluted earnings per equity share (₹)	49	79.00	67.08
Face value per equity share (₹)		2.00	2.00
NOTES FORMING PART OF THE FINANCIAL STATEMENTS	1 to 64		

In terms of our report attached
For M S K A & ASSOCIATES
Chartered Accountants
Firm's Registration No. 105047W
by the hand of

VISHAL VILAS DIVADKAR
Partner
Membership No. 118247

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
Firm's Registration No.117366W/W-100018
by the hand of

RUPEN K. BHATT
Partner
Membership No. 046930

For and on behalf of the Board of Directors of Larsen & Toubro Limited

S. N. SUBRAHMANYAN
Chairman & Managing Director
(DIN 02255382)

P. R. RAMESH
Independent Director
(DIN 01915274)

R. SHANKAR RAMAN
President, Whole-time Director &
Chief Financial Officer
(DIN 00019798)

SIVARAM NAIR A
Company Secretary & Compliance Officer
Membership No. FCS3939

Mumbai, May 8, 2025

Standalone Statement of Changes in Equity for the year ended March 31, 2025

A. Equity share capital

Particulars	2024-25		2023-24	
	Number of shares	₹ crore	Number of shares	₹ crore
Issued, subscribed and fully paid up equity share outstanding at the beginning of the year	1,374,668,619	274.93	1,405,482,190	281.10
Add: Shares issued on exercise of employee stock options during the year	523,546	0.11	436,429	0.08
Less: Shares extinguished on buy-back	—	—	31,250,000	6.25
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	1,375,192,165	275.04	1,374,668,619	274.93

B. Other equity

	₹ crore											
	Reserves and surplus								Items of Other comprehensive income			
Particulars	Capital reserve	Capital reserve on business combination	Capital redemption reserve	Securities premium	Employee share options (net)	Debenture redemption reserve	General reserve	Retained earnings	Foreign currency translation reserve	Hedging reserve	Debt instruments through Other comprehensive income	Total other equity
Balance as at 1-4-2023	10.84	(25.77)	260.00	8770.19	74.62	20.42	26201.60	35863.32	(21.47)	224.01	(130.91)	71246.85
Change on account of business combination	—	—	—	—	—	—	—	73.31	—	—	—	73.31
Restated balance at 1-4-2023	10.84	(25.77)	260.00	8770.19	74.62	20.42	26201.60	35936.63	(21.47)	224.01	(130.91)	71320.16
Profit for the year (a)	—	—	—	—	—	—	—	9331.41	—	—	—	9331.41
Other comprehensive income (b)	—	—	—	—	—	—	—	10.10	(5.19)	(184.07)	132.58	(46.58)
Total comprehensive income for the year (a+b)	—	—	—	—	—	—	—	9341.51	(5.19)	(184.07)	132.58	9284.83
Buy-back of equity shares	—	—	—	(8770.19)	—	—	(1223.56)	—	—	—	—	(9993.75)
Tax on buyback of equity shares	—	—	—	—	—	—	(2253.33)	—	—	—	—	(2253.33)
Expenses for buyback of equity shares (net of tax)	—	—	—	—	—	—	(26.55)	—	—	—	—	(26.55)
Amount transferred to capital redemption reserve upon buyback	—	—	6.25	—	—	—	(6.25)	—	—	—	—	—
Issue of equity shares on exercise of employee share options	—	—	—	9.56	—	—	—	—	—	—	—	9.56
Transfer on account of exercise of employee share options	—	—	—	41.00	(41.00)	—	—	—	—	—	—	—
Transfer to non- financial assets/liability	—	—	—	—	—	—	—	—	—	22.27	—	22.27
Transfer from/to general reserve/retained earnings during the year	—	—	—	—	(2.86)	(20.42)	23.28	—	—	—	—	—
Employee share options (net)	—	—	—	—	94.93	—	—	—	—	—	—	94.93
Special dividend paid during the year	—	—	—	—	—	—	—	(843.39)	—	—	—	(843.39)
Dividend paid for previous year	—	—	—	—	—	—	—	(3373.56)	—	—	—	(3373.56)
Balance as at 31-3-2024	10.84	(25.77)	266.25	50.56	125.69	—	22715.19	41061.19	(26.66)	62.21	1.67	64241.17

Standalone Statement of Changes in Equity for the year ended March 31, 2025 (contd.)

₹ crore

Particulars	Reserves and surplus							Items of Other comprehensive income				Total other equity
	Capital reserve	Capital reserve on business combination	Capital redemption reserve	Securities premium	Employee share options (net)	Debenture redemption reserve	General reserve	Retained earnings	Foreign currency translation reserve	Hedging reserve	Debt instruments through Other comprehensive income	
Balance as at 1-4-2024	10.84	(25.77)	266.25	50.56	125.69	–	22715.19	41061.19	(26.66)	62.21	1.67	64241.17
Profit for the period (c)	–	–	–	–	–	–	–	10870.72	–	–	–	10870.72
Other comprehensive income (d)	–	–	–	–	–	–	–	(199.29)	(11.65)	266.39	203.80	259.25
Total comprehensive income for the period (c+d)	–	–	–	–	–	–	–	10671.43	(11.65)	266.39	203.80	11129.97
Amount transferred to capital redemption reserve upon buyback	–	–	–	–	–	–	–	–	–	–	–	–
Issue of equity shares on exercise of employee share options	–	–	–	9.22	–	–	–	–	–	–	–	9.22
Transfer on account of exercise of employee share options	–	–	–	78.65	(78.65)	–	–	–	–	–	–	–
Transfer to non- financial assets/liability	–	–	–	–	–	–	–	–	–	1.89	–	1.89
Transfer from/to general reserve/retained earnings during the period	–	–	–	–	(2.06)	–	2.06	–	–	–	–	–
Employee share options (net)	–	–	–	–	88.12	–	–	–	–	–	–	88.11
Special dividend paid during the period	–	–	–	–	–	–	–	–	–	–	–	–
Dividend paid for previous year	–	–	–	–	–	–	–	(3849.57)	–	–	–	(3849.57)
Balance as at 31-3-2025	10.84	(25.77)	266.25	138.43	133.10	–	22717.25	47883.05	(38.31)	330.49	205.47	71620.80

In terms of our report attached
For M S K A & ASSOCIATES
Chartered Accountants
Firm's Registration No. 105047W
by the hand of

VISHAL VILAS DIVADKAR
Partner
Membership No. 118247

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
Firm's Registration No.117366W/W-100018
by the hand of

RUPEN K. BHATT
Partner
Membership No. 046930

For and on behalf of the Board of Directors of Larsen & Toubro Limited

S. N. SUBRAHMANYAN
Chairman & Managing Director
(DIN 02255382)

P. R. RAMESH
Independent Director
(DIN 01915274)

R. SHANKAR RAMAN
President, Whole-time Director &
Chief Financial Officer
(DIN 00019798)

SIVARAM NAIR A
Company Secretary & Compliance Officer
Membership No. FCS3939

Mumbai, May 8, 2025

Standalone Statement of Cash Flows for the year ended March 31, 2025

Particulars	₹ crore	
	2024-25	2023-24
A. Cash flow from operating activities:		
Profit before tax (excluding exceptional items)	13098.98	10899.98
Adjustments for:		–
Dividend received	(2977.27)	(2655.67)
Depreciation, amortisation, impairment and obsolescence (net)	1963.02	1753.17
Exchange difference on items grouped under financing/investing activities	8.47	(43.23)
Effect of exchange rate changes on cash and cash equivalents	7.82	(2.06)
Interest expense	2195.46	2405.83
Interest income	(1368.61)	(1648.20)
(Profit)/loss on sale of Property, plant and equipment, Investment property and Intangible assets (net)	(407.70)	(58.68)
(Profit)/loss on sale of investments (net) (including fair valuation)	(457.20)	(284.78)
Provision on loans given to subsidiary	–	(70.24)
Employee stock option-discount forming part of employee benefits expense	83.83	91.56
Other adjustments	16.09	0.42
Operating profit before working capital changes	12162.89	10388.10
Adjustments for:		
(Increase)/decrease in trade and other receivables	(672.00)	(5401.41)
(Increase)/decrease in inventories	132.99	(74.95)
Increase/(decrease) in trade payables and customer advances	3495.43	6030.91
Cash (used in)/generated from operations	15119.31	10942.65
Direct taxes (paid) [net]	(2395.33)	(2645.18)
Net cash (used in)/from operating activities	12723.98	8297.47
B. Cash flow from investing activities:		
Purchase of Property, plant and equipment, Investment property and Intangible assets	(2725.01)	(2920.14)
Sale of Property, plant and equipment, Investment property and Intangible assets	685.17	94.59
Investment in subsidiaries, associates and joint venture companies	(2215.31)	(3719.66)
Divestment of stake in subsidiary companies, associates and joint venture companies (net)	1065.37	186.67
Sale of non-current investments	–	34.23
(Purchase)/sale of current investments (net)	(7306.59)	4757.26
Change in other bank balances and cash not available for immediate use	148.11	(146.31)
Long term deposits/Loans (given) - subsidiaries, associates, joint venture companies and third parties	(111.48)	(110.21)
Long term deposits/loans repaid - subsidiaries, associates, joint venture companies and third parties	4.51	2499.27
Short term deposits/loans (given)/repaid (net) - subsidiaries, associates, joint venture companies and third parties	(134.46)	192.71
Net proceeds from transfer of business undertaking	–	800.00
Interest received	1260.14	2034.17
Dividend received from subsidiaries and joint venture companies	2957.73	2649.30
Dividend received from other investments	19.54	6.37
Net cash (used in)/from investing activities	(6352.28)	6358.25

Standalone Statement of Cash Flows for the year ended March 31, 2025 (contd.)

		₹ crore	
Particulars		2024-25	2023-24
C. Cash flow from financing activities:			
Proceeds from fresh issue of share capital (including share application money)[net]		9.32	9.65
Proceeds from non-current borrowings		5500.00	7450.00
Repayment of non-current borrowings		(4950.00)	(4845.00)
(Repayments)/proceeds from other borrowings (net)		(1120.48)	1676.96
Settlement of derivative contracts related to borrowings		50.24	49.65
Interest paid on Lease Liability		(23.30)	(17.56)
Principal repayment on Lease Liability		(136.03)	(98.70)
Dividends paid		(3849.57)	(4216.95)
Buy-back of equity shares		—	(10000.00)
Tax on buy-back of equity shares		—	(2253.33)
Expenses for buy-back of equity shares (net of tax)		—	(26.55)
Interest paid (including cash flows from interest rate swaps)		(2205.34)	(2250.23)
Net cash (used in)/from financing activities		(6725.16)	(14522.06)
Net (decrease)/increase in cash and cash equivalents (A + B + C)		(353.46)	133.66
Cash and cash equivalents at beginning of the year		3940.99	3803.99
Effect of exchange rate changes on cash and cash equivalents		(3.98)	3.34
Effects of exchange rate changes on cash and cash equivalents		61.03	62.99
Cash and cash equivalents at end of the year		3583.55	3940.99

Notes:

- Statement of Cash Flows has been prepared under the Indirect Method as set out in the Indian Accounting Standard (Ind AS) 7 “Statement of Cash Flows” as specified in the Companies (Indian Accounting Standards) Rules, 2015.
- Property, plant and equipment, Investment property and Intangible assets are adjusted for movement of (a) Capital work-in-progress for Property, plant and equipment and Investment property and (b) Intangible assets under development during the year.

In terms of our report attached
For M S K A & ASSOCIATES
Chartered Accountants
Firm's Registration No. 105047W
by the hand of

VISHAL VILAS DIVADKAR
Partner
Membership No. 118247

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
Firm's Registration No.117366W/W-100018
by the hand of

RUPEN K. BHATT
Partner
Membership No. 046930

For and on behalf of the Board of Directors of Larsen & Toubro Limited

S. N. SUBRAHMANYAN
Chairman & Managing Director
(DIN 02255382)

P. R. RAMESH
Independent Director
(DIN 01915274)

R. SHANKAR RAMAN
President, Whole-time Director &
Chief Financial Officer
(DIN 00019798)

SIVARAM NAIR A
Company Secretary & Compliance Officer
Membership No. FCS3939

Mumbai, May 8, 2025

Notes forming part of the Standalone Financial Statements

NOTE [1](i)

Company overview:

Larsen & Toubro Limited ("the Company") is a public limited company incorporated and domiciled in India and has its registered office at L&T House, Ballard Estate, Mumbai – 400001. The Company's share is listed on National Stock Exchange of India Limited (NSE) and BSE Limited. The Company is an Indian multinational engaged in EPC Projects, Hi-Tech Manufacturing and Services. It operates in over 50 countries worldwide. A strong, customer-focused approach and the constant quest for top-class quality have enabled the Company to attain and sustain leadership in its major lines of business for over eight decades.

The Company is engaged in core, high impact sectors of the economy and its integrated capabilities span the entire spectrum of 'design to delivery'. Every aspect of Company's businesses is characterised by professionalism and high standards of corporate governance. Sustainability is embedded into its long-term strategy for growth.

The Company's manufacturing footprint extends across eight countries in addition to India. The Company has several international offices and a supply chain that extends around the globe.

NOTE [1](ii)

Material Accounting Policy Information

(a) Statement of compliance

The Company's financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and amendments thereto issued by Ministry of Corporate Affairs under section 133 of the Companies Act, 2013. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations require a different treatment. These financial statements have been approved for issue by the Board of Directors at its meeting held on May 8, 2025.

(b) Basis of accounting and measurement

The Company maintains its accounts on accrual basis following historical cost convention, except for certain assets and liabilities that are measured at fair value in accordance with Ind AS.

Fair value measurements are categorised as below based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date;
- Level 2 inputs are inputs, other than quoted prices included in level 1, that are observable for the assets or liabilities, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the valuation of assets or liabilities.

Above levels of fair value hierarchy are applied consistently and generally, there are no transfers between the levels of the fair value hierarchy unless the circumstances change warranting such transfer.

(c) Presentation of financial statements

The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 (the Act). The Statement of Cash Flows has been prepared and presented in accordance with Ind AS 7 "Statement of Cash Flows". The disclosures with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under Ind AS and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

Amounts in the financial statements are presented in Indian Rupee in crore [1 crore = 10 million] rounded off to two decimal places as permitted by Schedule III to the Act. Per share data are presented in Indian Rupee up to two decimals places.

(d) Operating cycle for current and non-current classification

Operating cycle for the business activities of the Company covers the duration of the specific project or contract or product line or service including the defect liability period wherever applicable and extends up to the realisation of receivables (including retention monies) within the agreed credit period normally applicable to the respective lines of business.

Notes forming part of the Standalone Financial Statements (contd.)

NOTE [1](ii)

Material Accounting Policy Information (contd.)

(e) Revenue recognition

Revenue from contracts with customers is recognised when a performance obligation is satisfied by transfer of promised goods or services to a customer.

For performance obligation satisfied over time, the revenue recognition is done using input method by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation as it best depicts the transfer of control that occurs as costs are incurred.

The Company transfers control of a good or service over time and therefore satisfies a performance obligation and recognises revenue over a period of time if one of the following criteria is met:

- (a) the customer simultaneously consumes the benefit of the Company's performance or
- (b) the customer controls the asset as it is being created/ enhanced by the Company's performance or
- (c) there is no alternative use of the asset and the Company has either explicit or implicit right of payment considering legal precedents,

In all other cases, performance obligation is considered as satisfied at a point in time.

The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer excluding amounts collected on behalf of a third party. The Company includes variable consideration as part of transaction price when there is a basis to reasonably estimate the amount of the variable consideration and when it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved. Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance. Payment terms agreed with a customer are as per business practice and the financing component, if significant, is separated from the transaction price and accounted as interest income.

Costs to obtain a contract which are incurred regardless of whether the contract was obtained are charged-off in profit or loss immediately in the period in which such costs are incurred. Incremental costs of obtaining a contract, if any, and costs incurred to fulfil a contract are amortised over the period of execution of the contract in proportion to the progress measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

Significant judgments are used in:

- a. Determining the revenue to be recognised in case of performance obligation satisfied over a period of time; revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation.
- b. Determining the expected losses, which are recognised in the period in which such losses become probable based on the expected total contract cost as at the reporting date.
- c. Determining the method to be applied to arrive at the variable consideration including variations and claims requiring an adjustment to the transaction price. Variable consideration is recognised when the recovery of such consideration is highly probable.
- (i) Revenue from operations

Revenue includes adjustments made towards liquidated damages and variation wherever applicable. Escalation and other claims, which are not ascertainable/acknowledged by customers are not taken into account.

- A. Revenue from sale of manufactured and traded goods including contracts for supply/commissioning of complex plant and equipment is recognised as follows:

Revenue is recognised when the control of the same is transferred to the customer and it is probable that the Company will collect the consideration to which it is entitled for the exchanged goods. Revenue from commissioning of complex plant and equipment is recognised either 'over time' or 'in time' based on an assessment of the transfer of control as per the terms of the contract.

- B. Revenue from construction/project related activity is recognised as follows:

- Cost plus contracts: Revenue from cost plus contracts is recognised over time and is determined with reference to the extent performance obligations have been satisfied. The amount of transaction price allocated to the performance

Notes forming part of the Standalone Financial Statements (contd.)

NOTE [1](ii)

Material Accounting Policy Information (contd.)

obligations satisfied represents the recoverable costs incurred during the period plus the margin as agreed with the customer.

- Fixed price contracts: Contract revenue is recognised over time to the extent of performance obligation satisfied and control is transferred to the customer. Contract revenue is recognised at allocable transaction price which represents the cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed to-date, to the total estimated contract costs. With respect to contracts, where the outcome of the performance obligation can not be reasonably measured, but the costs incurred towards satisfaction of performance obligation are expected to be recovered, the revenue is recognised only to the extent of costs incurred.

For contracts where the aggregate of contract cost incurred to date plus recognised profits (or minus recognised losses as the case may be) exceeds the progress billing, the surplus is shown as contract asset and termed as "Unbilled revenue". For contracts where progress billing exceeds the aggregate of contract costs incurred to-date plus recognised profits (or minus recognised losses, as the case may be), the surplus is shown as contract liability and termed as "Excess of billing over revenue". Amounts received before the related work is performed are disclosed in the Balance Sheet as contract liability and termed as "Advances from customer". The amounts billed on customer for work performed and are unconditionally due for payment i.e. only passage of time is required before payment falls due, are disclosed in the Balance Sheet as trade receivables. The amount of retention money held by the customers pending completion of performance milestone is disclosed as part of contract asset and is reclassified as trade receivables when it becomes due for payment.

The Company recognises impairment loss (termed as provision for expected credit loss in the financial statements) on account of credit risk in respect of a contract asset using expected credit loss model on similar basis as applicable to trade receivables.

- Revenue from property development activities is recognised when performance obligation is satisfied, customer obtains control of the property transferred and a reasonable expectation of collection of the sale consideration from the customer exists.
- Revenue from rendering of services is recognised over time as the customer receives the benefit of the Company's performance and the Company has an enforceable right to payment for services transferred.
- Revenue from contracts for rendering of engineering design services and other services which are directly related to the construction of an asset is recognised on the same basis as stated in (B) above.
- Commission income is recognised as the terms of the contract are fulfilled.
- Course fees/subscription income is recognised over time as per the course/subscription duration and agreed terms.
- Other operational revenue represents income earned from the activities incidental to the business and is recognised when the performance obligation is satisfied and right to receive the income is established as per the terms of the contract.

(ii) Other income

- Interest income on investments and loans is accrued on a time basis by reference to the principal outstanding and the effective interest rate including interest on investments classified as fair value through profit or loss or fair value through other comprehensive income. Interest receivable on customer dues is recognised as income in the Statement of Profit and Loss on accrual basis provided there is no uncertainty of realisation.
- Dividend income is accounted in the period in which the right to receive the same is established.
- Government grants, which are revenue in nature and are towards compensation for the qualifying costs incurred by the Company, are recognised as other income/reduced from underlying expenses in profit or loss in the period in which such costs are incurred. Government grants related to an asset are reduced from the cost of an asset until the asset is ready to use and the grant post that is presented as deferred income. Subsequently the grant is recognised as income in profit or loss on a systematic basis over the expected useful life of the related asset. Government grant receivable in the form of duty credit scrips is recognised as other income in the Statement of Profit and Loss in the period in which the export is done or the application is made to the government authorities and to the extent there is no uncertainty towards its receipt.
- Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

(f) Exceptional items

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and disclosed as such in the financial statements.

Notes forming part of the Standalone Financial Statements (contd.)

NOTE [1](ii)

Material Accounting Policy Information (contd.)

(g) Property, plant and equipment (PPE)

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. All directly attributable costs related to the acquisition of PPE and borrowing costs in case of qualifying assets are capitalised in accordance with the Company's accounting policy.

Own manufactured PPE is capitalised at cost including an appropriate share of overheads. All direct cost that are specifically attributable to construction or acquisition of PPE or bringing the PPE to working condition are allocated and capitalised as a part of the cost of the PPE.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably.

PPE not ready for the intended use on the date of the Balance Sheet are disclosed as "capital work-in-progress". (Also refer to the policies on leases, borrowing costs, impairment of assets and foreign currency transactions below).

Depreciation is recognised using straight-line method so as to write off the cost of the assets (other than freehold land and capital work-in-progress) less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013, or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined.

Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

Where cost of a part of the asset ("asset component") is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset then useful life of that significant part is determined separately and such asset component is depreciated over its separate useful life.

Depreciation on additions to/deductions from, owned assets is calculated pro rata to the period of use.

PPE is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition is recognised in the Statement of Profit and Loss in the same period.

(h) Investment property

Properties, including those under construction, held to earn rentals and/or capital appreciation are classified as investment property and are measured and reported at cost, including transaction costs and borrowing cost capitalised for qualifying assets, in accordance with the Company's accounting policy. Policies with respect to depreciation, useful life and derecognition are followed on the same basis as stated for Property, Plant and Equipment vide Note 1(ii)(g) above.

(i) Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. All directly attributable costs and other administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

Research and development expenditure on new products:

- (i) Expenditure on research is expensed under respective heads of account in the period in which it is incurred.
- (ii) Development expenditure on new products is capitalised as intangible asset, if all of the following can be demonstrated:
 - A. the technical feasibility of completing the intangible asset so that it will be available for use or sale;
 - B. the Company has intention to complete the intangible asset and use or sell it;
 - C. the Company has ability to use or sell the intangible asset;
 - D. the manner in which the probable future economic benefits will be generated including the existence of a market for output of the intangible asset or intangible asset itself or if it is to be used internally, the usefulness of intangible assets;

Notes forming part of the Standalone Financial Statements (contd.)

NOTE [1](ii)

Material Accounting Policy Information (contd.)

- E. the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- F. the Company has ability to reliably measure the expenditure attributable to the intangible asset during its development. Development expenditure that does not meet the above criteria is expensed in the period in which it is incurred.

Intangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as "intangible assets under development".

Intangible assets are amortised on straight-line basis over the estimated useful life. The method of amortisation and useful life are reviewed at the end of each financial year and the effect of any changes in the estimate being accounted for on a prospective basis.

Amortisation on impaired assets is provided by adjusting the amortisation charge in the remaining periods so as to allocate the asset's revised carrying amount over its remaining useful life.

(j) Impairment of assets

As at the end of each financial year, the carrying amounts of PPE, investment property, intangible assets and investments in subsidiary, associate and joint venture companies are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, PPE, investment property, intangible assets and investments in subsidiary, associate and joint venture companies are tested for impairment so as to determine the impairment loss, if any. Goodwill is tested for impairment each year.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

- (i) in the case of an individual asset, at the higher of the fair value less costs of disposal and the value-in-use; and
- (ii) in the case of a cash generating unit (the smallest identifiable group of assets that generates independent cash flows), at the higher of the cash generating unit's fair value less costs of disposal and the value-in-use.

(The amount of value-in-use is determined as the present value of estimated future cash flows from the continuing use of an asset, which may vary based on the future performance of the Company and from its disposal at the end of its useful life. For this purpose, the discount rate (post-tax) is determined based on the weighted average cost of capital of the company suitably adjusted for risks specified to the estimated cash flows of the asset).

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

When an impairment loss recognised earlier is subject to full or partial reversal, the carrying amount of the asset (or cash generating unit), except impairment loss allocated to goodwill, is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss (other than impairment loss allocated to goodwill) is recognised immediately in the Statement of Profit and Loss.

(k) Employee Benefits

- (i) Short term employee benefits:

Employee benefits such as salaries, wages, short term compensated absences, bonus, ex-gratia and performance-linked rewards falling due wholly within twelve months of rendering the service are classified as short-term employee benefits and are expensed in the period in which the employee renders the service.

- (ii) Post-employment benefits:

- A. Defined contribution plans: The Company's superannuation scheme, state governed provident fund scheme, employee state insurance scheme and employee pension scheme are defined contribution plans. The contribution paid/payable under the schemes is recognised during the period in which the employee renders the service.
- B. Defined benefit plans: The employees' gratuity fund schemes and employee provident fund schemes managed by board of trustees established by the Company, the post-retirement medical care plan and the company pension plan represent defined benefit plans. The present value of the obligation under defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method.

Notes forming part of the Standalone Financial Statements (contd.)

NOTE [1](ii)

Material Accounting Policy Information (contd.)

The obligation towards defined benefit plans is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the defined benefit obligations at the Balance Sheet date.

Re-measurement, comprising actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset) and any change in the effect of asset ceiling (if applicable) is recognised in other comprehensive income and is reflected in retained earnings and the same is not eligible to be reclassified to profit or loss.

Defined benefit costs comprising current service cost, past service cost and gains or losses on settlements are recognised in the Statement of Profit and Loss as employee benefits expense. Interest cost implicit in defined benefit employee cost is recognised in the Statement of Profit and Loss under finance costs. Gains or losses on settlement of any defined benefit plan are recognised when the settlement occurs. Past service cost is recognised as expense at the earlier of the plan amendment or curtailment and when the Company recognises related restructuring costs or termination benefits.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

(iii) Other long-term employee benefits:

The obligation recognised in respect of other long-term benefits is measured at present value of estimated future cash flows expected to be made by the Company and is recognised in a similar manner as in the case of defined benefit plans vide (ii)(B) above.

Long-term employee benefit costs comprising current service cost and gains or losses on curtailments and settlements, re-measurements including actuarial gains and losses are recognised in the Statement of Profit and Loss as employee benefits expenses. Interest cost implicit in long-term employee benefit cost is recognised in the Statement of Profit and Loss under finance costs.

(iv) Termination benefits:

Termination benefits such as compensation under employee separation schemes are recognised as expense when the Company's offer of the termination benefit can no longer be withdrawn or when the Company recognises the related restructuring costs whichever is earlier.

(I) Leases

Assets taken on lease are accounted as right-of-use assets and the corresponding lease liability is recognised at the lease commencement date.

Initially the right-of-use asset is measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, as reduced by any lease incentives received.

The lease liability is initially measured at the present value of the lease payments, discounted using the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or a rate, or a change in the estimate of the guaranteed residual value, or a change in the assessment of purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The right-of-use asset is measured by applying cost model i.e. right-of-use asset at cost less accumulated depreciation and cumulative impairment, if any. The right-of-use asset is depreciated using the straight-line method from the commencement date to the end of the lease term or useful life of the underlying asset whichever is earlier. Carrying amount of lease liability is increased by interest on lease liability and reduced by lease payments made.

Lease payments associated with following leases are recognised as expense on straight-line basis:

- (i) Low value leases; and
- (ii) Leases which are short-term.

Assets given on lease are classified either as operating lease or as finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Asset held under finance lease is initially recognised in balance sheet and presented as a receivable at an amount equal to the net investment in the lease. Finance income is recognised over

Notes forming part of the Standalone Financial Statements (contd.)

NOTE [1](ii)

Material Accounting Policy Information (contd.)

the lease term, based on a pattern reflecting a constant periodic rate of return on Company's net investment in the lease. A lease which is not classified as a finance lease is an operating lease.

The Company recognises lease payments in case of assets given on operating leases as income on a straight-line basis. The Company presents underlying assets subject to operating lease in its balance sheet under the respective class of asset.

In case of sale and leaseback transactions, the Company first considers whether the initial transfer of the underlying asset to the buyer-lessor is a sale by applying the requirements of Ind AS 115. If the transfer qualifies as a sale and the transaction is at market terms, the Company effectively derecognises the asset, recognises a ROU asset (and lease liability) and recognises in Statement of Profit and Loss, the gain or loss relating to the buyer-lessor's rights in the underlying asset. (Also refer to policy on Property, Plant and Equipment vide Note 1(ii)(g), above).

(m) Financial instruments

Financial assets and/or financial liabilities are recognised when the Company becomes party to a contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at fair value except for trade receivables not containing a significant financing component are initially measured at transaction price. Transaction costs that are attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from as the case may be, the fair value of such financial assets or liabilities, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised in profit or loss.

In case of funding to subsidiary companies in the form of interest free or concession loans and preference shares, the excess of the actual amount of the funding over initially measured fair value is accounted as an equity investment.

A financial asset and a financial liability is offset and presented on net basis in the balance sheet when there is a current legally enforceable right to set-off the recognised amounts and it is intended to either settle on net basis or to realise the asset and settle the liability simultaneously.

(i) Financial assets:

A. All recognised financial assets are subsequently measured in their entirety either at amortised cost or at fair value as follows:

1. Investments in debt instruments that are designated as fair value through profit or loss (FVTPL) - at fair value. Debt instruments at FVTPL is a residual category for debt instruments, if any, and all changes are recognised in profit or loss.
2. Investments in debt instruments that meet the following conditions are subsequently measured at amortised cost (unless the same designated as fair value through profit or loss):
 - The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
 - The contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
3. Investment in debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income [FVTOCI] (unless the same are designated as fair value through profit or loss)
 - The asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
 - The contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
4. Investment in equity instruments issued by subsidiary, associate and joint venture companies are measured at cost less impairment.
5. Investment in preference shares of the subsidiary companies are treated as equity instruments if the same are convertible into equity shares or are redeemable out of the proceeds of equity instruments issued for the purpose of redemption of such investments. Investment in preference shares not meeting the aforesaid conditions are classified as debt instruments at FVTPL.

Notes forming part of the Standalone Financial Statements (contd.)

NOTE [1](ii)

Material Accounting Policy Information (contd.)

6. Investments in equity instruments issued by other than subsidiaries are classified as at FVTPL, unless the related instruments are not held for trading and the Company irrevocably elects on initial recognition to present subsequent changes in fair value in Other Comprehensive Income.
7. Trade receivables, security deposits, cash and cash equivalents, employee and other advances – at amortised cost.
- B. For financial assets that are measured at FVTOCI, income by way of interest and dividend, provision for impairment and exchange difference, if any, (on debt instrument) are recognised in profit or loss and changes in fair value (other than on account of above income or expense) are recognised in other comprehensive income and accumulated in other equity. On disposal of debt instruments at FVTOCI, the cumulative gain or loss previously accumulated in other equity is reclassified to profit or loss. In case of equity instruments at FVTOCI, such cumulative gain or loss is not reclassified to profit or loss on disposal of investments.
- C. A financial asset is primarily derecognised when:
 1. the right to receive cash flows from the asset has expired, or
 2. the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement; and (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount at the date of derecognition and the consideration received is recognised in profit or loss.

- D. Impairment of financial assets: For trade receivable, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Impairment loss on trade receivables is recognised using expected credit loss model, which involves use of a provision matrix constructed on the basis of historical credit loss experience as permitted under Ind AS 109 and is adjusted for forward looking information. Impairment loss on investments is recognised when the carrying amount exceeds its recoverable amount. For all other financial assets, expected credit losses are recognised based on the difference between the contractual cashflows and all the expected cash flows, discounted at the original effective interest rate. ECLs are measured at an amount equal to 12-month expected credit losses or at an amount equal to lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

(ii) Financial liabilities:

- A. Financial liabilities, including derivatives and embedded derivatives, which are designated for measurement at FVTPL are subsequently measured at fair value. Financial guarantee contracts are subsequently measured at the amount of impairment loss allowance or the amount recognised at inception net of cumulative amortisation, whichever is higher. All other financial liabilities including loans and borrowings are measured at amortised cost using Effective Interest Rate (EIR) method.
- B. A financial liability is derecognised when the related obligation expires or is discharged or cancelled.

(iii) The Company designates certain hedging instruments, such as derivatives, embedded derivatives and in respect of foreign currency risk, certain non-derivatives, as either fair value hedges, cash flow hedges or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted as cash flow hedges.

- A. Fair value hedges: Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting.
- B. Cash flow hedges: In case of forward contracts the forward element/foreign currency basis spread and the spot element are separated and only the change in the value of the spot element is designated as hedging instrument. In case of options the intrinsic value and time value are separated and only the change in intrinsic value is designated as hedging instrument.

Accounting of spot element/intrinsic value of options: The changes in the fair value of hedge instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in equity as 'hedging reserve'. Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same head as the hedged item.

Notes forming part of the Standalone Financial Statements (contd.)

NOTE [1](ii)

Material Accounting Policy Information (contd.)

Accounting of forward element/foreign currency basis spread/time value of options: The changes in fair value are recognised in other comprehensive income and accumulated in equity as "cost of hedging reserve". For a transaction related hedged item, the amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same head as the hedged item. For a time related hedged item, the time value on the date on which the hedged item affects profit or loss are reclassified to profit or loss as a reclassification adjustment on a straight-line basis over the period of the hedging instrument.

The cash flow hedges are allocated to the forecast transactions on gross exposure basis. Where the hedged forecast transaction results in the recognition of a non-financial asset, such gains/losses are transferred from hedge reserve (but not as reclassification adjustment) and included in the initial measurement cost of the non-financial asset.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised in profit or loss.

- (iv) Compound financial instruments issued by the Company which can be converted into fixed number of equity shares at the option of the holders irrespective of changes in the fair value of the instrument are accounted by recognising the liability and the equity components separately. The liability component is initially recognised at the fair value of a comparable liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. The directly attributable transaction costs are allocated to the liability and the equity components in proportion to their initial carrying amounts. Subsequent to initial recognition, the liability component of the compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequently.

(n) Inventories

Inventories are valued after providing for obsolescence, as under:

- (i) Raw materials, components, construction materials, stores, spares and loose tools at lower of weighted average cost or net realisable value. However, these items are considered to be realisable at cost if the finished products in which they will be used, are expected to be sold at or above cost.
- (ii) Manufacturing work-in-progress at lower of weighted average cost including related overheads or net realisable value. In some cases, manufacturing work-in-progress are valued at lower of specifically identifiable cost or net realisable value. In the case of qualifying assets, cost also includes applicable borrowing costs vide policy relating to borrowing costs.
- (iii) Finished goods and stock-in-trade (in respect of goods acquired for trading) at lower of weighted average cost or net realisable value. Cost includes costs of purchases, costs of conversion and other costs incurred in bringing the inventories to their present location. Taxes which are subsequently recoverable from taxation authorities are not included in the cost.
- (iv) Completed property/work-in-progress (including land) in respect of property development activity at lower of specifically identifiable cost or net realisable value.

Assessment of net realisable value is made at each reporting period end and when the circumstances that previously caused inventories to be written-down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the write-down, if any, in the past period is reversed to the extent of the original amount written-down so that the resultant carrying amount is the lower of the cost and the revised net realisable value.

(o) Cash and bank balances

Cash and bank balances include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short-term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

(p) Securities premium

- (i) Securities premium includes:
 - A. The difference between the face value of the equity shares and the consideration received in respect of shares issued.
 - B. The fair value of the stock options which are treated as expense, if any, in respect of shares allotted pursuant to Stock Options Scheme.
- (ii) The issue expenses of securities which qualify as equity instruments are written off against securities premium.

Notes forming part of the Standalone Financial Statements (contd.)

NOTE [1](ii)

Material Accounting Policy Information (contd.)

(q) Borrowing Costs

Borrowing costs include finance costs calculated using the effective interest method, finance charges in respect of assets acquired on lease and exchange differences arising on foreign currency borrowings to the extent they are regarded as an adjustment to finance costs. In cases where hedging instruments are acquired for protection against exchange rate risk related to borrowings and are accounted as hedging a time-period related hedge item, the borrowing costs also include the amortisation of premium element of the forward contract and foreign currency basis spread as applicable, over the period of the hedging instrument.

Borrowing costs net of any investment income from the temporary investment of related borrowings that are attributable to the acquisition, construction or production of a qualifying asset are capitalised/inventorised as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(r) Share-based payment arrangements

The stock options granted to employees in terms of the Company's Stock Options Schemes, are measured at the fair value of the options at the grant date. The fair value of the options is treated as discount and accounted as employee compensation cost over the vesting period on a straight-line basis. The amount recognised as expense in each year is arrived at based on the number of grants expected to vest. If a grant lapses after the vesting period, the cumulative discount recognised as expense in respect of such grant is transferred to the general reserve within equity.

The fair value of the stock options granted to employees of the Company by the Company's subsidiaries is accounted as employee compensation cost over the vesting period and where such fair value is not recovered by the subsidiaries, the same is treated as dividend declared by them. The share-based payment equivalent to the fair value as on the date of grant of employee stock options granted to key managerial personnel is disclosed as a related party transaction in the year of grant.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(s) Foreign currencies

- (i) The functional currency and presentation currency of the Company is Indian Rupee.
- (ii) Transactions in currencies other than the Company's functional currency are recorded on initial recognition using actual exchange rate or a rate that approximates with it at the transaction date. At each Balance Sheet date, foreign currency monetary items are reported at the closing spot rate. Non-monetary items that are measured in terms of historical cost in foreign currency are not translated. Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in the Statement of Profit and Loss in the period in which they arise except for:
 - A. exchange differences on foreign currency borrowings relating to assets under construction for future productive use, are included in the cost of those assets when such exchange differences are regarded as an adjustment to finance costs on those foreign currency borrowings; and
 - B. exchange differences on transactions entered to hedge certain foreign currency risks.
- (iii) exchange rate as of the date on which the non-monetary asset or non-monetary liability is recognised on payment or receipt of advance consideration is used for initial recognition of related asset, expense or income.
- (iv) Financial statements of foreign operations whose functional currency is different than Indian Rupees are translated into Indian Rupees as follows:
 - A. assets and liabilities for each Balance Sheet presented are translated at the closing rate at the date of that Balance Sheet;
 - B. income and expenses for each income statement are translated at average exchange rate for the reporting period; and
 - C. all resulting exchange differences are recognised in other comprehensive income and accumulated in equity as foreign currency translation reserve for subsequent reclassification to profit or loss on disposal of such foreign operations.

(t) Accounting and reporting of information for Operating Segments

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the Company to make decisions for performance assessment and resource allocation.

The reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments.

Notes forming part of the Standalone Financial Statements (contd.)

NOTE [1](ii)

Material Accounting Policy Information (contd.)

Segment accounting policies are in line with the accounting policies of the Company. In addition, the following specific accounting policies have been followed for segment reporting:

- i) Segment revenue includes sales and other operational revenue directly identifiable with/allocable to the segment including inter segment revenue.
- ii) Expenses that are directly identifiable with/allocable to segments are considered for determining the segment result.
- iii) Most of the common costs are allocated to segments mainly on the basis of the respective segment revenue estimated at the beginning of the reporting period.
- iv) Income not allocable to segments is included in "Unallocable corporate income net of expenditure".
- v) Segment result represents profit before interest and tax and includes margins on inter-segment capital jobs, which are reduced in arriving at the profit before tax of the Company.
- vi) Segment result includes the finance costs incurred on interest bearing advances with corresponding credit included in "Unallocable corporate income net of expenditure".
- vii) Segment results are not adjusted for any exceptional item.
- viii) Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable corporate assets and liabilities represent the assets and liabilities that relate to the Company as a whole.
- ix) Segment non-cash expenses forming part of segment expenses also includes the fair value of the employee stock options which is accounted as employee compensation cost [Note 1(ii)(r) above] and is allocated to the segment.
- x) Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer price which are either determined to yield a desired margin or agreed on a negotiated basis.

(u) Taxes on income

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961 and using estimates and judgments based on the expected outcome of assessments/appeals and the relevant rulings in the areas of allowances and disallowances. The computation reflects the effect of uncertainty for each item of allowance and disallowance as appropriate either by i. expected value method which sums the probability-weighted amounts in a range of possible outcomes or ii. the most likely amount in a range of possible outcomes.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates as per laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax liabilities are generally recognised for all taxable temporary differences including the temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are generally recognised for all taxable temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Transaction or event which is recognised outside profit or loss, either in other comprehensive income or in equity, is recorded along with the tax as applicable.

(v) Interests in joint operations

The Company as a joint operator recognises in relation to its interest in a joint operation, its share of the assets/liabilities held/ incurred jointly with the other parties of the joint arrangement. Revenue is recognised for its share of revenue from the sale of output by the joint operation. Expenses are recognised for its share of expenses incurred jointly with other parties as part of the joint arrangement.

Interests in joint operations are included in the segments to which they relate.

Notes forming part of the Standalone Financial Statements (contd.)

NOTE [1](ii)

Material Accounting Policy Information (contd.)

(w) Provisions, contingent liabilities and contingent assets

Provisions are recognised only when:

- (i) the Company has a present obligation (legal or constructive) as a result of a past event; and
- (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- (iii) a reliable estimate can be made of the amount of the obligation.

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows. Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of:

- (i) a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- (ii) a present obligation arising from past events where:
 - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets are disclosed where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision for onerous contract/foreseeable losses.

(x) Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

- (i) estimated amount of contracts remaining to be executed on capital account and not provided for;
- (ii) uncalled liability on shares and other investments partly paid;
- (iii) funding related commitment to subsidiary, associate and joint venture companies; and
- (iv) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

(y) Discontinued operations and non-current assets held for sale

Discontinued operation is a component of the Company that has been disposed of or classified as held for sale and represents a major line of business.

Non-current assets and disposal groups are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset (or disposal group) and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets and disposal groups classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

Notes forming part of the Standalone Financial Statements (contd.)

NOTE [1](ii)

Material Accounting Policy Information (*contd.*)

(z) Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method, adjusting the profit before tax excluding exceptional items for the effects of:

- (i) changes during the period in inventories and operating receivables and payables;
- (ii) non-cash items such as depreciation, provisions, unrealised foreign currency gains and losses; and
- (iii) all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as at the date of Balance Sheet.

(aa) Earnings per share

Basic earnings per share is computed using the net profit or loss after tax and weighted average number of shares outstanding during the year.

Diluted earnings per share is computed using the net profit or loss after tax and weighted average number of equity and potential equity shares outstanding during the year, except where the result would be anti-dilutive.

(ab) Key sources of estimation

The preparation of financial statements in conformity with Ind AS requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and underlying assumptions made by management are explained under respective policies. Revisions to accounting estimates include useful lives of property, plant and equipment & intangible assets, allowance for expected credit loss, future obligations in respect of retirement benefit plans, expected cost of completion of contracts, provision for rectification costs, fair value/recoverable amount measurement, tax provisions etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

Notes forming part of the Standalone Financial Statements (contd.)

NOTE [2]

Property, Plant and Equipment & Capital work-in-progress

Class of assets	Cost/valuation					Depreciation			Impairment		Book value ₹ crore				
	As at 1-4-2024	Additions	Transfer*	Foreign currency fluctuation	Classified as Held for Sale	Deductions	As at 31-3-2025	Up to 31-3-2024	For the year	Transfer*		Foreign currency fluctuation	Classified as Held for Sale	Deductions	Up to 31-3-2025
Land															
Freehold leasehold	523.71 143.14	15.07 —	22.34 —	— —	— —	10.99 —	550.13 143.14	— 14.36	— 1.59	— —	— —	— —	— —	— 15.95	— —
Sub-total	666.85	15.07	22.34	—	—	10.99	693.27	14.36	1.59	—	—	—	—	15.95	—
Buildings	3595.53	319.33	(14.54)	0.31	22.98	1.38	3866.27	868.87	120.21	(8.12)	0.31	4.37	0.86	976.04	87.35
Plant & equipment															
Owned	10792.07	1222.84	(2.88)	1.02	37.14	126.48	11849.43	6108.67	1379.10	(0.60)	1.01	18.70	114.70	7354.78	13.26
Leased out	11.66	—	(0.32)	—	—	—	11.34	11.66	—	(0.32)	—	—	—	11.34	—
Sub-total	10803.73	1222.84	(3.20)	1.02	37.14	126.48	11860.77	6120.33	1379.10	(0.92)	1.01	18.70	114.70	7366.12	13.26
Computers	683.38	73.73	(0.02)	0.08	—	39.49	717.68	520.59	70.76	—	0.11	—	39.35	552.11	—
Office equipment	332.57	32.37	0.06	0.28	0.42	12.65	352.21	264.76	33.13	0.06	0.28	0.24	12.55	285.44	—
Furniture and fixtures	167.02	13.72	(0.01)	0.08	0.23	10.36	170.22	124.84	11.97	(0.01)	0.09	0.02	10.17	126.70	0.06
Vehicles	266.93	26.39	0.02	0.27	—	30.52	263.09	164.15	26.40	—	0.27	—	23.63	167.19	—
Other assets															
Ships	323.51	17.98	—	—	—	—	341.49	113.43	20.95	—	—	—	—	134.38	—
Dredged Channel	679.69	—	—	—	—	—	679.69	325.91	29.54	—	—	—	—	355.45	—
Breakwater structures	226.00	—	—	—	—	—	226.00	46.47	5.01	—	—	—	—	51.48	—
Aircraft	195.22	—	—	—	—	—	195.22	68.82	10.48	—	—	—	—	79.30	—
Leasehold Improvements	12.81	—	—	—	12.81	—	—	2.63	2.13	—	—	4.76	—	—	—
Sub-total	1437.23	17.98	—	—	12.81	—	1442.40	557.26	68.11	(8.99)	2.07	4.76	—	620.61	—
Total	17943.24	1721.43	4.65	2.04	73.58	231.87	19365.91	8635.16	1711.27	(8.99)	2.07	28.09	201.30	10110.12	100.67
Add: Capital work-in-progress	1397.04	840.71	(0.27)	—	—	1120.15	1117.33	—	—	—	—	—	—	—	—

* Transfer within property, plant and equipment and Transfer (to) / from investment property/inventories

Notes forming part of the Standalone Financial Statements (contd.)

NOTE [2] Property, Plant and Equipment & Capital work-in-progress (contd.)

Class of assets	Cost/Valuation			Depreciation			Impairment		₹ crore
	As at 1-4-2023	Additions	Business Combination	Transfer* Foreign currency fluctuation	Deductions	As at 31-3-2024	Up to 31-3-2023	Up to 31-3-2024	
Land									
Freehold	556.11	0.71	-	(33.10)	-	0.01	-	-	523.71
leasehold	143.95	0.00	-	(0.81)	-	0.00	12.86	14.36	128.78
Sub-total	700.06	0.71	-	(33.91)	-	0.01	12.86	14.36	652.49
Buildings	3335.56	252.95	-	1.18	0.20	4.36	762.25	868.87	2629.31
Plant & equipment									
Owned	9194.36	1789.09	0.02	-	0.63	192.03	5040.61	6108.67	4670.14
Leased out	162.72	-	-	-	-	151.06	162.55	11.66	-
Sub-total	9357.08	1789.09	0.02	-	0.63	343.09	5203.16	6120.33	4670.14
Computers	595.30	87.13	24.51	-	0.03	23.59	63.86	520.59	162.79
Office equipment	309.12	30.29	1.06	-	0.15	8.04	239.44	264.76	67.82
Furniture and fixtures	160.73	10.36	0.13	-	0.02	4.22	114.54	124.84	42.12
Vehicles	259.46	31.28	0.25	-	0.12	24.19	155.87	164.15	102.77
Other assets									
Ships	286.37	37.14	-	-	-	-	21.31	113.43	210.08
Dredged Channel	679.69	-	-	-	-	-	29.54	325.91	353.78
Breakwater structures	226.00	-	-	-	-	-	5.01	46.47	179.53
Aircraft	195.22	-	-	-	-	-	10.48	68.82	126.40
Leasehold Improvements	4.75	8.06	-	-	-	-	2.01	2.63	10.18
Sub-total	1392.03	45.20	-	-	-	-	488.91	557.26	557.26
Total	16109.34	2247.01	25.97	(32.73)	1.15	407.50	7436.02	8635.16	9207.41
Add: Capital work-in-progress	1938.38	1718.38	-	(593.33)	-	1666.39	-	-	1397.04
									10604.45

* Transfer within property, plant and equipment and Transfer (to) / from investment property/inventories

Notes forming part of the Standalone Financial Statements (contd.)

NOTE [2]

Property, Plant and Equipment & Capital work-in-progress (contd.)

- a) Additions during the year and capital work-in-progress include ₹ 55.23 crore (previous year ₹ 52.30 Crore) being borrowing cost capitalised in accordance with Accounting Standard (Ind AS) 23 on "Borrowing Costs".
 - b) The rate used to determine the amount of borrowing costs eligible for capitalisation is 7.30% (previous year: 7.29%).
 - c) Owned assets given on operating lease have been presented separately under respective class of assets as "Leased out" pursuant to Ind AS 116 "Leases".
 - d) Out of its leasehold land at Hazira, the Company has given certain portion of land for the use to its joint venture company and the lease deed is under execution.
 - e) Depreciation is provided based on useful life supported by the technical evaluation considering business specific usage, the consumption pattern of the assets and the past performance of similar assets.
- a. Estimated useful life of the following assets is in line with useful life prescribed in schedule II of the Companies Act, 2013:

Sr. No.	Asset class	Minimum useful life (in years)	Maximum useful life (in years)
1.	Buildings	3	60
2.	Plant and equipment	8	15
3.	Computer	3	6
4.	Office equipment	4	5
5.	Furniture & fixture	10	10
6.	Vehicles	8	10
7.	Ships	14	14

- b. Estimated useful life of following assets is different than useful life as prescribed in schedule II of the Companies Act, 2013.

Sr. No.	Category of assets	Sub-category of assets	Useful life as per Schedule II (in years)	Useful life adopted (in years)
1.	Aircrafts	—	20	18
2.	Vehicles	Motor cars	8	7

- A Assets used in Heavy Engineering Business (Hi-Tech Manufacturing segment):

Sr. No.	Category of assets	Sub-category of assets	Useful life as per Schedule II (in years)	Useful life adopted (in years)
1.	Plant & equipment	Boring/Rolling/Drilling/Milling machines	15	10-30
		Modular furnace	15	5-15
		Other furnaces	15	5-30
		Horizontal autoclaves	15	10-30
		Load bearing structures	15	50
		Flushing facility	15	3
		Cranes	15	10-30
2.	Roads	Carpeted roads-other than RCC	5	5-15

Notes forming part of the Standalone Financial Statements (contd.)

NOTE [2]
Property, Plant and Equipment & Capital work-in-progress (contd.)

- B. Assets used in Shipbuilding Business: (a part of Precision Engineering System under the Hi-Tech Manufacturing segment):

Asset category		Useful life as per Schedule II (in years)	Revised useful life adopted based on technical evaluation (in years)
(1)	Breakwater structures		
	(a) Breakwater, Rock bund & Finger Jetties	30*	50
(2)	Dredged channel		
	(a) Ship lift structures, Control system, Chiller units, Condition monitoring system, Ship position system, Ship transfer system, other ship lift related items.	15*	20
	(b) Land berth and piled platforms	30*	40
	(c) Tower cranes	15	25
(3)	Plant and equipment		
	(a) Rails	15	20
	(b) Diesel generator	15	12
	(c) Air-Conditioner & refrigeration equipment	15	12
(4)	Buildings		
	(a) Production shops	30	50
	(b) Internal roads	5	15
(5)	Vehicles - Motor cars	8	7

*Represents license period as per agreement executed with the Tamil Nadu Maritime Board, renewable on expiry.

- C. Assets used in Precision Engineering System (a part of Hi-Tech Manufacturing segment):

Sr. No.	Category of assets	Sub-category of assets	Useful life as per Schedule II (in years)	Useful life adopted (in years)
1.	Buildings	Factory buildings	30	2 – 60 *
		Non-Factory buildings	3 – 60	2 – 60 *
2.	Plant & Equipment	General	8 - 15	5 – 30
		Electrical installation	10	2 – 20 *
3.	Office Equipment		4 – 5	4 – 10
4.	Furniture & Fixture		10	10 – 20
5.	Vehicles	Motor cars (Including Electrical vehicle and bicycles)	8	7-14

* Assets which are project specific are depreciated over the project tenure.

Notes forming part of the Standalone Financial Statements (contd.)

NOTE [2]

Property, Plant and Equipment & Capital work-in-progress (contd.)

D. Assets used in Infrastructure business:

Sr. No.	Category of assets	Sub-category of assets	Useful life as per Schedule II (in years)	Useful life adopted (in years)
1.	Office equipment	Assets deployed at project site	5	3
2.	Air conditioning and refrigeration equipment	Assets deployed at project site	15	3
3.	Canteen equipment	Assets deployed at project site	15	3
4.	Laboratory equipment	Assets deployed at project site	10	3
5.	Photographic equipment	Assets deployed at project site	15	3
6.	Computers	Assets deployed at project site	3 – 6	3

In addition to above:

1. Plant and equipment which are project specific and deployed at project sites, with useful life of 15 years as per Schedule II, are depreciated over the project duration of 2-4 years.
2. Any asset purchased for project site with acquisition value less than ₹ 50000 for above 6 categories of asset, full cost is depreciated in the same financial year.

E. Assets used in Hydrocarbon business (a part of Energy segment):

Category	Sub class	Useful life as per Schedule II (in years)	Useful life adopted (in years)
Buildings	Office building	60	5-60
	Housing colony	50	
Ships		20	15-25
Software	Specialized software	6	2-6
Plant and equipment	Crane 250 Tonnes	12	20
	Jetty construction	12	30
	Land development	12	30
	Minor Plant & Machinery	12	2-15
	Tunnelling and transmission line Equipments	10	2-15
	Cranes < 100 tons & Heavy lift Equipment	15	2-15
	Road making equipment, Crushing Equipment	15	2-15
	Piling, welding and pipeline Equipment	15	2-15
	Earth-moving equipment	15	2-15
	Computers Laptop/Desktop	3	3-6
	Servers & Storage & Network switches & Routers	6	
	Office equipments Fax/Printers/Scanner (MFD), Desktop inkjet/ LaserJet printers, Switches audio video & Projectors=	4	3-6
	Other office equipments	5	3-6
	Water cooler	5	3-6
	Assets deployed at project sites	5	3-6

Notes forming part of the Standalone Financial Statements (contd.)

NOTE [2]
Property, Plant and Equipment & Capital work-in-progress (contd.)

Category	Sub class	Useful life as per Schedule II (in years)	Useful life adopted (in years)
Air-condition and Refrigeration	Assets deployed at office	12	3-12
	Assets deployed at project sites		
Canteen equipments	Assets deployed at office	8	8
	Assets deployed at project sites		
Photographic equipments	Assets deployed at office	15	3
	Assets deployed at project sites		
Laboratory equipments	Assets deployed at office	15	8-12
	Assets deployed at project sites		
Electrical installations	HT/LT ELECTRIC SUB-STATION IN MFF II	10	6-22
	Others	10	3-6
Furniture and Fixtures	Assets deployed at office	10	2-10
Vehicles	Buses & Trucks	8	5-10
	Cars	7	5-10
	Jeeps	7	5-10
	Motorcycles	10	5-10

(i) Assets with acquisition value less than ₹ 5000/- is depreciated fully in the financial year of acquisition

(ii) P&M & Office equipment at project sites costing below ₹ 50000/- is depreciated fully in the financial year of acquisition.

f) Carrying value of Property, plant and equipment hypothecated as collateral for certain borrowings and / or commitments as at March 31, 2025 - NIL (as at March 31, 2024: NIL)

g) Ageing of Capital work-in-progress

₹ crore

Particulars	As at 31-3-2025					As at 31-3-2024				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress	719.54	247.22	49.83	100.74	1117.33	854.54	467.43	66.05	9.02	1397.04

As on the date of the balance sheet, there are no projects whose completion is overdue or has exceeded the cost, based on approved plan.

h) Title deeds of Immovable Properties not held in name of the Company.

Description of property	Gross carrying value as at March 31, 2025 (₹ crore)	Carrying value in the financial statements as at March 31, 2025 (₹ crore)	Title deeds held in name of	Whether title deed holder is a promoter, director or their relative or employee	Property held since which date	Reason for not being held in name of Company
Freehold Land-Hazira West	1.01	1.01	Heirs of Magan Prema and Magan Kuber*	No	13 years (Since 2012)	Land acquired from farmers through Government Acquisition Route. The formalities are pending from the authorities side.

* Irrevocable Power of Attorney given to L&T by the owners, possession is with the Company.

Notes forming part of the Standalone Financial Statements (contd.)

NOTE [3]

Investment Property

₹ crore

Class of assets	Cost					Depreciation					Book Value		
	As at 1-4-2024	Additions	Transfer*	Classified as Held for Sale	Deductions	As at 31-3-2025	As at 31-3-2024	For the period	Transfer*	Classified as Held for Sale	Deductions	As at 31-3-2025	As at 31-3-2025
Land	198.26	1.22	(22.33)	0.22	–	176.93	0.10	0.01	–	–	–	0.11	176.82
Buildings	483.54	302.57	17.80	117.91	0.46	685.54	113.77	21.80	8.18	22.28	0.45	121.02	564.52
Total	681.80	303.79	(4.53)	118.13	0.46	862.47	113.87	21.81	8.18	22.28	0.45	121.13	741.34
Add: Investment Property under construction	593.33	419.31	–	16.10	430.72	565.82	–	–	–	–	–	–	565.82
													1307.16

* Transfer (to)/from Property plant & equipment / Inventory

₹ crore

Class of assets	Cost					Depreciation					Book Value		
	As at 1-4-2023	Additions	Transfer*	Classified as Held for Sale	Deductions	As at 31-3-2024	As at 31-3-2023	For the period	Transfer*	Classified as Held for Sale	Deductions	As at 31-3-2024	As at 31-3-2024
Land	181.79	–	16.47	–	–	198.26	–	0.01	0.09	–	–	0.10	198.16
Buildings	483.93	0.87	(1.18)	–	0.08	483.54	97.15	17.26	(0.62)	–	0.02	113.77	369.77
Total	665.72	0.87	15.29	–	0.08	681.80	97.15	17.27	(0.53)	–	0.02	113.87	567.93
Add: Investment Property under construction	–	144.20	593.33	144.20	–	593.33	–	–	–	–	–	–	593.33
													1161.26

* Transfer (to)/from Property plant & equipment / Inventory

- (a) Depreciation is provided based on useful life supported by the technical evaluation considering business specific usage, the consumption pattern of the assets and the past performance of similar assets:

Sr. No	Class of assets	Minimum useful life (in years)	Maximum useful life (in years)
1.	Buildings	3	60

- (b) Disclosure pursuant to Ind AS 40 “Investment Property”

- (i) Amount recognised in the Statement of Profit and Loss for investment property:

₹ crore

Sr. No.	Particulars	2024-25	2023-24
1	Rental income derived from investment property	159.49	136.68
2	Direct operating expenses pertaining from investment property that generated rental income	40.89	36.33

Notes forming part of the Standalone Financial Statements (contd.)

NOTE [3]
Investment Property (contd.)

(ii) Details with respect to fair valuation of Investment property:

₹ crore

Particulars	2024-25	2023-24
Fair valuation by:		
(i) independent registered valuers ^[1]	3140.77	2788.12
(ii) independent unregistered valuers ^[1]	17.38	75.00
(iii) internal architectural department	1832.72	2181.94
Total fair value	4990.87	5045.06

^[1] Independent valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017

Note: Above valuation is based on government rates, market research, market trend and comparable values as considered appropriate.

(iii) Ageing of Investment Property under construction

₹ crore

Particulars	As at 31-3-2025					As at 31-3-2024				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress	275.73	166.85	87.62	35.62	565.82	356.91	170.82	32.83	32.77	593.33

As on the date of the balance sheet, there are no projects whose completion is overdue or has exceeded the cost, based on approved plan.

NOTE [4]
Goodwill

₹ crore

Class of assets	Cost		Impairment		Book value	
	As at 1-4-2024	Business combination	As at 31-03-2025		As at 31-03-2025	
Goodwill ^[1]	121.86	–	–		121.86	

Class of assets	Cost		Impairment		Book value	
	As at 1-4-2023	Business combination	As at 31-03-2024		As at 31-03-2024	
Goodwill ^[1]	47.29	74.57	–		121.86	

^[1] The above goodwill is attributed to Energy Hydrocarbon business (a part of Energy project segment)

Other Intangible assets & Intangible assets under development

₹ crore

Class of assets	Cost			As at 31-3-2025	Up to 31-3-2024	Amortisation		Book Value	
	As at 1-4-2024	Additions	Deductions			For the year	Deductions	Up to 31-3-2025	As at 31-3-2025
Intangible assets									
Specialised software	315.20	20.32	3.65	331.87	265.68	19.53	3.64	281.57	50.30
Technical know-how	135.53	–	–	135.53	108.72	24.08		132.80	2.73
New Product Design and Development	6.26	–	–	6.26	6.26	–		6.26	–
Platforms and Courses	134.40	12.81	1.85	145.36	58.31	33.35	1.22	90.44	54.92
Sub-Total	591.39	33.13	5.50	619.02	438.97	76.96	4.86	511.07	107.95
Add: Intangible assets under development	26.63	17.27	22.14	21.76	–	–	–	–	21.76
									129.71

* Transfer within other intangible assets

Notes forming part of the Standalone Financial Statements (contd.)

NOTE [4]

Other Intangible assets & Intangible assets under development (contd.)

Class of assets	Cost					Amortisation				Book Value	
	As at 1-4-2023	Additions	Business Combination	Deductions	As at 31-3-2024	Up to 31-3-2023	For the period	Business Combination	Deductions	Up to 31-3-2024	As at 31-3-2024
Intangible assets											
Specialised software	282.38	21.37	11.45	–	315.20	236.99	17.33	11.36	–	265.68	49.52
Technical know-how	99.85	35.68	–	–	135.53	88.04	20.68	–	–	108.72	26.81
New Product Design and Development	6.26	–	–	–	6.26	6.26	–	–	–	6.26	–
Platforms and Courses	116.86	17.54	–	–	134.40	27.25	31.06	–	–	58.31	76.09
Sub-Total	505.35	74.59	11.45	–	591.39	358.54	69.07	11.36	–	438.97	152.42
Add: Intangible assets under development	16.39	42.92	–	32.68	26.63	–	–	–	–	–	26.63
											179.05

* Transfer within other intangible assets

(a) Additions during the year

Class of assets	FY 2024-25			FY 2023-24		
	Internal development	Acquired - external	Total	Internal development	Acquired - external	Total
Specialised Software	–	20.32	20.32	–	21.37	21.37
Technical know-how	–	–	–	–	35.68	35.68
Platforms and Courses	12.07	0.74	12.81	16.22	1.32	17.54
Total	12.07	21.06	33.13	16.22	58.37	74.59

- (b) Depreciation is provided based on useful life supported by the technical evaluation considering business specific usage, the consumption pattern of the assets and the past performance of similar assets:

Sr. No	Class of assets	Minimum useful life (in years)	Maximum useful life (in years)
1.	Specialised Software	2	8
2.	Technical know-how	5	8
3.	Platforms and Courses	3	4

(c) Ageing of Capital work-in-progress

Particulars	As at 31-3-2025					As at 31-3-2024				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress	15.29	5.67	0.80	–	21.76	21.66	4.97	–	–	26.63

As on the date of the balance sheet, there are no projects whose completion is overdue or has exceeded the cost, based on approved plan.

Notes forming part of the Standalone Financial Statements (contd.)

NOTE [5]
Non-current Assets: Financial Assets - Investments

	₹ crore	
Particulars	As at 31-3-2025	As at 31-3-2024
Investment in:		
(a) Subsidiary companies	31064.57	29942.08
(b) Associate companies	1084.72	4.42
(c) Joint venture companies	607.15	605.92
(d) Other companies	97.44	96.84
	<u>32853.88</u>	<u>30649.26</u>

Details of Non-current Assets: Financial Assets - Investments

Particulars	Face value per unit	Number of units		
		As at 31-3-2025	As at 31-3-2025	As at 31-3-2024
	₹		₹ crore	₹ crore
Investments in:				
(a) Subsidiary companies:				
(i) Investments in fully paid equity instruments:				
LTIMindtree Limited (quoted)	1	20,31,69,279	9,675.98	9,675.98
L&T Technology Services Limited (quoted)	2	7,79,86,899	805.25	805.25
L&T Finance Limited (quoted)	10	1,65,25,30,125	6,146.42	5,918.65
L&T Metro Rail (Hyderabad) Limited	10	7,41,29,99,999	7,412.99	7,412.99
L&T Power Development Limited	10	2,28,96,63,205	2,289.66	2,289.66
L&T Realty Properties Limited (formerly known as L&T Seawoods Limited)	10	1,40,39,79,846	1,394.91	1,394.91
L&T Realty Developers Limited	10	16,71,60,700	107.72	107.72
L&T Valves Limited	100	18,00,000	161.23	161.23
Bhilai Power Supply Company Limited	10	49,950	0.05	0.05
Hi-Tech Rock Products & Aggregates Limited	10	2,65,50,000	26.55	26.55
L&T Aviation Services Private Limited	10	4,56,00,000	45.60	45.60
L&T Capital Company Limited	10	50,000	0.05	0.05
L&T Hydrocarbon Saudi Company LLC [₹ 130.39 (previous year: ₹ 130.39)]	SAR 1000	1,000	0.00	0.00
L&T Energy Green Tech Limited	10	24,50,51,164	245.05	51.05
L&T Electromech LLC [₹ 171.70 (previous year: ₹ 171.70)]	OMR 1	2,10,000	0.00	0.00
L&T Heavy Engineering LLC [₹ 183.89 (previous year: ₹ 183.89)]	OMR 1	39,65,500	0.00	0.00
L&T Modular Fabrication Yard LLC [₹ 171.70 (previous year: ₹ 171.70)]	OMR 1	20,19,230	0.00	0.00
L&T Kuwait Construction General Contracting Company WLL [₹ 66.04 (previous year: ₹ 66.04)]	KWD 1000	980	0.00	0.00
Larsen Toubro Arabia LLC	SAR 1000	7,500	11.08	11.08
L&T Geostructure Private Limited	10	2,47,50,000	318.50	318.50
L&T Construction Equipment Limited	10	19,91,42,091	22.27	22.27
Larsen & Toubro Saudi Arabia LLC	SAR 1000	625	1.05	1.05
L&T Network Services Private Limited	10	1,80,00,000	18.00	9.00
PT Larsen & Toubro	IDR 1000000	25,700	16.46	16.46
Corporate Park (Powai) Private Limited	10	20,03,26,000	200.33	2.05
Business Park (Powai) Private Limited	10	18,80,30,000	188.03	2.05
L&T Global Holdings Limited	USD 100	80,000	53.16	53.16
L&T Semiconductor Technologies Limited	10	18,60,30,000	186.03	9.55
L&T Offshore Private Limited (formerly known as L&T Sapura Offshore Private Limited) ^[2]	10	—	—	0.01
L&T Special Steels & Heavy Forgings Private Limited [Net of provision ₹ 419.28 crore (previous year provision ₹ 419.28 crore)] ^[1]	10	56,66,00,000	—	—
			<u>29,326.37</u>	<u>28334.88</u>

Notes forming part of the Standalone Financial Statements (contd.)

NOTE [5]

Details of Non-current Assets: Financial Assets - Investments (contd.)

Particulars	Face value per unit	Number of units		
		As at 31-3-2025	As at 31-3-2025	As at 31-3-2024
	₹		₹ crore	₹ crore
(ii) Preference share considered equity as per terms:				
L&T Realty Properties Limited (formerly known as L&T Seawoods Limited)-10% Non-cumulative, optionally convertible redeemable preference shares, March 30, 2027	2	82,60,00,000	826.00	826.00
L&T Realty Properties Limited (formerly known as L&T Seawoods Limited)-10% Non-cumulative, optionally convertible redeemable preference shares, May 12, 2027	2	4,80,00,000	48.00	48.00
L&T Realty Properties Limited (formerly known as L&T Seawoods Limited)-10% Non-cumulative, optionally convertible redeemable preference shares, July 14, 2027	2	4,22,50,000	42.25	42.25
L&T Realty Properties Limited (formerly known as L&T Seawoods Limited)-10% Non-cumulative, optionally convertible redeemable preference shares, September 3, 2027	2	4,20,00,000	42.00	42.00
L&T Realty Developers Limited - 12% Non-cumulative optionally convertible redeemable at par preference shares, May 26, 2025	10	64,83,00,000	648.30	648.30
L&T Semiconductor Technologies Limited - 7.5% Non-cumulative optionally convertible redeemable at par preference shares, August 20, 2044	10	2,62,00,000	131.00	—
L&T Special Steels & Heavy Forgings Private Limited - 6% Cumulative, non-convertible redeemable at par preference shares, December 8, 2035 [Net of provision ₹ 78.33 crore] ^[1]	10	21,00,00,000	—	—
L&T Special Steels & Heavy Forgings Private Limited - 6% Cumulative, non-convertible redeemable at par preference shares, December 8, 2036 [Net of provision ₹ 97.91 crore] ^[1]	10	24,00,00,000	—	—
L&T Special Steels & Heavy Forgings Private Limited - 6% Cumulative, non-convertible redeemable at par preference shares, December 8, 2037 [Net of provision ₹ 84.41 crore] ^[1]	10	19,20,00,000	—	—
			1737.55	1606.55
(iii) Other deemed equity investment:				
L&T Aviation Services Private Limited			0.65	0.65
			0.65	0.65
(iv) Preference shares considered as fair value of debt portion:				
L&T Special Steels & Heavy Forgings Private Limited - 6% Cumulative, non-convertible redeemable at par preference shares, December 8, 2035 [Net of provision ₹ 77.77 crore] ^[1]	10	21,00,00,000	—	—
L&T Special Steels & Heavy Forgings Private Limited - 6% Cumulative, non-convertible redeemable at par preference shares, December 8, 2036 [Net of provision ₹ 79.12 crore] ^[1]	10	24,00,00,000	—	—
L&T Special Steels & Heavy Forgings Private Limited - 6% Cumulative, non-convertible redeemable at par preference shares, December 8, 2037 [Net of provision ₹ 56.28 crore] ^[1]	10	19,20,00,000	—	—
			—	—
Total - (a) = (i)+(ii)+(iii)+(iv)			31064.57	29942.08
(b) Associate companies:				
Gujarat Leather Industries Limited [Net of provision ₹ 0.56 crore]	10	7,35,000	—	—
Magtorq Private Limited	100	9,000	4.42	4.42
E2E Networks Limited (quoted)	10	29,79,579	1080.30	—
			1084.72	4.42
(c) Joint Venture companies:				
(i) Investments in fully paid equity instruments:				
L&T Howden Private Limited	10	1,50,30,000	15.03	15.03
L&T Sapura Shipping Private Limited	10	9,53,11,850	95.31	95.31
L&T - MHI Power Boilers Private Limited	10	11,93,91,000	119.39	119.39
L&T - MHI Power Turbine Generators Private Limited	10	36,24,06,000	362.41	362.41
L&T Special Steels and Heavy Forgings Private Limited (previous year net of provision ₹ 419.29 crore) ^[1]	10	—	—	—
L&T-Sargent & Lundy Limited	10	27,82,736	0.82	0.82
Raykal Aluminum Company Private Limited	10	37,750	0.04	0.04
L&T MBDA Missile Systems Limited	10	5,10,000	0.51	0.51
GH4India Private Limited	10	10,00,000	1.00	1.00
			594.51	594.51

Notes forming part of the Standalone Financial Statements (contd.)

NOTE [5]
Details of Non-current Assets: Financial Assets - Investments (contd.)

Particulars	Face value per unit	Number of units		
		As at 31-3-2025	As at 31-3-2025	As at 31-3-2024
	₹		₹ crore	₹ crore
(ii) Other deemed equity investment:				
L&T - MHI Power Boilers Private Limited			2.24	2.24
L&T - MHI Power Turbine Generators Private Limited			10.40	9.13
			12.64	11.37
(iii) Preference shares-(equity portion):				
Epic Concesiones 3 Limited (formerly known as L&T Infrastructure Development Projects Limited) -(Series 1 Compulsorily Convertible Preference Shares, maturity 10 years- January 11, 2033) (Bonus shares)	10		—	—
Epic Concesiones 3 Limited (formerly known as L&T Infrastructure Development Projects Limited) -(Series 2 Compulsorily Convertible Preference Shares, maturity 10 years- January 11 2033) (Bonus shares)	10		—	—
Epic Concesiones 3 Limited (formerly known as L&T Infrastructure Development Projects Limited) -(Series 3 Compulsorily Convertible Preference Shares, maturity 10 years- January 11, 2033) (Bonus shares)	10		—	—
Epic Concesiones 3 Limited (formerly known as L&T Infrastructure Development Projects Limited) -(Series 4 Compulsorily Convertible Preference Shares, maturity 10 years- January 11, 2033)	10		—	0.04
L&T Special Steels & Heavy Forgings Private Limited - 6% Cumulative, non-convertible redeemable at par preference shares, December 8, 2024 [previous year provision ₹ 78.33 crore] ^[1]	10		—	—
L&T Special Steels & Heavy Forgings Private Limited - 6% Cumulative, non-convertible redeemable at par preference shares, December 8, 2025 [previous year provision ₹ 97.91 crore] ^[1]	10		—	—
L&T Special Steels & Heavy Forgings Private Limited - 6% Cumulative, non-convertible redeemable at par preference shares, December 8, 2026 [previous year provision ₹ 84.41 crore] ^[1]	10		—	—
			—	0.04
(iv) Preference shares considered as fair value of debt portion:				
L&T Special Steels & Heavy Forgings Private Limited - 6% Cumulative, non-convertible redeemable at par preference shares, December 8, 2024 [previous year provision ₹ 77.77 crore] ^[1]	10		—	—
L&T Special Steels & Heavy Forgings Private Limited - 6% Cumulative, non-convertible redeemable at par preference shares, December 8, 2025 [previous year provision ₹ 79.12 crore] ^[1]	10		—	—
L&T Special Steels & Heavy Forgings Private Limited - 6% Cumulative, non-convertible redeemable at par preference shares, December 8, 2026 [previous year provision ₹ 56.28 crore] ^[1]	10		—	—
			—	—
Total - (c) = (i)+(ii)+(iii)+(iv)			607.15	605.92
(d) Other companies:				
International Seaport Dredging Limited [Net of provision ₹ 15.90 crore (previous year provision ₹ 15.90 crore)]	10000	15,899	—	—
BBT Elevated Road Private Limited	10	1,00,000	0.10	0.10
Utmal Multi purpose Service Co-operative Society Limited (B Class) (non-trade investments) [₹ 30,000 (previous year: ₹ 30,000)]	100	300	0.00	0.00
Tidel Park Limited	10	40,00,000	90.43	86.59
VP Global Fibre and Yarns Private Limited [₹ 13,600 (previous year: ₹ 13,600)]	100	136	0.00	0.00
New Vision Wind Power Private Limited [₹ 29,190 (previous year: ₹ 23,420)]	10	2,919	0.00	0.00
The New India Assurance Company Limited (quoted)	10	4,45,803	6.91	10.14
Kalyan Halol-Shamlaji Tollway Limited [Net of provision ₹ 1000 (previous year ₹ 1000)]	10	100	—	—
Epic Concesiones 3 Limited (formerly known as L&T Infrastructure Development Projects Limited) -(Series 1 Compulsorily Convertible Preference Shares, maturity 10 years- January 11, 2033) (Bonus shares)	10	25,500	—	—
Epic Concesiones 3 Limited (formerly known as L&T Infrastructure Development Projects Limited) -(Series 3 Compulsorily Convertible Preference Shares, maturity 10 years- January 11, 2033) (Bonus shares)	10	25,500	—	—
Indian Foundation for Quality Management [charged off]	10	1,25,00,000	—	—
			97.44	96.84
Total Non Current Investment = (a)+(b)+(c)+(d)			32853.88	30649.26

Notes forming part of the Standalone Financial Statements (contd.)

NOTE [5] (contd.)

Details of quoted / unquoted investments:

₹ crore

Particulars	As at 31-3-2025	As at 31-3-2024
(a) Aggregate amount of quoted investments and market value thereof;		
Book Value	17725.78	16417.71
Market Value	152337.70	169041.56
(b) Aggregate amount of unquoted investments;		
Book Value	15128.10	14311.06
(c) Aggregate amount of Impairment in value of investments	909.56	909.56

^[1] The Company entered into a Joint Venture Termination Agreement with Nuclear Power Corporation of India Limited (NPCIL) on February 18, 2025 for purchase of NPCIL's 26% equity and preference shareholdings in L&T Special Steel and Heavy Forgings Private Limited (LTSSHF) and assignment of NPCIL loan to LTSSHF for a consideration of ₹ 170 crore. Pursuant to this, LTSSHF has become a wholly owned subsidiary of the Company with effect from February 18, 2025.

^[2] L&T Energy Hydrocarbon Engineering Limited and L&T Offshore Private Limited, wholly owned subsidiaries (Transferors) have been amalgamated with the Company in terms of the scheme approved by National Company Law Tribunal, Chennai and National Company Law Tribunal, Mumbai vide their respective orders dated February 7, 2025 and December 18, 2024. The Appointed Date for the Amalgamation is April 1, 2024

NOTE [6]

Non-current Assets: Financials Assets - Loans

₹ crore

Particulars	As at 31-3-2025	As at 31-3-2024
Unsecured loan and advances to related parties:		
Subsidiary companies, considered good	508.47	401.50
Subsidiary companies, considered doubtful	1270.45	—
Less: Allowance for expected credit loss	1270.45	—
	—	—
Joint venture companies, considered good	218.12	1907.74
Less: Allowance for expected credit loss	—	1730.38
	218.12	177.35
Other loans, considered good :		
Unsecured others loans, considered good	0.08	0.21
	726.67	579.06

NOTE [7]

Non current Assets: Financial Assets - Others

₹ crore

Particulars	As at 31-3-2025	As at 31-3-2024
Unsecured security deposits, considered good:	204.42	211.58
Less: Allowance for expected credit loss	34.92	33.10
	169.50	178.48
Fixed deposits with banks (maturity more than 12 months)	—	17.38
Cash and bank balances not available for immediate use [refer Note 7(a)]	131.07	194.87
Forward contract receivables	136.35	168.83
Embedded derivative receivables	41.55	11.94
Premium receivable on financial guarantee contracts	8.55	24.90
Other receivables ^[1]	489.00	0.44
	976.02	596.84

^[1] Mainly includes receivables towards litigation matters

Notes forming part of the Standalone Financial Statements (contd.)

Note 7(a)

Particulars of cash and bank balances not available for immediate use

		₹ crore	
Sr. No.	Particulars	As at 31-3-2025	As at 31-3-2024
1	Amount received (including interest accrued thereon) from customers of property development business – to be handed over to housing society on its formation.	32.29	30.17
2	Contingency deposit (including interest accrued thereon) received from customers of property development business towards their sales tax liability - to be refunded/ adjusted depending on the outcome of the legal case.	18.96	17.76
3	Other bank balances (including interest accrued thereon) not available for immediate use being security offered for bids submitted, loans availed, acquisition etc.	552.32	563.84
	Total	603.57	611.77
	Less: Amount reflected under Current Assets [refer Note 13]	472.50	416.90
	Amount reflected under other financial assets - non-current [refer Note 7]	131.07	194.87

NOTE [8]

Other non-current assets

		₹ crore	
Particulars		As at 31-3-2025	As at 31-3-2024
Capital advances:			
Secured		4.75	4.21
Unsecured		381.14	44.64
Advance recoverable other than in cash ^[1]		1452.41	1368.99
		1838.30	1417.84

^[1] Mainly includes indirect tax balances

NOTE [9]

Current Assets: Inventories

		₹ crore	
Particulars		As at 31-3-2025	As at 31-3-2024
Raw materials [includes goods-in-transit ₹ 0.66 crore (previous year: ₹ 10.04 crore)]		380.51	402.09
Components [includes goods-in-transit ₹ 4.79 crore (previous year: ₹ 6.50 crore)]		195.41	220.86
Construction materials [includes goods-in-transit ₹ 30.45 crore (previous year: ₹ 119.58 crore)]		49.72	148.37
Manufacturing work-in-progress		200.50	279.33
Finished goods [includes goods-in-transit ₹ 0.66 crore (previous year: 0.59)]		2.64	0.87
Stock-in-trade [includes goods-in-transit ₹ 88.08 crore (previous year: ₹ 53.45 crore)]		470.16	228.30
Stores and spares [includes goods-in-transit ₹ 5.95 crore (previous year: ₹ 2.56 crore)]		156.78	145.98
Loose tools		6.75	4.70
Property development related work-in-progress		1671.85	2032.37
Property development project - completed property		264.45	58.10
		3398.77	3520.97

Note : During the year ₹ 4.22 crore (previous year: ₹ 18.56 crore) was recognised as expense towards write-down of inventories (net).

Notes forming part of the Standalone Financial Statements (contd.)

NOTE [10]

Current Assets: Financial Assets - investments

	₹ crore	
Particulars	As at 31-3-2025	As at 31-3-2024
(A) Government and trust securities	6694.36	4393.72
(B) Debentures and bonds		
(i) Subsidiary companies	1084.77	758.90
(ii) Joint venture companies	—	736.26
(iii) Other debentures & bonds	6940.87	5307.70
	8025.64	6802.86
(C) Mutual funds	5159.07	1499.59
(D) Collateral borrowing and lending obligation (CBLO)	—	199.96
(E) Commercial paper	417.20	195.79
(F) Certificate of deposits	458.63	1026.85
(G) Preference shares	53.02	—
(H) InvITs	3980.37	2694.57
	24788.29	16813.34

Details of current investments in Subsidiary companies and Joint venture companies

Particulars	Face value per unit	Number of units		
		As at 31-3-2025	As at 31-3-2025	As at 31-3-2024
	₹		₹ crore	₹ crore
Debentures and Bonds (quoted):				
(i) Subsidiary companies:				
9.00% L&T Finance Limited NCD April 15, 2024	1,000	—	—	16.72
7.75% L&T Finance Limited NCD July 10, 2025	10,00,000	—	—	152.70
7.95% L&T Finance Limited NCD July 28, 2025	10,00,000	1,050	111.04	137.30
7.85% L&T Finance Limited NCD July 9, 2025	10,00,000	—	—	15.82
6.68% L&T Metro Rail (Hyderabad) Limited April 30, 2027	10,00,000	1,720	180.61	436.36
6.37% L&T Metro Rail (Hyderabad) Limited April 30, 2025	10,00,000	7,500	793.12	—
Total- (i)			1084.77	758.90
(ii) Joint Venture companies*:				
8.80% Kudgi Transmission Limited NCD April 25, 2024	10,00,000	—	—	18.41
8.80% Kudgi Transmission Limited NCD April 25, 2025	10,00,000	—	—	19.66
8.80% Kudgi Transmission Limited NCD April 25, 2026	10,00,000	—	—	22.03
8.80% Kudgi Transmission Limited NCD April 25, 2027	10,00,000	—	—	23.33
9.14% Kudgi Transmission Limited SR-K NCD April 25, 2028	10,00,000	—	—	26.13
9.14% Kudgi Transmission Limited SR-L NCD April 25, 2029	10,00,000	—	—	27.57
9.14% Kudgi Transmission Limited SR-M NCD April 25, 2030	10,00,000	—	—	31.29
9.14% Kudgi Transmission Limited SR-N NCD April 25, 2031	10,00,000	—	—	32.74
9.14% Kudgi Transmission Limited SR-O NCD April 25, 2032	10,00,000	—	—	34.18
9.50% Kudgi Transmission Limited SR-P NCD April 25, 2033	10,00,000	—	—	37.65
9.50% Kudgi Transmission Limited SR-T NCD April 25, 2034	10,00,000	—	—	40.39
9.50% Kudgi Transmission Limited SR-R NCD April 25, 2035	10,00,000	—	—	43.97
9.50% Kudgi Transmission Limited SR-S NCD April 25, 2036	10,00,000	—	—	47.47
9.50% Kudgi Transmission Limited SR-T NCD April 25, 2037	10,00,000	—	—	49.66
9.50% Kudgi Transmission Limited SR-U NCD April 25, 2038	10,00,000	—	—	42.14
9.50% Kudgi Transmission Limited SR-V NCD April 25, 2039	10,00,000	—	—	114.86
9.50% Kudgi Transmission Limited SR-W NCD April 25, 2040	10,00,000	—	—	124.78
Total- (ii)			—	736.26

* Divested on April 10, 2024

Notes forming part of the Standalone Financial Statements (contd.)

NOTE [10] (contd.)
Details of quoted / unquoted investments:

₹ crore

Particulars	As at 31-3-2025	As at 31-3-2024
(a) Aggregate amount of quoted current investments and market value thereof;		
Book Value	18700.37	13891.15
Market Value	18700.37	13891.15
(b) Aggregate amount of unquoted current investments;		
Book Value (Accounted based on NAV)	5159.07	1499.59
Book Value	928.85	1422.61

NOTE [11]
Current Assets: Financial Assets - Trade receivables

₹ crore

Particulars	As at 31-3-2025	As at 31-3-2024
Unsecured, considered good	42676.67	40894.55
Less: Allowance for expected credit loss	4346.49	3942.49
	38330.18	36952.06
Credit Impaired	191.18	214.77
Less: Allowance for expected credit loss	191.18	206.32
	—	8.45
	38330.18	36960.51

[a] Current assets: Financial assets - Trade receivables ageing

₹ crore

Particulars	As at 31-3-2025						
	Not due	Outstanding for the following periods from the due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed:							
- Considered good	21599.89	10027.74	2437.71	3983.84	1045.93	2640.63	41735.74
- Credit impaired	–	–	–	0.20	2.52	23.96	26.68
Disputed:							
- Considered good	107.73	–	13.10	45.97	60.48	713.66	940.94
- Credit impaired	–	–	–	–	–	164.49	164.49
Gross trade receivables	21707.60	10027.74	2450.81	4030.01	1108.93	3542.74	42867.85
Less: Allowance for expected credit loss							4537.67
Total							38330.18

Notes forming part of the Standalone Financial Statements (contd.)

NOTE [11]

[a] Current assets: Financial assets - Trade receivables ageing (contd.)

₹ crore

	As at 31-3-2024						
Particulars	Not due	Outstanding for the following periods from the due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed:							
- Considered good	20893.18	10453.59	2437.28	1854.39	1271.25	2577.29	39486.98
- Credit impaired	–	–	0.80	2.52	8.60	38.26	50.18
Disputed:							
- Considered good	105.90	253.74	–	94.10	0.20	953.64	1407.58
- Credit impaired	–	–	–	–	–	164.58	164.58
Gross trade receivables	20999.08	10707.33	2438.08	1951.01	1280.05	3733.77	41109.32
Less: Allowance for expected credit loss							4148.81
Total							36960.51

NOTE [12]

Current Assets: Financials Assets - Cash and cash equivalents

₹ crore

Particulars	As at 31-3-2025	As at 31-3-2024
Balance with banks	2147.90	3027.95
Cheques and draft on hand	281.67	409.56
Cash on hand	3.17	3.42
Fixed deposits with banks (maturity less than 3 months)	1150.81	500.06
	3583.55	3940.99

NOTE [13]

Current Assets: Financials Assets - Other bank balances

₹ crore

Particulars	As at 31-3-2025	As at 31-3-2024
Fixed deposits with banks	150.07	282.43
Earmarked balances with banks-unclaimed dividend	137.78	129.90
Earmarked balances with banks-Section4(2)(1)(D) of RERA ⁽¹⁾	2.71	0.75
Cash and bank balances not available for immediate use [refer Note 7(a)]	472.50	416.90
	763.06	829.98

⁽¹⁾ Real Estate (Regulation and Development) Act, 2016

Notes forming part of the Standalone Financial Statements (contd.)

NOTE [14]
Current Assets : Financial Assets - Loans

	₹ crore	
Particulars	As at 31-3-2025	As at 31-3-2024
Unsecured loans and advances to related parties:		
Subsidiary companies, considered good	634.72	36.10
Associate/Joint venture companies, considered good	0.30	26.94
	<u>635.02</u>	<u>63.04</u>

NOTE [15]
Current Assets : Financial Assets - Others

	₹ crore	
Particulars	As at 31-3-2025	As at 31-3-2024
Unsecured security deposits, considered good	528.70	497.72
Less: Allowance for expected credit loss	0.76	0.76
	<u>527.94</u>	<u>496.96</u>
Receivable from related parties:		
Subsidiary companies	1312.49	1040.47
Less: Allowance for expected credit loss	7.15	6.50
	<u>1305.34</u>	<u>1033.97</u>
Joint venture companies	106.27	107.90
Less: Allowance for expected credit loss	0.88	0.87
	<u>105.39</u>	<u>107.03</u>
Other recoverable ^[1]	1069.54	2200.17
Premium receivable on financial guarantee contracts	16.35	25.13
Forward contract receivable	485.75	238.14
Embedded derivative receivable	264.81	158.39
Doubtful advances:		
Deferred credit sale of ships	27.11	27.11
Other loans and advances	181.89	182.98
	<u>209.00</u>	<u>210.09</u>
Less: Allowance for expected credit loss	209.00	210.09
	<u>-</u>	<u>-</u>
	<u>3775.12</u>	<u>4259.79</u>

^[1] mainly includes receivables from joint operators and other parties

Notes forming part of the Standalone Financial Statements (contd.)

NOTE [16]

Other current assets

			₹ crore
Particulars	As at 31-3-2025	As at 31-3-2024	
Contract Assets [refer Note 41(d)]			
Unbilled Revenue	35018.65	37890.18	
Retention money	13554.30	11886.84	
	48572.95		49777.02
Advance recoverable other than in cash ⁽¹⁾	8550.05	7765.76	
Less: Allowance for expected credit loss	0.99	0.99	
	8549.06		7764.77
Government grants receivable	19.12		11.65
	57141.13		57553.44

⁽¹⁾ Mainly includes advances to suppliers and indirect tax balances

NOTE [17]

Equity share capital

(a) Share capital authorised, issued, subscribed and paid up:

Particulars	As at 31-3-2025		As at 31-3-2024	
	Number of shares	₹ crore	Number of shares	₹ crore
Authorised: ⁽¹⁾				
Equity shares of ₹ 2 each	40,37,25,00,000	8074.50	40,18,50,00,000	8037.00
Issued, subscribed and fully paid up:				
Equity shares of ₹ 2 each	1,37,51,92,165	275.04	1,37,46,68,619	274.93

⁽¹⁾ Pursuant to the approval of Scheme of Amalgamation of merger of L&T Energy Hydrocarbon Engineering Limited ("LTEHE") and L&T Offshore Private Limited ("LTOPL") with the Company, the authorised share capital of both LTEHE and LTOPL is added to the share capital of the Company with effect from appointed date April 1, 2024.

(b) Reconciliation of the number of equity shares and share capital:

Particulars	As at 31-03-2025		As at 31-3-2024	
	Number of shares	₹ crore	Number of shares	₹ crore
Issued, subscribed and fully paid up equity share outstanding at the beginning of the year	1,37,46,68,619	274.93	1,40,54,82,190	281.10
Add: Shares issued on exercise of employee stock options during the year	5,23,546	0.11	4,36,429	0.08
Less: Shares extinguished on buy-back	–	–	3,12,50,000	6.25
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	1,37,51,92,165	275.04	1,37,46,68,619	274.93

(c) Terms/rights attached to equity shares:

The Company has only one class of share capital, i.e., equity shares having face value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share.

Notes forming part of the Standalone Financial Statements (contd.)

NOTE [17]
Equity share capital (contd.)
(d) Shareholders holding more than 5% of equity shares as at the end of the year: -

Name of the shareholders	As at 31-3-2025		As at 31-3-2024	
	Number of shares	Shareholding %	Number of shares	Shareholding %
L&T Employees Trust	19,48,87,516	14.17	19,48,87,516	14.18
Life Insurance Corporation of India	18,01,42,821	13.10	15,17,12,116	11.04

The Company's Promoter shareholding as on March 31, 2025 is Nil (previous year: Nil).

(e) Shares reserved for issue under options outstanding on un-issued share capital:

Particulars	As at 31-3-2025		As at 31-3-2024	
	Number of equity shares to be issued as fully paid	₹ crore (at face value)	Number of equity shares to be issued as fully paid	₹ crore (at face value)
Employee stock options granted and outstanding ^[1]	10,77,384	0.22 ^[2]	16,29,198	0.33 ^[2]

^[1] Note 17(i) infra for terms of employee stock option schemes

^[2] The equity shares will be issued at a premium of ₹ 17.34 crore (previous year: ₹ 27.41 crore)

(f) The aggregate number of equity shares allotted as fully paid up by way of bonus shares in immediately preceding five years ended March 31, 2025 are NIL (previous period of five years ended March 31, 2024: NIL shares)

(g) The aggregate number of equity shares issued pursuant to contract, without payment being received in cash in immediately preceding last five years ended on March 31, 2025 – NIL (previous period of five years ended March 31, 2024: NIL)

(h) The aggregate number of fully paid up equity shares bought back in immediately preceding five years ended March 31, 2025 are 3,12,50,000 (previous period of five years ended March 31, 2024: 3,12,50,000 shares).

(i) Stock option schemes
i. Terms:

A. The grant of options to the employees under the stock option schemes is on the basis of their performance and other eligibility criteria. During the previous year, the Company had issued the new ESOP series 2006 (B) in which options are vested equally over a period of 4 years. The options are vested equally over a period of 4 years for series 2003(B) and 2006(B), 5 years in the case of series 2006(A), subject to the discretion of the management and fulfillment of certain conditions.

B. Options can be exercised anytime within a period of 7 years from the date of grant and would be settled by way of issue of equity shares. Management has discretion to modify the exercise period.

ii. The details of the grants under the aforesaid schemes are summarized below:

Sr. No.	Series reference	2003(B)		2006(A)		2006(B)	
		2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
1	Grant price	₹ 7.80	₹ 7.80	₹ 267.10	₹ 267.10	₹ 267.10	₹ 267.10
2	Grant dates	23-5-2003 onwards		1-7-2007 onwards		08-07-2023 onwards	
3	Vesting commences on	23-5-2004 onwards		1-7-2008 onwards		08-07-2024 onwards	
4	Options granted and outstanding at the beginning of the year	6,08,486	2,14,553	5,47,652	9,60,021	4,73,060	—
5	Options lapsed	6,837	20,995	26,235	53,320	8,800	5,600
6	Options granted	11,108	4,92,308	—	—	2,496	4,78,660
7	Options exercised	1,79,843	77,380	2,45,087	3,59,049	98,616	—
8	Options granted and outstanding at the end of the year, of which	4,32,914	6,08,486	2,76,330	5,47,652	3,68,140	4,73,060
	Options vested	18,519	12,880	1,49,744	2,38,138	19,249	—
	Options yet to vest	4,14,395	5,95,606	1,26,586	3,09,514	3,48,891	4,73,060
9	Weighted average remaining contractual life of options (in years)	5.02	5.78	2.35	2.97	5.31	6.31

Notes forming part of the Standalone Financial Statements (contd.)

NOTE [17]

Equity share capital (contd.)

- iii. The number and weighted average exercise price of stock options are as follows:

Particulars	2024-25		2023-24	
	No. of stock options	Weighted average exercise price (₹)	No. of stock options	Weighted average exercise price (₹)
(A) Options granted and outstanding at the beginning of the year	16,29,198	170.25	11,74,574	219.74
(B) Options granted	13,604	55.38	9,70,968	135.63
(C) Options allotted	5,23,546	178.03	4,36,429	221.13
(D) Options lapsed	41,872	224.76	79,915	198.98
(E) Options granted and outstanding at the end of the year	10,77,384	162.91	16,29,198	170.25
(F) Options exercisable at the end of the year out of (E) supra	1,87,512	241.49	2,51,018	253.80

- iv. Weighted average share price at the date of exercise for stock options exercised during the year is ₹ 3493.67 (previous year: ₹ 2945.59) per share.
- v. A. In respect of stock options granted pursuant to the Company's stock options schemes, the fair value of the options is treated as discount and accounted as employee compensation over the vesting period.
- B. Expense on Employee Stock Option Schemes debited to the Statement of Profit and Loss during FY 2023-24 is ₹ 83.83 crore (previous year: ₹ 91.56 crore) [Note 34]. The entire amount pertains to equity-settled employee share-based payment plans. The expenses includes ₹ 0.04 crore (previous year: ₹ 0.09 crore) charged by subsidiary company towards the stock options granted to Company's employees.
- vi. During the year, the Company has recovered ₹ 2.94 crore (previous year: ₹ 2.10 crore) from its subsidiary companies towards the stock options granted to their employees, pursuant to the employee stock option schemes.
- vii. Weighted average fair values of options granted during the year is ₹ 3205.92 (previous year: ₹ 2314.37) per option.
- viii. The fair value has been calculated using the Black-Scholes Option Pricing Model and the significant assumptions and inputs to estimate the fair value of options granted during the year are as follows:

Sr. No.	Particulars	2024-25	2023-24
(i)	Weighted average risk-free interest rate	6.78%	7.05%
(ii)	Weighted average expected life of options	2.91 years	2.75 years
(iii)	Weighted average expected volatility	21.64%	18.64%
(iv)	Weighted average expected dividends over the life of the option	₹ 81.38 per option	₹ 65.90 per option
(v)	Weighted average share price	₹ 3317.04 per option	₹ 2479.86 per option
(vi)	Weighted average exercise price	₹ 55.38 per option	₹ 135.63 per option
(vii)	Method used to determine expected volatility	Expected volatility is based on the historical volatility of the Company's share price applicable to the total expected life of each option.	

- ix. The balance in share options (net) account as at March 31, 2025 is ₹ 133.10 crore (previous year: ₹ 125.69 crore), including ₹ 19.28 crore (previous year: ₹ 20.78 crore) for which the options have been vested to employees as at March 31, 2025.

(j) Capital Management:

The Company continues its policy of a conservative capital structure which has ensured that it retains the highest credit rating even amidst an adverse economic environment. Low gearing levels also enable the Company to navigate business challenges on one hand and raise growth capital on the other. This policy also provides flexibility of fund-raising options for future, which is especially important in times of global economic volatility. The gross debt equity ratio is 0.31:1 as at March 31, 2025 (as at March 31, 2024 0.35:1).

During the previous year ended March 31, 2024, the shareholders had approved the proposal of buyback of equity shares of the Company, as recommended by its Board of Directors. The settlement of all valid bids and extinguishment of equity shares bought back were completed on September 28, 2023.

Accordingly, the Company has bought back 3,12,50,000 equity shares of face value of ₹ 2 each, representing 2.22% of the number of equity shares in the paid-up share capital, at a price of ₹ 3,200 per share aggregating to ₹ 10,000 crore. Consequently, the equity share capital stands reduced by ₹ 6.25 crore. The premium on buyback of ₹ 9993.75 crore, transaction cost (net of tax) with respect to the buyback of ₹ 26.37 crore and the tax on buyback of ₹ 2253.33 crore have been adjusted against securities premium account and free reserves.

During the year ended March 31, 2025, the Company paid the final dividend of ₹ 28 per equity share for the year ended March 31, 2024 amounting to ₹ 3849.57 crore.

The Board of directors, at their meeting held on May 8, 2025 recommended the final dividend of ₹ 34 per equity share for the year ended March 31, 2025 subject to approval from shareholders. On approval, the total dividend outgo is expected to be ₹ 4675.65 crore based on number of shares outstanding as at March 31, 2025.

Notes forming part of the Standalone Financial Statements (contd.)

NOTE [18]

Other equity

	₹ crore	
Particulars	As at 31-3-2025	As at 31-3-2024
Capital reserve ^[1]	10.84	10.84
Capital reserve on business combination ^[2]	(25.77)	(25.77)
Capital redemption reserve ^[3]	266.25	266.25
Securities premium [refer Note 1(ii)(p)]	138.43	50.56
Employee share options (net) [refer Note 1(ii)(r)]		
Employee share options outstanding	197.46	254.72
Deferred employee compensation expense	(64.36)	(129.03)
	133.10	125.69
Debenture redemption reserve ^[4]	—	—
General reserve ^[5]	22717.25	22715.19
Retained earnings	47883.05	41061.19
Foreign currency translation reserve [refer Note 1(ii)(s)(iv)]	(38.31)	(26.66)
Hedging reserve [refer Note 1(ii)(m)(iii)]		
Cash flow hedging reserve	192.11	66.89
Cost of hedging reserve	138.38	(4.68)
	330.49	62.21
Debt instruments through other comprehensive income [refer Note 1(ii)(m)(i)]	205.47	1.67
	<u>71620.80</u>	<u>64241.17</u>

^[1] Capital reserve: It represents the gains of capital nature which mainly include the excess of value of net assets acquired over consideration paid by the company for business amalgamation transactions in earlier years.

^[2] Capital reserve on business combination: It arises on transfer of business between entities under common control. It represents the difference, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor.

^[3] Capital redemption reserve: Created on: (a) Buyback of equity shares out of free reserves and securities premium in accordance with Section 69 of the Companies Act, 2013 (b) Redemption of preference shares out of profits in accordance with Section 55(2)(c) of the Companies Act, 2013.

^[4] Debenture redemption reserve (DRR): The Ministry of Corporate Affairs vide notification dated August 16, 2019, amended the Companies (Share capital and Debenture) Rules, 2014 by which the Company is no longer required to create DRR towards the debentures issued. Earlier to this amendment, the Company was required to maintain a DRR of 25% of the value of debentures issued, either by a public issue or on a private placement basis and the amounts credited to the DRR was not to be utilised by the Company except to redeem debentures. The above amount represents the DRR created out of profits of the Company prior to the said notification.

^[5] General reserve: The Company created a General Reserve in earlier years pursuant to the provisions of the Companies Act, 1956 where in certain percentage of profits were required to be transferred to General Reserve before declaring dividends. As per Companies Act 2013, the requirements to transfer profits to General Reserve is not mandatory. General Reserve is a free reserve available to the company.

Notes forming part of the Standalone Financial Statements (contd.)

NOTE [19]

Non-current liabilities: Financial Liabilities - Borrowings

₹ crore

Particulars	As at 31-3-2025			As at 31-3-2024		
	Secured	Unsecured	Total	Secured	Unsecured	Total
Redeemable non-convertible fixed rate debentures [refer Note 19(a)]	–	9286.00	9286.00	–	9792.22	9792.22
Term loan from banks [refer Note 19(b)]	–	–	–	–	2138.92	2138.92
	–	9286.00	9286.00	–	11931.14	11931.14

19(a) Unsecured redeemable non-convertible fixed rate debentures (privately placed):

Sr. No.	Face value per debenture (₹)	Date of allotment	As at 31-3-2025 ₹ crore	As at 31-3-2024 ₹ crore	Interest for the year 2024-25	Terms of repayment for debentures outstanding as on 31-3-2025
1.	1,00,000	Jan 22, 2025	4045.64	–	7.20% p.a. payable annually	Redeemable at face value at the end of 10th year from the date of allotment
2.	1,00,000	Dec 5, 2024	1531.38	–	7.19% p.a. payable annually	Redeemable at face value at the end of 10th year from the date of allotment.
3.	2,50,000	April 25, 2022	483.72	483.93	8.00% p.a. payable annually	Redeemable at face value at the end of 8th year from the date of allotment.
4.	2,50,000	April 23, 2023	483.72	483.93	8.00% p.a. payable annually	Redeemable at face value at the end of 7th year from the date of allotment.
5.	2,50,000	April 23, 2021	483.72	483.73	8.00% p.a. payable annually	Redeemable at face value at the end of 9th year from the date of allotment.
6.	2,50,000	April 23, 2020	483.72	483.69	8.00% p.a. payable annually	Redeemable at face value at the end of 10th year from the date of allotment.
7.	1,00,000	March 28, 2023	2141.10	2142.15	7.725% p.a. payable annually	Redeemable at face value at the end of 5th year from the date of allotment.
8.	1,00,000	November 9, 2023	2059.57	2059.23	7.66% p.a. payable annually	Redeemable at face value at the end of 2nd year from the date of allotment.
9.	1,00,000	November 2, 2023	1603.99	1546.39	7.58% p.a. payable annually	Redeemable at face value at the end of 1st year from the date of allotment.
10.	10,00,000	April 28, 2020	2677.91	2673.77	7.70% p.a. payable annually	Redeemable at face value at the end of 5th year from the date of allotment.

Notes forming part of the Standalone Financial Statements (contd.)

NOTE [19]
Non-current liabilities: Financial Liabilities - Borrowings (contd.)

Sr. No.	Face value per debenture (₹)	Date of allotment	As at 31-3-2025 ₹ crore	As at 31-3-2024 ₹ crore	Interest for the year 2024-25	Terms of repayment for debentures outstanding as on 31-3-2025
11.	1,00,000	June 8. 2023	–	1534.27	7.33% p.a. payable annually	
12.	1,00,000	June 8. 2023	–	1040.80	7.335% p.a. payable annually	
13.	1,00,000	June 8. 2023	–	1058.67	7.38% p.a. payable annually	
14	10,00,000	May 6,2020	–	1544.85	7.25% p.a. payable annually	
Total			15994.50	15535.41		
Less:			6708.50	5743.19	Current maturity of long-term borrowings [refer Note 24]	
			9286.00	9792.22	Non-current borrowings [refer Note 19]	

19(b) Details of term Loans (Unsecured):

Sr. No.	As at 31-3-2025 ₹ crore	As at 31-3-2024 ₹ crore	Rate of Interest for the year 2024-25	Terms of repayment of term loan outstanding as on 31-3-2025
1	914.62	892.07	USD SOFR + Spread ⁽¹⁾	Repayable on November 30, 2025
2	1282.18	1248.34	USD SOFR + Spread ⁽¹⁾	Repayable on April 14, 2025
Total	2196.80	2140.41		
Less:	2196.80	1.49	Current maturity of long-term borrowings [refer Note 24]	
	–	2138.92	Non-current borrowings [refer Note 19]	

⁽¹⁾ Represents unsecured term loans obtained in foreign currency.

NOTE [20]
Non-current liabilities: Other financial liabilities

Particulars	₹ crore	
	As at 31-3-2025	As at 31-3-2024
Forward contract payables	33.87	10.23
Embedded derivative payables	50.83	–
Financial guarantee contracts	9.11	24.93
Due to others (mainly includes liabilities towards capital goods)	49.26	40.65
	143.07	75.81

Notes forming part of the Standalone Financial Statements (contd.)

NOTE [21]

Non-current liabilities: Provisions

₹ crore		
Particulars	As at 31-3-2025	As at 31-3-2024
Employee pension scheme	371.37	351.87
Post-retirement medical benefits plan	394.35	345.86
Provision for employee benefits-Others	–	5.70
	<u>765.72</u>	<u>703.43</u>

NOTE [22]

Other non-current liabilities

₹ crore		
Particulars	As at 31-3-2025	As at 31-3-2024
Other Payables (Deferred income on fair valuation of financial instrument)	18.47	22.67
	<u>18.47</u>	<u>22.67</u>

NOTE [23]

Current liabilities: Financial Liabilities-Borrowings

₹ crore						
Particulars	As at 31-3-2025			As at 31-3-2024		
	Secured	Unsecured	Total	Secured	Unsecured	Total
Loans repayable on demand from banks	–	2.13	2.13	–	0.29	0.29
Short term loan and advances from banks	–	690.89	690.89	–	813.75	813.75
Commercial paper	–	1492.50	1492.50	–	2668.53	2668.53
Loans from related parties:						
Subsidiary companies	–	456.70	456.70	–	1149.41	1149.41
Joint venture companies	–	1.28	1.28	–	207.67	207.67
Collateralized borrowing and lending obligation	1100.08	–	1100.08	25.00	–	25.00
	<u>1100.08</u>	<u>2643.50</u>	<u>3743.58</u>	<u>25.00</u>	<u>4839.65</u>	<u>4864.65</u>

23(a) Loans guaranteed by directors Nil (previous year: Nil)

23(b) The Company has fund based and non-fund based facilities (viz. bank guarantees, letter of credits and derivatives) from banks. These facilities are secured by hypothecation of inventories and trade receivables. Amount of inventories and trade receivables that are pledged as collateral to the extent of: ₹ 6932.00 crore as at March 31, 2025 (March 31, 2024: ₹ 6932.00 crore)

23(c) The Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. The quarterly returns filed by the Company with such banks or financial institutions are in agreement with the Books of Account of the Company of the respective quarters.

Notes forming part of the Standalone Financial Statements (contd.)

NOTE [24]
Current liabilities: Financial liabilities - Current maturities of long term borrowings

₹ crore		
Particulars	As at 31-3-2025	As at 31-3-2024
Unsecured:		
Redeemable non-convertible fixed rate debentures [refer Note 19(a)]	6708.50	5743.19
Term loans from banks [refer Note 19(b)]	2196.80	1.49
	<u>8905.30</u>	<u>5744.68</u>

24(a) Loans guaranteed by directors Nil (previous year: Nil)

NOTE [25]
Current liabilities: Financial liabilities - Other trade Payables

₹ crore		
Particulars	As at 31-3-2025	As at 31-3-2024
Acceptances	136.97	93.89
Due to related parties:		
Subsidiary companies	1616.19	1198.66
Associate companies	13.97	5.61
Joint venture companies	740.16	1262.81
	<u>2370.32</u>	<u>2467.08</u>
Due to others	35118.54	37307.12
	<u>37625.83</u>	<u>39868.09</u>

25(a) Current liabilities: Financial liabilities - Trade payables ageing

₹ crore							
Particulars	As at 31-3-2025						Total
	Unbilled Dues	Not due	Outstanding for the following periods from the due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed:							
Micro and small enterprises	63.37	993.29	95.64	6.20	2.19	9.47	1170.16
Others	12754.87	18415.93	4951.11	473.94	146.31	880.45	37622.61
Disputed:							
Micro and small enterprises	—	—	—	—	—	—	—
Others	0.52	2.60	—	—	—	0.10	3.22
Total	12818.76	19411.82	5046.76	480.14	148.50	890.02	38795.99