



L&T Press Release

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L&T House, 2nd Floor,
Ballard Estate, Mumbai 400 001
Tel: 91 22 6752 5656 / 836
Fax: 91 22 6752 5796
CIN: L99999MH1946PLC004768

Performance for the quarter ended June 30, 2015

Consolidated Results

Mumbai, July 31, 2015: Larsen & Toubro recorded Consolidated Gross Revenue of ₹ 20460 crore for the quarter ended June 30, 2015, registering a y-o-y increase of 7%. International revenue during the quarter at ₹ 6609 crore constituted 32% of the total revenue.

The Company successfully won new orders worth ₹ 26376 crore at the group level during the quarter ended June 30, 2015. International orders during the quarter at ₹ 8110 crore constituted 31% of the total order inflow. Major orders during the quarter were secured by Infrastructure and Hydrocarbon Segments.

Consolidated Order Book of the group stood at ₹ 238973 crore as at June 30, 2015, higher by 22% on a y-o-y basis. International Order Book constituted 26% of the total Order Book.

Consolidated Profit After Tax (PAT) for the quarter ended June 30, 2015 at ₹ 606 crore was lower vis-à-vis PAT of ₹ 967 crore for the corresponding quarter of the previous year. PAT for the corresponding quarter of the previous year included divestment gains of ₹ 1383 crore.

Infrastructure Segment

Infrastructure Segment achieved Customer Revenue of ₹ 8303 crore for the quarter ended June 30, 2015 registering a y-o-y growth of 16%, led by Heavy Civil Infrastructure, Power Transmission & Distribution and Transportation Infrastructure. International revenue constituted 30% of the total customer revenue of the segment during the quarter.

Infrastructure segment secured new orders of ₹ 11791 crore during the quarter ended June 30, 2015 registering a reduction of 17% over the corresponding quarter of the previous year. The order inflow during the quarter was mainly contributed by Power Transmission & Distribution and Building & Factories businesses. International orders contributed around 31% of the total order inflow of the segment during the quarter.

The Order Book of the Segment grew 24% on a y-o-y basis and stood at ₹ 169613 crore as on June 30, 2015.

The segment recorded improved EBIDTA margin at 10.7% during the quarter ended June 30, 2015 over 10.3% recorded in the corresponding quarter of the previous year.

Power Segment

Power Segment recorded Customer Revenue of ₹ 1118 crore during the quarter ended June 30, 2015, registering a growth of 12% over the corresponding quarter of the previous year on progress of jobs under execution.

Power Segment secured new orders of ₹ 216 crore during the quarter ended June 30, 2015, vis-à-vis ₹ 1602 crore recorded in the corresponding quarter of the previous year.

The Order Book of the Segment grew 36% on a y-o-y basis and stood at ₹ 22671 crore as on June 30, 2015.

The segment EBIDTA margin stood at 9.8% for the quarter ended June 30, 2015 as some of the large jobs are in their early phases of execution.

Metallurgical & Material Handling (MMH) Segment

The Customer Revenue of MMH Segment during the quarter ended June 30, 2015 at ₹ 489 crore, registered a reduction of 47% over the corresponding quarter of the previous year on account of slower progress in some of the jobs under execution and newly secured orders not significantly contributing to revenue during the quarter ended June 30, 2015.

MMH Segment secured new orders of ₹ 1674 crore during the quarter ended June 30, 2015, registering a growth of more than 3 times over the corresponding quarter of the previous year, consequent to bagging of a few large orders in ferrous and non-ferrous businesses.

The Order Book of the Segment grew by 27% on a y-o-y basis and stood at ₹ 11875 crore as on June 30, 2015.

The EBIDTA margin of the segment was negative for the quarter ended June 30, 2015 vis-à-vis positive margin of 12.5% recorded in the corresponding quarter of the previous year due to cost overruns and under recovery of fixed overheads on account of lower revenue.

Heavy Engineering Segment

Heavy Engineering Segment achieved Customer Revenue of ₹ 647 crore registering a y-o-y decline of 22% over the corresponding quarter of the previous year as newly secured orders have not significantly started contributing to revenue. International revenue constituted 33% of the total customer revenue of the segment.

Heavy Engineering Segment secured new orders valued ₹ 975 crore during the quarter ended June 30, 2015, reflecting a sluggish demand environment. International orders constituted 74% of the total order inflow of the segment during the quarter.

The Order Book of the Segment marginally grew by 1% on a y-o-y basis and stood at ₹ 8661 crore as on June 30, 2015.

The EBIDTA margin of the segment stood at 6.3% for the quarter ended June 30, 2015 vis-à-vis 12.7% recorded in the corresponding quarter of the previous year due to delayed execution and under-recovery of overheads.

Electrical & Automation (E&A) Segment

E&A Segment recorded Customer Revenue of ₹ 1046 crore during the quarter ended June 30, 2015, registering a modest y-o-y increase of 4% at the backdrop of subdued industrial demand. International revenue constituted 33% of the total customer revenue of the segment during the quarter ended June 30, 2015.

The EBIDTA margin of the E&A Segment stood at 10.5% for the quarter ended June 30, 2015 recording an increase over 8.9% earned during the corresponding quarter of the previous year on the back of lower commodity prices and favourable product mix.

The Order Book of the Segment stood at ₹ 3044 crore as on June 30, 2015.

Hydrocarbon Segment

Hydrocarbon Segment recorded Customer Revenue of ₹ 2207 crore registering a y-o-y growth of 42% over the corresponding quarter of the previous year, on the back of progress on Upstream domestic jobs under execution. International revenue constituted 50% of the total customer revenue of the segment during the quarter ended June 30, 2015.

Hydrocarbon Segment secured new orders valued ₹ 3475 crore during the quarter ended June 30, 2015, registering a y-o-y decline of 39% over the corresponding quarter of the previous year. The order inflow for the quarter ended June 30, 2014 had included a large sized international order. International orders during the quarter ended June 30, 2015 constituted 8% of the total order inflow of the segment.

The Order Book of the Segment registered a y-o-y growth of 6% and stood at ₹ 15385 crore as on June 30, 2015.

The EBIDTA margin of the segment turned positive at 4.2% for the quarter ended June 30, 2015 aided by margin accruals on the domestic jobs under execution, despite continuing under recovery of cost in international operations. The operating margin for the corresponding quarter of the previous year was adversely impacted due to time and cost overruns reported on international jobs.

IT & Technology Services Segment

IT & Technology Services (IT&TS) Segment achieved Customer Revenue of ₹ 2101 crore during the quarter ended June 30, 2015, registering a healthy y-o-y growth of 21%. International revenue constituted 96% of the total customer revenue of the segment for the quarter ended June 30, 2015.

The EBIDTA margin of the IT&TS Segment at 21.2% for the quarter ended June 30, 2015 was higher vis-à-vis 20.2% for the corresponding quarter of the previous year.

Financial Services Segment

Financial Services Segment recorded Customer Revenue of ₹ 1783 crore during the quarter ended June 30, 2015, registering a y-o-y growth of 20%, driven by growth in loan assets and disbursements in the focus areas of retail and wholesale finance business.

The operating margin of the Financial Services Segment for the quarter ended June 30, 2015 was stable at 15.1%.

Developmental Projects Segment

Developmental Projects Segment registered Customer Revenue of ₹ 1203 crore during the quarter ended June 30, 2015, vis-à-vis ₹ 2147 crore recorded in the corresponding quarter of the previous year. The customer revenue for the quarter ended June 30, 2014 included divestment gains of ₹ 1350 crore on sale of stake in The Dhamra Port Company Limited.

The EBIDTA margin of the Developmental Projects Segment for the quarter ended June 30, 2015 stood at 26.1% vis-à-vis 68.1% earned during the corresponding quarter of the previous year, which was higher with the divestment gains.

“Others” Segment

“Others” Segment comprises Realty, Shipbuilding, Construction & Mining Equipment and Industrial Machinery & Product businesses.

Customer Revenue of “Others” Segment during the quarter ended June 30, 2015 at ₹ 1563 crore registered an increase of 21% over the corresponding quarter of the previous year, driven by growth achieved by Construction Equipment, Valves and Realty businesses. International revenue constituted 13.5% of the total customer revenue of the segment.

During the quarter ended June 30, 2015, the segment EBIDTA improved to 21.2% as compared to 20.6% earned in the corresponding quarter of the previous year.

Outlook

The quarter ended June 30, 2015 witnessed improving macro economic trends in India. Favourable conditions for containment of fiscal deficit and monetary policy management are expected to enthuse an investment friendly framework. The investment climate, however, remained subdued in the backdrop of global uncertainties and unhurried pace of reforms in India.

The domestic infrastructure sector awaits the translation of various policy and budgetary initiatives into a definitive capital expenditure programme. While visibility of outlay by public sector / government undertakings has improved, private sector investment in the industrial sector is constrained by weak demand, low commodity prices and under utilisation of the existing capacities.

The business environment stays challenging in the short term while the prospects in urban infra, transportation infra, power transmission, water, renewable energy and defence manufacturing remain promising in the medium term.

The Company has prominent presence and proven capabilities over wide spectrum of capital goods and infrastructure sectors. The Company is hopeful of benefitting from the growth opportunities as they emerge.

Background:

Larsen & Toubro is an Indian multinational engaged in technology, engineering, construction, manufacturing and financial services with over **USD 15 billion** in revenue. It operates in over 30 countries worldwide. A strong, customer-focused approach and the constant quest for top-class quality have enabled L&T to attain and sustain leadership in its major lines of business for over seven decades.



LARSEN & TOUBRO LIMITED
Registered Office: L&T House, Ballard Estate, Mumbai 400 001
CIN : L99999MH1946PLC004768

UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2015

₹ Lakh

Particulars	3 months ended			Year ended
	June 30, 2015	March 31, 2015	June 30, 2014	March 31, 2015 (Audited)
1 Gross sales/revenue from operations	2046030	2827471	1912332	9276166
Less: Excise duty	20813	25209	14857	75708
Net sales/revenue from operations	2025217	2802262	1897475	9200458
2 Expenses:				
a) i) Consumption of raw materials, components and stores, spares & tools	322595	333684	268505	1314238
ii) Sub-contracting charges	410635	618047	374853	1741795
iii) Construction materials consumed	351820	683371	363897	1999832
iv) Purchases of stock-in-trade	31948	44623	32870	142404
v) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(104980)	(6996)	(87229)	(84830)
vi) Other manufacturing, construction and operating expenses	437717	410941	380047	1620161
b) Employee benefits expense	208403	202863	175104	792455
c) Sales, administration and other expenses	138057	155071	138327	541278
d) Depreciation, amortisation, impairment and obsolescence	62223	58755	80733	262250
Total expenses	1858418	2500359	1727107	8329383
3 Profit from operations before other income, finance costs and exceptional items (1-2)	166799	301903	170368	871075
4 Other income	25736	28318	27704	100951
5 Profit from ordinary activities before finance costs and exceptional items (3+4)	192535	330221	198072	972026
6 Finance costs	70673	47392	77442	285072
7 Profit from ordinary activities after finance costs but before exceptional items (5-6)	121862	282829	120630	686954
8 Exceptional items	-	9842	24928	34770
9 Profit from ordinary activities before tax (7+8)	121862	292671	145558	721724
10 Provision for taxes:				
a) Provision for current tax	53984	82293	70405	266191
b) Provision for deferred tax	600	(5716)	(25507)	(40867)
c) Additional tax on dividend distributed/proposed by subsidiaries	-	3032	-	3032
Total provision for taxes	54584	79609	44898	228356
11 Net profit after tax from ordinary activities (9-10)	67278	213062	100660	493368
12 Extraordinary items	-	-	-	-
13 Net profit after tax for the period (11+12)	67278	213062	100660	493368
14 Share in profit of associates (net)	191	(179)	156	214
15 Adjustments for minority interests in subsidiaries	(6850)	(5919)	(4127)	(17100)
16 Net Profit after tax, minority interest and share in profit of associates (13+14+15)	60619	206964	96689	476482
17 Paid-up equity share capital (face value of share: ₹ 2 each)	18606		18554	18591
18 Reserves excluding revaluation reserve				4070759
Earnings per share (Not annualised):				
19 Basic EPS before extraordinary items (₹)	6.52	22.27	10.42	51.33
20 Diluted EPS before extraordinary items (₹)	6.48	22.05	10.36	50.98
21 Basic EPS after extraordinary items (₹)	6.52	22.27	10.42	51.33
22 Diluted EPS after extraordinary items (₹)	6.48	22.05	10.36	50.98

See accompanying notes to the financial results

Select information for the quarter ended June 30, 2015 of Larsen & Toubro Limited (Parent Company) pursuant to clause 41 of the listing agreement

Particulars	3 months ended			Year ended
	June 30, 2015	March 31, 2015	June 30, 2014	March 31, 2015 (Audited)
A PARTICULARS OF SHAREHOLDING				
1 Public shareholding :				
- Number of shares ('000s)	908060	908296	906055	908296
- Percentage of shareholding	97.61%	97.71%	97.67%	97.71%
2 Promoters and promoter group shareholding [refer note (iii)]	Nil	Nil	Nil	Nil
B INVESTOR COMPLAINTS	3 months ended June 30, 2015			
Pending at the beginning of the quarter	1			
Received during the quarter	8			
Disposed of during the quarter	7			
Remaining unresolved at the end of the quarter	2			

Notes :

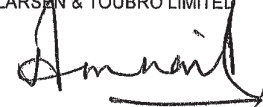
- (i) The Company reports consolidated financial results on quarterly basis, pursuant to the option made available as per clause 41 of the listing agreement. The standalone financial results are available on the Company's website viz. www.larsentoubro.com and on the websites of BSE (www.bseindia.com) and NSE (www.nseindia.com). The specified items of the standalone financial results of the Company for the quarter ended June 30, 2015 are given below:

₹ Lakh

Particulars	3 months ended			Year ended
	June 30, 2015	March 31, 2015	June 30, 2014	March 31, 2015 (Audited)
Gross sales/revenue from operations	1085059	1914591	1044662	5755807
Profit before tax	99457	266584	121394	670122
Profit after tax	70097	206065	89355	505618

- (ii) During the quarter ended June 30, 2015, 7,36,938 equity shares of ₹ 2 each fully paid-up were allotted on exercise of stock options by employees, in accordance with the Company's stock option schemes.
- (iii) The Company has no promoters or promoter group. Consequently, the promoters and promoter group shareholding is Nil and accordingly the information on shares pledged / encumbered is also Nil.
- (iv) Figures for the previous periods have been re-grouped / re-classified to conform to the figures of the current periods.
- (v) The above results have been subjected to Limited Review by the Statutory Auditors, reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on July 31, 2015.

for LARSEN & TOUBRO LIMITED



A.M.NAIK
Group Executive Chairman

Mumbai
July 31, 2015

Consolidated Segment-wise Revenue, Result and Capital Employed in terms of clause 41 of the listing agreement:

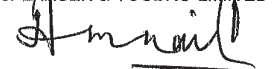
₹ Lakh

Particulars	3 months ended			Year ended
	June 30, 2015	March 31, 2015	June 30, 2014	March 31, 2015 (Audited)
Gross segment revenue				
1 Infrastructure	847504	1568486	757248	4485884
2 Power	112357	144808	100027	475644
3 Metallurgical & Material Handling	55181	95284	94066	342646
4 Heavy Engineering	65430	102140	86249	362464
5 Electrical & Automation	113520	174518	105425	545954
6 Hydrocarbon	220725	223529	155731	743176
7 IT & Technology Services	211644	204219	175090	765894
8 Financial Services	178333	167604	148266	640050
9 Developmental Projects	120415	87836	214806	515364
10 Others [refer note (I) below]	163139	163526	133637	658479
Total	2088248	2931950	1970545	9535555
Less: Inter-segment revenue	42218	104479	58213	259389
Net segment revenue	2046030	2827471	1912332	9276166
Segment result (Profit before interest and tax)				
1 Infrastructure	74635	194485	59069	424664
2 Power	4541	14418	14112	55084
3 Metallurgical & Material Handling	(2369)	5991	8973	23898
4 Heavy Engineering	(419)	8159	2771	22700
5 Electrical & Automation	6815	23451	5133	54923
6 Hydrocarbon	3956	(20925)	(94214)	(134281)
7 IT & Technology Services	38581	38320	29628	131646
8 Financial Services	24402	21141	33954	101584
9 Developmental Projects	21266	12461	122651	167434
10 Others [refer note (I) below]	26075	29104	18979	119213
Total	197483	326605	201056	966865
Less: Inter-segment margins on capital jobs	54	4617	225	6307
Less: Interest expenses	70673	47392	77442	285072
Add: Unallocable corporate income net of expenditure	(4894)	18075	22169	46238
Profit Before Tax (before extraordinary item)	121862	292671	145558	721724
Capital employed (Segment assets less segment liabilities)				
1 Infrastructure	1514805		1310834	1414525
2 Power	205025		213193	204947
3 Metallurgical & Material Handling	319927		345189	322803
4 Heavy Engineering	373453		455668	411444
5 Electrical & Automation	295591		254591	288132
6 Hydrocarbon	255336		337821	227076
7 IT & Technology Services	330332		281660	337654
8 Financial Services	850797		754309	773975
9 Developmental Projects	2814742		2597573	2704232
10 Others [refer note (I) below]	1045711		943484	1076999
Total capital employed in segments	8005719		7494322	7761787
Unallocable corporate assets /less corporate liabilities	987838		794706	880837
Total Capital Employed	8993557		8289030	8642624

Notes:

- (I) Segments have been identified in accordance with Accounting Standard (AS) 17 on Segment Reporting, considering the risk / return profiles of the businesses, their organisational structure and the internal reporting systems. The smaller business segments not separately reportable have been grouped under "Others" segment.
- (II) Segment composition: **Infrastructure segment** comprises engineering and construction of building and factories, transportation infrastructure, heavy civil infrastructure, power transmission & distribution and water & renewable energy projects. **Power segment** comprises turnkey solutions for Coal-based and Gas-based thermal power plants including power generation equipment with associated systems and / or balance-of-plant packages. **Metallurgical & Material Handling segment** comprises turnkey solutions for ferrous (iron & steel making) and non-ferrous (aluminium, copper, lead & zinc) metal industries, bulk material & ash handling systems in power, port, steel and mining sector including manufacture and sale of industrial machinery and equipment. **Heavy Engineering segment** comprises manufacture and supply of custom designed, engineered critical equipment & systems to core sector industries like Fertiliser, Refinery, Petrochemical, Chemical, Oil & Gas, Thermal & Nuclear Power, Aerospace and Defence. **Electrical & Automation segment** comprises manufacture and sale of low and medium voltage switchgear components, custom built low and medium voltage switchboards, electronic energy meters / protection (relays) systems and control & automation products. **Hydrocarbon segment** comprises complete EPC solutions for the global Oil & Gas industry from front-end design through detailed engineering, modular fabrication, procurement, project management, construction, installation and commissioning. **IT & Technology Services segment** comprises information technology and integrated engineering services. **Financial Services segment** comprises retail and corporate finance, housing finance, infrastructure finance, general insurance, asset management of mutual fund schemes and related advisory services. **Developmental Projects segment** comprises development, operation and maintenance of basic infrastructure projects, toll collection, power development, development and operation of port facilities and providing related advisory services. **Others segment** includes realty, shipbuilding, manufacture and sale of industrial valves, welding and cutting equipment, manufacture, marketing and servicing of construction equipment and parts thereof, marketing and servicing of mining machinery and parts thereof, manufacture and sale of rubber processing machinery & castings, ready-mix concrete, asphalt & paving materials, mining and aviation.
- (III) Segment revenue comprises sales & operational income allocable specifically to a segment including profit on sale of stake in the subsidiary and / or joint venture companies under developmental projects segment and realty business grouped under "Others" segment. Unallocable income primarily includes interest income, dividends and profit on sale of investments. Unallocable expenditure mainly includes expenses incurred on common services provided to segments and other corporate expenses. Corporate assets mainly comprise investments.
- (IV) In respect of majority of the segments for the Company, sales and margins do not accrue uniformly during the year. Hence, the operational / financial performance of aforesaid segments can be discerned only on the basis of figures for the full year.

for LARSEN & TOUBRO LIMITED



A.M. NAIK
Group Executive Chairman

Mumbai
July 31, 2015



SHARP & TANNAN

Chartered Accountants

Larsen & Toubro Limited

Limited review report to the board of directors on unaudited consolidated financial results for the three month period ended 30 June 2015

- 1 We have reviewed the accompanying statement of unaudited consolidated financial results of Larsen & Toubro Limited for the three month period ended 30 June 2015. This statement is the responsibility of the Company's management and has been approved by the board of directors. Our responsibility is to issue a report on these financial statements based on our review.
- 2 We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
- 3 Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited consolidated financial results prepared in accordance with applicable accounting standards, specified under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014, and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of clause 41 of the listing agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.
- 4 We did not review the financial statements of 30 subsidiaries and 6 jointly controlled entities, whose interim financial statements reflect total assets of Rs. 6271677 lacs as at 30 June 2015 as well as total revenue of Rs. 368901 lacs for the three month period ended 30 June 2015 as considered in the unaudited consolidated financial results. These interim financial statements have been reviewed by other auditors whose reports have been furnished to us by management, and our opinion on the unaudited consolidated financial results, to the extent that they have been derived from such interim financial statements is based solely on the reports of the other auditors.
Our opinion is not qualified in respect of this matter.

Sharp & Tannan
Chartered Accountants
Firm's registration no. 109982W
By the hand of

Firdosh D. Buchia
Partner

Membership no. 38332

Mumbai, 31 July 2015

Ravindra Annexe, 194, Churchgate Reclamation, Dinshaw Vachha Road, Mumbai - 400 020, India.
Tel. (22) 2204 7722/23, 6633 8343 - 47 Fax (22) 6633 8352 E-mail : admin.mumbai@sharpandtannan.com

Farook M. Kobla
Edwin Augustine

Shreedhar T. Kunte
Raghunath P. Acharya

Milind P. Phadke
Firdosh D. Buchia

Ramnath D. Kare
Thirtharaj A. Khot

Ashwin B. Chopra
Pavan K. Aggarwal

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