L&T Press Release

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Performance for the quarter ended September 30, 2014

Consolidated Results

Order inflow up 17%
Revenue grows by 10%
PAT increases by 7%

Mumbai, November 7, 2014: Larsen & Toubro recorded Consolidated Gross Revenue of ₹ 21331 crore for the quarter ended September 30, 2014, registering a y-o-y growth of 10.4%. The International revenue during the quarter at ₹ 6562 crore constituted 31% of the total revenue. The Consolidated Gross Revenue for the half-year ended September 30, 2014 stood at ₹ 40454 crore and increased by 10.1% on y-o-y basis.

The Company successfully secured fresh orders worth ₹ 39797 crore at consolidated level during the quarter ended September 30, 2014, registering a smart y-o-y increase of 17 %, sustaining the growth momentum in the first half of the current year. The International order inflow during the quarter at ₹ 6756 crore constituted 17% of the total order inflow. Major orders during the quarter were secured by the Infrastructure, Power and Hydrocarbon segments.

On a cumulative basis, the order inflow for the half-year ended September 30, 2014 stood at ₹ 73205 crore, registering a y-o-y growth of 14 % on a large base. The International order inflow constituted 29% of the total order inflow for the half year.

Consolidated Order Book of the group stood at ₹ 214429 crore as at September 30, 2014, higher by 14% on a y-o-y basis. International Order Book constituted 27% of the total Order Book.

The Consolidated Profit after Tax (PAT) for the quarter July to September 2014 at ₹ 862 crore recorded a growth of 7% over the corresponding quarter of the previous year. For the half-year ended September 30, 2014 the PAT at ₹ 1829 crore registered an impressive growth of 45% on a y-o-y basis on the back of divestment gains.

Infrastructure Segment

Infrastructure Segment achieved Customer Revenue of ₹ 9633 crore for the quarter ended September 30, 2014 registering a healthy y-o-y growth of 27%, driven by surge in the execution by all the businesses of the segment. International sales constituted 27% of the total customer revenue of the segment during the quarter.

Infrastructure Segment secured fresh orders at ₹ 19236 crore consistently during the second quarter of the year vis-à-vis a large base of order inflow of ₹ 21080 crore recorded in the corresponding quarter of the previous year, which included one big-size international order.The order inflow during the quarter mainly emanated from Buildings & Factories, Transportation Infrastructure, Power Transmission & Distribution and Water & Renewable Energy businesses. International orders contributed to around 16% of the total order inflow of the segment during the quarter.

The Order Book of the Segment grew 16% on a y-o-y basis and stood at ₹ 146634 crore as at September 30, 2014.

The segment recorded EBIDTA margin at 10.1% during the quarter ended September 30, 2014 with larger proportion of jobs at early stage of execution, yet to achieve the margin recognition threshold. The segment had recorded margin of 12.3% in the corresponding quarter of the previous year on the back of realization of a large customer claim.

Power Segment

Power Segment recorded customer revenue of ₹ 1153 crore during the quarter ended September 30, 2014, registering a reduction of 20% over the corresponding quarter of the previous year due to low opening order book and majority of the newly secured orders being at initial stages of execution.

Power Segment secured fresh orders of ₹ 7706 crore for the quarter ended September 30, 2014, as against ₹ 607 crore secured in the corresponding quarter of the previous year on the back of large size domestic orders bagged by the segment.

The Order Book of the Segment grew 41% on a y-o-y basis and stood at ₹ 23293 crore as at September 30, 2014.

The segment EBIDTA margin stood at 13.2% for the quarter ended September 30, 2014 vis-à-vis 32.6% recorded in the corresponding quarter of the previous year, which included higher realization of margins on jobs nearing completion.

Metallurgical & Material Handling (MMH) Segment

The Customer Revenue of MMH Segment during the quarter ended September 30, 2014 at ₹ 778 crore registered a y-o-y decrease of 32%, on account of lower opening order book and delay in receipt of new orders.

MMH Segment secured fresh orders of ₹ 2173 crore during the quarter ended September 30, 2014, compared to inflows of Rs 896 crore during the corresponding quarter of the previous year.

The Order Book of the Segment declined by 30% on a y-o-y basis and stood at ₹ 10766 crore as at September 30, 2014.

The EBIDTA margin of the segment declined to 9.2% for the quarter ended September 30, 2014 vis-à-vis 16.1% recorded in the corresponding quarter of the previous year.

Heavy Engineering Segment

Heavy Engineering Segment achieved Customer Revenue of ₹ 810 crore for the quarter ended September 30, 2014, registering an y-o-y decline of 21% over the corresponding quarter of the previous year mainly on account of delayed order inflow and low order book. International sales constituted 29% of the total customer revenue of the segment

Heavy Engineering Segment secured fresh orders valued ₹ 606 crore, during the quarter ended September 30, 2014, registering a y-o-y decline of 38%. International orders constituted 58% of the total order inflow of the segment.

The Order Book of the Segment stood at ₹ 8372 crore as at September 30, 2014.

The EBIDTA margin of the segment stood at 12.8% for the quarter ended September 30, 2014 vis-à-vis 14.9% recorded in the corresponding quarter of the previous year.

Electrical & Automation (E&A) Segment

E&A Segment recorded Customer Revenue of ₹ 1213 crore during the quarter ended September 30, 2014, registering a modest growth of 3% on y-o-y basis. International sales constituted 32% of the total customer revenue of the segment for the quarter ended September 30, 2014.

The EBIDTA Margin of the E&A Segment at 13.7% for the quarter ended September 30, 2014 recorded an improvement over the 11.5% earned during the corresponding quarter of the previous year due to reduction in input prices.

Hydrocarbon Segment

Hydrocarbon Segment achieved Customer Revenue of ₹ 1804 crore registering a y-o-y decline of 24% over the corresponding quarter of the previous year mainly on account of low opening order book and deferment of project awards. International sales constituted 61% of the total customer revenue of the segment for the quarter ended September 30, 2014.

Hydrocarbon Segment secured fresh orders valued ₹ 2536 crore, during the quarter ended September 30, 2014, registering a decline of 40% as compared to the corresponding quarter of the previous year. International orders constituted 21% of the total order inflow of the segment.

The Order Book of the Segment grew 19% on a y-o-y basis and stood at ₹ 15359 crore as at September 30, 2014.

The EBIDTA margin of the segment was negative for the quarter ended September 30, 2014 vis-à-vis positive margin of 8.7% recorded in the corresponding quarter of the previous year. The negative EBIDTA was on account of cost overrun on jobs nearing completion and under recovery of overheads.

IT & Technology Services Segment

IT & Technology Services Segment recorded Customer Revenue of ₹ 1854 crore during the quarter ended September 30, 2014, registering a y-o-y growth of 14%. International sales constituted 96% of the total customer revenue of the segment for the quarter ended September 30, 2014.

The EBIDTA Margin of the IT&TS Segment at 18.6% for the quarter ended September 30, 2014 recorded a decline vis-à-vis 22.6% earned during the corresponding quarter of the previous year due to relatively higher operating cost.

Developmental Projects Segment

Developmental Projects Segment recorded Customer Revenue of ₹ 993 crore during the quarter ended September 30, 2014, registering a substantial y-o-y growth. During the quarter, the Company commissioned the second unit of Rajpura Power Plant contributing significantly to the revenue growth.

The EBIDTA Margin of the Developmental Projects Segment for the quarter ended September 30, 2014 stood at 16.0%.

Financial Services Segment

Financial Services Segment recorded Customer Revenue of ₹ 1604 crore during the quarter ended September 30, 2014, registering a y-o-y growth of 27%, driven by growth in loan book and disbursements.

The operating margin of the Financial Services Segment for the quarter ended September 30, 2014 at 15.8% increased over 15.2% earned during the corresponding quarter of the previous period.

“Others” Segment

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

Customer Revenue of “Others” Segment during the quarter ended September 30, 2014 stood at ₹ 1489 crore registering a growth of 5% over the corresponding quarter of the previous year led by Shipbuilding and Valves businesses. International sales constituted 23% of the total customer revenue of the segment.

During the quarter ended September 30, 2014, the segment EBIDTA margin improved to 19.0% as compared to negative margin of 7.0% during the corresponding quarter of the previous year consequent to lower losses in the Shipbuilding business.

Outlook

The domestic business sentiment has improved on the high expectations from the new government for reviving the growth momentum. Improving macro economic conditions on the back of stable currency rates, soft oil & other commodity prices have encouraged investment interests in the country. Decontrol of diesel prices, the ordinance for coal block e-auctioning, liberalized FDI norms in construction sector evidence the commitment of the government to stimulate growth through much needed reforms. De-bottlenecking of incomplete infrastructure projects, enabling credit growth and domestic manufacturing appear to be the initial thrust areas.Large green field investments in core sectors, however, are expected to take a few more quarters.

While continuing to pursue international business on selective basis, the Company with its capabilities spanning across several core sectors, is poised to grow its domestic order book and maintain its leadership position as the opportunities emerge.

Background:

Larsen & Toubro is a USD 14.3 billion technology, engineering, construction, manufacturing and financial services conglomerate, with global operations. Its products and systems are marketed in over 30 countries worldwide. L&T is one of the largest and most respected companies in India's private sector. 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 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 SEPTEMBER 30, 2014

₹ Lakh

	Particulars	3 months ended			6 months ended		Year ended
		September 30, 2014	June 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013	March 31, 2014 (Audited)
1	Gross Sales/Revenue from operations	2133109	1912332	1931362	4045441	3673318	8588904
	Less : Excise duty	17174	14857	18285	32031	36127	76064
	Net Sales/Revenue from operations	**2115935**	**1897475**	**1913077**	**4013410**	**3637191**	**8512840**
2	**Expenses:**						
a)	i) Consumption of raw materials, components and stores, spares & tools	334127	262099	322399	596226	637287	1232860
	ii) Sub-contracting charges	339688	375200	339996	714888	729536	1691410
	iii) Construction materials consumed	466459	370303	332439	836762	712207	1795792
	iv) Purchases of stock-in-trade	34552	32870	47108	67422	87883	205716
	v) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(45057)	(87229)	(33964)	(132286)	(221515)	(52734)
	vi) Other manufacturing, construction and operating expenses	405489	379156	324565	784645	652590	1384406
b)	Employee benefits expense	222751	175102	200352	397853	356865	714028
c)	Sales, administration and other expenses	124506	138449	129847	262955	244719	468054
d)	Depreciation, amortisation, impairment and obsolescence [refer note (i)]	54856	80733	58729	135589	114397	144582
	Total expenses	**1937371**	**1726683**	**1721471**	**3664054**	**3313969**	**7584114**
3	**Profit from operations before other income, finance costs and exceptional items (1-2)**	**178564**	**170792**	**191606**	**349356**	**323222**	**928726**
4	Other income	21453	27704	25301	49157	51656	98191
5	**Profit from ordinary activities before finance costs and exceptional items (3+4)**	**200017**	**198496**	**216907**	**398513**	**374878**	**1026917**
6	Finance costs	69044	77866	77368	146910	148444	314144
7	**Profit from ordinary activities after finance costs but before exceptional items (5-6)**	**130973**	**120630**	**139539**	**251603**	**226434**	**712773**
8	Exceptional items	-	24928	-	24928	-	36150
9	**Profit from ordinary activities before tax (7+8)**	**130973**	**145558**	**139539**	**276531**	**226434**	**748923**
10	**Provision for taxes:**						
a)	Provision for current tax	50305	70405	60163	120710	109812	250164
b)	Provision for deferred tax	(3387)	(25507)	(283)	(28894)	(2730)	10594
c)	Additional Tax on dividend distributed / proposed by subsidiaries	-	-	-	-	-	2081
	Total provision for taxes	**46918**	**44898**	**59880**	**91816**	**107082**	**262839**
11	**Net profit after tax from ordinary activities (9-10)**	**84055**	**100660**	**79659**	**184715**	**119352**	**486084**
12	Extraordinary items	-	-	(656)	-	(656)	(625)
13	**Net profit after tax for the period (11+12)**	**84055**	**100660**	**79003**	**184715**	**118696**	**485459**
14	Share in profit of associates (net)	68	156	312	224	481	925
15	Adjustments for minority interests in subsidiaries	2052	(4127)	1320	(2075)	7317	3816
16	**Net Profit after tax, minority interest and share in profit of associates (13+14+15)**	**86175**	**96689**	**80635**	**182864**	**126494**	**490200**
17	Paid-up equity share capital (face value of share: ₹ 2 each)		18554		**18565**	18505	**18538**
18	Reserves excluding revaluation reserve						**3750698**
	Earnings per share (Not annualised):						
19	Basic EPS before extraordinary items (₹)	**9.29**	10.42	8.79	**19.71**	13.75	**53.04**
20	Diluted EPS before extraordinary items (₹)	**9.23**	10.36	8.74	**19.58**	13.67	**52.72**
21	Basic EPS after extraordinary items (₹)	**9.29**	10.42	8.72	**19.71**	13.68	**52.97**
22	Diluted EPS after extraordinary items (₹)	**9.23**	10.36	8.67	**19.58**	13.60	**52.65**

Select information for the quarter ended September 30, 2014 of Larsen & Toubro Limited (Parent Company) pursuant to clause 41 of the listing agreement

	Particulars	3 months ended			6 months ended		Year ended
		September 30, 2014	June 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013	March 31, 2014 (Audited)
A	**PARTICULARS OF SHAREHOLDING**						
1	Public shareholding :						
	- Number of shares ('000s)		906055		**907392**	897877	902116
	- Percentage of shareholding		97.67%		**97.75%**	97.04%	97.32%
2	Promoters and promoter group shareholding [refer note (v)]		Nil		**Nil**	Nil	Nil

B	**INVESTOR COMPLAINTS**	3 months ended September 30, 2014
	Pending at the beginning of the quarter	Nil
	Received during the quarter	16
	Disposed of during the quarter	16
	Remaining unresolved at the end of the quarter	Nil

Notes :

(i) During the quarter ended June 30, 2014, the Company provided depreciation on the basis of useful life of fixed assets mandated by Schedule II of the Companies Act, 2013. In the quarter under review, in line with Schedule II amendment dated August 29, 2014, the Company undertook technical evaluation of certain fixed assets to determine the true useful life and recomputed the depreciation on that basis. Consequently, the depreciation for the quarter ended September 30, 2014 is lower and the profit before tax is higher by ₹ 1412 lakh.

(ii) Statement of assets and liabilities as per clause 41(v) (h) of the listing agreement:

₹ Lakh

Particulars	As at		
	30.09.2014	30.09.2013	31.03.2014 Audited
EQUITY AND LIABILITIES			
Shareholders' funds:			
(a) Share capital	18565	18505	18538
(b) Reserves and surplus (including revaluation reserve)	3943323	3478380	3752623
Sub-total - Shareholders' funds	**3961888**	**3496885**	**3771161**
Minority Interest	368456	264502	317918
Non-current liabilities			
(a) Long-term borrowings	5773595	5370239	5544727
(b) Deferred tax liabilities (net)	56117	41437	61785
(c) Other long term liabilities	419546	441661	399037
(d) Long-term provisions	41037	31200	36613
Sub-total - Non-current liabilities	**6290295**	**5884537**	**6042162**
Current liabilities			
(a) Short-term borrowings	1862722	1194473	1367868
(b) Current maturities of long term borrowings	889315	851420	1102698
(c) Trade payables	1990021	1667667	2087046
(d) Other current liabilities	2189734	1970840	1949851
(e) Short-term provisions	160331	165717	288798
Sub-total - Current liabilities	**7092123**	**5850117**	**6796261**
TOTAL EQUITY AND LIABILITIES	**17712762**	**15496041**	**16927502**
ASSETS			
Non-current assets			
(a) Fixed Assets	4483358	4180567	4443981
(b) Goodwill on consolidation	217877	215673	213617
(c) Non-current investments	174543	121738	143279
(d) Deferred tax assets (net)	58491	33420	28039
(e) Long-term loans and advances	4229384	2623687	3539784
(f) Other non-current assets	34759	28369	22361
Sub-total - Non-current assets	**9198412**	**7203454**	**8391061**
Current assets			
(a) Current investments	717523	744122	667617
(b) Inventories	612301	538443	552747
(c) Trade receivables	2600418	2371342	2638455
(d) Cash and bank balances	402491	361277	409657
(e) Short-term loans and advances	1892372	1824214	1808588
(f) Other current assets	2289245	2453189	2459377
Sub-total - Current assets	**8514350**	**8292587**	**8536441**
TOTAL ASSETS	**17712762**	**15496041**	**16927502**

(iii) 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 and half-year ended September 30, 2014 are given below:

₹ Lakh

Particulars	3 months ended			6 months ended		Year ended
	September 30, 2014	June 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013	March 31, 2014 (Audited)
Gross Sales / Revenue from operations	1284064	1044662	1244682	2328726	2240041	5716385
Profit before tax	139434	121394	122079	260828	217034	726791
Profit after tax	104218	89355	86464	193573	152895	549313

(iv) The Parent Company, during the quarter ended September 30, 2014, has allotted 5,22,181 equity shares of ₹ 2 each fully paid-up, on exercise of stock options by employees, in accordance with the Parent Company's stock option schemes.

(v) The Company has no promoters or promoter group. Hence, the promoters and promoter group shareholding is Nil and accordingly the information on shares pledged / encumbered is not applicable.

(vi) The Parent Company has mobilised USD 200 million by issue of 0.675% (payable semi-annually) Foreign Currency Convertible Bonds on October 21, 2014. The bonds are convertible into equity shares of the Company at the option of the bondholders at a conversion price of ₹ 1916.50 per share, at any time on or before October 15, 2019. Any outstanding bonds that are not converted shall be redeemed at par on October 22, 2019.

(vii) Figures for the previous periods have been re-grouped / re-classified to conform to the figures of the current periods.

(viii) 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 November 7, 2014.

for LARSEN & TOUBRO LIMITED

A.M.NAIK
Group Executive Chairman

Mumbai
November 7, 2014

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

₹ *Lakh*

	Particulars	3 months ended			6 months ended		Year ended
		September 30, 2014	June 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013	March 31, 2014 (Audited)
	Gross segment revenue						
1	Infrastructure	984135	752080	778288	1736215	1416617	3797966
2	Power	116557	100027	144344	216584	294109	605082
3	Metallurgical and Material Handling	80194	94066	117347	174260	229711	573214
4	Heavy Engineering	85976	86249	104109	172225	193758	452236
5	Electrical & Automation	130064	105425	122927	235489	224123	513269
6	Hydrocarbon	183188	155731	236951	338919	544406	1005469
7	IT & Technology Services	187693	175090	163342	362783	307057	641684
8	Financial Services	160555	148266	126650	308821	245713	518085
9	Developmental Projects	98776	214806	28136	313582	55953	154262
10	Others [refer note (I) below]	155364	133586	144120	288950	249440	550448
	Total	**2182502**	**1965326**	**1966214**	**4147828**	**3760887**	**8811715**
	Less : Inter-segment revenue	49393	52994	34852	102387	87569	222811
	Net segment revenue	**2133109**	**1912332**	**1931362**	**4045441**	**3673318**	**8588904**
	Segment result (Profit before interest and tax)						
1	Infrastructure	82821	59069	83503	141890	136131	366333
2	Power	11338	14137	42810	25475	68604	135858
3	Metallurgical and Material Handling	4896	8973	16090	13869	30010	82692
4	Heavy Engineering	7671	2771	10255	10442	13851	49980
5	Electrical & Automation	12431	5133	10361	17564	18899	54254
6	Hydrocarbon	(5419)	(94214)	15655	(99633)	28222	9954
7	IT & Technology Services	28955	29628	32623	58583	65737	123957
8	Financial Services	22766	33954	16875	56720	32772	64645
9	Developmental Projects	8725	123050	576	131775	(2346)	92010
10	Others [refer note (I) below]	22334	18979	3917	41313	(960)	51687
	Total	**196518**	**201480**	**232665**	**397998**	**390920**	**1031370**
	Less : Inter-segment margins on capital jobs	1126	225	1684	1351	3437	9700
	Less : Interest expenses	69044	77866	77368	146910	148444	314144
	Add : Unallocable corporate income net of expenditure	4625	22169	(14074)	26794	(12605)	41397
	Profit Before Tax (before extraordinary item)	**130973**	**145558**	**139539**	**276531**	**226434**	**748923**
	Capital employed (Segment assets *less* segment liabilities)						
1	Infrastructure				1430505	1148709	1278476
2	Power				224800	222988	241541
3	Metallurgical and Material Handling				322022	287269	328235
4	Heavy Engineering				448146	386770	430075
5	Electrical & Automation				273725	244646	254912
6	Hydrocarbon				325988	174384	373135
7	IT & Technology Services				298791	206168	264382
8	Financial Services				758281	650852	702121
9	Developmental Projects				3127320	2557835	2974252
10	Others [refer note (I) below]				1007034	999777	962249
	Total capital employed in segments				**8216612**	**6879398**	**7809378**
	Unallocable corporate assets *less* corporate liabilities				808703	1104611	752092
	Total Capital Employed				**9025315**	**7984009**	**8561470**

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. The businesses of 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, which were hitherto reported as the Machinery and Industrial Products segment have been grouped under “Others” segment with effect from April 1, 2014 based on internal restructuring. The figures pertaining to the corresponding previous periods have been regrouped and restated for proper comparison.

II Segment composition**:** **Infrastructure** comprises engineering and construction of building and factories, transportation infrastructure, heavy civil infrastructure, power transmission & distribution and water & renewable energy projects. **Power** 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 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** 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** 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** 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** comprises information technology and integrated engineering services. **Financial Services** comprises retail and corporate finance, housing finance, infrastructure finance, general insurance, asset management of mutual fund schemes and related advisory services. **Developmental Projects** 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** include 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

Mumbai
November 7, 2014

A.M.NAIK
Group Executive Chairman