L&T Press Release

Issued by Corporate Brand Management & Communications

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CIN: L99999MH1946PLC004768

Performance for the quarter ended December 31, 2014

Consolidated Results

Order inflow grows 19%
Revenue up by 10%
PAT growth at 9%

Mumbai, February 9, 2015: Larsen & Toubro recorded Consolidated Gross Revenue of ₹ 24033 crore for the quarter ended December 31, 2014, sustaining a y-o-y growth of 9.6%. The International revenue during the quarter at ₹ 6400 crore constituted 27% of the total revenue. The Consolidated Gross Revenue for the nine months period ended December 31, 2014 stood at ₹ 64487 crore registering a y-o-y growth of 9.9%.

The Company was successful in securing fresh orders worth ₹ 34580 crore at consolidated level during the quarter ended December 31, 2014, registering an impressive increase of 19% over the corresponding quarter of the previous year. The International order inflow during the quarter at ₹ 6300 crore constituted 18% of the total order inflow. Major orders during the quarter were secured by the Infrastructure segment.

On a cumulative basis, the order inflow for the nine-months period ended December 31, 2014 stood at ₹ 107785 crore, recording a healthy y-o-y growth of 16%. The order inflow during the nine-months period is predominantly driven by domestic orders bagged by Infrastructure and Power segments. The International order inflow constituted 26% of the total order inflow for the nine-months.

Consolidated Order Book of the group stood at ₹ 225788 crore as at December 31, 2014, higher by 17% on a y-o-y basis. International Order Book constituted 25% of the total Order Book.

The recurring consolidated Profit after Tax (PAT) for the quarter October to December 2014 at ₹ 867 crore recorded a significant y-o-y increase of 19%. Overall PAT for the quarter October to December 2014 grew by 9% over the corresponding quarter of the previous year, which included an exceptional gain.

Overall PAT in the nine-months period ended December 31, 2014 at ₹ 2695 crore registered an impressive growth of 31% on a y-o-y basis on the back of divestment gains.

Infrastructure Segment

Infrastructure Segment achieved Customer Revenue of ₹ 11553 crore for the quarter ended December 31, 2014 registering a smart y-o-y growth of 22%, driven by healthy execution. International sales constituted 22% of the total customer revenue of the segment during the quarter.

Infrastructure Segment secured new orders of ₹ 24032 crore consecutively during the third quarter of the year, recording a notable y-o-y increase of 26%. The order inflow during the quarter was mainly contributed by Heavy Civil Infrastructure, Water & Renewable Energy and Buildings & Factories businesses. International orders constituted around 13% of the total order inflow of the segment during the quarter.

The Order Book of the Segment grew 19% on a y-o-y basis and stood at ₹ 159543 crore as at December 31, 2014.

The segment recorded EBIDTA margin at 9.0% during the quarter ended December 31, 2014 vis-à-vis 10.4% recorded in the corresponding quarter of the previous year due to mix of the jobs under execution dominated by certain large jobs in their early stage of execution, yet to achieve the margin recognition threshold.

Power Segment

Power Segment recorded customer revenue of ₹ 1133 crore during the quarter ended December 31, 2014, registering a reduction of 30% over the corresponding quarter of the previous year due to low opening order book and delay in receipt of new orders.

Power Segment secured fresh orders of ₹ 185 crore for the quarter ended December 31, 2014, as against ₹ 619 crore secured in the corresponding quarter of the previous year.

The Order Book of the Segment grew 44% on a y-o-y basis and stood at ₹ 22368 crore as at December 31, 2014.

The segment EBIDTA margin stood at 19.7% for the quarter ended December 31, 2014 vis-à-vis 22.2% recorded in the corresponding quarter of the previous year, which included higher margins on jobs nearing completion.

Metallurgical & Material Handling (MMH) Segment

The Customer Revenue of MMH Segment during the quarter ended December 31, 2014 at ₹ 690 crore, registered a reduction of 56% over the corresponding quarter of the previous year on account of lower executable order book.

MMH Segment secured fresh orders of ₹ 513 crore during the quarter ended December 31, 2014, registering a growth of 40% over the corresponding quarter of the previous year.

The Order Book of the Segment declined by 25% on a y-o-y basis and stood at ₹ 10580 crore as at December 31, 2014.

The EBIDTA margin of the segment declined to 9.3% for the quarter ended December 31, 2014 vis-à-vis 11.9% recorded in the corresponding quarter of the previous year.

Heavy Engineering Segment

Heavy Engineering Segment achieved Customer Revenue of ₹ 814 crore for the quarter ended December 31, 2014, registering a y-o-y decline of 25% over the corresponding quarter of the previous year mainly on account of lower opening order book and delayed order inflow. International sales constituted 40% of the total customer revenue of the segment

Heavy Engineering Segment secured fresh orders valued ₹ 733 crore, during the quarter ended December 31, 2014, recording a y-o-y growth of 21%. International orders constituted 43% of the total order inflow of the segment during the quarter.

The Order Book of the Segment stood at ₹ 8372 crore as at December 31, 2014.

The EBIDTA margin of the segment stood at 10.4% for the quarter ended December 31, 2014 vis-à-vis 15.3% recorded in the corresponding quarter of the previous year.

Electrical & Automation (E&A) Segment

E&A Segment recorded Customer Revenue of ₹ 1282 crore during the quarter ended December 31, 2014, registering a modest y-o-y increase of 3%. International sales constituted 29% of the total customer revenue of the segment for the quarter ended December 31, 2014.

The EBIDTA Margin of the E&A Segment stood at 16.0% for the quarter ended December 31, 2014 recording an increase over 13.9% earned during the corresponding quarter of the previous year due to favourable product mix and reduction in input prices.

Hydrocarbon Segment

Hydrocarbon Segment recorded Customer Revenue of ₹ 1778 crore registering an y-o-y decline of 26% over the corresponding quarter of the previous year mainly on account of delay in receipt of orders and lower opening order book. International sales constituted 52% of the total customer revenue of the segment for the quarter ended December 31, 2014.

Hydrocarbon Segment secured fresh orders valued ₹ 1777 crore, during the quarter ended December 31, 2014, registering a growth of 13% as compared to the corresponding quarter of the previous year. International orders constituted 23% of the total order inflow of the segment.

The Order Book of the Segment registered a y-o-y growth of 36% and stood at ₹ 15682 crore as at December 31, 2014.

The EBIDTA margin of the segment was negative at 4.8% for the quarter ended December 31, 2014 vis-à-vis positive margin of 1.6% recorded in the corresponding quarter of the previous year. The EBIDTA was negative on account of under-recoveries of overheads and additional cost overruns on jobs close out.

IT & Technology Services Segment

IT & Technology Services Segment achieved Customer Revenue of ₹ 1973 crore during the quarter ended December 31, 2014, registering a healthy y-o-y growth of 22%. International sales constituted 96% of the total customer revenue of the segment for the quarter ended December 31, 2014.

The EBIDTA Margin of the IT&TS Segment at 20.5% for the quarter ended December 31, 2014 recorded a marginal decline vis-à-vis 20.8% earned during the corresponding quarter of the previous year.

Developmental Projects Segment

Developmental Projects Segment registered Customer Revenue of ₹ 1145 crore during the quarter ended December 31, 2014, recording a significant y-o-y growth. During the quarter ended December 31, 2014, both the units of Rajpura Power Plant were fully operational and contributed substantially to the revenue growth.

The EBIDTA Margin of the Developmental Projects Segment for the quarter ended December 31, 2014 stood at 30.1%.

Financial Services Segment

Financial Services Segment recorded Customer Revenue of ₹ 1630 crore during the quarter ended December 31, 2014, registering a y-o-y growth of 23%, driven by growth in loan book and disbursements in retail as well as in wholesale finance business.

The operating margin of the Financial Services Segment for the quarter ended December 31, 2014 at 16.2% increased over 9.4% earned during the corresponding quarter of the previous year.

“Others” Segment

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

Customer Revenue of Others Segment during the quarter ended December 31, 2014 at ₹ 2034 crore registered a significant increase of 60% over the corresponding quarter of the previous year, driven by growth achieved by Realty and Valves businesses. International sales constituted 12% of the total customer revenue of the segment.

During the quarter ended December 31, 2014, the segment EBIDTA margin improved to 27.7% as compared to margin of 17.5% earned in the corresponding quarter of the previous year aided by Realty business.

Outlook

Indicators are towards softening inflation and stable commodity prices. Recent measures taken by RBI are expected to ease liquidity position. The business sentiment has turned positive on the back of regulatory announcements and the Government's resolve to create a business friendly environment in India. Once achieved, it would further strengthen the investor confidence and provide fillip to domestic manufacturing and infrastructure development. Early translation of various initiatives into sustainable & well administered policies and the ground level implementation of these would hold the key for broad based economic development.

While US economy remains resilient, global economic development remains subdued with Euro zone grappling under debt burden, slowing growth engine in China and Russia & Latin American countries reeling under the impact of falling oil prices. While investments in the Oil & Gas sector in the Middle East may get impacted due to decline in oil prices, it is expected that the spend on infrastructure development would continue in that region.

The Company, with its leadership position in multiple sectors and inherent capabilities, is well poised to capitalise on the upcoming business opportunities, particularly in the infrastructure, Power and Defence sectors, which are likely to benefit from the Government's thrust.

Background:

Larsen & Toubro is a major Indian multinational engaged in technology, engineering, construction, manufacturing and financial services, with global operations. Its products and systems are marketed 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 DECEMBER 31, 2014

₹ Lakh

	Particulars	3 months ended			9 months ended		Year ended
		December 31, 2014	September 30, 2014	December 31, 2013	December 31, 2014	December 31, 2013	March 31, 2014 (Audited)
1	Gross Sales/Revenue from operations	2403254	2133109	2192854	6448695	5866172	8588904
	Less : Excise duty	18468	17174	19619	50499	55746	76064
	Net Sales/Revenue from operations	**2384786**	**2115935**	**2173235**	**6398196**	**5810426**	**8512840**
2	**Expenses:**						
a)	i) Consumption of raw materials, components and stores, spares & tools	359150	334466	285144	955714	922432	1232860
	ii) Sub-contracting charges	411967	339941	444475	1127107	1174011	1691410
	iii) Construction materials consumed	531652	466483	486484	1368438	1217322	1840803
	iv) Purchases of stock-in-trade	30383	34528	40567	97781	109820	160705
	v) Changes in inventories of finished goods, work-in-progress and stock-in-trade	27119	(45059)	(6938)	(105170)	(228453)	(52734)
	vi) Other manufacturing, construction and operating expenses	419356	405206	356709	1203707	1009300	1384774
b)	Employee benefits expense	192529	222764	170834	590397	527701	714052
c)	Sales, administration and other expenses	123631	124186	132657	386278	377374	467662
d)	Depreciation, amortisation, impairment and obsolescence [refer note (i)]	67907	54857	58779	203496	173176	144582
	Total expenses	**2163694**	**1937372**	**1968711**	**5827748**	**5282683**	**7584114**
3	**Profit from operations before other income, finance costs and exceptional items (1-2)**	**221092**	**178563**	**204524**	**570448**	**527743**	**928726**
4	Other income	23472	21454	19592	72629	71251	98191
5	**Profit from ordinary activities before finance costs and exceptional items (3+4)**	**244564**	**200017**	**224116**	**643077**	**598994**	**1026917**
6	Finance costs	92042	69044	88423	238952	236867	314144
7	**Profit from ordinary activities after finance costs but before exceptional items (5-6)**	**152522**	**130973**	**135693**	**404125**	**362127**	**712773**
8	Exceptional items	-	-	6706	24928	6706	36150
9	**Profit from ordinary activities before tax (7+8)**	**152522**	**130973**	**142399**	**429053**	**368833**	**748923**
10	**Provision for taxes:**						
a)	Provision for current tax	63188	50305	63750	183898	173562	250164
b)	Provision for deferred tax	(6257)	(3387)	2511	(35151)	(219)	10594
c)	Additional Tax on dividend distributed / proposed by subsidiaries	-	-	682	-	682	2081
	Total provision for taxes	**56931**	**46918**	**66943**	**148747**	**174025**	**262839**
11	**Net profit after tax from ordinary activities (9-10)**	**95591**	**84055**	**75456**	**280306**	**194808**	**486084**
12	Extraordinary items	-	-	-	-	(656)	(625)
13	**Net profit after tax for the period (11+12)**	**95591**	**84055**	**75456**	**280306**	**194152**	**485459**
14	Share in profit of associates (net)	169	68	(88)	393	393	925
15	Adjustments for minority interests in subsidiaries	(9106)	2052	4298	(11181)	11615	3816
16	**Net Profit after tax, minority interest and share in profit of associates (13+14+15)**	**86654**	**86175**	**79666**	**269518**	**206160**	**490200**
17	Paid-up equity share capital (face value of share: ₹ 2 each)		18565		**18577**	18521	**18538**
18	Reserves excluding revaluation reserve						**3750698**
	Earnings per share (Not annualised):						
19	Basic EPS before extraordinary items (₹)	**9.33**	9.29	8.60	**29.04**	22.36	**53.04**
20	Diluted EPS before extraordinary items (₹)	**9.27**	9.23	8.56	**28.84**	22.23	**52.72**
21	Basic EPS after extraordinary items (₹)	**9.33**	9.29	8.60	**29.04**	22.29	**52.97**
22	Diluted EPS after extraordinary items (₹)	**9.27**	9.23	8.56	**28.84**	22.16	**52.65**

See accompanying notes to the financial results

Select information for the quarter ended December 31, 2014 of Larsen & Toubro Limited (Parent Company) pursuant to clause 41 of the listing agreement

	Particulars	3 months ended			9 months ended		Year ended
		December 31, 2014	September 30, 2014	December 31, 2013	December 31, 2014	December 31, 2013	March 31, 2014 (Audited)
A	**PARTICULARS OF SHAREHOLDING**						
1	Public shareholding :						
	- Number of shares ('000s)		907392		**907927**	899673	902116
	- Percentage of shareholding		97.75%		**97.75%**	97.15%	97.32%
2	Promoters and promoter group shareholding [refer note (iv)]		Nil		**Nil**	Nil	Nil

B	**INVESTOR COMPLAINTS**	3 months ended December 31, 2014
	Pending at the beginning of the quarter	Nil
	Received during the quarter	23
	Disposed of during the quarter	22
	Remaining unresolved at the end of the quarter (since redressed)	1

Notes :

(i) The Company provided depreciation on the basis of useful life of fixed assets mandated by Schedule II of the Companies Act, 2013. Further, in line with Schedule II, 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 December 31, 2014 is higher and the profit before tax is lower by ₹ 4149 lakh.

(ii) 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 nine months ended December 31, 2014 are given below:

₹ Lakh

Particulars	3 months ended			9 months ended		Year ended
	December 31, 2014	September 30, 2014	December 31, 2013	December 31, 2014	December 31, 2013	March 31, 2014 (Audited)
Gross Sales/Revenue from operations	1512489	1284064	1453406	3841216	3693447	5716385
Profit before tax	142711	139434	173598	403538	390632	726791
Profit after tax	105980	104218	124070	299553	276965	549313

(iii) The Parent Company, during the quarter ended December 31, 2014, has allotted 6,16,588 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.

(iv) 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.

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

(vi) 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 February 9, 2015.

for LARSEN & TOUBRO LIMITED

Mumbai
February 9, 2015

A.M.NAIK
Group Executive Chairman

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

₹ *Lakh*

	Particulars	3 months ended			9 months ended		Year ended
		December 31, 2014	September 30, 2014	December 31, 2013	December 31, 2014	December 31, 2013	March 31, 2014 (Audited)
	Gross segment revenue						
1	Infrastructure	1179668	984135	964687	2915883	2381304	3797966
2	Power	114187	116557	162736	330771	456845	605082
3	Metallurgical & Material Handling	73103	80194	160653	247363	390364	573214
4	Heavy Engineering	82930	85976	110148	255155	303906	452236
5	Electrical & Automation	135947	130064	132060	371436	356183	513269
6	Hydrocarbon	179187	183188	242795	518106	787201	1005469
7	IT & Technology Services	198892	187693	164193	561675	471250	641684
8	Financial Services	163625	160555	132942	472446	378655	518085
9	Developmental Projects	114594	98776	34618	428176	90571	154262
10	Others [refer note (I) below]	213232	155364	130888	502182	380328	551217
	Total	**2455365**	**2182502**	**2235720**	**6603193**	**5996607**	**8812484**
	Less : Inter-segment revenue	52111	49393	42866	154498	130435	223580
	Net segment revenue	**2403254**	**2133109**	**2192854**	**6448695**	**5866172**	**8588904**
	Segment result (Profit before interest and tax)						
1	Infrastructure	88289	82821	82535	230179	218666	369667
2	Power	15267	11287	31667	40666	100113	135532
3	Metallurgical & Material Handling	4038	4896	21997	17907	52007	82692
4	Heavy Engineering	4099	7671	11606	14541	25457	49962
5	Electrical & Automation	13908	12431	13597	31472	32496	54240
6	Hydrocarbon	(13723)	(5419)	(1433)	(113356)	26789	9954
7	IT & Technology Services	34743	28955	29415	93326	95152	123957
8	Financial Services	23799	22690	10053	80443	42825	64569
9	Developmental Projects	24394	8776	2171	156245	(17)	92336
10	Others [refer note (I) below]	48796	22334	15659	90109	14699	47552
	Total	**243610**	**196442**	**217267**	**641532**	**608187**	**1030461**
	Less : Inter-segment margins on capital jobs	339	1126	(1215)	1690	2222	9700
	Less : Interest expenses	92042	69044	88423	238952	236867	314144
	Add : Unallocable corporate income net of expenditure	1293	4701	12340	28163	(265)	42306
	Profit Before Tax (before extraordinary item)	**152522**	**130973**	**142399**	**429053**	**368833**	**748923**
	Capital employed (Segment assets *less* segment liabilities)						
1	Infrastructure				1448067	1225888	1277744
2	Power				170516	227334	241812
3	Metallurgical & Material Handling				336951	291624	327925
4	Heavy Engineering				454076	392548	429562
5	Electrical & Automation				278622	237396	254384
6	Hydrocarbon				304549	168739	373135
7	IT & Technology Services				318613	232061	264574
8	Financial Services				766837	673080	702121
9	Developmental Projects				3251830	2666553	2993552
10	Others [refer note (I) below]				1057943	969714	963522
	Total capital employed in segments				**8388004**	**7084937**	**7828331**
	Unallocable corporate assets *less* corporate liabilities				1028989	1141939	752439
	Total Capital Employed				**9416993**	**8226876**	**8580770**

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 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

Mumbai
February 9, 2015

A.M.NAIK
Group Executive Chairman