

SEC/PAM/2018

July 25, 2018

The Secretary BSE Limited Phiroze Jejeebhoy Towers, Dalal Street, MUMBAI - 400 001 STOCK CODE: 500510	National Stock Exchange of India Limited Exchange Plaza, 5th Floor Plot No.C/1, G Block Bandra-Kurla Complex Bandra (E), Mumbai - 400 051 STOCK CODE: LT
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Dear Sir,

Sub.: **Standalone Unaudited Financial Results for the
quarter ended 30th June, 2018.**

Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose a copy of the statement containing the **Standalone Unaudited Financial Results** of the Company, **for the quarter ended 30th June, 2018**, which has been approved at the Meeting of the Board of Directors, held today. The Board Meeting commenced at 10.30 a.m. and concluded at 3.30 p.m.

We also enclose a copy of the "**Limited Review Report** for the **quarter ended 30th June 2018**" issued by our Statutory Auditors', **M/s. Deloitte Haskins & Sells LLP**, Chartered Accounts, Mumbai.

Please inform your members accordingly and display this on your Notice Boards.

Thanking you,

Yours faithfully,
for **LARSEN & TOUBRO LIMITED**



N. HARIHARAN
**EXECUTIVE VICE PRESIDENT &
COMPANY SECRETARY**
(ACS 3471)

Encl : as above



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

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2018

₹ Crore

Particulars	Quarter ended		Year ended	
	June 30, 2018 [Reviewed]	March 31, 2018 [Note (vi)]	June 30, 2017 [Reviewed]	March 31, 2018 [Audited]
1 Income:				
a) Revenue from operations	15173.69	26941.74	14089.40	74611.65
b) Other income	546.71	374.60	404.62	1884.82
Total Income	15720.40	27316.34	14494.02	76496.47
2 Expenses:				
a) Manufacturing, construction and operating expenses:				
i) Cost of raw materials and components consumed	1734.44	2036.85	1947.21	8092.54
ii) Stores, spares and tools consumed	503.27	485.18	421.04	1815.21
iii) Excise duty	-	-	149.10	149.10
iv) Sub-contracting charges	3895.93	7533.75	3596.17	19620.99
v) Construction materials consumed	4208.03	8865.32	3600.30	22237.57
vi) Purchases of stock-in-trade	280.21	404.05	315.95	1296.62
vii) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(504.59)	(169.09)	(305.03)	(962.36)
viii) Other manufacturing, construction and operating expenses	1641.82	1763.48	1389.15	6388.59
b) Employee benefits expense	1496.09	1475.10	1387.64	5713.59
c) Sales, administration and other expenses	680.22	1087.56	603.81	2831.08
d) Finance costs	346.96	373.60	358.60	1432.23
e) Depreciation, amortisation, impairment and obsolescence	254.25	266.51	258.49	1049.46
Total Expenses	14536.63	24122.31	13722.43	69664.62
3 Profit before exceptional items (1-2)	1183.77	3194.03	771.59	6831.85
4 Exceptional items (net) refer to note (iv)	2.83	198.82	-	430.53
5 Profit before tax (3+4)	1186.60	3392.85	771.59	7262.38
6 Tax expense:				
a) Current tax	259.58	1007.48	222.58	1974.07
b) Deferred tax	15.22	(59.85)	(9.20)	(98.99)
Total tax expense	274.80	947.63	213.38	1875.08
7 Net profit after tax (PAT) (5-6)	911.80	2445.22	558.21	5387.30
8 Other comprehensive income (OCI)	(179.60)	(20.43)	96.99	(50.94)
9 Total Comprehensive Income (7+8)	732.20	2424.79	655.20	5336.36
10 Paid-up equity share capital (face value of share: ₹ 2 each)	280.35	280.27	186.68	280.27
11 Other equity				48893.98
12 Earnings per share (EPS) of ₹ 2 each (not annualised):				
(a) Basic EPS (₹)	6.51	17.45	3.99	38.46
(b) Diluted EPS (₹)	6.49	17.41	3.98	38.37

Notes:

- (i) During the quarter ended June 30, 2018, the Company has allotted 3,58,145 equity shares of ₹ 2 each fully paid-up, on exercise of stock options by employees, in accordance with the Company's stock option schemes.
- (ii) Revenue for the periods upto June 30, 2017 includes excise duty collected from customers. Revenue from July 1, 2017 onwards is exclusive of Goods and Service tax which subsumed excise duty.
- (iii) The Company has aligned its policy of revenue recognition with Ind AS 115 "Revenue from Contracts with Customers" which is effective from April 1, 2018. Accordingly, revenue in realty business is recognised on delivery of units to customers as against recognition based on percentage completion method hitherto in accordance with the guidance note issued by ICAI. Further, the provision for expected credit loss on contract assets is made on the same basis as financial assets in accordance with Ind AS 109. The cumulative effect of initial application of Ind AS 115 upto March 31, 2018 has been adjusted in opening retained earnings as permitted by the standard. Similar impact on the financial results for the quarter ended June 30, 2018 is not material.
- (iv) Exceptional items during the quarter ended June 30, 2018 represent net gains on divestment of part stake in two subsidiary companies and impairment of investment in a joint venture company.
- (v) Figures for the quarter ended June 2017 have been presented to reflect the impact of merger of Spectrum Infotech Private Limited (SIPL), a wholly owned subsidiary, consequent to the scheme of amalgamation approved by National Company Law Tribunal on March 27, 2018 which was effective from the Appointed date April 01, 2017.
- (vi) The figures for the quarter ended March 31, 2018 are the balancing figures between audited figures in respect of the full financial year and the limited reviewed year-to-date published figures for the nine month period ended December 31, 2017.
- (vii) Figures for the previous periods have been regrouped/re-classified to conform to the classification of the current period.
- (viii) The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on July 25, 2018. The same have also been subjected to Limited Review by the Statutory Auditors.

In terms of our report attached,
for DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm Registration No. 117366W/W-100018)



Sanjiv Pilgaonkar
(Partner)
Membership No. 39826

for LARSEN & TOUBRO LIMITED



S. N. SUBRAHMANYAM
Chief Executive Officer & Managing Director

Mumbai, July 25, 2018

Standalone unaudited segment-wise Revenue, Result, Total assets and Total liabilities in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended:

₹ Crore

Particulars	Quarter ended			Year ended
	June 30, 2018 [Reviewed]	March 31, 2018 [Note (VII)]	June 30, 2017 [Reviewed]	March 31, 2018 [Audited]
Gross segment revenue				
1 Infrastructure	11434.23	22394.13	10232.38	58366.65
2 Power	1080.57	1506.76	1764.34	6208.23
3 Heavy Engineering	377.25	476.06	357.79	1567.52
4 Defence Engineering	703.00	965.77	545.04	3250.45
5 Electrical & Automation	1059.81	1339.51	1042.34	4446.53
6 Others	674.81	506.35	403.55	1742.04
Total	15329.67	27188.58	14345.44	75581.42
Less: Inter-segment revenue	155.98	246.84	256.04	969.77
Net segment revenue	15173.69	26941.74	14089.40	74611.65
Segment result				
1 Infrastructure	623.84	2810.43	518.95	5010.02
2 Power	33.45	52.02	12.61	161.96
3 Heavy Engineering	110.35	88.72	32.98	259.01
4 Defence Engineering	90.83	96.02	57.63	320.77
5 Electrical & Automation	133.20	225.26	89.56	624.78
6 Others	144.39	51.44	73.24	332.35
Total	1136.06	3323.89	784.97	6708.89
Less: Inter-segment margins on capital jobs	-	9.13	1.98	14.71
Less: Interest expenses	346.96	373.60	358.60	1432.23
Add: Unallocable corporate income net of expenditure	397.50	451.69	347.20	2000.43
Profit before tax	1186.60	3392.85	771.59	7262.38
Segment assets				
1 Infrastructure	59827.45		51002.35	59523.65
2 Power	6362.54		7468.56	5715.23
3 Heavy Engineering	2284.73		2280.12	2142.12
4 Defence Engineering	6004.19		4339.16	6221.54
5 Electrical & Automation	2794.88		3015.41	2932.02
6 Others	2976.10		1902.32	2717.00
Total segment assets	80249.89		70007.92	79251.56
Less: Inter-segment assets	783.51		598.37	711.23
Add: Unallocable corporate assets	34521.47		36270.47	37069.69
Total assets	113987.85		105680.02	115610.02
Segment liabilities				
1 Infrastructure	38392.06		31058.19	40038.21
2 Power	5788.38		7169.01	5657.36
3 Heavy Engineering	1183.82		1093.93	1010.71
4 Defence Engineering	4695.26		4175.24	5160.93
5 Electrical & Automation	1466.38		1431.79	1663.94
6 Others	1819.48		800.43	1220.22
Total segment liabilities	53345.38		45728.59	54751.37
Less: Inter-segment liabilities	783.51		598.37	711.23
Add: Unallocable corporate liabilities	12159.30		13844.43	12395.63
Total liabilities	64721.17		58974.65	66435.77

Notes:

- (I) The Company has reported segment information as per Ind AS 108 "Operating Segments" read with SEBI circular dated July 5, 2016. The identification of operating segments is consistent with performance assessment and resource allocation by the management.
- (II) Effective from April 1, 2018, the following changes have been made in constitution of segments to reflect the organisation structure, evaluation and management of financial performance: (a) Defence & Aerospace business and Shipbuilding business have been constituted as a business segment. Prior to this, Defence & Aerospace was part of Heavy Engineering segment and Shipbuilding was part of "Others" segment. (b) Metallurgical & Material handling systems business has been aggregated with Infrastructure segment.
- (III) Segment composition: **Infrastructure** segment comprises engineering and construction of building and factories, transportation infrastructure, heavy civil infrastructure, power transmission & distribution, water & effluent treatment, smart world & communication projects and metallurgical & material handling systems. **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. **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 and Thermal & Nuclear Power. **Defence Engineering** segment comprises design, development, prototyping, serial production, delivery, commissioning and through life-support of equipment, systems and platforms for Defence and Aerospace sectors. It also includes Defence Shipbuilding comprising design, construction, commissioning, repair/refit and upgrades of Naval and Coast Guard vessels. **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. **Others** segment includes Hydrocarbon, Realty, marketing and servicing of construction & mining machinery and parts thereof, manufacture and sale of rubber processing machinery.
- (IV) Unallocable corporate income primarily includes interest income, dividends and profit on sale of investments. Unallocable expenditure mainly includes corporate expenses not allocated to segments. Unallocable corporate assets mainly comprise investments. Corporate liabilities mainly comprise borrowings.
- (V) In respect of most of the segments for the Company, sales and margins do not accrue uniformly during the year.
- (VI) As disclosed in the financial results for the previous year ended March 31, 2018, the Company has signed definitive agreements with Schneider Electric for strategic divestment of its Electrical & Automation business. The Company is in the process of obtaining the necessary regulatory approvals.
- (VII) The figures for the quarter ended March 31, 2018 are the balancing figures between audited figures in respect of the full financial year and the limited reviewed year-to-date published figures for the nine month period ended December 31, 2017.
- (VIII) Figures for the previous periods have been regrouped/re-classified to conform to the classification of the current period.

for LARSEN & TOUBRO LIMITED



S. N. Subrahmanyam
S. N. SUBRAHMANYAM
Chief Executive Officer & Managing Director

Mumbai, July 25, 2018

**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM
STANDALONE FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF
LARSEN & TOUBRO LIMITED**

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **LARSEN & TOUBRO LIMITED** (the "Company"), which includes 29 Joint Operations consolidated on a proportionate basis for the quarter ended June 30, 2018 (the "Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors of the Company, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review of the Statement 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 Statement is 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. The Statement includes the results of the joint operations listed in **Annexure A**.
4. Based on our review conducted as stated above and based on the consideration of the review reports of the other auditors referred to in paragraph 5 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. The Statement includes the interim financial information of 6 joint operations whose interim financial information reflect total revenues of ₹ 1,110.25 crore, total profit after tax (net) of ₹ 176.14 crore and total comprehensive income (net) of ₹ 176.14 crore for the quarter ended June 30, 2018, which have not been reviewed by us. The interim

Deloitte Haskins & Sells LLP

financial information of these joint operations have been reviewed by the other auditors of those joint operations whose reports have been furnished to us, and our report on the Statement, in so far as it relates to the amounts and disclosures included in respect of these joint operations, is based solely on the reports of such other auditors.

Our report on the Statement is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

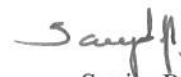
6. The Statement includes the interim financial information of 22 joint operations, which have not been reviewed by their auditors, whose interim financial information reflect total revenues of ₹ 240.56 crore, total loss after tax (net) of ₹ 0.15 crore, and total comprehensive loss (net) of ₹ 0.15 crore for the quarter ended June 30, 2018. These interim financial information have been furnished to us by the Management and our report on the Statement, in so far as it relates to the amounts and disclosures included in respect of these joint operations, is based solely on such interim financial information certified by the Management. According to the information and explanation given to us by the Management, the interim financial information of these joint operations are not material to the Company.

Our report on the Statement is not modified in respect of our reliance on the interim financial information certified by the Management.

7. The review of the unaudited standalone financial results for the quarter ended June 30, 2017 were carried out by us jointly with another firm of chartered accountants, and the report had expressed an unmodified conclusion in relation thereto.

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



Sanjiv Pilgaonkar
Partner
(Membership No. 039826)

July 25, 2018

Annexure A: List of Joint Operations

Sr. No.	Name of Joint Operations
1	Desbuild L&T Joint Venture
2	Larsen and Toubro Limited-Shapoorji Pallonji & Co. Ltd. Joint Venture
3	Al Balagh Trading & Contracting Co W.L.L- L&T Joint Venture
4	L&T - AM Tapovan Joint Venture
5	HCC - L&T Purulia Joint Venture
6	International Metro Civil Contractors Joint Venture
7	Metro Tunneling Group
8	L&T - Hochtief Seabird Joint Venture
9	Metro Tunneling Chennai-L&T Shanghai Urban Construction (Group) Corporation Joint Venture
10	Metro Tunneling Delhi-L&T Shanghai Urban Construction (Group) Corporation Joint Venture
11	L&T-Shanghai Urban Construction (Group) Corporation Joint Venture CC27 Delhi
12	Aktor- Larsen & Toubro-Yapi Merkezi-STFA-Al Jaber Engineering Joint Venture
13	Civil Works Joint Venture
14	L&T-Shanghai Urban Construction (Group) Corporation Joint Venture
15	DAEWOO and L&T Joint Venture
16	L&T – STEC JV Mumbai
17	L&T-Eastern Joint Venture
18	Larsen and Toubro Limited-Scomi Engineering BHD Consortium-Residual Joint Works Joint Venture
19	Larsen and Toubro Limited-Scomi Engineering BHD Consortium-O&M Joint Venture
20	L&T-Delma Mafraq Joint Venture
21	L&T-AL-Sraiya LRDP 6 Joint Venture
22	Larsen & Toubro Limited & NCC Limited Joint Venture
23	Besix – Larsen & Toubro Joint Venture
24	Larsen & Toubro Ltd - Passavant Energy & Environment JV
25	LNT - Shriram EPC Tanzania UJV
26	LTH Milcom Private Limited
27	L&T- Inabensa Consortium
28	L&T- ISDPL (JV)
29	L&T-IHI Consortium

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