LARSEN & TOUBRO

SEC/PAM/2014

July 28, 2014

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

Dear Sir,

**Sub : Unaudited Financial Results for the Quarter ended 30th June, 2014.**

In terms of Clause 41 of the Listing Agreement, we enclose a copy of the statement containing the unaudited financial results of the Company, **for the quarter ended 30th June, 2014,** which has been taken on record at the Meeting of the Board of Directors, held today and **Press Release** related to the same.

We also enclose a copy of the "**Limited Review Report** for the **three month period ended 30th June 2014**" issued by our Statutory Auditors, M/S. Sharp & Tannan, Chartered Accountants, Mumbai.

Thanking you,

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

**N. HARIHARAN**
**COMPANY SECRETARY**

**Encl : a/a**

***Larsen & Toubro Limited, Secretarial Department***
*L&T House, N. M. Marg, Ballard Estate, P. O. Box 278, Mumbai - 400 001, INDIA*
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DNV Certification B.V., The Netherlands

# L&T Press Release

Issued by Corporate Brand Management & Communications

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, 2014

### Consolidated Results

### Order inflow up 11%
### Revenue grows by 10%
### PAT up by 111%

**Mumbai, July 28, 2014:** Larsen & Toubro is publishing consolidated financial results for the quarter ended June 30, 2014 pursuant to the option as per clause 41 of the Listing Agreement.

Larsen & Toubro recorded Consolidated Gross Revenue of ₹ 19123 crore for the quarter ended June 30, 2014, registering a y-o-y growth of 10%. The International revenue during the quarter at ₹ 4781 crore constituted 25% of the total revenue.

The Company successfully won fresh orders worth ₹ 33408 crore at consolidated level during the quarter ended June 30, 2014, registering a y-o-y growth of 11 %, on a large base. The International order inflow during the quarter at ₹ 14754 crore grew more than 2 times on a y-o-y basis, constituting 44% of the total order inflow. Major orders during the quarter were secured by the Infrastructure, Hydrocarbon and Heavy Engineering segments.

Consolidated Order Book of the group stood at ₹ 195392 crore as at June 30, 2014, higher by 13% on a y-o-y basis. International Order Book constituted 26% of the total Order Book.

The Consolidated recurring Profit after Tax (PAT) for the quarter stood at ₹ 771 crore vis-à-vis ₹ 459 crore in the corresponding quarter of the previous year registering a growth of 68%. The overall PAT for the quarter at ₹ 967 crore recorded an impressive growth of 111% on a y-o-y basis on the back of divestment gains.

### Infrastructure Segment

Infrastructure Segment achieved Customer Revenue of ₹ 7148 crore for the quarter ended June 30, 2014 registering a healthy y-o-y growth of 17%, driven by Heavy Civil Infrastructure, Transportation Infrastructure and Water & Renewable Energy businesses. International sales constituted 19% of the total customer revenue of the segment during the quarter.

Order inflow of ₹ 14257 crore during the quarter ended June 30, 2014 took the order book of the Infrastructure Segment to ₹ 136450 crore as at June 30, 2014. The order inflow during the quarter mainly emanated from Power Transmission & Distribution and Building & Factories businesses. International orders contributed to around 36% of the total order inflow of the segment during the quarter.

The segment recorded improved EBIDTA margin at 10.3% during the quarter ended June 30, 2014 vis-à-vis 9.7% recorded in the corresponding quarter of the previous year.

**Power Segment**

Power Segment recorded customer revenue of ₹ 982 crore during the quarter ended June 30, 2014, registering a reduction of 32% over the corresponding quarter of the previous year due to depleting order book and lower revenue accretion on jobs nearing completion.

Power Segment secured fresh orders of ₹ 1588 crore for the quarter ended June 30, 2014, registering a growth of 94% over the corresponding quarter of the previous year on the back of international orders bagged by the segment.

The Order Book of the Segment declined 4% on a y-o-y basis and stood at ₹ 16711 crore as at June 30, 2014.

The segment EBIDTA margin stood at 20.3% for the quarter ended June 30, 2014 vis-à-vis 20.6% recorded in the corresponding quarter of the previous year.

**Metallurgical & Material Handling (MMH) Segment**

The Customer Revenue of MMH Segment during the quarter ended June 30, 2014 at ₹ 921 crore registered a y-o-y decrease of 13%, on account of reduced opening order book and delay in receipt of new orders.

MMH Segment secured fresh orders of ₹ 508 crore during the quarter ended June 30, 2014, registering a decline of 38% over the corresponding quarter of the previous year. The order inflow of the Segment was lower during the quarter on account of deferment of certain targeted orders and prevailing subdued business prospects in the sector.

The Order Book of the Segment declined by 40% on a y-o-y basis and stood at ₹ 9375 crore as at June 30, 2014.

The EBIDTA margin of the segment stood at 12.5% for the quarter ended June 30, 2014 vis-à-vis 15.7% recorded in the corresponding quarter of the previous year.

## Heavy Engineering Segment

Heavy Engineering Segment achieved Customer Revenue of ₹ 835 crore registering an y-o-y decline of 4% over the corresponding quarter of the previous year mainly on account of delayed order inflow and depleted order book. International sales constituted 28% of the total customer revenue of the segment for the quarter ended June 30, 2014.

Heavy Engineering Segment secured fresh orders valued ₹ 2566 crore, during the quarter ended June 30, 2014, registering a growth of 56% as compared to the corresponding quarter of the previous year. International orders constituted 18% of the total order inflow of the segment.

The Order Book of the Segment grew 3% on a y-o-y basis and stood at ₹ 8579 crore as at June 30, 2014.

The EBIDTA margin of the segment improved to 12.7% for the quarter ended June 30, 2014 vis-à-vis 9.6% recorded in the corresponding quarter of the previous year driven by progress on jobs.

## Electrical & Automation (E&A) Segment

E&A Segment recorded Customer Revenue of ₹ 1004 crore during the quarter ended June 30, 2014, registering a modest y-o-y growth of 9% on the backdrop of sluggish market conditions. International sales constituted 35% of the total customer revenue of the segment for the quarter ended June 30, 2014.

The EBIDTA Margin of the E&A Segment at 8.9% for the quarter ended June 30, 2014 recorded a decline over the 12.5% earned during the corresponding quarter of the previous year due to change in sales mix during the quarter.

## Hydrocarbon Segment

Hydrocarbon Segment achieved Customer Revenue of ₹ 1555 crore registering an y-o-y decline of 49% over the corresponding quarter of the previous year mainly on account of lower opening order book and deferment of project awards. International sales constituted 51% of the total customer revenue of the segment for the quarter ended June 30, 2014.

Hydrocarbon Segment secured fresh orders valued ₹ 5704 crore, during the quarter ended June 30, 2014, registering a growth of 80% as compared to the corresponding quarter of the previous year driven by a large size international order. International orders constituted 94% of the total order inflow of the segment.

The Order Book of the Segment grew 32% on a y-o-y basis and stood at ₹ 14580 crore as at June 30, 2014.

The EBIDTA margin of the segment was negative for the quarter ended June 30, 2014 vis-à-vis positive margin of 5.7% recorded in the corresponding quarter of the previous year. The operating margin was adversely impacted due to time and cost overruns on international jobs arising out of stringent contractual conditions, changes in specifications by customers, sharp increase in local labour costs and certain unforeseen execution complexities. A number of measures have since been taken for strengthening international organization, risk management and contract management to achieve on-course execution of international jobs.

## IT & Technology Services Segment

IT & Technology Services Segment recorded Customer Revenue of ₹ 1738 crore during the quarter ended June 30, 2014, registering a y-o-y growth of 22%. International sales constituted 95% of the total customer revenue of the segment for the quarter ended June 30, 2014.

The EBIDTA Margin of the IT&TS Segment at 20.2% for the quarter ended June 30, 2014 recorded a decline over the 25.8% earned during the corresponding quarter of the previous year due to relatively higher onsite revenue mix and increased staff cost on building of sales force.

## Developmental Projects Segment

Developmental Projects Segment recorded Customer Revenue of ₹ 2161 crore during the quarter ended June 30, 2014, registering a substantial y-o-y growth. During the quarter, the Company has monetized a part of its developmental projects portfolio at a gain of ₹ 1350 crore leading to significant revenue growth.

The EBIDTA Margin of the Developmental Projects Segment for the quarter ended June 30, 2014 was consequently higher at 67.9% over 42.4% earned during the corresponding quarter of the previous year.

## Financial Services Segment

Financial Services Segment recorded Customer Revenue of ₹ 1482 crore during the quarter ended June 30, 2014, registering a y-o-y growth of 24% driven by growth in loan book and disbursements.

The operating margin of the Financial Services Segment for the quarter ended June 30, 2014 stood at 15.5% over 15.3% 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 June 30, 2014 stood at ₹ 1297 crore registering a growth of 27% over the corresponding quarter of the previous year led by Realty and Shipbuilding businesses. International sales constituted 21% of the total customer revenue of the segment.

During the quarter ended June 30, 2014, the segment EBIDTA margin improved to 20.6% as compared to 0.6% during the corresponding quarter of the previous year consequent to improved performance of Realty and Shipbuilding businesses.

## Outlook

Notwithstanding the improved sentiments, the domestic business environment and investment cycle continued to remain subdued during the quarter ended June 30, 2014. While the currency markets were stable and the capital markets were buoyant, high inflation, elevated interest rates and tight liquidity conditions persisted during the quarter.

The Company weathered domestic slowdown by strengthening its international presence in the select overseas markets amidst strong competitive pressures.

The domestic market holds large potential awaiting impetus through policy measures and conducive investment environment. The Company expects good prospects in the medium term from revival of core sectors such as infrastructure, power, minerals & metals, defence and oil & gas when the initiatives by the new government at the centre take definitive shape and rigour. The Company is confident of sustaining its growth momentum by utilizing the emerging opportunities for which it has positioned itself well.

**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 JUNE 30, 2014

₹ Lakh

| | Particulars | 3 months ended | | | Year ended |
|---|---|---|---|---|---|
| | | June 30, 2014 | March 31, 2014 | June 30, 2013 | March 31, 2014 (Audited) |
| 1 | Gross Sales / Revenue from operations | 1912332 | 2695261 | 1741956 | 8588904 |
| | *Less*: Excise duty | 14857 | 20318 | 17842 | 76064 |
| | **Net Sales / Revenue from operations** | **1897475** | **2674943** | **1724114** | **8512840** |
| 2 | **Expenses:** | | | | |
| a) | I) Consumption of raw materials, components, and stores, spares & tools | 262099 | 306160 | 314888 | 1232860 |
| | II) Sub-contracting charges | 375200 | 492830 | 389541 | 1691410 |
| | III) Construction materials consumed | 370303 | 631748 | 379768 | 1795792 |
| | iv) Purchases of stock-in-trade | 32870 | 85554 | 40775 | 205716 |
| | v) Changes in inventories of finished goods, work-in-progress and stock-in-trade | (87229) | 132821 | (187553) | (52734) |
| | vi) Other manufacturing, construction and operating expenses | 379156 | 364842 | 328030 | 1384406 |
| b) | Employee benefits expense | 175102 | 186110 | 156514 | 714028 |
| c) | Sales, administration and other expenses | 138449 | 93334 | 114867 | 468054 |
| d) | Depreciation, amortisation, impairment and obsolescence | 80733 | (28594) | 55666 | 144582 |
| | **Total expenses** | **1726683** | **2264805** | **1592496** | **7584114** |
| 3 | **Profit from operations before other income, finance costs and exceptional items (1-2)** | **170792** | **410138** | **131618** | **928726** |
| 4 | Other income | 27704 | 27006 | 26353 | 98191 |
| 5 | **Profit from ordinary activities before finance costs and exceptional items (3+4)** | **198496** | **437144** | **157971** | **1026917** |
| 6 | Finance costs | 77866 | 86433 | 71076 | 314144 |
| 7 | **Profit from ordinary activities after finance costs but before exceptional items (5-6)** | **120630** | **350711** | **86895** | **712773** |
| 8 | Exceptional items [refer note (i)] | 24928 | 29379 | - | 36150 |
| 9 | **Profit from ordinary activities before tax (7+8)** | **145558** | **380090** | **86895** | **748923** |
| 10 | **Provision for taxes:** | | | | |
| a) | Provision for current tax | 70405 | 76602 | 49648 | 250164 |
| b) | Provision for deferred tax | (25507) | 10813 | (2446) | 10594 |
| c) | Additional Tax on dividend distributed / proposed by subsidiaries | - | 1399 | - | 2081 |
| | **Total provision for taxes** | **44898** | **88814** | **47202** | **262839** |
| 11 | **Net profit after tax from ordinary activities (9-10)** | **100660** | **291276** | **39693** | **486084** |
| 12 | Extraordinary items | - | 31 | - | (625) |
| 13 | **Net profit after tax for the period (11+12)** | **100660** | **291307** | **39693** | **485459** |
| 14 | Share in profit of associates (net) | 156 | 532 | 169 | 925 |
| 15 | Adjustments for minority interests in subsidiaries | (4127) | (7799) | 5997 | 3816 |
| 16 | **Net Profit after tax, minority interest and share in profit of associates (13+14+15)** | **96689** | **284040** | **45859** | **490200** |
| 17 | Paid-up equity share capital (face value of share: ₹ 2 each) | **18554** | | 12325 | **18538** |
| 18 | Reserves excluding revaluation reserve | | | | **3750698** |
| | **Earnings per share (Not annualised):** | | | | |
| 19 | Basic EPS before extraordinary items (₹) | **10.42** | 30.65 | 4.96 | **53.04** |
| 20 | Diluted EPS before extraordinary items (₹) | **10.36** | 30.47 | 4.93 | **52.72** |
| 21 | Basic EPS after extraordinary items (₹) | **10.42** | 30.65 | 4.96 | **52.97** |
| 22 | Diluted EPS after extraordinary items (₹) | **10.36** | 30.47 | 4.93 | **52.65** |

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

| | Particulars | 3 months ended | | | Year ended |
|---|---|---|---|---|---|
| | | June 30, 2014 | | June 30, 2013 | March 31, 2014 (Audited) |
| A | PARTICULARS OF SHAREHOLDING | | | | |
| 1 | Public shareholding : | | | | |
| | - Number of shares ('000s) | **906055** | | 596863 | 902116 |
| | - Percentage of shareholding | **97.67%** | | 96.86% | 97.32% |
| 2 | Promoters and promoter group shareholding [refer note (vi)] | Nil | | Nil | Nil |

| B | INVESTOR COMPLAINTS | 3 months ended June 30, 2014 |
|---|---|---|
| | Pending at the beginning of the quarter | Nil |
| | Received during the quarter | 8 |
| | Disposed of during the quarter | 8 |
| | Remaining unresolved at the end of the quarter | Nil |

**Notes :**

(i) Exceptional items during the quarter ended June 30, 2014 represent gain on divestment of a strategic investment by a subsidiary company and gain on sale of part stake in a subsidiary company.

(ii) Effective April 1, 2014, the Company has revised the useful life of fixed assets based on Schedule II to the Companies Act, 2013 for the purposes of providing depreciation on fixed assets. Accordingly, the carrying amount of the assets as on April 1, 2014 has been depreciated over the remaining revised useful life of the fixed assets. Consequently, the depreciation for the quarter ended June 30, 2014 is higher and the profit before tax is lower to the extent of ₹ 13282 lakh. Further, an amount of ₹ 10975 lakh (net of tax of ₹ 4728 lakh) representing the carrying amount of the assets with revised useful life as nil, has been charged to the opening reserves as on April 1, 2014 pursuant to the Companies Act, 2013.

(iii) During the quarter ended June 30, 2014, the Group divested its stake in a joint venture under its Developmental Projects portfolio and in subsidiaries of its Realty business. The other operational income, forming part of the revenue from operations, for the quarter ended June 30, 2014 includes a gain of ₹ 138176 lakh pursuant to these divestitures.

(iv) The Company has opted to publish consolidated financial results, 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, 2014 are given below:

₹ Lakh

| Particulars | 3 months ended | | | Year ended |
|---|---|---|---|---|
| | June 30, 2014 | March 31, 2014 | June 30, 2013 | March 31, 2014 (Audited) |
| **Gross Sales / Revenue from operations** | 1044662 | 2022938 | 995358 | 5716385 |
| **Profit before tax** | 121394 | 336159 | 94955 | 726791 |
| **Profit after tax** | 89355 | 272348 | 66431 | 549313 |

(v) The Parent Company, during the quarter ended June 30, 2014, has allotted 7,97,812 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.

(vi) 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.

(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 July 28, 2014.

for LARSEN & TOUBRO LIMITED

K. VENKATARAMANAN
Chief Executive Officer & Managing Director

Mumbai
July 28, 2014

**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, 2014 | March 31, 2014 | June 30, 2013 | March 31, 2014 (Audited) |
| **Gross segment revenue** | | | | |
| 1 Infrastructure | 752080 | 1427234 | 638329 | 3797966 |
| 2 Power | 98608 | 148093 | 145163 | 587995 |
| 3 Metallurgical and Material Handling | 94066 | 182850 | 112364 | 573214 |
| 4 Heavy Engineering | 86249 | 144955 | 89649 | 452236 |
| 5 Electrical & Automation | 105425 | 153536 | 101196 | 513269 |
| 6 Hydrocarbon | 155731 | 185866 | 307455 | 1005469 |
| 7 IT & Technology Services | 175090 | 172226 | 143715 | 641684 |
| 8 Financial Services | 148266 | 139302 | 119063 | 518085 |
| 9 Developmental Projects | 219055 | 67541 | 32419 | 171349 |
| 10 Others [refer note (I) below] | 133585 | 167226 | 105320 | 550448 |
| **Total** | **1968155** | **2788829** | **1794673** | **8811715** |
| *Less*: Inter-segment revenue | 55823 | 93568 | 52717 | 222811 |
| **Net segment revenue** | **1912332** | **2695261** | **1741956** | **8588904** |
| **Segment result (Profit before interest and tax)** | | | | |
| 1 Infrastructure | 59069 | 145346 | 52628 | 366333 |
| 2 Power | 14137 | 39428 | 25794 | 135858 |
| 3 Metallurgical and Material Handling | 8973 | 30484 | 13920 | 82692 |
| 4 Heavy Engineering | 2771 | 24583 | 3596 | 49980 |
| 5 Electrical & Automation | 5133 | 21791 | 8538 | 54254 |
| 6 Hydrocarbon | (94214) | (11457) | 12567 | 9954 |
| 7 IT & Technology Services | 29628 | 28789 | 33114 | 123957 |
| 8 Financial Services | 33954 | 25793 | 15897 | 64645 |
| 9 Developmental Projects | 123050 | 92537 | (2922) | 92010 |
| 10 Others [refer note (I) below] | 18979 | 44328 | (4877) | 51687 |
| **Total** | **201480** | **441622** | **158255** | **1031370** |
| *Less*: Inter-segment margins on capital jobs | 225 | 7478 | 1753 | 9700 |
| *Less*: Interest expenses | 77866 | 86433 | 71076 | 314144 |
| *Add*: Unallocable corporate income net of expenditure | 22169 | 32379 | 1469 | 41397 |
| **Profit Before Tax (before extraordinary item)** | **145558** | **380090** | **86895** | **748923** |
| **Capital employed (Segment assets *less* segment liabilities)** | | | | |
| 1 Infrastructure | 1311734 | | 1108403 | 1278379 |
| 2 Power | 213192 | | 172354 | 182448 |
| 3 Metallurgical and Material Handling | 345189 | | 282998 | 316911 |
| 4 Heavy Engineering | 455668 | | 394599 | 427627 |
| 5 Electrical & Automation | 255048 | | 235208 | 240082 |
| 6 Hydrocarbon | 337605 | | 296036 | 390323 |
| 7 IT & Technology Services | 281315 | | 213635 | 262608 |
| 8 Financial Services | 746232 | | 641845 | 699009 |
| 9 Developmental Projects | 2977029 | | 2389563 | 3050134 |
| 10 Others [refer note (I) below] | 935510 | | 947860 | 945690 |
| Total capital employed in segments | **7858522** | | **6682501** | **7793211** |
| Unallocable corporate assets *less* corporate liabilities | 808746 | | 904709 | 768259 |
| **Total Capital Employed** | **8667268** | | **7587210** | **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 during the quarter ended June 30, 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, 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

K. VENKATARAMANAN
Chief Executive Officer & Managing Director

Mumbai
July 28, 2014

## LARSEN & TOUBRO LIMITED

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

### UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2014

₹ Lakh

| | Particulars | 3 months ended | | | Year ended |
|---|---|---|---|---|---|
| | | June 30, 2014 | March 31, 2014 | June 30, 2013 (Restated) # | March 31, 2014 (Audited) |
| 1 | Gross Sales / Revenue from operations | 1044662 | 2022938 | 995358 | 5716385 |
| | *Less*: Excise duty | 10900 | 15028 | 12965 | 56493 |
| | **Net Sales / Revenue from operations** | **1033762** | **2007910** | **982393** | **5659892** |
| 2 | **Expenses:** | | | | |
| a) | i) Consumption of raw materials, components, and stores, spares & tools | 153366 | 226595 | 200513 | 805687 |
| | ii) Sub-contracting charges | 261355 | 434940 | 257870 | 1327294 |
| | iii) Construction materials consumed | 337815 | 569256 | 272838 | 1597355 |
| | iv) Purchases of stock-in-trade | 29279 | 51156 | 47695 | 192216 |
| | v) Changes in inventories of finished goods, work-in-progress and stock-in-trade | (78750) | 179540 | (130035) | 11003 |
| | vi) Other manufacturing, construction and operating expenses | 91650 | 109471 | 96345 | 401090 |
| b) | Employee benefits expense | 90052 | 122955 | 98921 | 466237 |
| c) | Sales, administration and other expenses | 40261 | 23901 | 49077 | 192308 |
| d) | Depreciation, amortisation and obsolescence | 26093 | 21383 | 18684 | 79242 |
| | **Total expenses** | **951121** | **1739197** | **911908** | **5072432** |
| 3 | **Profit from operations before other income, finance costs and exceptional items (1-2)** | **82641** | **268713** | **70485** | **587460** |
| 4 | Other income | 48803 | 49527 | 48712 | 188089 |
| 5 | **Profit from ordinary activities before finance costs and exceptional items (3+4)** | **131444** | **318240** | **119197** | **775549** |
| 6 | Finance costs | 27194 | 30492 | 24242 | 107608 |
| 7 | **Profit from ordinary activities after finance costs but before exceptional items (5-6)** | **104250** | **287748** | **94955** | **667941** |
| 8 | Exceptional items [refer note (i)] | 17144 | 48411 | - | 58850 |
| 9 | **Profit from ordinary activities before tax (7+8)** | **121394** | **336159** | **94955** | **726791** |
| 10 | **Provision for taxes:** | | | | |
| a) | Provision for current tax | 33509 | 57746 | 29354 | 168653 |
| b) | Provision for deferred tax | (1470) | 6065 | (830) | 8825 |
| | **Total provision for taxes** | **32039** | **63811** | **28524** | **177478** |
| 11 | **Net profit after tax from ordinary activities (9-10)** | **89355** | **272348** | **66431** | **549313** |
| 12 | Extraordinary items | - | - | - | - |
| 13 | **Net profit after tax for the period (11+12)** | **89355** | **272348** | **66431** | **549313** |
| 14 | Paid-up equity share capital (face value of share: ₹ 2 each) | **18554** | | 12325 | **18538** |
| 15 | Reserves excluding revaluation reserve | | | | **3345720** |
| | **Earnings per share (Not annualised):** | | | | |
| 16 | Basic EPS before extraordinary items (₹) | **9.63** | 29.39 | 7.19 | **59.36** |
| 17 | Diluted EPS before extraordinary items (₹) | **9.57** | 29.22 | 7.14 | **59.00** |
| 18 | Basic EPS after extraordinary items (₹) | **9.63** | 29.39 | 7.19 | **59.36** |
| 19 | Diluted EPS after extraordinary items (₹) | **9.57** | 29.22 | 7.14 | **59.00** |

*# see note iii below*

### SELECT INFORMATION FOR THE QUARTER ENDED JUNE 30, 2014

| | Particulars | 3 months ended | | | Year ended |
|---|---|---|---|---|---|
| | | June 30, 2014 | | June 30, 2013 | March 31, 2014 (Audited) |
| A | **PARTICULARS OF SHAREHOLDING** | | | | |
| 1 | Public shareholding : | | | | |
| | - Number of shares ('000s) | **906055** | | 596863 | 902116 |
| | - Percentage of shareholding | **97.67%** | | 96.86% | 97.32% |
| 2 | Promoters and promoter group shareholding [refer note (v)] | | | Nil | Nil |

| B | **INVESTOR COMPLAINTS** | 3 months ended June 30, 2014 |
|---|---|---|
| | Pending at the beginning of the quarter | Nil |
| | Received during the quarter | 8 |
| | Disposed of during the quarter | 8 |
| | Remaining unresolved at the end of the quarter | Nil |

**Notes :**

(i) Exceptional item during the quarter ended June 30, 2014 represents gain on divestment of part stake in a subsidiary company.

(ii) Effective April 1, 2014, the Company has revised the useful life of fixed assets based on Schedule II to the Companies Act, 2013 for the purposes of providing depreciation on fixed assets. Accordingly, the carrying amount of the assets as on April 1, 2014 has been depreciated over the remaining revised useful life of the fixed assets. Consequently, the depreciation for the quarter ended June 30, 2014 is higher and the profit before tax is lower to the extent of ₹ 7579 lakh. Further, an amount of ₹ 7945 lakh (net of tax of ₹ 4091 lakh) representing the carrying amount of assets with revised useful life as nil, has been charged to the opening reserves as on April 1, 2014 pursuant to the Companies Act, 2013.

(iii) The figures for the previous quarter ended June 30, 2013 have been restated as per the requirement of Accounting Standard (AS) 24 to exclude the financial results of erstwhile Hydrocarbon business undertaking which has been transferred to L&T Hydrocarbon Engineering Limited w.e.f. April 1, 2013.

(iv) The Company, during the quarter ended June 30, 2014, has allotted 7,97,812 equity shares of ₹ 2 each fully paid-up, on exercise of stock options by employees, in accordance with the 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) Figures for the previous periods have been re-grouped / re-classified to conform to the figures of the current periods.

(vii) 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 28, 2014.

for LARSEN & TOUBRO LIMITED

K. VENKATARAMANAN
Chief Executive Officer & Managing Director

Mumbai
July 28, 2014

**Standalone 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, 2014 | March 31, 2014 | June 30, 2013 (Restated)# | March 31, 2014 (Audited) |
| **Gross segment revenue** | | | | |
| 1 Infrastructure | 675536 | 1353947 | 545255 | 3511531 |
| 2 Power | 93578 | 147232 | 127497 | 514006 |
| 3 Metallurgical and Material Handling | 90271 | 178803 | 108692 | 554608 |
| 4 Heavy Engineering | 80711 | 135730 | 85081 | 432177 |
| 5 Electrical & Automation | 76983 | 116016 | 79439 | 390734 |
| 6 Others [refer note (I) and (II) below] | 47251 | 138214 | 85865 | 428992 |
| **Total** | **1064330** | **2069942** | **1031829** | **5832048** |
| *Less*: Inter-segment revenue | 19668 | 47004 | 36471 | 115663 |
| **Net segment revenue** | **1044662** | **2022938** | **995358** | **5716385** |
| **Segment result (Profit before interest and tax)** | | | | |
| 1 Infrastructure | 64922 | 156907 | 53788 | 387907 |
| 2 Power | 3495 | 20807 | 9852 | 51825 |
| 3 Metallurgical and Material Handling | 8839 | 30400 | 13815 | 82140 |
| 4 Heavy Engineering | 7313 | 27395 | 8988 | 68567 |
| 5 Electrical & Automation | 6353 | 16445 | 7030 | 43387 |
| 6 Others [refer note (I) and (II) below] | 10012 | 25353 | 5211 | 42548 |
| **Total** | **100934** | **277307** | **98684** | **676374** |
| *Less*: Inter-segment margins on capital jobs | 110 | 244 | 41 | 556 |
| *Less*: Interest expenses | 27194 | 30492 | 24242 | 107608 |
| *Add*: Unallocable corporate income net of expenditure | 47764 | 89588 | 20554 | 158581 |
| **Profit Before Tax (before extraordinary item)** | **121394** | **336159** | **94955** | **726791** |
| **Capital employed (Segment assets *less* segment liabilities)** | | | | |
| 1 Infrastructure | 1205106 | | 940689 | 1138562 |
| 2 Power | 26615 | | 44339 | 28782 |
| 3 Metallurgical and Material Handling | 325145 | | 281890 | 327043 |
| 4 Heavy Engineering | 282794 | | 215697 | 264131 |
| 5 Electrical & Automation | 160875 | | 142865 | 149082 |
| 6 Others [refer note (I) and (II) below] | 134621 | | 153398 | 182613 |
| Total capital employed in segments | **2135156** | | **1778878** | **2090213** |
| Unallocable corporate assets *less* corporate liabilities | 2584115 | | 2288808 | 2462854 |
| **Total Capital Employed** | **4719271** | | **4067686** | **4553067** |

# see note III below

**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 marketing and servicing of construction & 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 during the quarter ended June 30, 2014 based on internal restructuring. The figures pertaining to the corresponding previous periods have been regrouped and restated for proper comparison. The businesses of manufacture and marketing of industrial valves and cutting equipment (up to the date of transfer) which were reported as part of the Machinery and Industrial Products segment in the previous year have also been grouped under "Others" segment in the corresponding previous periods.

II Pursuant to the agreement dated March 15, 2014, the Company has transferred at book value to its wholly owned subsidiary, the business of integrated engineering services effective April 1, 2014. The same was hitherto reported as part of the "Others" segment.

III The segment information for the quarter ended June 30, 2013 has been restated to exclude the operations of erstwhile Hydrocarbon business undertaking which has been transferred to L&T Hydrocarbon Engineering Limited w.e.f. April 1, 2013.

IV 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. **Others** include realty, shipbuilding, marketing and servicing of construction & mining machinery and parts thereof, manufacture and sale of rubber processing machinery & castings. Others also included integrated engineering services, manufacture and marketing of industrial valves and cutting equipment (up to the date of transfer) in the previous year.

V 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 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.

VI 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

K. VENKATARAMANAN
Chief Executive Officer & Managing Director

Mumbai
July 28, 2014

SHARP & TANNAN
Chartered Accountants

## Larsen & Toubro Limited

### Limited review report to the board of directors for the three month period ended 30 June 2014

1 We have reviewed the accompanying statement of unaudited financial results of Larsen & Toubro Limited for the three month period ended 30 June 2014. 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 financial results prepared in accordance with applicable accounting standards, notified pursuant to the Companies (Accounting Standard) Rules, 2006 read with General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013, 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.

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

Milind P. Phadke
Partner
Membership no. 33013

Mumbai, 28 July 2014

Ravindra Annexe, 194, Churchgate Reclamation, Dinshaw Vachha Road, Mumbai - 400 020, India.
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Also at Pune. Associate Offices : Bangalore, Chennai, Goa, Hyderabad & New Delhi

SHARP & TANNAN
Chartered Accountants

**Limited review report to the board of directors of Larsen & Toubro Limited on consolidated financial statements for the three month period ended 30 June 2014**

We have reviewed the accompanying statement of unaudited consolidated financial results of Larsen & Toubro Limited for the three month period ended 30 June 2014. 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.

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 misstatements. 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.

In respect of the financial statements of certain subsidiaries and a joint venture, we did not carry out the review. These financial statements have been reviewed by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of these subsidiaries and joint venture is based solely on the reports of the other auditors. The details of assets, revenues and net cash flows in respect of these subsidiaries and joint venture, to the extent to which they are reflected in the consolidated financial statements are given below:

| **Reviewed by other auditors:** | | | | |
|---|---|---|---|---|
| | | | | ₹ crore |
| | | **Total Assets** | **Total revenues** | **Net Cash inflows / (outflows)** |
| A | Subsidiaries | 38,348.42 | 2,004.50 | (108.99) |
| B | Joint venture | 255.44 | 71.09 | (5.35) |

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, notified pursuant to the Companies (Accounting Standards) Rules, 2006 read with General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013, and other recognized 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.

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

Milind P. Phadke
Partner
Membership no. 33013

Mumbai, 28 July 2014

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