LARSEN & TOUBRO

SEC/PAM/2014

May 30, 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.: Submission of Audited Results for the year ended **31st March 2014**, pursuant to clause 41 of the Listing Agreement.

At the Meeting of Board of Directors held today, the Directors have approved the Audited Accounts for the year ended March 31, 2014.

The particulars required to be furnished under the listing agreement, are given in the enclosed statement. We also enclose Audit Report and the Press Release related to the same.

The Directors have recommended a Dividend of ₹ **14.25/-** per share (previous year ₹ 12.33/- per share) and the Company will arrange to pay the same on **26th August 2014**, if approved by the members in Annual General Meeting scheduled to be held on 22nd August 2014.

The book closure for the above will be intimated later.

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

Thanking you,

Yours faithfully,
for LARSEN & TOUBRO LIMITED

N. HARIHARAN
COMPANY SECRETARY

Encl : as above

L&T Press Release

Issued by Corporate Brand Management & Communications

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CIN: L99999MH1946PLC004768

Performance for the year ended March 31, 2014

Order inflow up 15%
Revenue grows by 10%
PAT increases by 25%

Mumbai, May 30, 2014: Larsen & Toubro recorded Gross Revenue of ₹ 57164 crore for the year ended March 31, 2014, registering a growth of 10% over the previous year. The International revenue during the year at ₹ 9129 crore constituted 16% of the total revenue and registered a y-o-y growth of 22%.

For the quarter ended March 31, 2014, gross revenue at ₹ 20229 crore, registered a y-o-y growth of 11% with progress on various jobs under execution. The International revenue during the quarter ended March 31, 2014 at ₹ 2966 crore constituted 15% of the total revenue and registered a growth of 25% on a y-o-y basis.

The Company successfully secured fresh orders worth ₹ 94108 crore during the year ended March 31, 2014, registering a significant y-o-y growth of 15 %, on a large base despite a sluggish economic environment during 2013-14. The International order inflow during the year at ₹ 30752 crore grew more than 3 times on a y-o-y basis, constituting 33% of the total order inflow. Major orders during year were procured by the Infrastructure segment.

The order intake during the quarter ended March 31, 2014 was steady at ₹ 26737 crore. International order inflow during the quarter at ₹ 11389 crore constituted 43% of the total order inflow for the quarter.

Order Book at ₹ 162952 crore as at March 31, 2014, grew 13% on a y-o-y basis. International Order Book constituted 21% of the total Order Book.

The Profit after Tax (PAT) for the year stood at ₹ 5493 crore vis-à-vis ₹ 4384 crore in the previous year registering a growth of 25% on a like-to-like basis. The recurring PAT for the year at ₹ 4905 crore also grew 18% on a y-o-y basis. The PAT for the quarter January-March 2014 at ₹ 2723 crore recorded an impressive increase of 69%.

The Board of Directors has recommended a dividend of ₹ 14.25 per equity share.

The results for the quarter and year ended March 31, 2014, exclude the performance of Hydrocarbon business segment, which has been transferred with effect from April 1, 2013 to L&T Hydrocarbon Engineering Limited, a wholly owned subsidiary of the Company upon sanction of the scheme by the Hon'ble Bombay High Court vide order dated December 20, 2013. Consequently, the performance for the corresponding previous quarter and year ended March 31, 2013 has been suitably restated.

Infrastructure Segment

Infrastructure Segment achieved Customer Revenue of ₹ 34516 crore for the year ended March 31, 2014 registering a healthy y-o-y growth of 23%, driven by Buildings and Factories, Power Transmission & Distribution, Transportation Infrastructure and Water & Renewable Energy businesses. International sales constituted 15% of the total customer revenue of the segment during the year.

During the quarter January-March 2014, the Customer Revenue of Infrastructure segment was at ₹ 13260 crore recording a y-o-y increase of 17%.

Infrastructure segment recorded consistently upward trend in the order intake throughout the year. The order inflow for the year ended March 31, 2014 stood at ₹ 76396 crore registering 37% growth over the previous year. International orders constituted around 33% of the total order inflow of the segment for the year.

During the quarter January-March 2014, the Segment recorded order inflow of ₹ 21290 crore registering a robust increase of 64% over the corresponding quarter of the previous year.

The Order Book of the Infrastructure Segment grew 29% on a y-o-y basis and stood healthy at ₹ 127068 crore as at March 31, 2014.

The segment recorded improved EBIDTA margin at 12.3% during the year ended March 31, 2014 vis-à-vis 11.3% recorded in the previous year aided by execution efficiencies and better contract management.

Power Segment

Power Segment recorded customer revenue of ₹ 5132 crore during the year ended March 31, 2014, registering a reduction of 36% over the previous year due to declining order book and delays in realizing targeted order inflow. During the year 2013-14, the Power sector in India continued to grapple with multiple bottlenecks adversely impacting fresh investments in the sector and progress on projects under execution.

For the quarter January-March 2014, the Customer Revenue was at ₹ 1464 crore, recording y-o-y decline of 30%.

Power Segment secured fresh orders of ₹ 3277 crore for the year ended March 31, 2014, registering a decline of 59% over the previous year due to continued slow-down in the domestic power sector. Order inflow of the Segment during the quarter ended March 31, 2014 stood at ₹ 2120 crore, consequent to bagging of a large international order.

The Order Book of the Segment declined 11% on a y-o-y basis and stood at ₹ 15601 crore as at March 31, 2014.

The segment EBIDTA margin stood at 11.0% for the year ended March 31, 2014 vis-à-vis 7.9% recorded in the previous year reflecting stage of completion of projects under execution.

Metallurgical & Material Handling (MMH) Segment

The Customer Revenue of MMH Segment during the year ended March 31, 2014 at ₹ 5357 crore registering a y-o-y decrease of 9%, on account of reduced opening order book and slower progress on some of the existing jobs due to pending clearances.

The Customer Revenue for the quarter January-March 2014 stood at ₹ 1731 crore, registering y-o-y decline of 6 %.

MMH Segment secured fresh orders of ₹ 2574 crore during the year ended March 31, 2014, registering a decline of 50% over the previous year. The order inflow for the quarter January to March 2014 stood at ₹ 562 crore. The order inflow of the Segment was lower during 2013-14 on account of several unresolved sectoral issues, adversely impacting expansion plans and new investments in the sector.

The Order Book of the Segment declined by 38% on a y-o-y basis and stood at ₹ 9728 crore as at March 31, 2014.

The EBIDTA margin of the segment stood at 17.0% for the year ended March 31, 2014 vis-à-vis 17.9% recorded in the previous year.

Heavy Engineering Segment

Heavy Engineering Segment achieved Customer Revenue of ₹ 4291 crore registering an impressive growth of 50% over the previous year with good progress on jobs under execution. International sales constituted 31% of the total customer revenue of the segment for the year ended March 31, 2014.

The Customer Revenue during the quarter January-March 2014 stood at ₹ 1348 crore, registering a healthy growth of 47% over the corresponding quarter of the previous year.

Heavy Engineering Segment secured fresh orders valued ₹ 3323 crore, during the year ended March 31, 2014, lower by 17% as compared to the previous year on account of deferral of anticipated orders. International orders constituted 32% of the total order inflow of the segment.

During the quarter January-March 2014, the Segment recorded order inflow of ₹ 496 crore, lower by 22% over the corresponding quarter of the previous year.

The Order Book of the Segment declined 14% on a y-o-y basis and stood at ₹ 6588 crore as at March 31, 2014.

The EBIDTA margin of the segment stood at 18.2% for the year ended March 31, 2014 vis-à-vis 21.3% recorded in the previous year due to escalation in execution costs.

Electrical & Automation (E&A) Segment

E&A Segment recorded Customer Revenue of ₹ 3657 crore during the year ended March 31, 2014, registering a modest y-o-y growth of 7%. International sales constituted 13% of the total customer revenue of the segment for the year ended March 31, 2014.

The Customer Revenue for the quarter January-March 2014 stood at ₹ 1073 crore, recording a y-o-y growth of 5%.

The EBIDTA Margin of the E&A Segment at 14.2% for the year ended March 31, 2014 recorded an improvement over the 13.6% earned during the previous year despite competitive pressures on the back of reduction in key input prices and operational efficiencies.

Machinery & Industrial Products (MIP) Segment

MIP Segment recorded Customer Revenue of ₹ 1897 crore registering a decline of 18% over the previous year. International sales constituted 24% of the total customer revenue of the segment for the year. The revenue of the Segment was adversely impacted by sluggish market conditions and business restructuring initiatives. The Valves business and Industrial Cutting Tools business of the segment have been transferred to subsidiary companies during July - September 2013. The sales during the year 2013-14 are, therefore, not comparable with the corresponding previous year.

The Customer Revenue for the quarter January-March 2014 stood at ₹ 438 crore, registering a decline of 39% over the corresponding quarter of the previous year.

The Segment EBIDTA Margin at 12.7% during the year ended March 31, 2014 recorded a decline as compared to 16.3% earned during the previous year due to lower sales on account of business restructuring.

"Others" Segment

"Others" segment comprises Integrated Engineering Services (IES), Shipbuilding and Realty business.

Customer Revenue of Others Segment during the year ended March 31, 2014 stood at ₹ 2315 crore registering a growth of 54% over the previous year led by good performance of the IES and Realty business. International sales constituted 60% of the total customer revenue of the segment.

Customer Revenue during the quarter January-March 2014 at ₹ 916 crore registered a y-o-y growth of more than two times.

During the year ended March 31, 2014, the segment EBIDTA margin stood at 11.7% as compared to 13.1% during the previous year.

Consolidated Group Financials

The Consolidated Group revenue at ₹ 85889 crore for the year registered a growth of 14 % over ₹ 75195 crore recorded in the previous year. The Consolidated Group Profit stood at ₹ 4902 crore recording a y-o-y decline of 6%. The consolidated profit for the year was impacted mainly due to decline in the operating margins of the hydrocarbon business and the initial losses incurred by new ventures such as L&T Shipbuilding Limited and L&T Special Steel and Heavy Forgings Private Limited, as these subsidiary companies are yet to gain scale.

Outlook

The core sectors such as infrastructure, power, minerals & metals, defence, oil & gas which hold business prospects for the Company await fresh impetus thru" focused policy decisions and rigorous implementation. The development agenda of the new government is expected to remove the bottle-necks presently stifling the growth in India and create an enabling business environment.

On the international front, the Middle East region offers promising prospects in infrastructure and oil & gas sectors. To tackle the challenges surrounding such opportunities, the Company is building its international organization, which aims at replicating the domestic success story in the Middle East. Robust risk management practices, sound execution strategies and cost competiveness remain the corner stones of the international business development strategies.

The Company has successfully weathered the challenging times of the past few years due to its inherent capabilities and strong balance sheet. Being well positioned to tap the emerging opportunities in its core businesses, the Company looks forward to a period of renewed investment momentum and sustainable growth. Given its large order book, the Company is optimistic to maintain its growth momentum in the medium term, as domestic and global economic environment improves.

LARSEN & TOUBRO LIMITED

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

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2014

₹ Lakh

	Particulars	Standalone Financials					Consolidated Financials	
		3 months ended			Year ended		Year ended	
		March 31, 2014 See Note (v)	December 31, 2013 See Note (v)	March 31, 2013 Restated#	March 31, 2014 See Note (v)	March 31, 2013 Restated#	March 31, 2014	March 31, 2013
1	Gross Sales / Revenue from operations	2022938	1463406	1826605	5716385	5219570	8688904	7519531
	Less: Excise duty	15028	14655	19045	56493	58474	76064	69731
	Net Sales / Revenue from operations	2007910	1438751	1807560	5659892	5161096	8512840	7449800
2	**Expenses:**							
a)	i) Consumption of raw materials, components, and stores, spares & tools	226595	192768	264342	805687	966802	1232860	1321562
	ii) Sub-contracting charges	434940	341006	411359	1327294	1219148	1691410	1451643
	iii) Construction materials consumed	569256	438633	500224	1587355	1392700	1795792	1556264
	iv) Purchases of stock-in-trade	51156	46411	60767	192216	206323	205716	217987
	v) Changes in inventories of finished goods, work-in-progress and stock-in-trade	179540	1832	83173	11003	(109087)	(52732)	(201212)
	vi) Other manufacturing, construction and operating expenses	109471	94872	106452	401090	344597	1296430	1122632
b)	Employee benefits expense	122955	106827	97916	466237	386093	802764	624464
c)	Sales, administration and other expenses	23901	47533	70384	192308	207206	465166	363587
d)	Depreciation, amortisation and obsolescence	21383	19917	19685	79242	72774	144582	163707
	Total expenses	1739197	1289799	1614322	5072432	4686556	7581988	6820634
3	**Profit from operations before other income, finance costs and exceptional items (1-2)**	268713	148952	193238	587460	474540	930852	829166
4	Other income	49527	43292	38948	188089	188729	98191	105568
5	**Profit from ordinary activities before finance costs and exceptional items (3+4)**	318240	192244	232186	775549	663269	1029043	934734
6	Finance costs	30492	29085	26336	107608	95475	314144	212429
7	**Profit from ordinary activities after finance costs but before exceptional items (5-6)**	287748	163159	205850	667941	567794	714899	722305
8	Exceptional items [refer note (i)]	48411	10439	-	58850	17624	34024	33676
9	**Profit from ordinary activities before tax (7+8)**	336159	173598	205850	726791	585418	748923	755981
10	**Provision for taxes:**							
a)	Provision for current tax	57746	46928	39466	168663	140551	250164	223529
b)	Provision for deferred tax	6065	2600	7265	8825	13579	10594	14375
c)	Additional Tax on dividend distributed / proposed by subsidiaries						2081	1296
	Total provision for taxes	63811	49528	46731	177478	154130	262839	239200
11	**Net profit after tax from ordinary activities (9-10)**	272348	124070	159119	549313	431288	486084	516781
12	Extraordinary items [refer note (ii)]	-	-	1672	-	7161	(625)	7161
13	**Net profit after tax for the period from continuing operations (11+12)**	272348	124070	160991	549313	438449	485459	523942
14	Profit before tax from discontinued operations			26354		77886		
15	Tax expense on discontinued operations			8551		25270		
16	**Net Profit after tax from discontinued operations (14-15)**	[refer note (v)]		17803	[refer note (v)]	52616		
17	**Net profit after tax for the period (13+16)**			178794		491065	485459	523942
18	Share in profit of associates (net)						925	3843
19	Adjustments for minority interests in subsidiaries						3816	(7218)
20	**Net Profit after tax, minority interest and share in profit of associates (17+18+19)**	[refer note (v)]		178794	[refer note (v)]	491065	490200	520567
21	Paid-up equity share capital (face value of share: ₹ 2 each)		18521		18538	12308	18538	12308
22	Reserves excluding revaluation reserve				3345720	2899945	3750698	3371641
	Earnings per share (Post-bonus) (Not annualised): [refer note (vii) and note (viii)]							
23	Basic EPS before extraordinary items (₹)	29.39	13.40	19.17	59.36	52.55	53.04	55.75
24	Diluted EPS before extraordinary items (₹)	29.22	13.32	19.04	59.00	52.12	52.72	55.30
25	Basic EPS after extraordinary items (₹)	29.39	13.40	19.37	59.36	53.33	52.97	56.53
26	Diluted EPS after extraordinary items (₹)	29.22	13.32	19.24	59.00	52.89	52.65	56.07
27	Debt service coverage ratio (DSCR) [no.of times]*				2.12	2.04		
28	Interest service coverage ratio (ISCR) [no.of times]**				7.21	6.95		
29	*Recurring Profit after tax from continuing operations (i.e. Profit after tax excluding exceptional, extraordinary items and discontinued operations)*	223937	113631	159119	490463	416892	456801	491077

 # see note v(c)

** DSCR = [Profit before interest and exceptional & extraordinary items divided by (interest expense together with principal repayments of long-term debt during the year)]*

*** ISCR = [Profit before interest and exceptional & extraordinary items divided by interest expense]*

See accompanying notes to the financial results

SELECT INFORMATION FOR THE QUARTER ENDED MARCH 31, 2014

	Particulars	3 months ended			Year ended		Year ended	
		March 31, 2014	December 31, 2013	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
A	**PARTICULARS OF SHAREHOLDING**							
1	Public shareholding :							
	- Number of shares ('000s)		899673*		902116*	593337	902116*	593337
	** post bonus [refer note (vii)]*							
	- Percentage of shareholding		97.15%		97.32%	96.42%	97.32%	96.42%
2	Promoters and promoter group shareholding [refer note (xi)]		Nil		Nil	Nil	Nil	Nil

B	**INVESTOR COMPLAINTS**	3 months ended March 31, 2014
	Pending at the beginning of the quarter	Nil
	Received during the quarter	18
	Disposed of during the quarter	18
	Remaining unresolved at the end of the quarter	Nil

Notes :

(i) Exceptional items in standalone financials for the year ended March 31, 2014 represent gain on divestment of part stake in a subsidiary company. Exceptional items in consolidated financials additionally include net loss on divestment of stake in subsidiary & associate companies.

(ii) Extraordinary item in consolidated financials for the year ended March 31, 2014 represents loss due to natural calamity net of insurance claim.

(iii) During the quarter and year ended March 31, 2014, the Company has revised its accounting policy of amortisation of intangible assets (Toll based projects executed under Build-Operate-Transfer mode) for more appropriate presentation of the financial statements. Hitherto, the amortisation of such assets was based on Straight Line Method which has been revised to Revenue Based Method specified in the notification dated April 17, 2012 issued by the Ministry of Corporate Affairs. Consequently, the difference between the accumulated amortisation till December 31, 2013 computed as per the Straight Line Method and the accumulated amortisation as per the notified Revenue Based Method has been credited to the Statement of Profit and Loss in the consolidated financials. Had the Company continued to follow the accounting policy of amortisation based on straight line method for such assets, the profit for the year in the consolidated financials would have been lower by ₹ 95497 lakh (including write-back of ₹ 66411 lakh being difference in accumulated amortisation in respect of earlier years).

(iv) The Board of Directors has recommended a dividend of ₹ 14.25 per equity share of face value of ₹ 2 each.

(v) Pursuant to the Scheme of Arrangement ("the scheme") between Larsen & Toubro Limited and L&T Hydrocarbon Engineering Limited ("LTHE"), a wholly owned subsidiary of the Company and their respective shareholders and creditors, the Hydrocarbon business undertaking along with related assets and liabilities has been transferred to LTHE upon sanction of the scheme by the Hon'ble Bombay High Court vide order dated December 20, 2013. The certified copy of the order sanctioning the scheme has been filed with the Registrar of Companies on January 16, 2014. Accordingly, the effect of the scheme has been given from the Appointed Date viz. April 1, 2013 in the standalone financials as follows:

a) The financial results of the Company exclude the financial results of erstwhile Hydrocarbon business undertaking for the periods commencing on or after April 1, 2013. The transactions with the erstwhile Hydrocarbon business undertaking entered on or after April 1, 2013 have been considered as inter-company transactions. The transactions with the erstwhile Hydrocarbon business undertaking entered for the periods ending on or before March 31, 2013 have been reclassified and presented under the respective heads.

b) The figures for the periods ending on or before March 31, 2013 have been restated as per the requirement of Accounting Standard (AS) 24 to exclude the financial results of erstwhile Hydrocarbon business undertaking to arrive at the financial results from continuing operations.

c) The net result of the erstwhile Hydrocarbon business undertaking has been disclosed separately under discontinued operations for the periods ending on or before March 31, 2013 as required by Accounting Standard (AS) 24 and Revised Schedule VI of the Companies Act 1956. Revenue from operations of the erstwhile Hydrocarbon business undertaking for quarter and year ended March 31, 2013 are ₹ 226662 Lakh and ₹ 961543 Lakh respectively.

The aforesaid Scheme of Arrangement, however, does not have any impact on the consolidated financials.

(vi) The Company, during the quarter ended March 31, 2014, has allotted equity shares equivalent to 8,43,664 equity shares of ₹ 2 each post-bonus fully paid-up, on exercise of stock options by employees, in accordance with the Company's stock option schemes.

(vii) On July 15, 2013, the Company allotted bonus equity shares of ₹ 2 each, fully paid-up, in the ratio of 1:2, (one bonus equity share of ₹ 2 each for every two equity shares of ₹ 2 each held) to all registered shareholders as on the record date. The earnings per share ["EPS"] data for all the periods disclosed above have been adjusted for the issue of bonus shares as per Accounting Standard (AS) 20 on Earnings Per Share.

(viii) The basic and diluted EPS in respect of the standalone financials as disclosed under Sr. No. 23 to 26 in the aforesaid results do not include the results of Hydrocarbon business for the periods from April 1, 2013. However, the EPS figures in respect of the standalone financials for the corresponding periods of the previous year are based on results which include Hydrocarbon business. Accordingly, the basic and diluted EPS in respect of the standalone financials for the periods commencing on or after April 1, 2013 are not comparable with the figures of the corresponding periods of the previous year.

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

₹ Lakh

Particulars	Standalone Financials		Consolidated Financials	
	As at		As at	
	31.03.2014	31.03.2013*	31.03.2014	31.03.2013
	Audited		Audited	
EQUITY AND LIABILITIES				
Shareholders' funds:				
(a) Share capital	18538	12308	18538	12308
(b) Reserves and surplus (including revaluation reserve)	3347645	2901964	3752623	3373661
Sub-total - Shareholders' funds	**3366183**	**2914272**	**3771161**	**3385969**
Minority Interest			317918	265267
Non-current liabilities				
(a) Long-term borrowings	547814	727103	5544727	4739214
(b) Deferred tax liabilities (net)	40992	24222	61785	37787
(c) Other long term liabilities	9357	50203	394673	464230
(d) Long-term provisions	29961	28592	36612	34667
Sub-total - Non-current liabilities	**628124**	**830120**	**6037797**	**5275898**
Current liabilities				
(a) Short-term borrowings	387604	73453	1367867	796576
(b) Current maturities of long term borrowings	210474	82865	1102697	731373
(c) Trade payables	1634545	1693265	2087058	1805365
(d) Other current liabilities	1392176	1440047	2024697	1797813
(e) Short-term provisions	211352	208381	293078	263942
Sub-total - Current liabilities	**3836151**	**3498011**	**6875397**	**5385069**
TOTAL EQUITY AND LIABILITIES	**7830458**	**7242403**	**17002273**	**14312223**
ASSETS				
Non-current assets				
(a) Fixed Assets	823721	890198	4443981	3961999
(b) Goodwill on consolidation			213617	211975
(c) Non-current investments	1516841	1052270	143280	122419
(d) Deferred tax assets (net)			28039	19420
(e) Long-term loans and advances	372157	366907	3539270	2409937
(f) Other non-current assets	6278	8232	22362	21324
Sub-total - Non-current assets	**2718997**	**2317607**	**8390549**	**6747074**
Current assets				
(a) Current investments	404623	558069	667617	754331
(b) Inventories	198253	206418	552746	516946
(c) Trade receivables	2153876	2261301	2638455	2301132
(d) Cash and bank balances	178286	145566	409657	356614
(e) Short-term loans and advances	634665	574376	1816276	1633156
(f) Other current assets	1541858	1179066	2526973	2002970
Sub-total - Current assets	**5111461**	**4924796**	**8611724**	**7565149**
TOTAL ASSETS	**7830458**	**7242403**	**17002273**	**14312223**

* Note: Includes Assets/Liabilities for Hydrocarbon business undertaking under the respective heads.

(x) The figures for the quarter ended March 31, 2014 and March 31, 2013 are the balancing figures between audited figures in respect of the full financial year and the limited reviewed year-to-date published figures upto the quarter ended December 31, 2013 and December 31, 2012 respectively.

(xi) 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.

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

(xiii) The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on May 30, 2014.

for LARSEN & TOUBRO LIMITED

A.M.NAIK
Group Executive Chairman

Mumbai
May 30, 2014

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

₹ Lakh

Particulars	Standalone Financials					Consolidated Financials	
	3 months ended			Year ended		Year ended	
	March 31, 2014	December 31, 2013	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Gross segment revenue from continuing operations							
1 Infrastructure	1353947	890846	1150577	3511531	2881901	3797966	3103995
2 Power	147232	121164	207895	514006	807385	587995	889516
3 Metallurgical and Material Handling	178803	155564	200870	554608	643044	573214	652135
4 Heavy Engineering	135730	104947	95889	432177	300263	452236	302842
5 Electrical & Automation	116016	100280	111683	390734	364395	513269	484593
6 Machinery & Industrial Products [refer note III below]	45631	44033	74451	194287	239519	352685	287994
7 Hydrocarbon						1005469	1025028
8 IT & Technology Services						641684	499878
9 Financial Services						518085	407978
10 Developmental Projects						171349	103977
11 Others	92583	57426	38281	234696	152586	197763	60071
Total	**2069942**	**1474260**	**1879646**	**5832039**	**5389093**	**8811715**	**7818007**
Less: Inter-segment revenue	47004	20854	53041	115654	169523	222811	298476
Net segment revenue from continuing operations	**2022938**	**1453406**	**1826605**	**5716385**	**5219570**	**8588904**	**7519531**
Segment result (Profit before interest and tax)							
1 Infrastructure	156907	91330	121851	387907	286692	366333	285519
2 Power	20807	6582	13334	51825	59012	118771	112313
3 Metallurgical and Material Handling	30400	22011	37797	82140	97008	82692	97592
4 Heavy Engineering	27395	15636	16984	68567	50707	49980	39168
5 Electrical & Automation	16445	11630	14589	43387	35800	54254	54653
6 Machinery & Industrial Products [refer note III below]	4439	5796	10488	20901	40335	38363	45775
7 Hydrocarbon						9954	100543
8 IT & Technology Services						123957	110731
9 Financial Services						64645	84808
10 Developmental Projects						109097	24714
11 Others	20914	9167	(2454)	21647	22280	13324	(5110)
Total	**277307**	**162152**	**212589**	**676374**	**591834**	**1031370**	**950706**
Less: Inter-segment margins on capital jobs	244	247	569	556	1704	9700	10487
Less: Interest expenses	30492	29085	26336	107608	95475	314144	212429
Add: Unallocable corporate income net of expenditure	89588	40778	20166	158581	90763	41397	28191
Profit Before Tax (before extraordinary item) from continuing operations	**336159**	**173598**	**205850**	**726791**	**585418**	**748923**	**755981**
Capital employed (Segment assets *less* segment liabilities)							
1 Infrastructure				1151163	820285	1290981	956742
2 Power				28782	67439	182448	207172
3 Metallurgical and Material Handling				314442	259072	304310	260208
4 Heavy Engineering				264131	206153	427627	386398
5 Electrical & Automation				149082	128109	240082	212962
6 Machinery & Industrial Products [refer note III below]				52840	59601	128805	120281
7 Hydrocarbon						390323	226131
8 IT & Technology Services						262608	230752
9 Financial Services						699009	645102
10 Developmental Projects						3058657	2260568
11 Others				129773	114139	808361	774899
Total capital employed in segments				**2090213**	**1654798**	**7793211**	**6281215**
Unallocable corporate assets *less* corporate liabilities				2462854	2058117	768259	838176
Total Capital Employed (in continuing operations)				**4553067**	**3712915**	**8561470**	**7119391**
Capital Employed (in discontinued operations) [refer note II]				-	109000		
Total Capital Employed (in continuing and discontinued operations)				**4553067**	**3821915**	**8561470**	**7119391**

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 operations of the Engineering and Construction which were hitherto reported as part of one single segment have now been reported into different segments based on internal restructuring and granular clarity of segment information.

II Pursuant to the transfer of the Hydrocarbon business undertaking under the Scheme of Arrangement w.e.f. April 1, 2013, the capital employed of the erstwhile Hydrocarbon segment has been disclosed under discontinued operations in the standalone financials. The revenue from operations of the Hydrocarbon business undertaking for the periods ending on or before March 31, 2013 in respect of standalone financials has been disclosed vide Note (v) (c) to the financial results.

III The Company has transferred at book value to its wholly owned subsidiaries, the business of manufacturing and marketing of industrial valves effective July 1, 2013 and Cutting Tools business effective July 15, 2013. Both these businesses were hitherto reported as part of the Machinery and Industrial Products segment in the standalone financials.

IV a) Segment composition in standalone financials: **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. Electrical & Automation also included medical equipment business in the previous year. **Machinery & Industrial Products in standalone financials** comprises manufacture and sale of rubber processing machinery & castings, manufacture and marketing of industrial valves (upto the date of transfer), construction equipment and industrial products (upto the date of transfer). **Others in standalone financials** include realty, shipbuilding and integrated engineering services.

(b) Segment composition in consolidated financials : **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. **Machinery & Industrial Products in consolidated financials** also includes manufacture and sale of welding and cutting equipment. **Machinery & Industrial Products in consolidated financials** also included manufacture and sale of plastic processing machinery (upto the date of sale of stake) and manufacture and sale of undercarriage assemblies in the previous year. **Others in consolidated financials** also include ready-mix concrete, mining and aviation but do not include integrated engineering services, which is classified under IT & Technology Services.

V Segment revenue comprises sales & operational income allocable specifically to a 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

A. M. NAIK
Group Executive Chairman

Mumbai
May 30, 2014

Independent Auditors' Report

To the Board of Directors of Larsen & Toubro Limited

We have audited the accompanying consolidated financial statements of Larsen & Toubro Limited ("the Company") and its subsidiaries, associates and joint ventures ("the L&T Group") which comprise the consolidated balance sheet as at March 31, 2014, and the consolidated statement of profit and loss and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries, associates and joint ventures as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

a) in the case of the consolidated balance sheet, of the state of affairs of the L&T Group as at March 31, 2014;
b) in the case of the consolidated statement of profit and loss, of the profit of the L&T Group for the year ended on that date; and
c) in the case of the consolidated cash flow statement, of the cash flows of the L&T Group for the year ended on that date.

Other matters

In respect of the financial statements of a subsidiary, we carried out the audit jointly with other auditor. The details of assets, revenues and net cash flows in respect of the subsidiary to the extent to which they are reflected in the consolidated financial statements are given below:

Jointly audited :				
		₹ crore	₹ crore	₹ crore
		Total assets	**Total revenues**	**Net cash inflows / (outflows)**
	Subsidiary	454.03	206.95	5.97

In respect of the financial statements of certain subsidiaries, associates and joint ventures, we did not carry out the audit. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of the subsidiaries, associates and joint ventures 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 ventures and the net carrying cost of investment and current year share of net profit in respect of these associates, to the extent to which they are reflected in the consolidated financial statements are given below:

Audited by other auditors:				
		₹ crore	₹ crore	₹ crore
		Total assets	**Total revenues**	**Net cash inflows / (outflows)**
A	Subsidiaries	47340.00	8983.61	113.89
B	Joint ventures	2268.12	865.98	(39.61)
			Net carrying cost of investment	**Current year share of net profit**
C	Associates		9.53	1.34

Our opinion is not qualified in respect of these matters.

SHARP & TANNAN
Chartered Accountants
Firm's Registration No. 109982W
by the hand of

Milind P. Phadke
Partner
Membership No.33013

Mumbai, May 30, 2014

INDEPENDENT AUDITORS' REPORT

To the Members of Larsen & Toubro Limited

Report on the financial statements

We have audited the accompanying financial statements of Larsen & Toubro Limited ("the Company"), which comprise the balance sheet as at March 31, 2014, and the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013, of the Ministry of Corporate Affairs, in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2014;

(b) in the case of the statement of profit and loss, of the profit for the year ended on that date; and

(c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the central government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

c. the balance sheet, statement of profit and loss and cash flow statement dealt with by this Report are in agreement with the books of account;

d. in our opinion, the balance sheet, statement of profit and loss, and cash flow statement comply with the Accounting Standards notifed under the Act read with the General Circular 15/2013 dated 13 September 2013, issued by the Ministry of Corporate Affairs, in respect of section 133 of the Companies Act, 2013; and

e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the board of directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

SHARP & TANNAN
Chartered Accountants
Firm's registration number 109982W

Milind P. Phadke
Partner
Membership No. 33013

Mumbai, 30 May 2014

Annexure to the Auditors' report
(Referred to paragraph (1) of our report of even date)

1 (a) The Company is maintaining proper records to show full particulars including quantitative details and situation of all fixed assets.

(b) We are informed that the Company has formulated a programme of physical verification of all the fixed assets over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. Accordingly, the physical verification of the fixed assets has been carried out by management during the year and no material discrepancies were noticed on such verification.

(c) The Company has not disposed of any substantial part of its fixed assets so as to affect its going concern status.

2 (a) As explained to us, inventories have been physically verified by management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable.

(b) As per the information given to us, the procedures of physical verification of inventory followed by management are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.

3 (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, paragraphs 4(iii)(b), (c) and (d) of the Order are not applicable.

(b) According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured from companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, paragraphs 4(iii)(f) and (g) of the Order are not applicable.

4 In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations

given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control systems.

5 According to the information and explanations given to us, we are of the opinion that there are no contracts or arrangements that need to be entered in the register maintained under section 301 of the Companies Act, 1956; accordingly paragraph 4(v) (b) of the Order is not applicable.

6 The Company had accepted deposits from the public and in our opinion and according to the information and explanations given to us, the directives issued by the Reserve Bank of India and the provisions of section 58A and 58AA and the relevant provisions of the Companies Act, 1956 and rules framed thereunder, where applicable, have been complied with. We are informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal. As of the date of the balance sheet, the Company has no fixed deposits other than unclaimed matured deposits.

7 In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.

8 We have broadly reviewed the books of account and records maintained by the Company pursuant to the rules prescribed by the central government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of all its manufacturing and construction activities and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. The contents of these accounts and records have not been examined by us.

9 (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities. According to the information and explanations given to us, there were no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues outstanding as at 31 March 2014 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of sales tax, excise duty, service tax, customs duty, income tax and profession tax as at 31 March 2014 which have not been deposited on account of a dispute pending are as under:

Name of the statute	Nature of the disputed dues	Amount ` crore*	Period to which the amount relates	Forum where disputes are pending
Central Sales Tax Act, Local Sales Tax Acts and Works Contract Tax Act	Non-submission of forms	1.46	1991-1992, 1992-1993, 1994-1995, 1996-1997 to 2003-2004, 2005-2006 to 2009-2010	Commercial Tax Officer
	Non-submission of forms, dispute related to sales in transit, rejection of exemption certificates, rate of tax dispute and other matters	3.56	1991-1992, 1992-1993, 1993-1994, 1996-1997, 1997-1998 and 1999-2000 to 2011-2012	Assistant Commissioner (Appeals)
	Non-submission of forms, additional demand for pending forms, rate of tax dispute, disallowance of branch transfer, sub-contractor's turnover, interest demand on road permit, disallowance of exemptions on sale of assets, transit sale and other matters	399.00	1989-1990, 1991-1992 to 2011-2012	Deputy Commissioner (Appeals)
	Non-submission of forms, disallowance of transit sales, high seas sales, classification dispute and other matters	51.65	1993-1994, 1996-1997, 1997-1998, 1999-2000, 2001-2002 to 2009-2010	Joint Commissioner (Appeals)
	Non-submission of forms	8.52	1997-1998, 2002-2003 to 2011-2012	Additional Commissioner (Appeals)

	Non-submission of forms, dispute related to sales in transit and other matters	0.52	2001-2002 to 2004-2005, 2006-2007 and 2008-2009	Commissioner (Appeals)
	Non-submission of forms, labour and service charges, sub-contractors turnover, pumping and freight charges, inter-state sales turnover, arbitrary demand raised, TDS disallowed, rate dispute, classification dispute, disallowance of works contract tax and other matters	325.24	1987-1988, 1989-1990 to 2011-2012	Sales Tax Tribunal
	Classification dispute, tax deducted at source at lower rate, sales in transit, local VAT, local WCT, rate of tax of declared goods and other matters	259.46	1986-1987, 1987-1988, 1998-1999 to 2011-2012	High Court
	Taxability of sub-contractor turnover, rate of tax for declared goods, inter-state sales, non-submission of forms and high seas sales	3.20	1991-1992, 1995-1996, 1997-1998 and 1999-2000 to 2006-2007	Supreme Court
The Central Excise Act, 1944, Service Tax under Finance Act, 1994 and Customs Act, 1962	Disallowance of cenvat credit, excise duty refund rejected, short payment of service tax, excise duty on concrete mix made at site, service tax rate dispute and other matters	0.90	2006-2007 to 2011-2012	Commissioner (Appeals)
	Demand of excise duty on site fabricated steel structure, export rebate disallowance, valuation dispute, excise duty on	1215.66	1991-1992, 2001-2002 to 2011-2012	CESTAT

	concrete mix made at site, non-maintenance of proper records, packing/re-packing, labelling/re-labelling amounting to manufacturing activity and other matters			
	Dispute on site mix concrete and PSC grinder	0.27	1997-1998	Supreme Court
	Demand of service tax including penalty and interest on lumpsum turnkey jobs and demand of penalty on late payment of service tax	27.18	2002-2003 to 2011-2012	CESTAT
	Export rebate claim and service tax on commercial construction service	10.47	2003-2004 to 2006-2007	High Court
Income-tax Act, 1961	Dispute regarding tax deducted at source at lower rates	0.97	2005-06, 2010-2011 to 2012-2013	Commissioner (Appeals)
	Assessment under section 143(3) read with section 144C(13)	188.10	2006-2007 to 2008-2009	ITAT
The Maharashtra State Tax on Professions, Trade Callings and Employments Act, 1975	Demands raised relating to employees located in other states	1.14	2007-2008	Joint Commissioner (Appeals)

*Net of pre-deposit paid in getting the stay/appeal admitted

10 The Company has no accumulated losses as at 31 March 2014 and it has not incurred cash losses in the financial year ended on that date or in the immediately preceding financial year.

11 According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.

12 According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13 The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company.

14 In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in securities. The Company has invested surplus funds in marketable securities and mutual funds. According to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The investments in marketable securities and mutual funds have been held by the Company in its own name.

15 In our opinion and according to the information and explanations given to us, the terms and conditions of guarantees given by the Company for loans taken by subsidiary companies from banks or financial institutions are not prima facie prejudicial to the interests of the Company.

16 In our opinion and according to the information and explanations given to us, on an overall basis the term loans have been applied for the purposes for which they were obtained.

17 According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used for long term investments.

18 The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.

19 According to the information and explanations given to us and the records examined by us, security or charge has been created in respect of the debentures issued.

20 The Company has not raised any money by public issues during the year.

21 During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by management.

SHARP & TANNAN
Chartered Accountants
Firm's registration number 109982W

Milind P. Phadke
Partner
Membership No. 33013

Mumbai, 30 May 2014