LARSEN & TOUBRO

Larsen & Toubro Limited
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SEC/PAM/2015

May 30, 2015

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 Consolidated Results for the year ended **31st March 2015**, pursuant to clause 41 of the Listing Agreement.

At the Meeting of Board of Directors held today, the Directors have approved the Consolidated Audited Accounts for the year ended March 31, 2015.

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 ₹ **16.25/-** per share (previous year ₹ 14.25/- per share) and the Company will arrange to pay the same on **11th September 2015**, if approved by the members in Annual General Meeting scheduled to be held on **9th September 2015**. 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
(ACS 3471)

Encl : as above

ISO 9001 REGISTERED
DNV
MGMT.SYS.
RvA C024
DNV Certification B.V., The Netherlands

CIN : L99999MH1946PLC004768

L&T Press Release

Issued by Corporate Brand Management & Communications

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Performance for the year ended March 31, 2015

Consolidated Results

Order inflow grows 22%
Revenue up by 8%

Mumbai, May 30, 2015: Larsen & Toubro recorded Consolidated Gross Revenue of ₹ 92762 crore for the year ended March 31, 2015, registering an increase of 8.0% on a y-o-y basis over the previous year. The International revenue during the year at ₹ 25926 crore constituted 28% of the total revenue.

The Consolidated Gross Revenue for the quarter ended March 31, 2015 stood at ₹ 28275 crore registering a modest y-o-y growth of 3.8% as certain sectoral constraints slowed down the pace of execution.

The Company was successful in garnering fresh orders worth ₹ 155367 crore at consolidated level during the year ended March 31, 2015, recording an impressive y-o-y growth of 22%. The order inflow growth was driven by domestic orders across businesses. The International orders during the year at ₹ 39116 crore constituted lower share at 25% of the order inflow, as the Company was selective in pursuing international opportunities. 55% of the total order inflow during the year was secured by the Infrastructure segment.

The order intake for the quarter ended March 31, 2015 was also higher at ₹ 47582 crore recording a y-o-y growth of 39%. International order inflow during the quarter at ₹ 11364 crore constituted 24% of the order inflow for the quarter.

Consolidated Order Book of the group stood at ₹ 232649 crore as at March 31, 2015, higher by 28% on a y-o-y basis. International Order Book constituted 26% of the total Order Book.

Consolidated Profit After Tax (PAT) for the year ended March 31, 2015 at ₹ 4765 crore was lower vis-à-vis PAT of ₹ 4902 crore for the previous year, mainly due to challenges faced during execution of international projects in the hydrocarbon sector. Infrastructure and Services businesses of the group, however, recorded healthy increase in the PAT, thereby limiting y-o-y decline in overall PAT for the year at 2.8%. Moreover, PAT of the previous year included a one-time write back of ₹ 664 crore on account of amortization charge of toll road projects. Neutralizing this high base effect, the PAT for the year 2014-15 shows an increase.

The overall PAT for the quarter January to March 2015 stood at ₹ 2070 crore on the higher base PAT of ₹ 2840 crore for the corresponding quarter of the previous year, which included the aforesaid one-time write back.

The Board of Directors has recommended a dividend of ₹ 16.25 per equity share.

Infrastructure Segment

Infrastructure Segment achieved Customer Revenue of ₹ 43426 crore for the year ended March 31, 2015 registering a smart y-o-y growth of 19%, driven by good progress of jobs under execution. International revenue constituted 25% of the total customer revenue of the segment during the year. For the quarter January-March 2015, the Customer Revenue of Infrastructure segment was at ₹ 15097 crore recording a y-o-y increase of 12%.

The businesses of Infrastructure segment secured fresh orders of ₹ 85763 crore, during the year ended March 31, 2015 registering a y-o-y growth of 5.4%. The increase in order inflow during the year was mainly contributed by Building & Factories and Power Transmission & Distribution businesses. International orders at ₹ 18464 crore constituted 22% of the total order inflow of the segment during the year.

During the quarter January-March 2015, the Segment recorded order inflow of ₹ 28238 crore registering a growth of 21% over the corresponding quarter of the previous year.

The Order Book of the Segment grew 28% on a y-o-y basis and stood healthy at ₹ 166120 crore as at March 31, 2015.

The segment sustained EBIDTA margin during the year ended March 31, 2015 at 11.1%.

Power Segment

Power Segment recorded customer revenue of ₹ 4738 crore during the year ended March 31, 2015, registering a reduction of 23% over the previous year due to low opening order book and delays in regulatory clearances impacting the progress of a job. Large portion of order book is at initial stage of execution and yet to contribute to significant accretion to revenue. For the quarter January-March 2015, the Customer Revenue was at ₹ 1446 crore, recording a y-o-y decline of 8%.

Power Segment secured fresh orders of ₹ 15125 crore for the year ended March 31, 2015, recording a significant increase over order inflow of ₹ 4409 crore for the previous year. Order Inflow of the Segment during the quarter ended March 31, 2015 stood at ₹ 5623 crore as against ₹ 2313 crore secured in the corresponding quarter of the previous year.

The Order Book of the Segment grew 46% on a y-o-y basis and stood at ₹ 23472 crore as at March 31, 2015.

The segment EBIDTA margin stood at 16.3% for the year ended March 31, 2015. The EBITDA margin for the previous year was higher at 25.2% on the back of higher margin accrual on projects nearing completion.

Metallurgical & Material Handling (MMH) Segment

The Customer Revenue of MMH Segment during the year ended March 31, 2015 at ₹ 3182 crore, registered a y-o-y decline of 42% on account of lower executable order book and slower progress on some of the existing jobs. The Customer Revenue for the quarter January-March 2015 stood at ₹ 792 crore registering a y-o-y decline of 55%.

MMH Segment secured fresh orders of ₹ 6136 crore during the year ended March 31, 2015, registering a growth of more than 2 times over the previous year. The order inflow for the quarter January-March 2015 stood at ₹ 2942 crore registering a significant growth over the corresponding quarter of the previous year, consequent to bagging of a large order in ferrous business.

The Order Book of the Segment grew by 9.2% on a y-o-y basis and stood at ₹ 10690 crore as at March 31, 2015.

The EBIDTA margin of the segment declined to 10.6% for the year ended March 31, 2015 vis-à-vis 16.6% recorded in the previous year due to low capacity utilization, cost overruns and slow progress on certain jobs under execution.

Heavy Engineering Segment

Heavy Engineering Segment achieved Customer Revenue of ₹ 3459 crore registering a y-o-y decline of 22% over the previous year on account of slowdown in award of contracts and non-receipt of targeted orders in Process Plant and Nuclear Equipment business. International sales constituted 32% of the total customer revenue of the segment. The Customer Revenue during the quarter January-March 2015 stood at ₹ 1000 crore recording a y-o-y decline of 31%.

Heavy Engineering Segment secured fresh orders valued ₹ 4989 crore during the year ended March 31, 2015, recording a y-o-y growth of 35%, led by Defence business. International orders constituted 29% of the total order inflow of the segment during the year.

During the quarter January-March 2015, the Segment recorded order inflow of ₹ 1084 crore.

The Order Book of the Segment grew by 23% on a y-o-y basis and stood at ₹ 8387 crore as at March 31, 2015.

The EBIDTA margin of the segment stood at 12.2% for the year ended March 31, 2015 vis-à-vis 15.8% recorded in the previous year due to pricing pressures, cost overruns and under-utilisation of capacity.

Electrical & Automation (E&A) Segment

E&A Segment recorded Customer Revenue of ₹ 5061 crore during the year ended March 31, 2015, registering a modest y-o-y increase of 5.3%, despite sluggish industrial demand. International Revenue constituted 32% of the total customer revenue of the segment for the year ended March 31, 2015. The Customer Revenue during the quarter January-March 2015 stood at ₹ 1561 crore recording a y-o-y growth of 7.4%.

The EBIDTA margin of the E&A Segment stood at 14.8% for the year ended March 31, 2015 recording an increase over 14.2% earned during the previous year on the back of decrease in prices of some of the key inputs and favourable revenue mix.

The Order Book of the Segment registered a y-o-y growth of 5.1% and stood at ₹ 3096 crore as at March 31, 2015.

Hydrocarbon Segment

Hydrocarbon Segment recorded Customer Revenue of ₹ 7351 crore registering a y-o-y decline of 27% over the previous year, as majority of jobs under execution were close to completion. Delayed receipt of fresh orders during the year also resulted in decline in revenues. International sales constituted 50% of the total customer revenue of the segment for the year ended March 31, 2015. The Customer Revenue during the quarter January-March 2015 stood at ₹ 2215 crore recording a marginal y-o-y growth of 1.4%.

Hydrocarbon Segment secured fresh orders valued ₹ 10716 crore during the year ended March 31, 2015, registering a growth of 10% over the previous year. International orders constituted 64% of the total order inflow of the segment. The order inflow for the quarter January-March 2015 stood at ₹ 699 crore vis-à-vis ₹ 813 crore recorded in the corresponding quarter of the previous year.

The Order Book of the Segment registered a y-o-y growth of 31% and stood at ₹ 13684 crore as at March 31, 2015.

The segment recorded operating losses during the year ended March 31, 2015. The EBIDTA for the year was negative on account of time and cost overruns on international jobs and under-recovery of overheads both due to low volumes as well as investment being made in building an organization for successfully catering to international business.

IT & Technology Services Segment

IT & Technology Services Segment achieved Customer Revenue of ₹ 7589 crore during the year ended March 31, 2015, registering a healthy y-o-y growth of 19.4%. International sales constituted 95% of the total customer revenue of the segment for the year ended March 31, 2015. The Customer Revenue during the quarter January-March 2015 stood at ₹ 2023 crore recording a y-o-y growth of 19.3%.

The EBIDTA margin of the IT&TS Segment at 20.4% for the year ended March 31, 2015 was lower vis-à-vis 22.2% for the previous year, largely due to increase in staff costs incurred for strengthening the sales organization and due to higher deployment of resources onsite.

Developmental Projects Segment

Developmental Projects Segment registered Customer Revenue of ₹ 5148 crore during the year ended March 31, 2015, recording a significant y-o-y growth. The power plant at Rajpura commenced full-fledged operations of both its units during the year, contributing substantially to the revenue growth.

The EBIDTA margin of the Developmental Projects Segment for the year ended March 31, 2015 stood at 41.7% vis-à-vis 40.3% earned during the previous year.

Financial Services Segment

Financial Services Segment recorded Customer Revenue of ₹ 6393 crore during the year ended March 31, 2015, registering a y-o-y growth of 24%, driven by growth in loan assets and disbursements in the focus areas of retail and wholesale finance business.

The operating margin of the Financial Services Segment for the year ended March 31, 2015 at 15.4% increased over 14.3% earned during the previous year.

"Others" Segment

"Others" Segment comprises Realty, Shipbuilding, Construction & Mining Equipment and Industrial Machinery & Product businesses.

Customer Revenue of "Others" Segment during the year ended March 31, 2015 at ₹ 6414 crore registered an increase of 20% over the previous year, driven by growth achieved by Realty, Valves and Shipbuilding businesses. International sales constituted 14.2% of the total customer revenue of the segment.

During the year ended March 31, 2015, the segment EBIDTA margin improved to 22.9% as compared to margin of 13.7% earned in the previous year aided by growth in Realty business.

Outlook

Sub-dued investment climate during the year 2014-15 limited opportunities for capital goods and infrastructure sector in India. Initiatives which could potentially trigger investment interest in core sectors were time consuming. The Government is expected to address the policy hurdles by accelerating decision making and by enhancing the ease of doing business.

Meanwhile the global recovery has been slow. Sharp decline in oil prices and persisting geo-political uncertainties in the Middle East Region have impacted the investment momentum. Several currencies have depreciated against the USD causing changes in the competitive landscape.

Though demand in short-term remains impacted, the reform process in India is expected to gain ground in the medium term. Faster implementation of crucial projects and de-bottlenecking of stalled projects will help revive the growth momentum. The Government's focus on infrastructure development, manufacturing of defence equipment, fast tracking power and mining sector reforms and providing thrust to Make in India programme are positive indicators for the Company. Further, progress on major reforms like land acquisition and GST should significantly improve the sentiment.

The Company is well placed to benefit early as sustainable growth opportunities emerge over the next few years.

Background:

Larsen & Toubro is a major Indian multinational engaged in technology, engineering, construction, manufacturing and financial services, with global operations. Its products and systems are marketed in over 30 countries worldwide. A strong, customer-focused approach and the constant quest for top-class quality have enabled L&T to attain and sustain leadership in its major lines of business for over seven decades.