



LARSEN & TOUBRO

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

Performance for the quarter ended June 30, 2013

Order inflow grows by 28%

Mumbai, 22 July 2013: Larsen & Toubro recorded Gross Revenue of ₹ 12704 crore for the quarter ended June 30, 2013, registering an increase of 5% on a y-o-y basis over the corresponding quarter of the previous year. International Revenue at ₹ 3378 crore grew by 68% vis-à-vis the corresponding quarter of the previous year.

The Company successfully garnered fresh orders worth ₹ 25159 crore during the quarter April - June 2013, recording a healthy y-o-y growth of 28%. International order inflow at ₹ 3617 crore grew 2.28 times and constituted 14% of the total order inflow for the quarter April - June 2013. The major orders during the year came from Building & Factories, Transportation Infrastructure, Hydrocarbon and Heavy Civil Infrastructure businesses.

The Order Book at ₹ 165393 crore as at June 30, 2013 grew 8% on a y-o-y basis. International Order Book grew 16% and constituted 12% of the total Order Book.

Profit after Tax (PAT) for the quarter April-June 2013 stood at ₹ 756 crore as compared to ₹ 864 crore recorded for the corresponding quarter of the previous year. The PAT during the quarter was impacted on account of job mix, lower margin accruals and lower other income.

Beginning from the quarter April-June 2013, the operations of the Engineering and Construction segment, which were hitherto reported as part of one single segment, have now been reported into different segments identified based on internal re-structuring and to provide granular clarity on segment information.

Infrastructure Segment

Infrastructure Segment achieved Customer Revenue of ₹ 5217 crore for the quarter ended June 30, 2013 registering a y-o-y growth of 23%. The revenue growth was mainly driven by Power Transmission & Distribution, Water & Renewable Energy and Transportation Infrastructure businesses. International sales constituted 16% of the total revenue.

The businesses of the Infrastructure Segment secured fresh orders of ₹ 17580 crore, during the quarter ended June 30, 2013 registering a y-o-y growth of 14% with major contribution from Transportation Infrastructure, Heavy Civil Infrastructure and

Building and Factories businesses. International orders constituted around 5% of the total order inflow of the segment during the quarter ended June 30, 2013.

The Order Book of the Segment is ₹ 110323 crore as at June 30, 2013.

The segment recorded EBIDTA margin at 11.8% during the quarter April-June 2013 vis-à-vis 11.5% recorded in the corresponding quarter of the previous year. The segment margin improved during the quarter on the back of comparatively higher proportion of jobs in margin yielding phase and softer commodity prices.

Hydrocarbon Segment

Hydrocarbon Segment achieved Customer Revenue of ₹ 2776 crore for the quarter ended June 30, 2013 registering a y-o-y growth of 24%. International sales constituted 66% of the total revenue as compared to 28% in the corresponding quarter of the previous year.

The businesses of the Hydrocarbon Segment secured fresh orders of ₹ 2799 crore, during the quarter ended June 30, 2013. International orders constituted 49% of the total order inflow of the segment.

The Order Book of the Segment is ₹ 10078 crore as at June 30, 2013.

The EBIDTA margin of the segment at 6.7% for the quarter April-June 2013 reflects relative job mix, dominated by international projects under execution during the quarter.

Power Segment

Power Segment achieved Customer Revenue of ₹ 1275 crore for the quarter ended June 30, 2013 registering a y-o-y decline of 44% due to lower order book.

Despite the slowdown in the power sector delaying award of large orders, the businesses of the Power Segment secured fresh orders of ₹ 628 crore, during the quarter ended June 30, 2013.

The Order Book of the Segment is ₹ 16899 crore as at June 30, 2013.

The EBIDTA margin of the segment stood at 8.6% for the quarter April-June 2013 vis-à-vis 7.4% 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, 2013 at ₹ 1026 crore recorded y-o-y decline of 17% on account of reduced opening order book.

Minerals and metals industry, which is the customer base for MMH Segment, is constrained by multiple sectoral challenges. Notwithstanding adverse business environment, MMH Segment secured fresh orders of ₹ 825 crore, during the quarter ended June 30, 2013.

The Order Book of the Segment is ₹ 15499 crore as at June 30, 2013.

The EBIDTA margin of the segment improved to 16.0% for the quarter April-June 2013 vis-à-vis 13.0% recorded in the corresponding quarter of the previous year driven by favourable job mix.

Heavy Engineering Segment

Heavy Engineering Segment achieved Customer Revenue of ₹ 842 crore for the quarter ended June 30, 2013 registering a significant growth of 67% over the corresponding quarter of the previous year.

The businesses of the Heavy Engineering Segment secured fresh orders of ₹ 1321 crore, during the quarter ended June 30, 2013 recording a y-o-y growth of 16%. International orders constituted 58% of the total order inflow of the segment.

The Order Book of the Segment is ₹ 8024 crore as at June 30, 2013.

During the quarter April-June 2013, the segment recorded EBIDTA margin at 13.4% as compared to 30.7% earned during the quarter April-June 2012, which included certain non-recurring items.

Electrical & Automation (E&A) Segment

E&A Segment recorded Customer Revenue of ₹ 730 crore for the quarter ended June 30, 2013, recording a minor growth due to depressed market conditions. International sales contributed to 11.3% of the total segment revenue for the quarter.

Despite intense competition, the EBIDTA Margin of the E&A Segment was sustained at 11.9% for the quarter April-June 2013 on the back of lower commodity prices and operational efficiencies.

Machinery & Industrial Products (MIP) Segment

MIP Segment recorded Customer Revenue of ₹ 526 crore for the quarter ended June 30, 2013 registering a growth of 8% over the corresponding quarter of the previous year.

The Segment recorded EBIDTA Margin at 13.8% during the quarter ended June 30, 2013. The performance of the segment during the quarter was adversely affected due to industrial slowdown.

“Others” Segment

“Others” segment comprises Integrated Engineering Services (IES), Shipbuilding and Property Development business.

IES business clocked revenue of ₹ 332 crore during the quarter April-June 2013, registered a y-o-y growth of 12.5%. The EBIDTA margin of IES for the quarter stood at 29.9%. Negative contribution by the Shipbuilding business impacted the overall performance of the segment.

Outlook

Persisting macro concerns, currency volatility and attendant uncertainty in the financial markets is impacting the growth and investment sentiment of the Indian economy. The recent measures taken by the Government particularly in the areas of FDI, reduction in oil and power subsidy and for facilitating investment are expected to bear fruits in the medium term.

Resolution of long pending issues affecting the core sectors, specific measures to boost domestic manufacturing, increased resource allocation for infrastructure sector and further push on next generation reforms are necessary to provide the much needed impetus for investment and growth in India.

On the international front, the Company continues to focus on good prospects in various countries in the Middle East and select markets in CIS region, Africa & South Asia.

With a healthy order book, strong balance sheet, wide ranging capabilities and international presence, the Company is optimistic about its prospects as both the Indian and global economies work towards their recovery.



LARSEN & TOUBRO LIMITED

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

UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2013

₹ Lakh

Particulars	3 months ended			Year ended March 31, 2013 (Audited)
	June 30, 2013	March 31, 2013	June 30, 2012	
1 Gross Sales / Revenue from operations	1270430	2048451	1207833	6147086
Less : Excise duty	14924	19068	12298	59760
Net Sales / Revenue from operations	1255506	2029383	1195535	6087326
2 Expenses:				
a) i) Consumption of raw materials, components, and stores, spares & tools	288007	344898	372005	1318039
ii) Sub-contracting charges	355616	483654	254991	1447206
iii) Construction materials consumed	286300	504363	203603	1458112
iv) Purchases of stock-in-trade	47695	60786	50166	206323
v) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(128901)	82206	(51151)	(113203)
vi) Other manufacturing, construction and operating expenses	126200	144019	105648	478763
b) Employee benefits expense	116876	113439	94719	443632
c) Sales, administration and other expenses	56565	50932	57083	207748
d) Depreciation, amortisation and obsolescence	21028	22221	19194	81847
Total expenses	1169386	1806518	1106258	5528467
3 Profit from operations before other income, finance costs and exceptional items (1-2)	86120	222865	89277	558859
4 Other income	47260	37438	60812	185090
5 Profit from ordinary activities before finance costs and exceptional items (3+4)	133380	260303	150089	743949
6 Finance costs	24528	28099	22841	98240
7 Profit from ordinary activities after finance costs but before exceptional items (5-6)	108852	232204	127248	645709
8 Exceptional items	-	-	(3834)	17595
9 Profit from ordinary activities before tax (7+8)	108852	232204	123414	663304
10 Provision for taxes:				
a) Provision for current tax	33559	48017	37595	165821
b) Provision for deferred tax	(310)	7265	(546)	13579
Total provision for taxes	33249	55282	37049	179400
11 Net profit after tax from ordinary activities (9-10)	75603	176922	86365	483904
12 Extraordinary items	-	1872	-	7161
13 Net profit after tax for the period (11+12)	75603	178794	86365	491065
14 Paid-up equity share capital (face value of share: ₹ 2 each)	12325		12256	12308
15 Reserves excluding revaluation reserve				2899945
Earnings per share (Post-bonus) (Not annualised) [refer note (i)]:				
16 Basic EPS before extraordinary items (₹)	8.18	19.17	9.40	52.55
17 Diluted EPS before extraordinary items (₹)	8.13	19.04	9.33	52.12
18 Basic EPS after extraordinary items (₹)	8.18	19.37	9.40	53.33
19 Diluted EPS after extraordinary items (₹)	8.13	19.24	9.33	52.89

for LARSEN & TOUBRO LIMITED

Mumbai
July 22, 2013

A.M.NAIK
Group Executive Chairman

SELECT INFORMATION FOR THE QUARTER ENDED JUNE 30, 2013				
Particulars		3 months ended		Year ended March 31, 2013 (Audited)
		June 30, 2013	June 30, 2012	
A	PARTICULARS OF SHAREHOLDING			
1	Public shareholding :			
	- Number of shares ('000s)	596863	593280	593337
	- Percentage of shareholding	96.86%	96.82%	96.42%
2	Promoters and promoter group shareholding [refer note (iv)]	Nil	Nil	Nil
B	INVESTOR COMPLAINTS	3 months ended June 30, 2013		
	Pending at the beginning of the quarter	Nil		
	Received during the quarter	28		
	Disposed of during the quarter	26		
	Remaining unresolved at the end of the quarter (*since resolved)	2*		
Notes : (i) 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 the Accounting Standard 20 on Earnings Per Share. (ii) The Company, during the quarter ended June 30, 2013, has allotted 8,41,559 equity shares of ₹ 2 each (equivalent to 12,62,339 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. (iii) The Board of Directors of the Company at its meeting held on May 22, 2013 has approved a Scheme of Arrangement between Larsen & Toubro Limited and L&T Hydrocarbon Engineering Limited ("LTHE"), a wholly owned subsidiary of the Company and their respective shareholders and creditors which inter alia envisages transfer of the Hydrocarbon business undertaking along with related assets and liabilities into LTHE and other consequential matters under the provisions of Sections 391 to 394 of the Companies Act, 1956. The Appointed Date of the Scheme would be April 01, 2013. The Scheme of Arrangement has been filed with Hon'ble Bombay High Court. Pending approval of the said Scheme of Arrangement, no effect of the scheme has been given in the books of account. Consequently, the financial results of the Company include the financial results of Hydrocarbon business undertaking. In line with the Accounting Standard 24, the financials of Hydrocarbon business undertaking, which has also been identified as a separate reportable segment in the current financial year, are given below for information :				
₹ Lakh				
Particulars		Financials of Hydrocarbon business undertaking		
		3 months ended		Year ended March 31, 2013
		June 30, 2013	March 31, 2013	
1	Net Sales / Revenue from operations (Including other income and inter-unit revenue)	275681	226065	223202
2	Profit from ordinary activities before tax	13931	27615	16437
3	Net profit after tax from ordinary activities	9196	18655	11104
(iv) The promoters and promoter group shareholding is Nil and accordingly the information on shares pledged / encumbered is not applicable. (v) Figures for the previous periods have been re-grouped / re-classified to conform to the figures of the current periods. (vi) The above results have been subjected to Limited Review by the Statutory Auditors, reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on July 22, 2013.				
for LARSEN & TOUBRO LIMITED				
A.M.NAIK Group Executive Chairman				
Mumbai July 22, 2013				

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, 2013	March 31, 2013	June 30, 2012	March 31, 2013
Gross segment revenue				
1 Infrastructure	546081	1150579	448059	2881904
2 Hydrocarbon	277633	226118	223786	955737
3 Power	127494	207896	228626	807386
4 Metallurgical and Material Handling	108692	200870	132367	643044
5 Heavy Engineering	85087	98009	53768	306780
6 Electrical & Automation	79436	111683	76029	364395
7 Machinery & Industrial Products	53938	74451	50667	239519
8 Others	31911	38281	37482	152586
Total	1310272	2107887	1250784	6351351
Less : Inter-segment revenue	39842	59436	42951	204265
Net segment revenue	1270430	2048451	1207833	6147086
Segment result (Profit before interest and tax)				
1 Infrastructure	53788	122189	42010	287030
2 Hydrocarbon	16006	29768	18262	87228
3 Power	9852	13334	15986	59012
4 Metallurgical and Material Handling	13815	37459	13918	96670
5 Heavy Engineering	8988	16984	12659	50707
6 Electrical & Automation	7030	14589	4036	35800
7 Machinery & Industrial Products	6329	10488	6828	40335
8 Others	(1118)	(2454)	7255	22280
Total	114690	242357	120954	679062
Less : Inter-segment margins on capital jobs	75	851	1112	2600
Less : Interest expenses	24528	28099	22841	98240
Add : Unallocable corporate income net of expenditure	18765	18797	26413	85082
Profit before tax	108852	232204	123414	663304
Capital employed (Segment assets less segment liabilities)				
1 Infrastructure	950398		680126	819197
2 Hydrocarbon	175905		93221	109000
3 Power	44339		91651	67439
4 Metallurgical and Material Handling	272181		221801	260161
5 Heavy Engineering	215697		208471	206153
6 Electrical & Automation	142865		133546	128109
7 Machinery & Industrial Products	41602		48649	59601
8 Others	110123		112108	114139
Total capital employed in segments	1953110		1589573	1763799
Unallocable corporate assets less corporate liabilities	2146615		2154152	2058116
Total capital employed	4099725		3743725	3821915

Notes:

- 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 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.
- Segment composition: **Infrastructure** comprises engineering and construction of building and factories, transportation infrastructure, heavy civil infrastructure, power transmission & distribution and water & renewable energy projects. **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. **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** comprises manufacture and sale of rubber processing machinery & castings, manufacture and marketing of industrial valves, construction equipment and industrial products. **Others** comprise integrated engineering services, shipbuilding and property development.
- Segment revenue comprises sales & operational income allocable specifically to a segment. Unallocable expenditure mainly includes expenses incurred on common services provided to segments and other corporate expenses. Unallocable income primarily includes interest income, dividends and profit on sale of investments. Corporate assets mainly comprise investments.
- In respect of majority of the segments for the Company, sales and margins do not accrue uniformly during the year. Hence, the operational / financial performance of aforesaid segments can be discerned only on the basis of figures for the full year.

for LARSEN & TOUBRO LIMITED

 Mumbai
 July 22, 2013

 A. M. NAIK
 Group Executive Chairman