

L&T Press Release

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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 EBITDA 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 EBITDA 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 EBITDA 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

Subdued 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.



LARSEN & TOUBRO LIMITED

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

AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2015

₹ Lakh

Particulars	3 months ended			Year ended	
	March 31, 2015	December 31, 2014	March 31, 2014	March 31, 2015	March 31, 2014
1 Gross sales/revenue from operations	2827471	2403254	2722732	9276166	8588904
Less: Excise duty	25209	18468	20318	75708	76064
Net sales/revenue from operations	2802262	2384786	2702414	9200458	8512840
2 Expenses:					
a) i) Consumption of raw materials, components and stores, spares & tools	327200	359150	293693	1280732	1216125
ii) Sub-contracting charges	616653	409397	520979	1740401	1694991
iii) Construction materials consumed	689854	506498	639380	2033139	1856702
iv) Purchases of stock-in-trade	44623	30383	50902	142404	160722
v) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(6996)	52273	173538	(84830)	(54916)
vi) Other manufacturing, construction and operating expenses	408306	423549	376141	1617524	1387242
b) Employee benefits expense	202626	191722	185807	792220	713505
c) Sales, administration and other expenses	159101	123234	88102	545307	465492
d) Depreciation, amortisation, impairment and obsolescence [refer note (i)]	58755	67906	(28597)	262250	144582
Total expenses	2500122	2164112	2299945	8329147	7584445
3 Profit from operations before other income, finance costs and exceptional items (1-2)	302140	220674	402469	871311	928395
4 Other income	28081	23472	26928	100715	98178
5 Profit from ordinary activities before finance costs and exceptional items (3+4)	330221	244146	429397	972026	1026573
6 Finance costs	47392	91624	78751	285072	313800
7 Profit from ordinary activities after finance costs but before exceptional items (5-6)	282829	152522	350646	686954	712773
8 Exceptional items [refer note (ii)]	9842	-	29444	34770	36150
9 Profit from ordinary activities before tax (7+8)	292671	152522	380090	721724	748923
10 Provision for taxes:					
a) Provision for current tax	82293	63188	76602	266191	250164
b) Provision for deferred tax	(5716)	(6257)	10813	(40867)	10594
c) Additional tax on dividend distributed/proposed by subsidiaries	3032	-	1399	3032	2081
Total provision for taxes	79609	56931	88814	228356	262839
11 Net profit after tax from ordinary activities (9-10)	213062	95591	291276	493368	486084
12 Extraordinary items	-	-	31	-	(625)
13 Net profit after tax for the period (11+12)	213062	95591	291307	493368	485459
14 Share in profit of associates (net)	(179)	169	532	214	925
15 Adjustments for minority interests in subsidiaries	(5919)	(9106)	(7799)	(17100)	3816
16 Net Profit after tax, minority interest and share in profit of associates (13+14+15)	206964	86654	284040	476482	490200
17 Paid-up equity share capital (face value of share: ₹ 2 each)		18577		18591	18538
18 Reserves excluding revaluation reserve				4070759	3750698
Earnings per share (Not annualised):					
19 Basic EPS before extraordinary items (₹)	22.27	9.33	30.65	51.33	53.04
20 Diluted EPS before extraordinary items (₹)	22.05	9.27	30.47	50.98	52.72
21 Basic EPS after extraordinary items (₹)	22.27	9.33	30.65	51.33	52.97
22 Diluted EPS after extraordinary items (₹)	22.05	9.27	30.47	50.98	52.65

See accompanying notes to the financial results

Select information for the quarter ended March 31, 2015 of Larsen & Toubro Limited (Parent Company) pursuant to clause 41 of the listing agreement

Particulars	3 months ended			Year ended	
	March 31, 2015	December 31, 2014	March 31, 2014	March 31, 2015	March 31, 2014
A PARTICULARS OF SHAREHOLDING					
1 Public shareholding :					
- Number of shares ('000s)	908296	907927	902116	908296	902116
- Percentage of shareholding	97.71%	97.75%	97.32%	97.71%	97.32%
2 Promoters and promoter group shareholding [refer note (viii)]	Nil	Nil	Nil	Nil	Nil
B INVESTOR COMPLAINTS	3 months ended March 31, 2015				
Pending at the beginning of the quarter	1				
Received during the quarter	15				
Disposed of during the quarter	15				
Remaining unresolved at the end of the quarter	1				

Notes :

- (i) (a) With effect from April 1, 2014, depreciation has been computed and provided on the basis of useful life of fixed assets specified in Schedule II to the Companies Act, 2013 except in respect of certain assets, where the useful life was determined by technical evaluation. Consequently, depreciation for the quarter ended March 31, 2015 is higher and the profit before tax lower by ₹ 3654 lakh.
- (b) In respect of assets where useful life specified in Schedule II has expired as on April 1, 2014, the carrying amount of ₹ 7704 lakh (net of tax of ₹ 3854 lakh) was adjusted against retained earnings as on April 1, 2014.
- (ii) Exceptional items during the quarter ended March 31, 2015 represent gain on sale of part stake in a subsidiary company.
- (iii) The Board of Directors of the Company has recommended a dividend of ₹ 16.25 per equity share of face value of ₹ 2 each.

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

₹ Lakh

Particulars	As at	
	31.03.2015	31.03.2014
EQUITY AND LIABILITIES		
Shareholders' funds:		
(a) Share capital	18591	18538
(b) Reserves and surplus (including revaluation reserve)	4072316	3752623
Sub-total - Shareholders' funds	4090907	3771161
Minority Interest	499862	317918
Non-current liabilities		
(a) Long-term borrowings	6527798	5544489
(b) Deferred tax liabilities (net)	53956	61785
(c) Other long term liabilities	417858	399086
(d) Long-term provisions	57305	37424
Sub-total - Non-current liabilities	7056917	6042784
Current liabilities		
(a) Short-term borrowings	1698924	1385852
(b) Current maturities of long term borrowings	830416	1102698
(c) Trade payables	2485899	2084988
(d) Other current liabilities	2402974	1918096
(e) Short-term provisions	352511	292691
Sub-total - Current liabilities	7770724	6784325
TOTAL EQUITY AND LIABILITIES	19418410	16916188
ASSETS		
Non-current assets		
(a) Fixed Assets	4804677	4443981
(b) Goodwill on consolidation	221500	213617
(c) Non-current investments	164680	143279
(d) Deferred tax assets (net)	72420	28039
(e) Long-term loans and advances	4609276	3540115
(f) Other non-current assets	46872	22361
Sub-total - Non-current assets	9919425	8391392
Current assets		
(a) Current investments	796532	667616
(b) Inventories	651819	552747
(c) Trade receivables	3008937	2638455
(d) Cash and bank balances	575621	409657
(e) Short-term loans and advances	2044120	1809889
(f) Other current assets	2421956	2446432
Sub-total - Current assets	9498985	8524796
TOTAL ASSETS	19418410	16916188

- (v) 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 and year ended March 31, 2015 are given below:

Particulars	3 months ended			Year ended	
	March 31, 2015	December 31, 2014	March 31, 2014	March 31, 2015	March 31, 2014
Gross sales/revenue from operations	1914591	1512489	2022938	5755807	5716385
Profit before tax	266584	142711	336159	670122	726791
Profit after tax	206065	105980	272348	505618	549313

- (vi) During the quarter ended March 31, 2015, 7,12,822 equity shares of ₹ 2 each fully paid-up were allotted on exercise of stock options by employees, in accordance with the Company's stock option schemes.
- (vii) The figures for the quarter ended March 31, 2015 and March 31, 2014 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, 2014 and December 31, 2013 respectively.
- (viii) 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.
- (ix) Figures for the previous periods have been re-grouped / re-classified to conform to the figures of the current periods.
- (x) The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on May 30, 2015.

for LARSEN & TOUBRO LIMITED

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

Particulars	3 months ended			Year ended	
	March 31, 2015	December 31, 2014	March 31, 2014	March 31, 2015	March 31, 2014
Gross segment revenue					
1 Infrastructure	1568486	1179835	1414247	4485884	3802134
2 Power	144808	114102	158842	475644	615462
3 Metallurgical & Material Handling	95284	73380	182925	342646	573197
4 Heavy Engineering	102140	85517	146343	362464	452471
5 Electrical & Automation	174518	135943	156220	545954	513271
6 Hydrocarbon	223529	177932	213389	743176	1013161
7 IT & Technology Services	204219	198890	171158	765894	644962
8 Financial Services	167604	163625	139431	640050	518086
9 Developmental Projects	87836	114049	64340	515364	154290
10 Others [refer note (I) below]	163526	207679	168226	658479	549246
Total	2931950	2450952	2815121	9535555	8836280
Less : Inter-segment revenue	104479	47698	92389	259389	247376
Net segment revenue	2827471	2403254	2722732	9276166	8588904
Segment result (Profit before interest and tax)					
1 Infrastructure	194485	88289	151001	424664	369667
2 Power	14418	15267	37467	55084	137580
3 Metallurgical & Material Handling	5991	4038	30685	23898	82692
4 Heavy Engineering	8159	4099	24505	22700	49962
5 Electrical & Automation	23451	13908	21744	54923	54240
6 Hydrocarbon	(20925)	(13723)	(16835)	(134281)	9954
7 IT & Technology Services	38320	34743	28805	131646	123957
8 Financial Services	21141	23799	21744	101584	64569
9 Developmental Projects	12461	23977	91778	167434	89944
10 Others [refer note (I) below]	29104	48796	27484	119213	47552
Total	326605	243193	418378	966865	1030117
Less : Inter-segment margins on capital jobs	4617	339	7478	6307	9700
Less : Interest expenses	47392	91624	78751	285072	313800
Add : Unallocable corporate income net of expenditure	18075	1292	47941	46238	42306
Profit Before Tax (before extraordinary item)	292671	152522	380090	721724	748923
Capital employed					
(Segment assets less segment liabilities)					
1 Infrastructure				1415013	1277744
2 Power				204947	243028
3 Metallurgical & Material Handling				322803	327925
4 Heavy Engineering				411444	429562
5 Electrical & Automation				288132	253855
6 Hydrocarbon				227076	373135
7 IT & Technology Services				337654	264755
8 Financial Services				773975	702121
9 Developmental Projects				2704232	2633681
10 Others [refer note (I) below]				1076999	956217
Total capital employed in segments				7762275	7462023
Unallocable corporate assets /less corporate liabilities				880837	758873
Total Capital Employed				8643112	8220896

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 with effect from April 1, 2014 based on internal restructuring. The figures pertaining to the corresponding previous periods have been regrouped for proper comparison.
- (II) Segment composition: **Infrastructure segment** comprises engineering and construction of building and factories, transportation infrastructure, heavy civil infrastructure, power transmission & distribution and water & renewable energy projects. **Power segment** comprises turnkey solutions for Coal-based and Gas-based thermal power plants including power generation equipment with associated systems and / or balance-of-plant packages. **Metallurgical & Material Handling segment** 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 segment** 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 segment** comprises manufacture and sale of low and medium voltage switchgear components, custom built low and medium voltage switchboards, electronic energy meters / protection (relays) systems and control & automation products. **Hydrocarbon segment** 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 segment** comprises information technology and integrated engineering services. **Financial Services segment** comprises retail and corporate finance, housing finance, infrastructure finance, general insurance, asset management of mutual fund schemes and related advisory services. **Developmental Projects segment** 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 segment** includes 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, asphalt & paving materials, 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

 Mumbai
May 30, 2015

 A.M.NAIK
Group Executive Chairman