

## Performance for the quarter ended December 31, 2013 (Post transfer of Hydrocarbon business from April 1, 2013)

Order inflow surges 21%  
Revenue & Recurring PAT up by 12%  
Total PAT increases by 22%

Mumbai, 22 January 2014: Larsen & Toubro announced its results for the quarter and nine months ended December 31, 2013, excluding 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 previous quarter ended September 30, 2013 and the numbers relating to the previous periods have been suitably restated.

Larsen & Toubro recorded Gross Revenue of 14534 crore for the quarter ended December 31, 2013, registering a y-o-y growth of 12% with progress on various jobs under execution. The Gross Revenue for nine months period April-December 2013 at 36934 crore, grew by 9% on y-o-y basis.

Order Inflow at 21722 crore during the quarter October-December 2013 recorded y-o-y growth of 21%, sustaining the growth during the first half of the current year, despite prevailing weak investment climate. Major orders came from the Infrastructure segment. The International order inflow during the quarter at 8237 crore, more than doubled on the back of major orders secured in the Middle East. The cumulative order inflow for the nine months period April-December 2013 stood at 67371 crore registering a 23% growth over the nine months period of the previous year

October-December 2013 stood at 1136 crore, recording an increase of 12 % over the corresponding quarter of the previous year. After considering the exceptional gain on dilution of part stake in a

## Infrastructure Segment

Infrastructure Segment achieved Customer Revenue of 8818 crore for the quarter ended December 31, 2013 registering a healthy y-

### Heavy Engineering Segment

Heavy Engineering Segment achieved Customer Revenue of 1046 crore for the quarter ended December 31, 2013 registering an impressive growth of 28% over the corresponding quarter of the previous year aided by good progress in the execution of jobs. International sales constituted 33% of the total revenue of the segment.

The businesses of the Heavy Engineering Segment secured fresh orders of 559 crore, during the quarter ended December 31, 2013. International orders constituted 23% of the total order inflow of the segment.

The Order Book of the Segment stood at 7484 crore as at December 31, 2013.

During the quarter ended December 31, 2013, the segment achieved a revenue of 1046 crore, an increase of 28% over the corresponding quarter of the previous year. International sales constituted 33% of the total revenue. The segment secured fresh orders of 559 crore, an increase of 23% over the corresponding quarter of the previous year. International orders constituted 23% of the total order inflow. The Order Book of the segment stood at 7484 crore as at December 31, 2013.

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During the quarter October-December 2013, the segment EBIDTA margin improved to 18.7% as compared to 14.1% earned during the quarter October-December 2012.

## Outlook

Persisting inflation, tight liquidity, elevated interest rates and macro-economic & policy uncertainties have impacted the investment sentiment in the domestic economy. Sliding GDP and IIP numbers are indicative of the task ahead for achieving economic recovery. Data from other major economies around the world in the meanwhile suggest improving conditions overseas.

Thus, while the company continues to focus on maximizing the domestic opportunities, it is strengthening its international presence in select overseas markets. Competitive value proposition to the clients and disciplined execution have helped the company sustain its profitable growth momentum.

Presence in the diverse sectors, healthy order book,



| Particulars   | 3 months ended       |                       |                      | 9 months ended       |                      | Year ended<br>March 31,<br>2013 (Audited) |
|---|----------------------|-----------------------|----------------------|----------------------|----------------------|---|
|   | December 31,<br>2013 | September 30,<br>2013 | December 31,<br>2012 | December 31,<br>2013 | December 31,<br>2012 |   |
|   | See Note (i)         | Restated              | Restated             | See Note (i)         | Restated             |   |
| 1 Gross Sales/Revenue from operations   | 1453406              | 1244685               | 1301604              | 3693447              | 3388470              | 5215521                                   |
| Less: Excise duty   | 14655                | 13844                 | 14670                | 41464                | 39417                | 58431                                     |
| <b>Net Sales/Revenue from operations</b>  | <b>1438751</b>       | <b>1230841</b>        | <b>1286934</b>       | <b>3651983</b>       | <b>3349053</b>       | <b>5157090</b>                            |
| 2 <b>Expenses:</b>  |                      |                       |                      |                      |                      |   |
| a) i) Consumption of raw materials, components, and stores, spares & tools                      | 192794               | 185804                | 203146               | 579116               | 702191               | 966346                                    |
| ii) Sub-contracting charges   | 341006               | 293477                | 357199               | 892354               | 807057               | 1218342                                   |
| iii) Construction materials consumed  | 438633               | 316627                | 380403               | 1028099              | 889271               | 1389746                                   |
| iv) Purchases of stock-in-trade   | 46411                | 46954                 | 51658                | 141060               | 145536               | 206323                                    |
| v) Changes in inventories of finished goods, work-in-progress and stock-in-trade                | 1832                 | (40334)               | (54267)              | (168537)             | (192260)             | (109087)                                  |
| vi) Other manufacturing, construction and operating expenses                                    | 97891                | 99414                 | 89632                | 294634               | 246592               | 354627                                    |
| b) Employee benefits expense  | 106815               | 137534                | 92675                | 343266               | 288170               | 386112                                    |
| c) Sales, administration and other expenses   | 45886                | 72800                 | 40683                | 166771               | 133169               | 202808                                    |
| d) Depreciation, amortisation and obsolescence  | 19917                | 19257                 | 17787                | 57858                | 53088                | 72774                                     |
| <b>Total expenses</b>   | <b>1291185</b>       | <b>1131533</b>        | <b>1178896</b>       | <b>3334621</b>       | <b>3072814</b>       | <b>4687991</b>                            |
| 3 <b>Profit from operations before other income, finance costs and exceptional items (1-2)</b>  | <b>147566</b>        | <b>99308</b>          | <b>108038</b>        | <b>317362</b>        | <b>276239</b>        | <b>469099</b>                             |
| 4 Other income  | 44678                | 46559                 | 55952                | 139946               | 154845               | 194170                                    |
| 5 <b>Profit from ordinary activities before finance costs and exceptional items (3+4)</b>       | <b>192244</b>        | <b>145867</b>         | <b>163990</b>        | <b>457308</b>        | <b>431084</b>        | <b>663269</b>                             |
| 6 Finance costs   | 29085                | 23788                 | 23382                | 77115                | 69140                | 95475                                     |
| 7 <b>Profit from ordinary activities after finance costs but before exceptional items (5-6)</b> | <b>163159</b>        | <b>122079</b>         | <b>140608</b>        | <b>380193</b>        | <b>361944</b>        | <b>567794</b>                             |
| 8 Exceptional items   | 10439                | -                     | -                    | 10439                | 17624                | 17624                                     |
| 9 <b>Profit from ordinary activities before tax (7+8)</b>                                       | <b>173598</b>        | <b>122079</b>         | <b>140608</b>        | <b>390632</b>        | <b>379568</b>        | <b>585418</b>                             |
| 10 <b>Provision for taxes:</b>  |                      |                       |                      |                      |                      |   |
| a) Provision for current tax  | 46928                | 35145                 | 32674                | 110907               | 101085               | 140551                                    |
| b) Provision for deferred tax   | 2600                 | 470                   | 6611                 | 2760                 | 6314                 | 13579                                     |
| <b>Total provision for taxes</b>  | <b>49528</b>         | <b>35615</b>          | <b>39285</b>         | <b>113667</b>        | <b>107399</b>        | <b>154130</b>                             |
| 11 <b>Net profit after tax from ordinary activities (9-10)</b>                                  | <b>124070</b>        | <b>86464</b>          | <b>101323</b>        | <b>276965</b>        | <b>272169</b>        | <b>431288</b>                             |
| 12 Extraordinary items  | -                    | -                     | -                    | -                    | 5289                 | 7161                                      |
| 13 <b>Net profit after tax from continuing operations (11+12)</b>                               | <b>124070</b>        | <b>86464</b>          | <b>101323</b>        | <b>276965</b>        | <b>277458</b>        | <b>438449</b>                             |
| 14 Profit before tax from discontinued operations   |                      |                       | 16070                |                      | 51532                | 77886                                     |
| 15 Tax expense on discontinued operations   |                      |                       | 5218                 |                      | 16719                | 25270                                     |
| 16 <b>Net Profit after tax from discontinued operations (14-15)</b>                             |                      |                       | <b>10852</b>         |                      | <b>34813</b>         | <b>52616</b>                              |
| 17 <b>Net profit after tax for the period</b>   |                      | [refer note (i)]      | <b>112175</b>        |                      | <b>312271</b>        | <b>491065</b>                             |
| 18 Paid-up equity share capital (face value of share: 2 each)                                   |                      | 18505                 |                      | 18521                | 12298                | 12308                                     |
| 19 Reserves excluding revaluation reserve   |                      |                       |                      |                      |                      | 2899945                                   |
| <b>Earnings per share (Post-bonus) (Not annualised) [refer note (iii) and (iv)]:</b>            |                      |                       |                      |                      |                      |   |
| 20 Basic EPS before extraordinary items ( )   | 13.40                | 9.35                  | 12.17                | 29.94                | 33.36                | 52.55                                     |
| 21 Diluted EPS before extraordinary items ( )   | 13.32                | 9.30                  | 12.07                | 29.77                | 33.09                | 52.12                                     |
| 22 Basic EPS after extraordinary items ( )  | 13.40                | 9.35                  | 12.17                | 29.94                | 33.93                | 53.33                                     |
| 23 Diluted EPS after extraordinary items ( )  | 13.32                | 9.30                  | 12.07                | 29.77                | 33.65                | 52.89                                     |
| 24  | 113631               | 86464                 | 101323               | 266526               | 257773               | 416892                                    |

See accompanying notes to the financial results

| A PARTICULARS OF SHAREHOLDING | December 31,<br>2013                                  | September 30,<br>2013 | December 31,<br>2012 | December 31,<br>2013 | December 31,<br>2012 | Year ended<br>March 31,<br>2013 (Audited) |
|-------------------------------|---|-----------------------|----------------------|----------------------|----------------------|---|
|                               | 1 Public shareholding :<br>- Number of shares ('000s) |                       | 897877*              |                      | 899673*              | 594038                                    |

business undertaking to arrive at the financial results from continuing operations. The transactions with the erstwhile Hydrocarbon business undertaking entered in the periods ending on or before March 31, 2013 have been reclassified and presented under respective heads.

Accounting Standard (AS) 24 and Revised Schedule VI of the Companies Act 1956. Revenue from operations of the erstwhile Hydrocarbon business undertaking for quarter ended December 31, 2012, nine-months period ended December 31, 2012 and year ended March 31, 2013 is ₹ 261903 Lakh, ₹ 734881 Lakh and ₹ 961543 Lakh respectively.

