



Larsen & Toubro recorded Consolidated Gross Revenue of ` 35,709 crore for the quarter ended December 31, 2018. Riding on strong execution in project businesses coupled with noteworthy performance in service businesses, the company registered a strong revenue growth of 24% on a y-o-y basis. International revenue during the quarter at ` 11,476 crore constituted 32% of the total revenue, lower than 35% in the previous year.

For the period April-December 2018, the Consolidated Gross Revenue at ` 96,073 crore recorded a y-o-y increase of 21%.

Consolidated overall Profit After Tax (PAT) for the quarter ended December 31, 2018 at ` 2,042 crore was higher by 37% vis-à-vis PAT of ` 1,490 crore for the corresponding quarter of the previous year. For the nine-month ended December 31, 2018, overall consolidated PAT at ` 5,487 crore registered an increase of 31% over ` 4,202 crore for similar period last year.

The Company secured orders worth ` 42,233 crore at the group level during the quarter ended December 31, 2018. The current quarter witnessed delays in order awards due to deferment of select prospects in project businesses mainly in Transportation Infrastructure, Heavy Civil Infrastructure and Power business. International orders at ` 11,454 crore constituted 27% of the total order inflow.

On a cumulative basis, the order inflow for the nine month ended December 31, 2018 stood at ` 120,296 crore, growing at 16% over the corresponding period of the previous year. Infrastructure, Hydrocarbon, Heavy Engineering businesses largely contributed to the growth in order inflows.

The Consolidated Order Book stood at ` 284,049 crore as at December 31, 2018, up by 5% over December, 2017 position, registering a reasonable growth over a large base. International Order Book constituted 21% of the total Order Book vis-à-vis 25% recorded as of December 31, 2017.

Infrastructure segment includes Metallurgical and Material Handling (MMH) business, which was reported under "Others" Segment last year. Accordingly, previous year figures are regrouped wherever necessary.

Infrastructure segment secured orders of ` 21,908 crore during the quarter ended December 31, 2018. Bid deferrals, delay in finalizing awards especially in Transportation Infrastructure and Heavy Civil Infrastructure business impacted the order inflow of the segment during the quarter. International orders contributed to around 23% of the total order inflow of the segment during the quarter.

The Order Book of the Segment stood at ` 219,258 crore as on December 31, 2018.

Infrastructure Segment achieved customer revenue of ` 18,206 crore for the quarter ended December 31, 2018, registering a growth of 24% over the corresponding quarter of the previous year. Growth was contributed by good execution progress across business verticals of the segment. International revenue constituted 26% of the total customer revenue of the segment during the quarter.

The segment recorded EBITDA margin at 5.4% during the quarter ended December 31, 2018 vis-à-vis 7.9% recorded in the corresponding quarter of the previous year. Decline in margins reflected the phase & mix of jobs under execution, and cost provisions pending client approval of additional claims in some projects.

The segment continued to witness muted prospects due to limited opportunities in

The segment EBITDA margin for the quarter ended December 31, 2018 was marginally higher at 2.9% vis-à-vis 2.4% recorded in the corresponding quarter of the previous year, reflecting higher margins on international projects under execution.

Heavy Engineering segment includes supply of engineered-to-order custom designed, critical equipment & piping and systems to core sector industries like Fertiliser, Refinery, Petrochemical, Chemical, Oil & Gas and Thermal & Nuclear Power. Defence and Aerospace which was part of Heavy Engineering segment last year is reported as a separate segment from the current financial year. Accordingly, previous year figures have been regrouped, wherever necessary.

Heavy Engineering Segment secured orders valued ` 553 crore during the quarter ended December 31, 2018, recording growth over a low base. International orders constituted 10% of the total order inflow of the segment during the quarter.

The Order Book of the Segment stood at ` 4,857 crore as on December 31, 2018.

The Segment recorded customer revenue of ` 605 crore, registering a strong growth of 82% on a low base in the corresponding quarter of the previous year, led mainly by execution momentum in Oil & Gas projects. International revenue constituted 62% of the total customer revenue of the segment mainly from jobs executed in Europe & America.

The EBITDA margin of the segment was at 20.5% for the quarter ended December 31, 2018, lower than 28.4% compared to the corresponding quarter of the previous year, reflecting mix of jobs under execution.

Defence Engineering segment comprises Defence and Aerospace business (part of Heavy Engineering Segment till end FY 2017-18) & Shipbuilding business (part of "Others" segment till end FY 2017-18). Accordingly, previous year figures have been regrouped wherever necessary.

of the K9 Vajra artillery gun order. International Revenue constituted 6% of the total customer revenue of the segment.

The EBITDA margin of the segment was at 9.0% for the quarter ended December 31, 2018 vis-à-vis 7.4% during the corresponding quarter of the previous year with favourable job mix.

in L&T Infotech group and Telecom & Hi-tech, Transportation and Process verticals in L&T Technology Services group).

The EBITDA margin of the IT&TS Segment at 22.2% for the quarter ended December 31, 2018 reflects improvement vis-à-vis corresponding quarter of the previous year at 21.3%, driven by operational efficiencies.

Financial Services Segment recorded customer revenue of ₹ 3,259 crore during the quarter ended December 31, 2018, registering a y-o-y growth of 24%, driven by healthy growth in the loan book of focused business of Rural and Housing Finance. Assets under Management and under Service registered strong growth, aiding fee based income.

The operating margin of the Financial Services Segment for the quarter ended December 31, 2018 at 24.2% increased over 14.6% earned during the corresponding quarter of the previous year, on the strength of higher Net interest margin, growth in fee and other income, and lower credit costs arising out of focus on improved asset quality.

The business transitioned to IND AS with effect from 1st April, 2018 and has adopted robust governance norms on asset provisioning.

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Developmental Projects Segment registered customer revenue of ₹ 1,194 crore

The domestic economy has been facing periodic headwinds in the form of volatile oil prices, currency depreciation, higher CAD, possibility of fiscal slippage and money market liquidity contraction. Economic indicators, however, continue to register improvement on the multiple parameters of growth, control on inflation, credit rebound and domestic consumption. The Government has also continued to focus on infrastructure buildout and this trend is likely to continue. Fruits of reforms such as demonetization and GST are gradually coming to bear through widening of the tax base and formalization of the economy. Investment traction in the areas of transportation infra, metro rail networks, water resources management, irrigation, rural electrification, oil and gas production and refinery capex are encouraging and likely to sustain.

The services businesses, which are currently well positioned in the target market segments/markets in which they operate, are poised for continued growth and value creation.

While international markets have witnessed periodic bouts of instability driven by oil price swings, geo-political tensions and increasing protectionism being resorted to by some countries, investment programs in select markets in the Middle East, East Asia and Africa continue to provide business potential.

Amidst this backdrop, the Company is focused on tapping emerging opportunities with its proven competence in domains of engineering, design, manufacturing, construction, project management, IT and financial services. The Company continues to focus on operational excellence and cost competitiveness backed by digital initiatives. The Company is committed to improve the shareholder returns on a sustainable basis.

Larsen & Toubro is an Indian multinational engaged in technology, engineering, construction, manufacturing and financial services with over USD 18 billion in revenue. It operates 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 eight decades.

in *Crane*

	December 31, 2018 [Reviewed]	September 30, 2018 [Reviewed]	December 31, 2017 [Reviewed]	December 31, 2018 [Reviewed]	December 31, 2017 [Reviewed]	Year ended March 31, 2018



