

L&T Press Release

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Performance for the quarter ended June 30, 2009

PAT with exceptional gain grows 218%

Mumbai, July 16, 2009: Larsen & Toubro has reported Gross Sales revenues of Rs.7431 crore for the quarter ended June 30, 2009. The corresponding quarter of the previous year had Sales of Rs.269 crore from Ready Mix Concrete (RMC) business which was subsequently divested during the second half of 2008-09. Excluding the element of sales from RMC business, sales growth for the quarter ended June 30, 2009 works out to 11%.

Even as the Indian Capital Goods and Infrastructure sectors await an acceleration of investments into the core and other growth inducing areas of the economy, the Company was able to bag fresh orders totaling to Rs. 9571 crore during the quarter. The economic buoyancy prevailing in the early part of the previous year transformed into a cautious “wait and watch” approach, resulting in relatively lower Order Inflows during the quarter as compared to the corresponding quarter of the previous year.

The Company has reported an improved operating margin of 11.3% during the quarter. Recurring Profit after Tax (PAT) at Rs. 578 crore for the quarter ended June 30, 2009 grew by 15% as compared to the same period of the previous year.

During the quarter, the Company recorded an exceptional gain of Rs. 1020 crore on divestment of its entire stake in UltraTech Cement Limited. Including this gain, overall PAT of the Company stood at Rs. 1598 crore, an increase of 218%.

Engineering & Construction (E&C) Segment

The Order Inflow of Rs.8373 crore reported by the E&C segment during the quarter ended June 30, 2009, though relatively lower than the previous year, was a creditable achievement considering the stymied investment climate and delay in finalization of several Government sponsored projects.

E&C segment revenue for the quarter ended June 30, 2009 stood at Rs. 6573 crore, which translates into a growth of 18% over the corresponding period of the previous year. The share of export revenues represented 20.6% of the quarter's segment revenues.

The E&C segment Operating Margin for the quarter at 11.9% showed an improvement of 1.4 percentage point over the corresponding quarter of the previous year. Higher proportion of margin yielding sales as also several business de-risking strategies contributed to this improvement.

The segment ended the quarter with a healthy Order Book at Rs. 69952 crore. The international Order Book at Rs. 9608 crore represented 13.7% of the segment's Order Book.

Electrical & Electronics (E&E) Segment

The E&E segment revenue at Rs. 576 crore for the quarter ended June 30, 2009 was maintained almost at the same level as seen in the corresponding quarter of the alElecwo

Rs.Lakh

	2009	2008	2009 (Audited)
1 Gross Sales / Revenues from Operations (See Note no.1)	743085	699276	3404504
Less: Excise Duty	6814	9133	39847
Net Sales / Revenues from Operations	736271	690143	3364657
2 Other Operational Income	4558	4044	27980
3 Total Income (1+2)	740829	694187	3392637
4 Expenditure:			
a) (Increase) / decrease in stock -in- trade and work -in -progress	27744	(21005)	(10511)
b) i) Consumption of raw materials	139346	181969	745202
ii) Sub-contracting charges	192825	145726	722359
iii) Construction materials	137235	153946	777253
iv) Purchase of traded goods	27496	41037	167869
v) Other manufacturing / operating expenses	47537	49838	221029
c) Employee cost	51148	39742	192034
d) Sales, administration and other expenses	34307	31927	183950
e) Depreciation, amortisation, obsolescence and impairment	9373	6587	30599
Total Expenditure	667011	629767	3029784
5	73818	64420	362853
6 Other Income	22276	16139	73978
7	96094	80559	436831
8 Interest expenses (See Note no.5)	10959	5051	42790
9	85135	75508	394041
10 Exceptional gain (See Note no. 2)	101988	-	-
11 Profit from Ordinary Activities before Tax (9+10)	187123	75508	394041
12 Provision for Taxes:			
a) Provision for Current Tax (including Fringe Benefit Tax)(see Note no.7)	26491	24167	122077
b) Provision for Deferred Tax	812	1097	1044
Total Provision for Taxes	27303	25264	123121
13 Profit After Tax from Ordinary Activities (11-12)	159820	50244	270920
14 Extraordinary items [net of tax]	-	-	77246
15			

**Segment-wise Revenue, Result and Capital Employed
in terms of Clause 41 of the listing agreement :**

Rs.Lakh

Particulars	3 months ended June 30		Year ended March 31 2009 (Audited)
	2009	2008	
Gross Segment Revenue			
1 Engineering & Construction	657291	557593	2870512
2 Electrical & Electronics	57585	57787	277789
3 Machinery & Industrial Products	43697	63581	247506
4 Others	7711	37609	108670
Total	766284	716570	3504477
Less: Inter-segment revenue	18641	13250	71993
Net Segment Revenue	747643	703320	3432484
Segment Result (Profit before Interest and Tax)			
1 Engineering & Construction	69916	54068	347677
2 Electrical & Electronics	6803	6810	32366
3 Machinery & Industrial Products	9536	14723	47142
4 Others	420	2505	5260
Total	86675	78106	432445
Less: Segment margins on internal capitalization	859	1148	5639
Less: Interest expenses	10959	5051	42790
Add: Unallocable corporate income net of expenditure	112266	3601	10025
Profit Before Tax (PBT)	187123	75508	394041
Capital Employed (Segment assets less Segment liabilities)			
1 Engineering & Construction	697895	481413	661461
2 Electrical & Electronics	115112	105264	124658
3 Machinery & Industrial Products	29429	40751	41274
4 Others	21538	30474	18788
Total capital employed in Segments	863974	657902	846181
Unallocable corporate assets /less corporate liabilities	1216316	819091	1060238
Total Capital Employed	2080290	1476993	1906419

Notes :

- 1 Segments have been identified in accordance with Accounting Standard 17 on Segment Reporting, considering the risk / return profiles of the businesses, their organisational structure and the internal reporting systems.
- 2 Segment definitions : **Engineering & Construction** comprises execution of engineering and construction projects to provide solutions in civil, mechanical, electrical and instrumentation engineering (on turnkey basis or otherwise) to core / infrastructure sectors including Railways, ship building and supply of complex plant and equipment to core sectors. **Electrical & Electronics** include manufacture and/or sale of low & medium voltage switchgear, switchboards, petroleum dispensing pumps and systems, energy metering protection systems, control & automation and medical equipment. **Machinery & Industrial Products** comprise industrial machinery & equipment, marketing of industrial valves, construction equipment and welding / industrial products. **Others** include property development, e-engineering services and embedded systems. Others for previous periods also include ready-mix concrete.
- 3 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.
- 4 In the Engineering & Construction segment, margins do not accrue uniformly during the year. Hence the operational / financial performance of aforesaid segment can be discerned only on the basis of figures for the full year.

for LARSEN & TOUBRO LIMITED

Mumbai
July 16, 2009

A. M. NAIK
Chairman & Managing Director