

L&T Press Release

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Performance for the year ended March 31, 2014

Order inflow up 15%
Revenue grows by 10%
PAT increases by 25%

Mumbai, May 30, 2014: Larsen & Toubro recorded Gross Revenue of ₹ 57164 crore for the year ended March 31, 2014, registering a growth of 10% over the previous year. The International revenue during the year at ₹ 9129 crore constituted 16% of the total revenue and registered a y-o-y growth of 22%.

For the quarter ended March 31, 2014, gross revenue at ₹ 20229 crore, registered a y-o-y growth of 11% with progress on various jobs under execution. The International revenue during the quarter ended March 31, 2014 at ₹ 2966 crore constituted 15% of the total revenue and registered a growth of 25% on a y-o-y basis.

The Company successfully secured fresh orders worth ₹ 94108 crore during the year ended March 31, 2014, registering a significant y-o-y growth of 15 %, on a large base despite a sluggish economic environment during 2013-14. The International order inflow during the year at ₹ 30752 crore grew more than 3 times on a y-o-y basis, constituting 33% of the total order inflow. Major orders during year were procured by the Infrastructure segment.

The order intake during the quarter ended March 31, 2014 was steady at ₹ 26737 crore. International order inflow during the quarter at ₹ 11389 crore constituted 43% of the total order inflow for the quarter.

Order Book at ₹ 162952 crore as at March 31, 2014, grew 13% on a y-o-y basis. International Order Book constituted 21% of the total Order Book.

The Profit after Tax (PAT) for the year stood at ₹ 5493 crore vis-à-vis ₹ 4384 crore in the previous year registering a growth of 25% on a like-to-like basis. The recurring PAT for the year at ₹ 4905 crore also grew 18% on a y-o-y basis. The PAT for the quarter January-March 2014 at ₹ 2723 crore recorded an impressive increase of 69%.

The Board of Directors has recommended a dividend of ₹ 14.25 per equity share.

The results for the quarter and year ended March 31, 2014, exclude 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 corresponding previous quarter and year ended March 31, 2013 has been suitably restated.

Infrastructure Segment

Infrastructure Segment achieved Customer Revenue of ₹ 34516 crore for the year ended March 31, 2014 registering a healthy y-o-y growth of 23%, driven by Buildings and Factories, Power Transmission & Distribution, Transportation Infrastructure and Water & Renewable Energy businesses. International sales constituted 15% of the total customer revenue of the segment during the year.

During the quarter January-March 2014, the Customer Revenue of Infrastructure segment was at ₹ 13260 crore recording a y-o-y increase of 17%.

Infrastructure segment recorded consistently upward trend in the order intake throughout the year. The order inflow for the year ended March 31, 2014 stood at ₹ 76396 crore registering 37% growth over the previous year. International orders constituted around 33% of the total order inflow of the segment for the year.

During the quarter January-March 2014, the Segment recorded order inflow of ₹ 21290 crore registering a robust increase of 64% over the corresponding quarter of the previous year.

The Order Book of the Infrastructure Segment grew 29% on a y-o-y basis and stood healthy at ₹ 127068 crore as at March 31, 2014.

The segment recorded improved EBIDTA margin at 12.3% during the year ended March 31, 2014 vis-à-vis 11.3% recorded in the previous year aided by execution efficiencies and better contract management.

Power Segment

Power Segment recorded customer revenue of ₹ 5132 crore during the year ended March 31, 2014, registering a reduction of 36% over the previous year due to declining order book and delays in realizing targeted order inflow. During the year 2013-14, the Power sector in India continued to grapple with multiple bottlenecks adversely impacting fresh investments in the sector and progress on projects under execution.

For the quarter January-March 2014, the Customer Revenue was at ₹ 1464 crore, recording y-o-y decline of 30%.

Power Segment secured fresh orders of ₹ 3277 crore for the year ended March 31, 2014, registering a decline of 59% over the previous year due to continued slow-down in the domestic power sector. Order inflow of the Segment during the quarter ended March 31, 2014 stood at ₹ 2120 crore, consequent to bagging of a large international order.

The Order Book of the Segment declined 11% on a y-o-y basis and stood at ₹ 15601 crore as at March 31, 2014.

The segment EBIDTA margin stood at 11.0% for the year ended March 31, 2014 vis-à-vis 7.9% recorded in the previous year reflecting stage of completion of projects under execution.

Metallurgical & Material Handling (MMH) Segment

The Customer Revenue of MMH Segment during the year ended March 31, 2014 at ₹ 5357 crore registering a y-o-y decrease of 9%, on account of reduced opening order book and slower progress on some of the existing jobs due to pending clearances.

The Customer Revenue for the quarter January-March 2014 stood at ₹ 1731 crore, registering y-o-y decline of 6 %.

MMH Segment secured fresh orders of ₹ 2574 crore during the year ended March 31, 2014, registering a decline of 50% over the previous year. The order inflow for the quarter January to March 2014 stood at ₹ 562 crore. The order inflow of the Segment was lower during 2013-14 on account of several unresolved sectoral issues, adversely impacting expansion plans and new investments in the sector.

The Order Book of the Segment declined by 38% on a y-o-y basis and stood at ₹ 9728 crore as at March 31, 2014.

The EBIDTA margin of the segment stood at 17.0% for the year ended March 31, 2014 vis-à-vis 17.9% recorded in the previous year.

Heavy Engineering Segment

Heavy Engineering Segment achieved Customer Revenue of ₹ 4291 crore registering an impressive growth of 50% over the previous year with good progress on jobs under execution. International sales constituted 31% of the total customer revenue of the segment for the year ended March 31, 2014.

The Customer Revenue during the quarter January-March 2014 stood at ₹ 1348 crore, registering a healthy growth of 47% over the corresponding quarter of the previous year.

Heavy Engineering Segment secured fresh orders valued ₹ 3323 crore, during the year ended March 31, 2014, lower by 17% as compared to the previous year on account of deferral of anticipated orders. International orders constituted 32% of the total order inflow of the segment.

During the quarter January-March 2014, the Segment recorded order inflow of ₹ 496 crore, lower by 22% over the corresponding quarter of the previous year.

The Order Book of the Segment declined 14% on a y-o-y basis and stood at ₹ 6588 crore as at March 31, 2014.

The EBIDTA margin of the segment stood at 18.2% for the year ended March 31, 2014 vis-à-vis 21.3% recorded in the previous year due to escalation in execution costs.

Electrical & Automation (E&A) Segment

E&A Segment recorded Customer Revenue of ₹ 3657 crore during the year ended March 31, 2014, registering a modest y-o-y growth of 7%. International sales constituted 13% of the total customer revenue of the segment for the year ended March 31, 2014.

The Customer Revenue for the quarter January-March 2014 stood at ₹ 1073 crore, recording a y-o-y growth of 5%.

The EBIDTA Margin of the E&A Segment at 14.2% for the year ended March 31, 2014 recorded an improvement over the 13.6% earned during the previous year despite competitive pressures on the back of reduction in key input prices and operational efficiencies.

Machinery & Industrial Products (MIP) Segment

MIP Segment recorded Customer Revenue of ₹ 1897 crore registering a decline of 18% over the previous year. International sales constituted 24% of the total customer revenue of the segment for the year. The revenue of the Segment was adversely impacted by sluggish market conditions and business restructuring initiatives. The Valves business and Industrial Cutting Tools business of the segment have been transferred to subsidiary companies during July - September 2013. The sales during the year 2013-14 are, therefore, not comparable with the corresponding previous year.

The Customer Revenue for the quarter January-March 2014 stood at ₹ 438 crore, registering a decline of 39% over the corresponding quarter of the previous year.

The Segment EBIDTA Margin at 12.7% during the year ended March 31, 2014 recorded a decline as compared to 16.3% earned during the previous year due to lower sales on account of business restructuring.

“Others” Segment

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

Customer Revenue of Others Segment during the year ended March 31, 2014 stood at ₹ 2315 crore registering a growth of 54% over the previous year led by good performance of the IES and Realty business. International sales constituted 60% of the total customer revenue of the segment.

Customer Revenue during the quarter January-March 2014 at ₹ 916 crore registered a y-o-y growth of more than two times.

During the year ended March 31, 2014, the segment EBIDTA margin stood at 11.7% as compared to 13.1% during the previous year.

Consolidated Group Financials

The Consolidated Group revenue at ₹ 85889 crore for the year registered a growth of 14 % over ₹ 75195 crore recorded in the previous year. The Consolidated Group Profit stood at ₹ 4902 crore recording a y-o-y decline of 6%. The consolidated profit for the year was impacted mainly due to decline in the operating margins of the hydrocarbon business and the initial losses incurred by new ventures such as L&T Shipbuilding Limited and L&T Special Steel and Heavy Forgings Private Limited, as these subsidiary companies are yet to gain scale.

Outlook

The core sectors such as infrastructure, power, minerals & metals, defence, oil & gas which hold business prospects for the Company await fresh impetus thru” focused policy decisions and rigorous implementation. The development agenda of the new government is expected to remove the bottle-necks presently stifling the growth in India and create an enabling business environment.

On the international front, the Middle East region offers promising prospects in infrastructure and oil & gas sectors. To tackle the challenges surrounding such opportunities, the Company is building its international organization, which aims at replicating the domestic success story in the Middle East. Robust risk management practices, sound execution strategies and cost competitiveness remain the corner stones of the international business development strategies.

The Company has successfully weathered the challenging times of the past few years due to its inherent capabilities and strong balance sheet. Being well positioned to tap the emerging opportunities in its core businesses, the Company looks forward to a period of renewed investment momentum and sustainable growth. Given its large order book, the Company is optimistic to maintain its growth momentum in the medium term, as domestic and global economic environment improves.



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

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2014

₹ Lakh

Particulars	Standalone Financials					Consolidated Financials	
	3 months ended			Year ended		Year ended	
	March 31, 2014	December 31, 2013	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	See Note (v)	See Note (v)	Restated#	See Note (v)	Restated#		
1 Gross Sales / Revenue from operations	2022938	1453406	1826605	5716385	5219570	8588904	7519531
Less : Excise duty	15028	14655	19045	56493	58474	76064	69731
Net Sales / Revenue from operations	2007910	1438751	1807560	5659892	5161096	8512840	7449800
2 Expenses:							
a) i) Consumption of raw materials, components, and stores, spares & tools	226595	192768	264342	805687	966802	1232860	1321562
ii) Sub-contracting charges	434940	341006	411359	1327294	1219148	1691410	1451643
iii) Construction materials consumed	569256	438633	500224	1597355	1392700	1795792	1556264
iv) Purchases of stock-in-trade	51156	46411	60787	192216	206323	205716	217987
v) Changes in inventories of finished goods, work-in-progress and stock-in-trade	179540	1832	83173	11003	(109087)	(52732)	(201212)
vi) Other manufacturing, construction and operating expenses	109471	94872	106452	401090	344597	1296430	1122632
b) Employee benefits expense	122955	106827	97916	466237	386093	802764	624464
c) Sales, administration and other expenses	23901	47533	70384	192308	207206	465166	363587
d) Depreciation, amortisation and obsolescence	21383	19917	19685	79242	72774	144582	163707
Total expenses	1739197	1289799	1614322	5072432	4686556	7581988	6620634
3 Profit from operations before other income, finance costs and exceptional items (1-2)	268713	148952	193238	587460	474540	930852	829166
4 Other income	49527	43292	38948	188089	188729	98191	105568
5 Profit from ordinary activities before finance costs and exceptional items (3+4)	318240	192244	232186	775549	663269	1029043	934734
6 Finance costs	30492	29085	26336	107608	95475	314144	212429
7 Profit from ordinary activities after finance costs but before exceptional items (5-6)	287748	163159	205850	667941	567794	714899	722305
8 Exceptional items [refer note (i)]	48411	10439	-	58850	17624	34024	33676
9 Profit from ordinary activities before tax (7+8)	336159	173598	205850	726791	585418	748923	755981
10 Provision for taxes:							
a) Provision for current tax	57746	46928	39466	168653	140551	250164	223529
b) Provision for deferred tax	6065	2600	7265	8825	13579	10594	14375
c) Additional Tax on dividend distributed / proposed by subsidiaries						2081	1296
Total provision for taxes	63811	49528	46731	177478	154130	262839	239200
11 Net profit after tax from ordinary activities (9-10)	272348	124070	159119	549313	431288	486084	516781
12 Extraordinary items [refer note (ii)]	-	-	1872	-	7161	(625)	7161
13 Net profit after tax for the period from continuing operations (11+12)	272348	124070	160991	549313	438449	485459	523942
14 Profit before tax from discontinued operations			26354		77886		
15 Tax expense on discontinued operations			8551		25270		
16 Net Profit after tax from discontinued operations (14-15)			17803		52616		
17 Net profit after tax for the period (13+16)						485459	523942
18 Share in profit of associates (net)			178794		491065	925	3843
19 Adjustments for minority interests in subsidiaries						3816	(7218)
20 Net Profit after tax, minority interest and share in profit of associates (17+18+19)			178794		491065	490200	520567
21 Paid-up equity share capital (face value of share: ₹ 2 each)		18521		18538	12308	18538	12308
22 Reserves excluding revaluation reserve				3345720	2899945	3750698	3371641
Earnings per share (Post-bonus) (Not annualised): [refer note (vii) and note (viii)]							
23 Basic EPS before extraordinary items (₹)	29.39	13.40	19.17	59.36	52.55	53.04	55.75
24 Diluted EPS before extraordinary items (₹)	29.22	13.32	19.04	59.00	52.12	52.72	55.30
25 Basic EPS after extraordinary items (₹)	29.39	13.40	19.37	59.36	53.33	52.97	56.53
26 Diluted EPS after extraordinary items (₹)	29.22	13.32	19.24	59.00	52.89	52.65	56.07
27 Debt service coverage ratio (DSCR) [no of times]*				2.12	2.04		
28 Interest service coverage ratio (ISCR) [no of times]**				7.21	6.95		
29 Recurring Profit after tax from continuing operations (i.e. Profit after tax excluding exceptional, extraordinary items and discontinued operations)	223937	113631	159119	490463	416892	456801	491077

see note v(c)

* DSCR = [Profit before interest and exceptional & extraordinary items divided by (Interest expense together with principal repayments of long-term debt during the year)]

** ISCR = [Profit before interest and exceptional & extraordinary items divided by interest expense]

See accompanying notes to the financial results

SELECT INFORMATION FOR THE QUARTER ENDED MARCH 31, 2014

Particulars	3 months ended			Year ended		Year ended	
	March 31, 2014	December 31, 2013	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
A PARTICULARS OF SHAREHOLDING							
1 Public shareholding :							
- Number of shares ('000s)		899673*		902116*	593337	902116*	593337
- * post bonus [refer note (vii)]							
- Percentage of shareholding		97.15%		97.32%	96.42%	97.32%	96.42%
2 Promoters and promoter group shareholding [refer note (xi)]		Nil		Nil	Nil	Nil	Nil
B INVESTOR COMPLAINTS							
		3 months ended March 31, 2014					
Pending at the beginning of the quarter		Nil					
Received during the quarter		18					
Disposed of during the quarter		18					
Remaining unresolved at the end of the quarter		Nil					

Notes :

- (i) Exceptional items in standalone financials for the year ended March 31, 2014 represent gain on divestment of part stake in a subsidiary company. Exceptional items in consolidated financials additionally include net loss on divestment of stake in subsidiary & associate companies.
- (ii) Extraordinary item in consolidated financials for the year ended March 31, 2014 represents loss due to natural calamity net of insurance claim.
- (iii) During the quarter and year ended March 31, 2014, the Company has revised its accounting policy of amortisation of intangible assets (Toll based projects executed under Build-Operate-Transfer mode) for more appropriate presentation of the financial statements. Hitherto, the amortisation of such assets was based on Straight Line Method which has been revised to Revenue Based Method specified in the notification dated April 17, 2012 issued by the Ministry of Corporate Affairs. Consequently, the difference between the accumulated amortisation till December 31, 2013 computed as per the Straight Line Method and the accumulated amortisation as per the notified Revenue Based Method has been credited to the Statement of Profit and Loss in the consolidated financials. Had the Company continued to follow the accounting policy of amortisation based on straight line method for such assets, the profit for the year in the consolidated financials would have been lower by ₹ 95497 lakh (including write-back of ₹ 66411 lakh being difference in accumulated amortisation in respect of earlier years).
- (iv) The Board of Directors has recommended a dividend of ₹ 14.25 per equity share of face value of ₹ 2 each.
- (v) Pursuant to the Scheme of Arrangement ("the scheme") between Larsen & Toubro Limited and L&T Hydrocarbon Engineering Limited ("LTHE"), a wholly owned subsidiary of the Company and their respective shareholders and creditors, the Hydrocarbon business undertaking along with related assets and liabilities has been transferred to LTHE upon sanction of the scheme by the Hon'ble Bombay High Court vide order dated December 20, 2013. The certified copy of the order sanctioning the scheme has been filed with the Registrar of Companies on January 16, 2014. Accordingly, the effect of the scheme has been given from the Appointed Date viz. April 1, 2013 in the standalone financials as follows:
- a) The financial results of the Company exclude the financial results of erstwhile Hydrocarbon business undertaking for the periods commencing on or after April 1, 2013. The transactions with the erstwhile Hydrocarbon business undertaking entered on or after April 1, 2013 have been considered as inter-company transactions. The transactions with the erstwhile Hydrocarbon business undertaking entered for the periods ending on or before March 31, 2013 have been reclassified and presented under the respective heads.
- b) The figures for the periods ending on or before March 31, 2013 have been restated as per the requirement of Accounting Standard (AS) 24 to exclude the financial results of erstwhile Hydrocarbon business undertaking to arrive at the financial results from continuing operations.
- c) The net result of the erstwhile Hydrocarbon business undertaking has been disclosed separately under discontinued operations for the periods ending on or before March 31, 2013 as required by Accounting Standard (AS) 24 and Revised Schedule VI of the Companies Act 1956. Revenue from operations of the erstwhile Hydrocarbon business undertaking for quarter and year ended March 31, 2013 are ₹ 226662 Lakh and ₹ 961543 Lakh respectively.
- The aforesaid Scheme of Arrangement, however, does not have any impact on the consolidated financials.
- (vi) The Company, during the quarter ended March 31, 2014, has allotted equity shares equivalent to 8,43,664 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.
- (vii) 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 Accounting Standard (AS) 20 on Earnings Per Share.
- (viii) The basic and diluted EPS in respect of the standalone financials as disclosed under Sr. No. 23 to 26 in the aforesaid results do not include the results of Hydrocarbon business for the periods from April 1, 2013. However, the EPS figures in respect of the standalone financials for the corresponding periods of the previous year are based on results which include Hydrocarbon business. Accordingly, the basic and diluted EPS in respect of the standalone financials for the periods commencing on or after April 1, 2013 are not comparable with the figures of the corresponding periods of the previous year.
- (ix) Statement of assets and liabilities as per clause 41(v) (h) of the listing agreement:

Particulars	Standalone Financials		Consolidated Financials	
	As at		As at	
	31.03.2014	31.03.2013*	31.03.2014	31.03.2013
	Audited		Audited	
EQUITY AND LIABILITIES				
Shareholders' funds:				
(a) Share capital	18538	12308	18538	12308
(b) Reserves and surplus (including revaluation reserve)	3347645	2901964	3752623	3373661
Sub-total - Shareholders' funds	3366183	2914272	3771161	3385969
Minority Interest			317918	265287
Non-current liabilities				
(a) Long-term borrowings	547814	727103	5544727	4739214
(b) Deferred tax liabilities (net)	40992	24222	61785	37787
(c) Other long term liabilities	9357	50203	394673	464230
(d) Long-term provisions	29961	28592	36612	34667
Sub-total - Non-current liabilities	628124	830120	6037797	5275898
Current liabilities				
(a) Short-term borrowings	387604	73453	1367867	796576
(b) Current maturities of long term borrowings	210474	82865	1102697	731373
(c) Trade payables	1634545	1693265	2087058	1805365
(d) Other current liabilities	1392176	1440047	2024697	1797813
(e) Short-term provisions	211352	208381	293078	253942
Sub-total - Current liabilities	3836151	3498011	6875397	5385069
TOTAL EQUITY AND LIABILITIES	7830458	7242403	17002273	14312223
ASSETS				
Non-current assets				
(a) Fixed Assets	823721	890198	4443981	3961999
(b) Goodwill on consolidation			213617	211975
(c) Non-current investments	1516841	1052270	143280	122419
(d) Deferred tax assets (net)			28039	19420
(e) Long-term loans and advances	372157	366907	3539270	2409937
(f) Other non-current assets	6278	8232	22362	21324
Sub-total - Non-current assets	2718997	2317607	8390549	6747074
Current assets				
(a) Current investments	404623	558069	667617	754331
(b) Inventories	198253	206418	552746	516946
(c) Trade receivables	2153876	2261301	2638455	2301132
(d) Cash and bank balances	178286	145566	409657	356614
(e) Short-term loans and advances	634565	574376	1816276	1633156
(f) Other current assets	1541858	1179066	2526973	2002970
Sub-total - Current assets	5111461	4924796	8611724	7565149
TOTAL ASSETS	7830458	7242403	17002273	14312223

* Note: Includes Assets/Liabilities for Hydrocarbon business undertaking under the respective heads.

- (x) The figures for the quarter ended March 31, 2014 and March 31, 2013 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, 2013 and December 31, 2012 respectively.
- (xi) 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.
- (xii) Figures for the previous periods have been re-grouped / re-classified to conform to the figures of the current periods.
- (xiii) The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on May 30, 2014.

for LARSEN & TOUBRO LIMITED

Mumbai
May 30, 2014

A.M.NAIK
Group Executive Chairman

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

₹ Lakh

Particulars	Standalone Financials					Consolidated Financials	
	3 months ended			Year ended		Year ended	
	March 31, 2014	December 31, 2013	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Gross segment revenue from continuing operations							
1 Infrastructure	1353947	890846	1150577	3511531	2881901	3797966	3103995
2 Power	147232	121164	207895	514006	807385	587995	889516
3 Metallurgical and Material Handling	178803	155564	200870	554608	643044	573214	652135
4 Heavy Engineering	135730	104947	95889	432177	300263	452236	302842
5 Electrical & Automation	116016	100280	111683	390734	364395	513269	484593
6 Machinery & Industrial Products [refer note III below]	45631	44033	74451	194287	239519	352685	287994
7 Hydrocarbon						1005469	1025028
8 IT & Technology Services						641684	499878
9 Financial Services						518085	407978
10 Developmental Projects						171349	103977
11 Others	92583	57426	38281	234696	152586	197763	60071
Total	2069942	1474260	1879646	5832039	5389093	8811715	7818007
Less: Inter-segment revenue	47004	20854	53041	115654	169523	222811	298476
Net segment revenue from continuing operations	2022938	1453406	1826605	5716385	5219570	8588904	7519531
Segment result (Profit before interest and tax)							
1 Infrastructure	156907	91330	121851	387907	286692	366333	285519
2 Power	20807	6582	13334	51825	59012	118771	112313
3 Metallurgical and Material Handling	30400	22011	37797	82140	97008	82692	97592
4 Heavy Engineering	27395	15636	16984	68567	50707	49980	39168
5 Electrical & Automation	16445	11630	14589	43387	35800	54254	54653
6 Machinery & Industrial Products [refer note III below]	4439	5796	10488	20901	40335	38363	45775
7 Hydrocarbon						9954	100543
8 IT & Technology Services						123957	110731
9 Financial Services						64645	84808
10 Developmental Projects						109097	24714
11 Others	20914	9167	(2454)	21647	22280	13324	(5110)
Total	277307	162152	212589	676374	591834	1031370	950706
Less: Inter-segment margins on capital jobs	244	247	569	556	1704	9700	10487
Less: Interest expenses	30492	29085	26336	107608	95475	314144	212429
Add: Unallocable corporate income net of expenditure	89588	40778	20166	158581	90763	41397	28191
Profit Before Tax (before extraordinary item) from continuing operations	336159	173598	205850	726791	585418	748923	755981
Capital employed (Segment assets less segment liabilities)							
1 Infrastructure				1151163	820285	1290981	956742
2 Power				28782	67439	182448	207172
3 Metallurgical and Material Handling				314442	259072	304310	260208
4 Heavy Engineering				264131	206153	427627	386398
5 Electrical & Automation				149082	128109	240082	212962
6 Machinery & Industrial Products [refer note III below]				52840	59601	128805	120281
7 Hydrocarbon						390323	226131
8 IT & Technology Services						262608	230752
9 Financial Services						699009	645102
10 Developmental Projects						3058657	2260568
11 Others				129773	114139	808361	774899
Total capital employed in segments				2090213	1654798	7793211	6281215
Unallocable corporate assets less corporate liabilities				2462854	2058117	768259	838176
Total Capital Employed (in continuing operations)				4553067	3712915	8561470	7119391
Capital Employed (in discontinued operations) [refer note II]				-	109000		
Total Capital Employed (in continuing and discontinued operations)				4553067	3821915	8561470	7119391

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 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.
- II Pursuant to the transfer of the Hydrocarbon business undertaking under the Scheme of Arrangement w.e.f. April 1, 2013, the capital employed of the erstwhile Hydrocarbon segment has been disclosed under discontinued operations in the standalone financials. The revenue from operations of the Hydrocarbon business undertaking for the periods ending on or before March 31, 2013 in respect of standalone financials has been disclosed vide Note (v) (c) to the financial results.
- III The Company has transferred at book value to its wholly owned subsidiaries, the business of manufacturing and marketing of industrial valves effective July 1, 2013 and Cutting Tools business effective July 15, 2013. Both these businesses were hitherto reported as part of the Machinery and Industrial Products segment in the standalone financials.
- IV a) Segment composition in standalone financials: **Infrastructure** comprises engineering and construction of building and factories, transportation infrastructure, heavy civil infrastructure, power transmission & distribution and water & renewable energy projects. **Power** comprises turnkey solutions for Coal-based and Gas-based thermal power plants including power generation facility 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 in standalone financials** comprises manufacture and sale of rubber processing machinery & castings, manufacture and marketing of industrial valves (upto the date of transfer), construction equipment and industrial products (upto the date of transfer). **Others in standalone financials** include realty, shipbuilding and integrated engineering services.
- (b) Segment composition in consolidated financials: **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. **IT & Technology Services** comprises information technology and integrated engineering services. **Financial Services** comprises retail and corporate finance, housing finance, infrastructure finance, general insurance, asset management of mutual fund schemes and related advisory services. **Developmental Projects** comprises development, operation and maintenance of basic infrastructure projects, toll collection, power development, development and operation of port facilities and providing related advisory services. **Machinery & Industrial Products in consolidated financials** also includes manufacture and sale of welding and cutting equipment. **Machinery & Industrial Products in consolidated financials** also included manufacture and sale of plastic processing machinery (upto the date of sale of stake) and manufacture and sale of undercarriage assemblies in the previous year. **Others in consolidated financials** also include ready-mix concrete, mining and aviation but do not include integrated engineering services, which is classified under IT & Technology Services.
- V Segment revenue comprises sales & operational income allocable specifically to a 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.
- VI 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, 2014A. M. NAIK
Group Executive Chairman