

L&T Press Release

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Financial Performance for the Quarter ended June 30, 2022

Strong All-round Performance during the Quarter

Order Inflow **↑ 57%**

Revenue **↑ 22%**

PAT grows by **45%**

Mumbai, July 26, 2022

Larsen & Toubro achieved Consolidated Revenues of ₹ 35,853 crore for the quarter ended June 30, 2022 recording a y-o-y growth of 22% with strong execution witnessed in the Infrastructure Segment and riding on the sustaining growth momentum in the IT&TS portfolio. International revenues during the quarter at ₹ 13,235 crore constitute 37% of the total revenue.

The Company for the quarter ended June 30, 2022, posted Consolidated Profit After Tax (PAT) of ₹ 1,702 crore registered a robust growth of 45% over the corresponding quarter of the previous year.

The Company secured orders worth ₹ 41,805 crore at the group level during the quarter ended June 30, 2022, registering a growth of 57% over corresponding quarter of the previous year. During the quarter, orders were received across diverse segments like Public Spaces, Metros, Water Management & Waste Water, Minerals and Metal, Factories, Data Centers, Defence, Power Transmission and Distribution and Hydrocarbon Offshore sectors. International orders at ₹ 17,842 crore during the quarter comprised 43% of the total order inflow.

The consolidated order book of the group is at a record ₹ 363,448 crore as on June 30, 2022, with international orders having a share of 28%.

Effective from April 1, 2022, the operating segments have been re-organised, in line with the business strategy to be adopted by the Company under its 5 year plan (Lakshya 2026). Some of the existing segments have been realigned to reflect the Group's Lakshya 2026 strategy. The changes are as follows:

- **Energy Projects** - This is a newly formed segment that constitutes the current segments of Hydrocarbon and Power, to reflect the Group's entry into Green Energy space and integrated pursuit of opportunities in a rapidly transforming Energy sector
- **Hi-Tech Manufacturing** - This is a segment that comprises the Heavy Engineering and Defence Engineering businesses, being combined, to leverage the extensive engineering, manufacturing and fabrication expertise across the various customer segments
- **IT & Technology Services** - The segment earlier comprising of the listed IT&TS subsidiaries of the Group viz., (a) L&T Infotech (b) L&T Technology Services and (c) Mindtree, will now also include the new age businesses of Data Centers and E-commerce / Digital Platforms (both the businesses were earlier reported under 'Others' segment in the previous year)

Infrastructure Projects Segment

The Infrastructure Projects segment secured order inflows of ₹ 18,343 crore, during the quarter ended June 30, 2022, registering growth of 66% compared to corresponding quarter of the previous year with various orders secured across sub segments. International orders at ₹ 4,691 crore constituted 26% of the total order inflow of the segment during the quarter.

The segment order book stood at ₹ 263,977 crore as on June 30, 2022, with the share of international orders at 23%.

The segment recorded customer revenues of ₹ 14,181 crore for the quarter ended June 30, 2022, registering y-o-y growth of 36% aided by improved execution momentum as the Covid related challenges receded in the current quarter. International revenues constituted 19% of the total customer revenues of the segment during the quarter.

The EBITDA margin of the segment during the quarter ended June 30, 2022 was at 6.5% vis-à-vis 7.1% recorded in the corresponding quarter of the previous year. Margins for the quarter have been impacted by input cost escalations and change in revenue mix.

Energy Projects Segment

The Energy Projects Segment secured orders valued at ₹ 4,366 crore during the quarter ended June 30, 2022, registering substantial growth compared to corresponding quarter of the previous year, with receipt of a large order from Middle East in the Offshore vertical of Hydrocarbon business. International order inflow constituted 91% of the total order inflow of the segment during the quarter.

The segment order book was at ₹ 65,372 crore as on June 30, 2022, with the international order book constituting 58%.

The segment posted customer revenues of ₹ 5,073 crore during the quarter ended June 30, 2022, recording a growth of 3% y-o-y, largely attributed to pickup of execution

momentum in the Power business. International revenues had a share of 30% of the total customer revenues for the quarter.

The EBITDA margin of the segment at 8.5% for the quarter ended June 30, 2022 improved compared to 7.5% over corresponding quarter of the previous year, on account of execution cost savings in few projects.

Hi-Tech Manufacturing Segment

The segment secured orders valued at ₹ 3,489 crore during the quarter ended June 30, 2022 registering substantial growth y-o-y with receipt of a key order in the Defence Engineering business. Export orders constituted 7% of the total order inflow of the segment during the quarter.

The order book of the segment was at ₹ 19,398 crore as on June 30, 2022, with the share of export orders at 12%.

The segment posted customer revenues of ₹ 1,272 crore for the quarter ended June 30, 2022, recording a marginal y-o-y growth of 3%. Export sales comprised 19% of the total customer revenues for the quarter.

The EBITDA margin of the segment at 15.1% for the quarter ended June 30, 2022 declined compared to 19.2% reported in the corresponding quarter of the previous year, since previous year was higher on release of cost provisions on completion of a key project and recognition of customer claims.

IT & Technology Services (IT&TS) Segment

The segment recorded customer revenues of ₹ 9,424 crore for the quarter ended June 30, 2022, registering a y-o-y growth of 30% reflecting continued growth momentum in the IT&TS sector. International billing contributed 92% of the total customer revenues of the segment for the quarter ended June 30, 2022. The revenue in USD terms for the 3 listed entities at USD 1,219 Mn, registered a sequential growth of 3%.

The EBITDA margin for the segment was at 22.2% for the quarter ended June 30, 2022 as compared to 22.8% in the corresponding quarter of the previous year. Improved operational efficiencies was offset by higher employee cost.

Financial Services Segment

The segment reflects the performance of L&T Finance Holdings, a listed subsidiary. The segment recorded income from operations at ₹ 2,958 crore during the quarter ended June 30, 2022, registering a y-o-y decline of 3%, mainly attributed to the targeted reduction in the wholesale loan book.

The total Loan Book remained steady at ₹ 88,078 crore as compared with June 2021 at ₹ 88,440 crore, reflecting a cautious lending approach, focus on collections, portfolio sell down and a phased liquidation of the de-focused business and wholesale loan book.

The segment EBIT for the quarter ended June 30, 2022 increased to ₹ 356 crore as compared to ₹ 234 crore in the corresponding quarter of the previous year due to savings in credit cost and higher fee income.

Development Projects Segment

The segment recorded customer revenues of ₹ 1,345 crore registering growth of 19% over the corresponding quarter of the previous year, driven by a higher PLF in the Nabha Power plant and increase in ridership in Hyderabad Metro.

The segment EBIT for the quarter ended June 30, 2022 registers a loss of ₹ 21 crore as compared to loss of ₹ 91 crore during the corresponding quarter of the previous year, due to improved metro ridership.

“Others” Segment

“Others” segment comprises (a) Realty, (b) Construction & Mining Machinery, (c) Rubber Processing Machinery, (d) Industrial Valves and (e) Smart World and Communication businesses.

Customer revenues during the quarter ended June 30, 2022 at ₹ 1,599 crore registered a growth of 21% y-o-y with higher handover of flats in the Realty business and increase in sales of Rubber Processing Machinery. Export sales constituting 6% of the total customer revenues of the segment during the quarter majorly pertains to export of Industrial Valves and Rubber Processing Machinery.

During the quarter ended June 30, 2022, the segment EBITDA margin at 17.2%, remains stable compared to 17.1% during the corresponding quarter of the previous year.

Note:

Segment-wise summary of performance for the quarter ended June 30, 2022 is attached in Annexure 1

Outlook

The Indian economy continues to sustain the strong recovery momentum evidenced by robust monthly high frequency indicators. With the Government’s move to cut taxes on petrol and diesel, imposition of export duty on steel and petroleum, restrictions on food exports and RBI’s recent action of increasing the REPO rate should ease the overall inflationary pressure.

India, however, faces near-term challenges in reining the fiscal deficit and yet manage to sustain the economic growth momentum despite a higher inflation and a more adverse balance of payments situation. The Government's persistent efforts to jumpstart economic growth through higher infrastructure spend and incentivizing domestic manufacturing should yield benefits in the medium term.

On the global front, oil price dynamics and recent geo-political developments have led the global economy towards a zone of uncertainty in an environment of high inflation, volatile commodity prices, imposition of sanctions and resultant supply chain disruptions. The Middle east region, an important geography for the Company's Projects business, is likely to be benefitted from the high oil prices resulting in higher hydrocarbon and infrastructure capex spend. This augurs well for the Company, in terms of providing a larger scope of contracting opportunities.

The Company in its first year post announcing its Lakshya 2026 Strategic Plan, expects to continue its planned trajectory of profitable growth through an efficient and timely execution of its large order book and along with its many value enhancing measures, retain its leadership position and improve shareholder return on a sustainable basis. The Company is on the path of diversification into the new businesses of Green Energy and E-commerce Platforms and at the same time pursue exit options / limit exposure in non-core businesses over the Lakshya 2026 strategic plan period.

Background:

Larsen & Toubro is an Indian multinational engaged in EPC Projects, Hi-Tech Manufacturing and Services. It operates in over 50 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.

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Annexure 1

Segment (in ₹ Crore)	Order Inflow		Customer Revenue		EBITDA Margin (%)	
	Q1 FY 22	Q1 FY 23	Q1 FY 22	Q1 FY 23	Q1 FY 22	Q1 FY 23
Infrastructure Projects	11,023	18,343	10,409	14,181	7.1	6.5
Energy Projects	1,912	4,366	4,949	5,073	7.5	8.5
Hi-Tech Manufacturing	1,083	3,489	1,237	1,272	19.2	15.1
IT & Technology Services	7,232	9,424	7,232	9,424	22.8	22.2
Financial Services	3,061	2,958	3,061	2,958	8.4	13.0
Development Projects	1,126	1,345	1,126	1,345	-0.4	4.5
Others	1,119	1,879	1,320	1,599	17.1	17.2



LARSEN & TOUBRO LIMITED

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

CIN: L99999MH1946PLC004768

STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2022

₹ Crore

Particulars	Quarter ended			Year ended
	June 30, 2022 [Reviewed]	March 31, 2022 [Reviewed] [Note (iii)]	June 30, 2021 [Reviewed]	March 31, 2022 [Audited]
1 Income:				
a) Revenue from operations	35853.20	52850.67	29334.73	156521.23
b) Other income (net)	694.72	515.59	647.97	2267.08
Total Income	36547.92	53366.26	29982.70	158788.31
2 Expenses:				
a) Manufacturing, construction and operating expenses:				
i) Cost of raw materials and components consumed	4214.05	4987.98	3721.95	17100.84
ii) Stores, spares and tools consumed	1022.78	1174.61	468.07	3091.07
iii) Sub-contracting charges	3527.41	9878.08	3779.58	24772.33
iv) Construction materials consumed	7753.04	13712.80	4195.96	33506.21
v) Purchase of stock-in-trade	199.32	255.04	239.01	1069.50
vi) Changes in inventories of finished goods, stock-in-trade and work-in-progress	(1522.76)	185.99	(459.16)	(2076.60)
vii) Other manufacturing, construction and operating expenses	4326.84	4598.24	3535.73	16434.54
b) Finance cost of financial services business and finance lease activity	1456.41	1441.83	1565.79	5952.54
c) Employee benefits expense	8555.95	7974.64	6871.75	29731.62
d) Sales, administration and other expenses	2363.49	2120.94	2244.56	8721.88
e) Finance costs	756.05	705.10	827.46	3125.70
f) Depreciation, amortisation, impairment and obsolescence	963.40	769.36	717.38	2947.95
Total Expenses	33615.98	47804.61	27708.08	144377.58
3 Profit before exceptional items and tax (1-2)	2931.94	5561.65	2274.62	14410.73
4 Exceptional items (net of tax)	-	-	-	96.93
5 Profit before tax (3+4)	2931.94	5561.65	2274.62	14507.66
6 Tax expense:				
a) Current tax	952.18	1715.18	1020.68	4512.09
b) Deferred tax	(313.25)	(160.19)	(302.24)	(295.48)
Total tax expense	638.93	1554.99	718.44	4216.61
7 Net profit after tax (5-6)	2293.01	4006.66	1556.18	10291.05
8 Share in profit/(loss) after tax of joint ventures/associates (net)	(64.68)	131.81	(24.52)	128.19
9 Net profit after tax and share in profit/(loss) of joint ventures/associates (7+8)	2228.33	4138.47	1531.66	10419.24
Attributable to: Owners of the Company	1702.07	3620.69	1174.44	8669.33
Non-controlling interests	526.26	517.78	357.22	1749.91
10 Other comprehensive income (OCI) [net of tax]	(955.95)	6.37	172.66	438.35
Attributable to: Owners of the Company	(825.04)	25.90	167.28	329.38
Non-controlling interests	(130.91)	(19.53)	5.38	108.97
11 Total comprehensive income (9+10)	1272.38	4144.84	1704.32	10857.59
Attributable to: Owners of the Company	877.03	3646.59	1341.72	8998.71
Non-controlling interests	395.35	498.25	362.60	1858.88
12 Paid-up equity share capital (face value of share: ₹ 2 each)	281.03	281.01	280.92	281.01
13 Other equity attributable to owners of the Company				82126.65
14 Earnings per share (EPS) (not annualised):				
(a) Basic EPS (₹)	12.11	25.77	8.36	61.71
(b) Diluted EPS (₹)	12.10	25.75	8.35	61.65

Notes:

- (i) During the quarter, the Company has allotted 1,16,098 equity shares of ₹ 2 each fully paid-up, on exercise of stock options by employees in accordance with the Company's stock option schemes.
- (ii) The Group will assess the impact of Code on Wages, 2019 and the Code on Social Security, 2020 and give effect in the financial statements when the date of implementation of these codes and the Rules/Schemes thereunder are notified.
- (iii) Figures for the quarter ended March 31, 2022 represent the difference between audited figures for the financial year and the limited reviewed figures for the nine months period ended December 31, 2021.

(iv) Additional disclosures as per Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Sr. No.	Particulars	Quarter ended			Year ended
		June 30, 2022	March 31, 2022	June 30, 2021	March 31, 2022
1	Debt equity ratio	1.24	1.29	1.41	1.29
2	Debt service coverage ratio (DSCR)	0.67	5.38	2.19	3.55
3	Interest service coverage ratio (ISCR)	4.41	8.21	3.47	5.14
4	Current ratio	1.21	1.30	1.38	1.30
5	Long term debt to working capital ratio	1.24	1.17	1.24	1.17
6	Bad debts to accounts receivable ratio	0.00	0.00	0.00	0.01
7	Current liability ratio	0.75	0.71	0.65	0.71
8	Total debt to total assets ratio	0.38	0.39	0.42	0.39
9	Debtors turnover ratio	3.20	3.03	3.14	3.03
10	Operating margin (%)	11.04%	12.34%	10.81%	11.64%
11	Net profit margin (%)	4.75%	6.85%	4.00%	5.54%
12	Inventory turnover ratio (refer note below)	NA	NA	NA	NA
13	Outstanding Redeemable Preference Shares [₹ Crore]	353.90	353.90	1411.10	353.90
14	Capital Redemption Reserve/Debenture Redemption Reserve [₹ Crore]	593.50	881.72	1053.76	881.72
15	Net worth [₹ Crore] (As per section 2(57) of Companies Act, 2013)	82327.33	80556.90	75464.67	80556.90

Notes:

- (a) The ratios are to be read and interpreted considering that the Group has diversified nature of businesses.
(b) Number of Redeemable Preference Shares is not relevant as the paid-up value per share varies across the group companies.
(c) Formulae for computation of above ratios are as follows:

Sr. No.	Particulars	Formulae
1	Debt equity ratio	$\frac{\text{Total borrowings}}{\text{Total equity}}$
2	Debt service coverage ratio (DSCR)	$\frac{\text{Profit before interest, tax and exceptional items}^{\wedge}}{\text{Interest expense}^{\wedge} + \text{Principal repayments (net of refinancing) made during the period for long term borrowings}^{\wedge}}$ ([^] Excluding Financial Services and Finance lease model business)
3	Interest service coverage ratio (ISCR)	$\frac{\text{Profit before interest, tax and exceptional items}^{\wedge}}{\text{Interest expense}^{\wedge}}$ ([^] Excluding Financial Services and Finance lease model business)
4	Current ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$
5	Long term debt to working capital ratio	$\frac{\text{Long term borrowings (including current maturities of long term borrowings)}}{\text{Current assets (-) Current liabilities [excluding current maturities of long term borrowings]}}$
6	Bad debts to accounts receivable ratio	$\frac{\text{Bad debts}^{\wedge}}{\text{Average gross trade receivables}^{\wedge}}$ ([^] Excluding Financial Services)
7	Current liability ratio	$\frac{\text{Current liabilities}}{\text{Total liabilities}}$
8	Total debt to total assets ratio	$\frac{\text{Total borrowings}}{\text{Total assets}}$
9	Debtors turnover ratio	$\frac{\text{Revenue from operations for trailing 12 months}^{\wedge}}{\text{Average gross trade receivables}^{\wedge}}$ ([^] Excluding Financial Services)
10	Operating margin (%)	$\frac{\text{Profit before depreciation, interest, tax and exceptional items (-) Other income}}{\text{Revenue from operations}}$
11	Net profit margin (%)	$\frac{\text{Net profit after tax attributable to the owners of the Company}}{\text{Revenue from operations}}$
12	Inventory turnover ratio	Not material considering the size and the nature of operations of the Group

(v) The Company reports its consolidated financial results on a quarterly basis. 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 ended June 30, 2022 are given below:

₹ Crore

Particulars	Quarter ended			Year ended
	June 30, 2022 [Reviewed]	March 31, 2022 [Reviewed] [Note (iii)]	June 30, 2021 [Reviewed]	March 31, 2022 [Audited]
a) Revenue from operations	20211.69	37439.22	16607.86	101000.41
b) Profit before exceptional items and tax	1267.34	3823.72	1326.82	9741.41
c) Profit before tax	1267.34	3823.72	1326.82	10008.70
d) Net profit after tax	911.22	2901.15	1009.48	7879.45

(vi) Figures for the previous periods have been regrouped/reclassified to conform to the classification of the current period.

(vii) The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on July 26, 2022. The same have also been subjected to Limited Review by the Statutory Auditors.

for LARSEN & TOUBRO LIMITED

Mumbai
July 26, 2022

S. N. SUBRAHMANYAN
Chief Executive Officer & Managing Director

Consolidated unaudited segment-wise Revenue, Result, Total assets and Total liabilities:

₹ Crore

Particulars	Quarter ended			Year ended
	June 30, 2022 [Reviewed]	March 31, 2022 [Reviewed] [Note (V)]	June 30, 2021 [Reviewed]	March 31, 2022 [Audited]
Gross segment revenue				
1 Infrastructure Projects	14400.51	30241.21	10543.46	73560.09
2 Energy Projects	5087.52	6777.86	4965.92	23713.40
3 Hi-Tech Manufacturing	1388.07	1863.26	1319.81	6264.53
4 IT & Technology Services	9460.22	8813.49	7248.72	32455.29
5 Financial Services	2958.14	2963.42	3061.39	11971.10
6 Development Projects	1345.39	1095.75	1126.30	4367.52
7 Others	1631.89	1910.71	1366.17	6261.91
Total	36271.74	53665.70	29631.77	158593.84
Less: Inter-segment revenue	418.54	815.03	297.04	2072.61
Net segment revenue	35853.20	52850.67	29334.73	156521.23
Segment result				
1 Infrastructure Projects	686.18	2539.15	556.73	5182.41
2 Energy Projects	379.69	537.67	320.87	1640.13
3 Hi-Tech Manufacturing	150.30	380.38	197.41	1003.94
4 IT & Technology Services	1774.85	1762.19	1358.89	6333.19
5 Financial Services	355.55	480.31	233.83	1469.80
6 Development Projects	(21.10)	(56.41)	(90.73)	(230.59)
7 Others	251.62	352.01	201.48	1015.77
Total	3577.09	5995.30	2778.48	16414.65
(Add)/Less: Inter-segment margins on capital jobs	9.29	28.30	7.99	65.32
Less: Finance costs	756.05	705.10	827.46	3125.70
Add/(Less): Unallocable corporate income net of expenditure	120.19	299.75	331.59	1187.10
Profit before tax (before exceptional items)	2931.94	5561.65	2274.62	14410.73
Add: Exceptional items (net of tax)	-	-	-	96.93
Profit before tax	2931.94	5561.65	2274.62	14507.66
Segment assets				
1 Infrastructure Projects	83816.37		76580.53	85192.89
2 Energy Projects	22152.91		17276.57	20831.58
3 Hi-Tech Manufacturing	8332.01		8949.19	7746.23
4 IT & Technology Services	34989.85		31366.56	34633.51
5 Financial Services	102261.05		102766.87	105459.21
6 Development Projects	27596.92		28867.46	27552.27
7 Others	13932.64		13534.74	14260.73
Total segment assets	293081.75		279341.92	295676.42
Less: Inter-segment assets	3061.09		2396.79	2634.86
Add: Unallocable corporate assets	25571.48		25983.03	27007.36
Total assets	315592.14		302928.16	320048.92
Segment liabilities				
1 Infrastructure Projects	57627.38		49709.13	60959.09
2 Energy Projects	17567.63		15881.51	16384.12
3 Hi-Tech Manufacturing	5014.49		4862.05	5046.58
4 IT & Technology Services	7863.62		6906.75	8114.34
5 Financial Services	83263.81		85408.57	86746.21
6 Development Projects	7642.57		7523.41	7416.60
7 Others	6151.67		5839.33	6265.20
Total segment liabilities	185131.17		176130.75	190932.14
Less: Inter-segment liabilities	3061.09		2396.79	2634.86
Add: Unallocable corporate liabilities	36830.70		39533.69	36377.91
Total liabilities	218900.78		213267.65	224675.19

Notes:

- (I) The Group has reported segment information as per Ind AS 108 "Operating Segments". The identification of operating segments is consistent with performance assessment and resource allocation by the management.
- (II) Effective from April 1, 2022, the operating segments have been reorganised by the Group's Corporate Executive Management to reflect business portfolio as per the Strategic Plan – Lakshya 2026 where the Group will focus on Projects, Hi-Tech Manufacturing and Services businesses. The changes in the segment composition are summarised as follows:
- a) Hydrocarbon and Power business primarily involved in EPC/turnkey solutions in Energy sector reorganised as "Energy Projects" segment to reflect the Group's entry into Green Energy space and integrated pursuit of opportunities in a rapidly transforming Energy sector.
- b) Heavy Engineering and Defence Engineering business, engaged in manufacturing of complex equipment reorganised as "Hi-Tech Manufacturing" segment to leverage the extensive engineering, manufacturing and fabrication expertise across the various customer segments.
- c) E-commerce/digital platforms business, earlier reported under "Others" segment, would be part of "IT & Technology Services" segment.
- Revised Segment composition: **Infrastructure Projects segment** comprises engineering and construction of (a) building and factories, (b) transportation infrastructure, (c) heavy civil infrastructure, (d) power transmission & distribution, (e) water & effluent treatment and (f) minerals and metals. **Energy Projects segment** comprises EPC/turnkey solutions in (a) Hydrocarbon business covering Oil & Gas industry from front-end design through detailed engineering, modular fabrication, procurement, project management, construction, installation and commissioning, (b) Power business covering Coal-based and Gas-based thermal power plants including power generation equipment with associated systems and/or balance-of-plant packages and (c) EPC solutions in Green Energy space. **Hi-Tech Manufacturing segment** comprises (a) design, manufacture and supply of (i) custom designed, engineered critical equipment & systems to core sector industries like Fertiliser, Refinery, Petrochemical, Chemical, Oil & Gas and Thermal & Nuclear Power (ii) equipment, systems and platforms for Defence and Aerospace sectors and (b) design, construction and repair/refit of defence vessels. **IT & Technology Services segment** comprises (a) information technology and integrated engineering services and (b) E-commerce/digital platforms & data centres. **Financial Services segment** comprises retail finance, wholesale finance and asset management. **Development Projects segment** comprises (a) development, operation and maintenance of infrastructure projects, toll and fare collection and (b) power generation & development – (i) thermal power (ii) hydel power (upto the date of divestment) and (iii) Green Energy. **Others segment** includes (a) realty, (b) manufacture and sale of industrial valves, (c) smart world & communication projects (including military communications), (d) manufacture, marketing and servicing of construction equipment and parts thereof, (e) marketing and servicing of mining machinery and parts thereof and (f) manufacture and sale of rubber processing machinery.
- (III) Segment revenue comprises sales and operational income allocable specifically to a segment and includes in the case of Development Projects and Realty business (grouped under "Others" segment) profits on sale of stake in the subsidiary and/or joint venture companies in those segments. Segment result represents profit before interest and tax. Unallocable corporate income primarily includes interest income, dividends and profit on sale of investments. Unallocable expenditure mainly includes corporate expenses not allocated to segments. Unallocable corporate assets mainly comprise investments. Investment in joint ventures and associates identified with a particular segment are reported as part of the segment assets of those respective segments. Unallocable corporate liabilities mainly comprise borrowings. In respect of (a) Financial Services segment and (b) Development Projects segment relating to a power generation asset given on finance lease, segment liabilities include borrowings as finance costs on the borrowings are accounted as segment expense.
- (IV) In respect of most of the segments of the Group, revenue and margins do not accrue uniformly during the year.
- (V) Figures for the quarter ended March 31, 2022 represent the difference between audited figures for the financial year and the limited reviewed figures for the nine months period ended December 31, 2021.
- (VI) Figures for the previous periods have been regrouped/reclassified to conform to the classification of the current period.

for LARSEN & TOUBRO LIMITED

 Mumbai
 July 26, 2022

 S. N. SUBRAHMANYAN
 Chief Executive Officer & Managing Director