

L&T Press Release

Issued by Corporate Brand Management & Communications

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Group Performance for the year ended March 31, 2017

Consolidated Results

PAT increases by 43%

**Board recommends bonus issue 1:2 and
Pre-bonus dividend of ₹ 21 per equity share**

Mumbai, May 29, 2017: Larsen & Toubro recorded Consolidated Gross Revenue of ₹ 110,011 crore for the year ended March 31, 2017, registering a y-o-y increase of 8%. The International revenue during the year at ₹ 37,653 crore constituted 34% of the total revenue.

The Consolidated Gross Revenue in the quarter January to March 2017 totalled ₹ 36,828 crore recording an increase of 12% on a y-o-y basis.

The Company successfully won fresh orders worth ₹ 142,995 crore at the group level during the year ended March 31, 2017 in the face of a challenging business environment. The International orders during the year at ₹ 41,507 crore constituted 29% of the total order inflow. Order wins in Infrastructure segment, Hydrocarbon and Heavy Engineering segments contributed to the orderflow during the year.

The order intake for the quarter ended March 31, 2017 at ₹ 47,289 crore grew by 9.6% y-o-y. International order inflow during the quarter at ₹ 9,044 crore constituted 19% of the order inflow for the quarter.

Consolidated Order Book of the group stood at a robust level of ₹ 261,341 crore as at March 31, 2017, higher by 5% on a y-o-y basis. International Order Book constituted 27% of the total Order Book.

Consolidated Profit After Tax (PAT) for the year ended March 31, 2017 at ₹ 6,041 crore was higher by 43% y-o-y. The overall PAT for the quarter January to March 2017 stood at ₹ 3,025 crore higher by 29.5%, as compared to ₹ 2,335 crore recorded for the corresponding quarter of the previous year.

The Board of Directors has recommended for the approval of shareholders, the issue of bonus equity shares in the ratio of 1:2 [one bonus equity share of ₹ 2 each for every two equity shares of ₹ 2 each held].

The Board of Directors has recommended a dividend of ₹ 21.00 per equity share on the pre-bonus share capital. The bonus shares qualify for dividend. The post-bonus dividend per share works out to ₹ 14.00 per share.

Infrastructure Segment

Infrastructure Segment achieved Customer Revenue of ₹ 52,924 crore for the year ended March 31, 2017 registering a y-o-y growth of 8% on progress of jobs under execution. International revenue constituted 33% of the total customer revenue of the segment during the year. Execution impediments such as delayed payments and clearances, workfront availability and right of way issues impacted execution progress during the year. The pace of execution, however, gained traction during the quarter January-March 2017 with the Customer Revenue at ₹ 20,031 crore recording a y-o-y increase of 10%.

Infrastructure segment secured fresh orders of ₹ 78,492 crore, during the year ended March 31, 2017. Bid deferrals, weak private investments in the domestic market and muted prospects in the international market adversely affected the order inflows of the segment. International orders at ₹ 14,711 crore constituted 19% of the total order inflow of the segment during the year.

During the quarter January-March 2017, the Segment recorded order inflow of ₹ 26,302 crore registering a decline of 9.6% over the corresponding quarter of the previous year.

The Order Book of the Segment grew 3.4% on a y-o-y basis and stood healthy at ₹ 193,796 crore as at March 31, 2017.

The EBITDA margin of the segment was lower at 10% during the year ended March 31, 2017 vis-à-vis 11% recorded in the previous year on account of additional cost incurred on extended stay and delays in award & commencement of a few projects.

Power Segment

Power Segment recorded customer revenue of ₹ 6,939 crore during the year ended March 31, 2017, registering a growth of 8% over the previous year with progress in coal & gas based projects under execution. International revenue constituted 19% of the total customer revenue of the segment during the year. For the quarter January-March 2017, the Customer Revenue was at ₹ 1,839 crore, recording y-o-y decline of 3%.

Power Segment secured fresh orders of ₹ 2,866 crore for the year ended March 31, 2017 lower by 1.2% y-o-y. International orders constituted 22.5% of the total order inflow of the segment during the year. Power sector continues to face multiple challenges and intense competition. Order Inflow of the Segment during the quarter ended March 31, 2017 stood at ₹ 237 crore.

The Order Book of the Segment stood at ₹ 13,824 crore as at March 31, 2017 recording a y-o-y decline of 25%.

The segment EBIDTA margin for the year ended March 31, 2017 was higher at 3.5% vis-à-vis 2.7% recorded in the corresponding previous year on execution progress, job mix and cost optimisation.

Heavy Engineering Segment

Heavy Engineering Segment recorded Customer Revenue of ₹ 3,149 crore registering a y-o-y growth of 2.2% over the previous year. International sales constituted 36% of the total customer revenue of the segment. The Customer Revenue during the quarter January-March 2017 stood at ₹ 937 crore recording a y-o-y decline of 2.3%.

Heavy Engineering Segment secured fresh orders valued ₹ 7,861 crore during the year ended March 31, 2017, which includes a major order in Defence sector. International orders constituted 14% of the total order inflow of the segment during the year.

During the quarter January-March 2017, the Segment recorded order inflow of ₹ 5,463 crore.

The Order Book of the Segment increased by 61% on a y-o-y basis backed by a healthy Order Inflow and stood at ₹ 11,997 crore as at March 31, 2017.

The EBIDTA margin of the segment improved significantly to 20% for the year ended March 31, 2017 vis-à-vis the margin of 0.6% in the previous year, on the back of operational efficiencies and cost savings. Margin in the previous year was adversely impacted by cost and time overruns on a few jobs.

While process plant and nuclear power equipment continues to witness global overcapacity, domestic defence and aerospace business is seeing improved traction.

Electrical & Automation (E&A) Segment

E&A Segment recorded Customer Revenue of ₹ 4,969 crore during the year ended March 31, 2017, registering a marginal growth of 0.6% y-o-y. International Revenue constituted 28.7% of the total customer revenue of the segment for the year ended March 31, 2017. The Customer Revenue during the quarter January-March 2017 stood at ₹ 1,552 crore recording a y-o-y increase of 7%.

The EBIDTA Margin of the E&A Segment strengthened to 15% for the year vis-à-vis 12.5% for the previous year due to benefits accruing from operational efficiencies.

Hydrocarbon Segment

Hydrocarbon Segment recorded Customer Revenue of ₹ 9,602 crore registering a y-o-y growth of 12% over the previous year, contributed by key projects witnessing strong execution. International sales constituted 49% of the total customer revenue of the segment for the year ended March 31, 2017. The Customer Revenue during the quarter January-March 2017 stood at ₹ 2,576 crore recording a y-o-y growth of 6%.

Hydrocarbon Segment secured fresh orders valued ₹ 18,525 crore during the year ended March 31, 2017, recording an impressive growth of 81% over the previous year on receipt of large international orders which constituted 67% of the total order inflow of the segment. The order inflow for the quarter January-March 2017 stood at ₹ 7,276 crore vis-à-vis ₹ 4,962 crore recorded in the corresponding quarter of the previous year.

The Order Book of the Segment registered a y-o-y growth of 60% backed by healthy order inflow and stood at ₹ 24,823 crore as at March 31, 2017.

Hydrocarbon segment recorded improvement in the EBIDTA Margin at 6.8% for the year ended March 31, 2017 vis-a-vis 0.6% in the previous year as jobs progressed and achieved margin recognition threshold. Legacy international jobs, which had impacted margins in the previous years, have been substantially closed out.

IT & Technology Services Segment

IT & Technology Services Segment achieved Customer Revenue of ₹ 9,731 crore during the year ended March 31, 2017, registering y-o-y growth of 10%. International sales constituted 94% of the total customer revenue of the segment for the year ended March 31, 2017. The Customer Revenue during the quarter January-March 2017 stood at ₹ 2,484 crore recording a y-o-y growth of 8%.

The EBIDTA Margin of the IT&TS Segment was 21.2% for the year ended March 31, 2017 vis-à-vis 20.5% for the previous year on account of improved manpower utilization & cost optimization.

Financial Services Segment

Financial Services Segment recorded Customer Revenue of ₹ 8,545 crore during the year ended March 31, 2017, registering a y-o-y growth of 11%, driven by growth in loan assets and disbursements in the focus areas of retail and wholesale finance business.

The operating margin of the Financial Services Segment for the year ended March 31, 2017 at 10.1% decreased as compared to 18.4% earned during the previous year due to higher provisioning for non-performing assets ahead of the statutory requirements.

Developmental Projects Segment

Developmental Projects Segment registered Customer Revenue of ₹ 4,028 crore during the year ended March 31, 2017, recording a 7% decline over the previous year.

The EBIDTA Margin of the Developmental Projects Segment for the year ended March 31, 2017 stood at 2.3% vis-à-vis 6.8% earned during the previous year due to provisioning for certain disputed receivables.

“Others” Segment

“Others” segment comprises Metallurgical & Material Handling Systems, Realty, Shipbuilding, Construction & Mining Equipment and Industrial Machinery & Product businesses.

Customer Revenue of “Others” Segment during the year ended March 31, 2017 at ₹ 10,124 crore registered an increase of 11% over the previous year, driven by growth achieved by Metallurgical & Material Handling Systems and Realty businesses. International sales constituted 23% of the total customer revenue of the segment.

During the year ended March 31, 2017, the segment EBIDTA margin stood at 11% as compared to margin of 15% in the previous year due to revenue mix in realty business and inventory write down in shipbuilding business.

Outlook

Economic recovery in the country is expected to steadily improve in the current year backed by structural reforms and overcoming the short term effects of demonetization that happened last year. The government has emphasized its commitment to GST, increased private sector participation in defence business, higher allocation to infrastructure segments, and is moving ahead on key initiatives such as better tax compliance, restructuring the troubled power distribution sector, tackling NPAs of banks and plugging revenue leakages through measures like Aadhar and Jan Dhan bank accounts. Implementation of GST is expected to have far reaching effects by bringing large parts of the informal economy into the formal system where compliance and accountability standards are of a higher order. The government's thrust on key infrastructure sectors such as transportation, power, affordable housing, smart cities will be strong driver for stable economic growth. Supportive monetary policy aided by normal monsoon and contained inflation will provide the requisite stimulus.

The global economic scenario is marked by protectionist policies being adopted by developed countries. The outlook for Asia and Pacific region is encouraging with China & Japan expecting a healthy domestic demand in the near-term. Global growth could get a boost from economic stimulus in some large economies, particularly the United States. International oil prices are expected to be reasonably buoyant although range bound thus bringing down the level of budget deficits in Middle East and allowing the governments to have additional fiscal space to increase investments.

Amidst this backdrop, the Company continues to focus on profitable execution of the large Order Book, selective order picking, on-time deliveries & operational excellence through digitalization. The Company is also emphasizing on cost competitiveness, continuous optimization of working capital, restructuring of its business portfolio and value creation with an aim to enhance its Return on Equity.

Background:

Larsen & Toubro is a major Indian multinational engaged in technology, engineering, construction, manufacturing and financial services, with global operations. Its products and systems are marketed 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 over seven decades.



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

STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2017

₹ Crore

Particulars	Quarter ended			Year Ended	
	March 31, 2017	December 31, 2016	March 31, 2016	March 31, 2017	March 31, 2016
1 Income :					
a) Income from operations	36827.99	26286.97	32875.51	110011.00	101975.34
b) Other income	399.47	243.90	145.03	1401.01	904.35
Total Income (a + b)	37227.46	26530.87	33020.54	111412.01	102879.69
2 Expenses:					
a) Manufacturing, construction and operating expenses:					
i) Consumption of raw materials, components and stores, spares & tools	3931.71	3847.18	4125.03	16411.40	15564.17
ii) Sub-contracting charges	8346.43	5304.28	6497.26	22556.13	20788.86
iii) Construction materials consumed	7485.91	5966.02	7541.54	20732.39	20256.77
iv) Purchases of stock-in-trade	584.99	385.20	375.01	1610.57	1333.44
v) Changes in inventories of finished goods, work-in-progress and stock-in-trade	1097.92	(859.00)	497.58	84.00	(514.86)
vi) Other manufacturing, construction and operating expenses	3806.84	2640.09	3038.45	11282.67	10013.42
b) Finance cost of financial services business and finance lease activity	1340.33	1332.41	1341.36	5362.09	4967.11
c) Employee benefits expense	3500.44	3496.07	3429.10	13853.07	13330.84
d) Sales, administration and other expenses	2398.32	1639.12	1535.46	7043.99	5772.75
e) Finance costs	296.63	378.81	439.39	1339.84	1655.06
f) Depreciation, amortisation, impairment and obsolescence	722.70	722.29	424.36	2369.93	1786.73
Total Expenses	33512.22	24852.47	29244.54	102646.08	94954.29
3 Profit before exceptional items (1-2)	3715.24	1678.40	3776.00	8765.93	7925.40
4 Exceptional items	(281.00)	-	48.52	121.43	94.22
5 Profit before tax (3+4)	3434.24	1678.40	3824.52	8887.36	8019.62
6 Tax expense:					
a) Current tax	1005.97	707.29	1148.86	2976.31	2817.69
b) Deferred tax	(526.79)	(267.44)	(187.23)	(827.76)	(380.73)
c) Additional tax on dividend distributed by subsidiaries	(141.96)	-	47.80	(141.96)	47.80
Total tax expense	337.22	439.85	1009.43	2006.59	2484.76
7 Net Profit after tax (5-6)	3097.02	1238.55	2815.09	6880.77	5534.86
8 Share in profit/(loss) of joint ventures / associates (net)	83.39	(148.41)	(332.77)	(395.27)	(990.16)
9 Net Profit after tax and share in profit/(loss) of joint ventures / associates (7+8) (PAT)	3180.41	1090.14	2482.32	6485.50	4544.70
Attributable to:					
a) Owners of the Company	3024.61	972.40	2335.20	6041.23	4232.88
b) Non controlling interest	155.80	117.74	147.12	444.27	311.82
10 Other comprehensive income (OCI)	380.04	(165.98)	255.01	177.78	159.05
11 Total comprehensive income (9+10)	3560.45	924.16	2737.33	6663.28	4703.75
Attributable to:					
a) Owners of the Company	3368.94	811.87	2586.98	6187.61	4388.70
b) Non controlling interest	191.51	112.29	150.35	475.67	315.05
12 Paid-up equity share capital (face value of share: ₹ 2 each)	186.59	186.54	186.30	186.59	186.30
13 Other Equity attributable to owners of the Company				50029.93	43994.06
14 Earnings per share (EPS) of ₹ 2 each (Not annualised):					
(a) Basic EPS (₹)	32.42	10.43	25.07	64.80	45.48
(b) Diluted EPS (₹)	32.08	10.40	24.97	64.58	45.27

See accompanying notes to the financial results

Notes :

(i) The above results are in compliance with Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs. The results for the previous periods have been restated as per Ind AS and are comparable on like to like basis.

(ii) Statement of reconciliation of net PAT under Ind AS and net PAT reported under Indian GAAP (IGAAP) for the previous periods:

Sr. No.	Particulars	Net PAT reconciliation	
		Quarter ended March 31, 2016	Year ended March 31, 2016
	Net profit after tax as per IGAAP	2453.64	5090.53
1	Reversal of provision for expected credit loss	229.50	13.83
2	Gain on divestment of stake in subsidiary directly taken to other equity	-	(263.88)
3	Provision for employee benefits based on constructive obligations	(115.53)	(37.44)
4	Loss on fair valuation of investments	(85.27)	(147.22)
5	Increase in borrowing cost pursuant to application of Effective Interest Rate method	(11.36)	(88.42)
6	Reclassification of net actuarial (gain)/loss on employee defined benefit obligations to other comprehensive income	29.55	13.88
7	Increase in borrowing cost due to initial fair valuation of long term financial liabilities	(87.94)	(304.74)
8	Others	5.67	10.70
9	Deferred and current taxes	(36.87)	(8.17)
10	Additional Tax on dividend distributed by subsidiaries	(46.19)	(46.19)
	Net profit after tax (before other comprehensive income) as per Ind AS (refer 9 (a) above)	2335.20	4232.88

(iii) Statement of reconciliation of Equity under Ind AS and Equity reported under Indian GAAP (IGAAP):

Sr. No.	Particulars	As at March 31, 2016	As at April 1, 2015
		Equity as per IGAAP	43991.73
1	Provision for expected credit loss	(1107.29)	(1121.12)
2	Provision for employee benefits based on constructive obligations	(488.31)	(450.87)
3	Gain on fair valuation of investments	404.94	555.71
4	Increase in borrowing cost pursuant to application of Effective Interest Rate method	(182.30)	(122.67)
5	Increase in borrowing cost due to initial fair valuation of long term financial liabilities	(380.56)	(75.82)
6	Equity component of other financial instruments (FCCB)	153.20	153.20
7	Reversal of Dividend & Dividend Distribution Tax	2039.53	1803.63
8	Others	145.19	(68.75)
9	Deferred and current taxes	(121.67)	(146.36)
10	Additional Tax on dividend distributed by subsidiaries	(274.10)	(227.93)
	Equity as per Ind AS (attributable to owners of the Company)	44180.36	41208.09

(iv) The Board of Directors has recommended for the approval of shareholders, the issue of bonus equity shares in the ratio of 1:2 [one bonus equity share of ₹ 2 each for every two equity shares of ₹ 2 each held].

(v) The Board of Directors has recommended a dividend of ₹ 21.00 per equity share on the pre-bonus share capital. The bonus shares qualify for dividend. The post-bonus dividend per share works out to ₹ 14.00 per share.

(vi) Statement of assets and liabilities as per regulation 33(3)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular dated July 5, 2016:

Particulars	As at		
	31.03.2017	31.03.2016	1.4.2015
ASSETS			
Non-current assets			
Property, plant and equipment	11242.66	12172.17	13669.78
Capital work-in-progress	2118.19	1790.53	1452.66
Investment property	3429.72	4386.00	2768.70
Goodwill	1398.66	1446.96	1536.98
Other intangible assets	432.59	556.57	568.47
Intangible assets under development	11353.23	9183.92	6473.66
Financial Assets			
Investments in Joint Ventures and Associates	2772.90	1257.88	2066.65
Other Investments	3180.74	2327.01	1888.39
Loans	1473.82	1037.65	806.43
Loans towards financing activities	47133.86	47888.27	41431.60
Other financial assets	775.12	563.55	480.60
Deferred tax assets (net)	1736.15	1371.91	1009.90
Non current assets for current tax (net)	165.37	553.99	236.27
Other non current assets	3238.16	2737.19	2395.00
Sub-total - Non-Current assets	90451.17	87273.60	76785.09
Current assets			
Inventories	4139.74	4854.21	5981.16
Financial assets			
Investments	13799.39	7494.19	7353.81
Trade & other receivables	27969.60	26024.98	22254.43
Cash and cash equivalents	3793.33	3806.54	4412.57
Other bank balances	1779.16	1583.37	696.85
Loans	480.84	651.14	542.64
Loans towards financing activities	24927.38	18706.34	14322.02
Other financial assets	2703.58	2298.67	2128.97
Other current assets	40366.11	40453.65	34972.91
Sub-total - current assets	119959.13	105873.09	92665.36
Group(s) of assets classified as held for sale	1649.37	1579.46	1671.35
TOTAL ASSETS	212059.67	194726.15	171121.80
EQUITY AND LIABILITIES:			
EQUITY			
Equity share capital	186.59	186.30	185.91
Other Equity	50029.93	43994.06	41022.18
Equity attributable to owners of the company	50216.52	44180.36	41208.09
Non Controlling Interest	3563.60	2892.84	1970.62
Sub-total - Equity	53780.12	47073.20	43178.71
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Borrowings	67340.58	61223.84	52709.64
Other financial liabilities	191.33	141.40	222.12
Provisions	526.59	424.66	385.35
Deferred tax Liabilities (net)	610.95	635.48	659.49
Other non current liabilities	172.14	181.14	211.93
Sub-total - Non-Current liabilities	68841.59	62606.52	54188.53
Current liabilities			
Financial Liabilities			
Borrowings	16556.79	14896.75	15897.14
Current maturities of long term borrowings	10078.90	12014.90	8122.87
Trade payables	29774.25	27003.56	22056.89
Other financial liabilities	5189.05	4322.44	3772.85
Other current liabilities	23444.74	24407.89	20804.60
Provisions	2658.34	2303.52	1676.85
Current tax liabilities	240.29	83.49	299.55
Sub-total - Current liabilities	87942.36	85032.55	72630.75
Liabilities associated with group(s) of assets classified as held for sale	1495.60	13.88	1123.81
TOTAL EQUITY AND LIABILITIES	212059.67	194726.15	171121.80

(vii) The Company reports consolidated financial results on quarterly basis, pursuant to the option made available as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 and year ended March 31, 2017 are given below:

Particulars	Quarter ended			Year ended	
	March 31, 2017	December 31, 2016	March 31, 2016	March 31, 2017	March 31, 2016
Income from Operations	23499.65	15946.20	22265.41	66301.35	63812.65
Profit before tax	1739.76	1226.90	2995.06	6757.84	6255.62
Net Profit after tax	1254.08	934.18	2391.07	5453.74	4999.58

(viii) Exceptional item during the quarter ended March 31, 2017 represents impairment of investment in a joint venture company.

(ix) During the quarter ended March 31, 2017, the Company has allotted 2,88,859 equity shares of ₹ 2 each fully paid-up on exercise of stock options by employees, in accordance with the Company's stock option schemes.

(x) The figures for the quarter ended March 31, 2017 and March 31, 2016 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, 2016 and December 31, 2015 respectively.

(xi) Figures for the previous periods have been re-grouped/re-classified to conform to the figures of the current periods.

(xii) The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on May 29, 2017.

for LARSEN & TOUBRO LIMITED

Audited Consolidated Segment-wise Revenue, Result, Total Assets and Total Liabilities in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

₹ Crore

Particulars	Quarter ended			Year ended	
	March 31, 2017	December 31, 2016	March 31, 2016	March 31, 2017	March 31, 2016
Gross segment revenue					
1 Infrastructure	20300.96	12735.40	18754.81	53920.81	50558.34
2 Power	1838.55	1632.96	1891.62	6938.79	6426.80
3 Heavy Engineering	1034.65	870.33	1060.47	3446.94	3255.87
4 Electrical & Automation	1678.63	1355.63	1618.06	5367.27	5401.30
5 Hydrocarbon	2579.72	2402.28	2449.38	9628.34	8618.25
6 IT & Technology Services	2548.62	2502.33	2375.29	9887.54	9014.59
7 Financial Services	2206.52	2108.02	2123.31	8545.29	7695.00
8 Developmental Projects	1006.48	905.05	844.98	4367.28	4620.02
9 Others	4417.34	2434.29	2904.67	10862.43	9720.42
Total	37611.47	26946.29	34022.59	112964.69	105310.59
Less: Inter-segment revenue	783.48	659.32	1147.08	2953.69	3335.25
Net segment revenue	36827.99	26286.97	32875.51	110011.00	101975.34
Segment result [Profit/(Loss) before interest and tax]					
1 Infrastructure	2519.12	879.33	2812.67	4722.54	4990.54
2 Power	58.90	11.90	(33.56)	201.18	112.84
3 Heavy Engineering	225.35	126.17	(4.24)	498.57	(97.47)
4 Electrical & Automation	240.43	150.30	190.46	549.89	433.06
5 Hydrocarbon	208.01	148.42	(88.76)	508.42	(95.28)
6 IT & Technology Services	455.36	464.70	432.39	1825.53	1584.32
7 Financial Services	(52.80)	236.71	563.77	786.44	1304.26
8 Developmental Projects	(62.65)	(109.95)	93.45	32.01	238.56
9 Others	404.95	16.27	309.58	414.69	989.49
Total	3996.67	1923.85	4275.76	9539.27	9460.32
Less: Inter-segment margins on capital jobs	18.22	0.13	48.98	28.14	62.15
Less: Interest expenses	296.63	378.81	439.39	1339.84	1655.06
Add: Unallocable corporate income net of expenditure	(247.58)	133.51	37.13	716.07	276.51
Profit before tax	3434.24	1678.40	3824.52	8887.36	8019.62
Segment assets					
1 Infrastructure				50020.69	46687.58
2 Power				6847.03	7964.47
3 Heavy Engineering				5112.41	5449.93
4 Electrical & Automation				4364.25	4472.16
5 Hydrocarbon				6728.63	6143.98
6 IT & Technology Services				6085.75	4306.78
7 Financial Services				71841.82	64212.75
8 Developmental Projects				28240.72	25315.31
9 Others				18459.26	19361.19
Total segment assets				197700.56	183914.15
Less: Inter Segment assets				1490.25	1852.22
Add: Unallocable corporate assets				15849.36	12664.22
Total assets				212059.67	194726.15
Segment liabilities					
1 Infrastructure				33912.75	30239.78
2 Power				6362.49	7382.07
3 Heavy Engineering				3815.67	3788.95
4 Electrical & Automation				1935.65	1774.34
5 Hydrocarbon				5589.70	4567.99
6 IT & Technology Services				1813.49	1606.85
7 Financial Services				64341.27	56955.10
8 Developmental Projects				8931.32	8548.13
9 Others				6844.74	6879.62
Total segment liabilities				133547.08	121742.83
Less: Inter Segment liabilities				1490.25	1852.22
Add: Unallocable corporate liabilities				26222.72	27762.34
Total liabilities				158279.55	147652.95

Notes:

- (I) The Company has reported segment information as per Indian Accounting Standard 108 "Operating Segments" (Ind AS 108) read with SEBI's circular dated July 5, 2016. The identification of operating segments is consistent with performance assessment and resource allocation by the management.
- (II) Segment composition: **Infrastructure segment** comprises engineering and construction of building and factories, transportation infrastructure, heavy civil infrastructure, power transmission & distribution, water & effluent treatment and smart world & communication projects. **Power segment** comprises turnkey solutions for Coal-based and Gas-based thermal power plants including power generation equipment with associated systems and / or balance-of-plant packages. **Heavy Engineering segment** 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 segment** 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. **Hydrocarbon segment** 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 segment** comprises information technology and integrated engineering services. **Financial Services segment** comprises retail and corporate finance, housing finance, infrastructure finance, general insurance (upto the date of sale), asset management of mutual fund schemes and related advisory services. **Developmental Projects segment** comprises development, operation and maintenance of basic infrastructure projects, toll and fare collection, power development, development and operation of port facilities and providing related advisory services. Based on internal organisational restructuring and the threshold for reportable segment, Metallurgical & Material Handling systems segment which was hitherto voluntarily reported as a separate reportable segment has been reclassified and reported under "Others" segment. Accordingly, **Others segment** includes metallurgical & material handling systems, realty, shipbuilding, manufacture and sale of industrial valves, welding and cutting equipment, manufacture, marketing and servicing of construction equipment and parts thereof, marketing and servicing of mining machinery and parts thereof, manufacture and sale of rubber processing machinery, castings (upto the date of sale), mining and aviation.
- (III) Segment revenue comprises sales & operational income allocable specifically to a segment including profit on sale of stake in the subsidiary and/or joint venture companies under developmental projects segment and realty business grouped under "Others" segment. Unallocable income primarily includes interest income, dividends and profit on sale of investments. Unallocable expenditure mainly includes corporate expenses not allocated to segments. Corporate assets mainly comprise investments. Corporate liabilities mainly comprise borrowings.
- (IV) 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 29, 2017

A.M.NAIK
Group Executive Chairman