



L&T Press Release

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Group Performance for the quarter ended June 30, 2019

Consolidated Results

Strong all-round growth registered on all key performance parameters

Mumbai, July 23, 2019

Major events during the quarter

1. With the Competition Commission of India according its approval for acquisition of the Company's Electrical & Automation business by Schneider Electric subject to fulfilment of certain conditions, the sale is likely to be completed within the next one year. The business has hence been classified as 'discontinued operations', consolidated only at profit level in the Profit & Loss Account.
2. As on June 30, 2019, the Company held 28.86% of paid-up equity share capital of Mindtree Limited. In absence of participation in management, the investment in equity shares has been classified as investment measured at fair value for the quarter ended June 30, 2019. Subsequent to acquisition of control, the financials will be consolidated as a subsidiary from second quarter of the financial year. The current shareholding of the company in Mindtree Limited is 60.59%.

Larsen & Toubro recorded Consolidated Gross Revenue of ₹ 29,636 crore from continuing operations for the quarter ended June 30, 2019, achieving y-o-y growth of 10%. The International revenue during the quarter at ₹ 9,268 crore constituted 31% of the total revenue.

Consolidated Profit After Tax (PAT) from continuing operations for the quarter ended June 30, 2019 at ₹ 1,361 crore registered growth of 20.5% vis-à-vis PAT of ₹ 1,129 crore for the corresponding quarter of the previous year. The overall PAT, including the PAT from discontinued operations for the quarter April to June, 2019 grew by 21.2% to ₹ 1,473 crore vis-à-vis ₹ 1,215 crore for the corresponding quarter of the previous year.

The Company successfully won new orders worth ₹ 38,700 crore at the group level during the quarter ended June 30, 2019 registering a growth of 11%. International orders during the year at ₹ 9,005 crore constituted 23% of the total order inflow.

Order wins in Infrastructure and Power segments were the major contributors to the order inflow during the quarter. While orders from the central and state governments were affected during the general elections, strong PSU and private sector orders enabled growth for the quarter.

Consolidated Order Book of the group stood at ₹ 294,014 crore as at June 30, 2019, with international Order Book constituting 21% of the total Order Book.

Infrastructure Segment

Infrastructure Segment secured fresh orders of ₹ 17,497 crore, during the quarter ended June 30, 2019, lower by 10% compared to the previous year. Order wins were mainly from the airport sector, gold beneficiation award in Saudi, water supply & distribution order in Sri Lanka, a notable desalination plant order in Gujarat and an order for a Defence telecom network. International orders at ₹ 4,954 crore constituted 28% of the total order inflow of the segment during the year.

The Order Book of the Segment stood at ₹ 218,825 crore as at June 30, 2019.

Infrastructure Segment recorded Customer Revenue of ₹ 13,865 crore for the quarter ended June 30, 2019 leading to a y-o-y growth of 14%. Growth was contributed by good execution progress across business verticals of the segment. International revenue constituted 23% of the total customer revenue of the segment during the year.

The EBITDA margin of the segment during the quarter ended June 30, 2019 was lower at 6.4% compared to previous year 6.8%, largely due to job mix and seasonality of execution.

Power Segment

Power Segment secured orders of ₹ 6,700 crore for the quarter ended June 30, 2019 registering significant growth on receipt of a large value domestic order for a 2x660 MW ultra- supercritical thermal power plant in Buxar, Bihar.

Consequently, the Order Book of the Segment grew to ₹ 12,933 crore as at June 30, 2019, with the international order book constituting 11% of the total.

Power Segment recorded customer revenue of ₹ 561 crore during the quarter ended June 30, 2019, registering a y-o-y decrease of 48% on lower opening order book. International revenue constituted 28% of the total customer revenue of the segment during the quarter.

The segment EBITDA margin for the quarter ended June 30, 2019 was at 3.3%, lower compared to 4.1% recorded in corresponding quarter of the previous year which included provision reversals.

Heavy Engineering Segment

Heavy Engineering Segment secured orders valued at ₹ 188 crore during the quarter ended June 30, 2019 representing a decline of 87% y-o-y mainly due to deferment of orders in Oil and Gas sector. International orders constituted 55% of the total order inflow of the segment during the quarter.

The Order Book of the Segment stood at ₹ 4,081 crore as at June 30, 2019, with 50% being international.

The Segment recorded Customer Revenue of ₹ 874 crore which is more than double the revenue of the corresponding quarter of the previous year, with execution momentum in oil & gas, and fertiliser and petrochemical projects. International sales constituted 44% of the total customer revenue of the segment.

The EBITDA margin of the segment was at 19.5% for the quarter ended June 30, 2019 vis-à-vis the margin of 36.1% which included reversal of expected credit loss provision on contract assets due to better working capital management.

Defence Engineering Segment

Defence Engineering Segment received orders of ₹ 443 crore during the quarter ended June 30, 2019, registering growth over the corresponding quarter of the previous year. International orders constituted 40% of the total order inflow of the segment.

The Order Book of the Segment stood at ₹ 11,033 crore as on June 30, 2019.

Defence Engineering Segment recorded customer revenue of ₹ 965 crore registering a y-o-y growth of 33% over the corresponding quarter of the previous year led by pick up in execution of a significant order for tracked artillery guns. International Revenue constituted 4% of the total customer revenue of the segment.

The EBITDA margin of the segment increased to 16.5% for the quarter ended June 30, 2019 from 11.1% during corresponding quarter of the previous year with favourable job mix.

Hydrocarbon Segment

Hydrocarbon Segment secured orders valued ₹ 3,424 crore during the quarter ended June 30, 2019, a decline of 28% compared to corresponding quarter of the previous year, with no major international order.

The Order Book of the Segment stood at ₹ 40,408 crore as at June 30, 2019, with international orders comprising 47%.

Hydrocarbon Segment recorded Customer Revenue of ₹ 3,763 crore during the quarter ended June 30, 2019, registering a y-o-y growth of 7%. International Revenue constituted 49% of the total customer revenue of the segment for the quarter ended June 30, 2019.

The segment recorded improvement in the EBITDA Margin to 7.6% for the quarter ended June 30, 2019 vis-a-vis 7.0% in the corresponding quarter of the previous year.

IT & Technology Services (IT&TS) Segment

IT & Technology Services Segment achieved Customer Revenue of ₹ 3,819 crore during the quarter ended June 30, 2019, registering y-o-y growth of 15%. International sales constituted 91% of the total customer revenue of the segment for the quarter ended June 30, 2019. An array of business verticals has contributed to the strong growth (CPG, retail & pharma, Hi-Tech, media & entertainment and Energy & Utilities in L&T Infotech group and Transportation, Medical devices and Process Engineering verticals in L&T Technology Services group).

The EBITDA Margin for IT&TS Segment declined to 23.2% for the quarter ended June 30, 2019 vis-à-vis 24.8% for the corresponding quarter of the previous year with higher expense on staff costs and visa charges.

Financial Services Segment

Financial Services Segment recorded Customer Revenue of ₹ 3,462 crore during the quarter ended June 30, 2019, registering a y-o-y growth of 13%, driven by growth in loan assets and accrual of revenue on favourable outcome of NCLAT order in connection with exposure to ILFS.

The Loan Book grew from ₹ 86,321 crore to ₹ 99,904 crore registering a noteworthy growth of 16% in a volatile environment. One-time provision made on conservative basis for potential impairment of exposure to an HFC borrower has led to drop in the margin for the business.

Developmental Projects Segment

Developmental Projects Segment registered Customer Revenue of ₹ 1,178 crore during the quarter ended June 30, 2019, recording 21% decline over the corresponding quarter of the previous year, which included divestment of container port at Kattupalli near Chennai.

Consequently, the EBITDA Margin of the Segment for the quarter ended June 30, 2019 reduced to 10.0% from 30.4% earned during the corresponding quarter of the previous year.

“Others” Segment

“Others” segment comprises Realty, Construction & Mining Machinery, Industrial Machinery & Products and Valves businesses.

Customer Revenue of “Others” Segment during the quarter ended June 30, 2019 at ₹ 1,149 crore declined by 14% over corresponding quarter of the previous year. The decline was primarily due to higher handover of residential apartments in the previous year in Realty business. International sales constituted 11% of the total customer revenue of the segment.

During the quarter ended June 30, 2019, the segment EBITDA margin stood at 24.1% as compared to margin of 26.5% in the corresponding quarter of the previous year. Previous year margins were higher on account of higher handover of apartments in Realty business.

Electrical & Automation Segment (Discontinued Operations)

Electrical & Automation Segment which has been classified as ‘Discontinued Operations’ in the financial statements pending divestment to Schneider Electric, has clocked Customer Revenues of ₹ 1,359 crore during the quarter ended June 30, 2019, registering a y-o-y growth of 6%. The growth has largely been driven by Electrical Standard Products and Metering Systems. International Revenues constituted 26% of the total customer revenue of the segment for the quarter ended June 30, 2019.

The segment recorded improvement in the EBITDA Margin to 16.9% for the quarter ended June 30, 2019 vis-a-vis 13.3% in the corresponding quarter of the previous year due to operational efficiencies and improved realisations arising from a favourable sales mix.

Outlook

The conclusion of the general elections has led to a pro-incumbency mandate received by the government and has created an environment of political stability which bodes well for policy continuity, fiscal rectitude and focus on infrastructure build-out.

Focus on resource augmentation in the Union Budget is expected to enable the Government to channelize spending on infrastructure development, rural electrification, airports, railroads, water supply and irrigation, all of which is likely to provide a fillip to the investment momentum in domestic markets. Additional

dose of capital infusion into Public Sector Banks and sovereign support for securitization of NBFC assets could provide a boost to financial markets and potentially ease liquidity in the system. Proposed legislation for speedy resolution of insolvency cases under the Insolvency and Bankruptcy Code could lead to recovery of private sector investments and improved credit quality.

There are also multiple forces at play in the global economic and geo-political environment. Major potential turn of events include the likelihood of a slowdown in global growth, fallout of the ongoing tariff war between US and China, and a possible Brexit parting within the European Union. Developments such as US sanctions on Iran, volatile oil prices and a re-direction of fiscal focus due to climate change are expected to influence the market sentiment. Amidst this backdrop, the Company however will continue to focus on select opportunities arising from renewable energies, hydrocarbon expansion and significant investments in infrastructure in near-shore geographies beyond Middle East.

The Company looks forward to a period of increased investment momentum and continued growth. Initiatives towards improved productivity, cost efficiencies derived from leveraging digital technology, capacity utilization and capability enhancement are expected to help the Company maximize its shareholder returns (RoE) on a sustainable basis.

Background:

Larsen & Toubro is an Indian multinational engaged in technology, engineering, construction, manufacturing and financial services with over USD 20 billion in revenue. It operates in over 30 countries worldwide. A strong, customer-focused approach and the constant quest for top-class quality have enabled L&T to attain and sustain leadership in its major lines of business for eight decades.



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, 2019

₹ Crore

Particulars	Quarter ended			Year ended
	June 30, 2019 [Reviewed]	March 31, 2019 [Note (vii)]	June 30, 2018 [Reviewed]	March 31, 2019 [Audited]
A Continuing operations				
1 Income:				
a) Revenue from operations	29635.95	43303.40	27004.77	135220.29
b) Other income (net)	384.40	610.97	227.99	1836.53
Total Income	30020.35	43914.37	27232.76	137056.82
2 Expenses:				
a) Manufacturing, construction and operating expenses:				
i) Cost of raw materials and components consumed	3925.05	4233.10	3034.41	14771.56
ii) Stores, spares and tools consumed	539.56	628.56	680.66	2812.31
iii) Sub-contracting charges	5123.32	9259.62	5035.51	26011.91
iv) Construction materials consumed	5523.76	11690.88	4646.20	31230.44
v) Purchase of stock-in-trade	185.52	299.00	175.58	887.87
vi) Changes in inventories of finished goods, stock-in-trade and work-in-progress	(215.92)	247.32	91.97	(731.11)
vii) Other manufacturing, construction and operating expenses	2859.27	3664.24	2825.04	13264.43
b) Finance cost of financial services business and finance lease activity	2078.62	1966.72	1655.04	7385.63
c) Employee benefits expense	4551.78	4488.75	4128.75	17466.40
d) Sales, administration and other expenses	1746.05	1546.14	1973.92	6791.21
e) Finance costs	586.65	506.51	363.71	1802.55
f) Depreciation, amortisation, impairment and obsolescence	461.46	435.43	604.72	1923.03
Total Expenses	27365.12	38966.27	25215.51	123616.23
3 Profit before exceptional items (1-2)	2655.23	4948.10	2017.25	13440.59
4 Exceptional items	(93.55)	-	-	294.75
5 Profit before tax (3+4)	2561.68	4948.10	2017.25	13735.34
6 Tax expense:				
a) Current tax	736.00	1695.99	722.97	4402.95
b) Deferred tax	58.79	(461.61)	166.59	(335.86)
Total tax expense	794.79	1234.38	889.56	4067.09
7 Net profit after tax from continuing operations (5-6)	1766.89	3713.72	1127.69	9668.25
8 Share in profit/(loss) of joint ventures/associates (net)	(69.27)	(127.24)	258.93	(21.00)
9 Net profit after tax and share in profit/(loss) of joint ventures/associates (PAT) from continuing operations (7+8)	1697.62	3586.48	1386.62	9647.25
B Discontinued operations				
10 Profit before tax from discontinued operations	172.45	290.52	130.40	845.57
11 Tax expense of discontinued operations	60.37	88.11	45.02	276.24
12 Net profit after tax from discontinued operations (10-11)	112.08	202.41	85.38	569.33
13 Net profit after tax from continuing operations & discontinued operations (9+12)	1809.70	3788.89	1472.00	10216.58
Attributable to: Owners of the Company	1472.58	3418.24	1214.78	8905.13
Non-controlling interests	337.12	370.65	257.22	1311.45
14 Other comprehensive income (OCI)	(263.86)	237.64	(516.91)	(229.88)
Attributable to: Owners of the Company	(255.47)	207.90	(490.36)	(273.99)
Non-controlling interests	(8.39)	29.74	(26.55)	44.11
15 Total comprehensive income (13+14)	1545.84	4026.53	955.09	9986.70
Attributable to: Owners of the Company	1217.11	3626.14	724.42	8631.14
Non-controlling interests	328.73	400.39	230.67	1355.56
16 Paid-up equity share capital (face value of share: ₹2 each)	280.62	280.55	280.35	280.55
17 Other equity attributable to owners of the Company				62094.25
18 Earnings per share (EPS) of ₹2 each from continuing operations (not annualised):				
(a) Basic EPS (₹)	9.70	22.93	8.06	59.45
(b) Diluted EPS (₹)	9.68	22.86	8.04	59.35
19 Earnings per share (EPS) of ₹2 each from discontinued operations (not annualised):				
(a) Basic EPS (₹)	0.80	1.44	0.61	4.06
(b) Diluted EPS (₹)	0.80	1.44	0.61	4.05
20 Earnings per share (EPS) of ₹2 each from continuing operations & discontinued operations (not annualised):				
(a) Basic EPS (₹)	10.50	24.37	8.67	63.51
(b) Diluted EPS (₹)	10.48	24.29	8.65	63.40

Notes:

- (i) During the quarter ended June 30, 2019, the Company has allotted (a) 70,568 equity shares of ₹2 each fully paid-up, on exercise of stock options by employees in accordance with the Company's stock option schemes and (b) 2,91,325 equity shares of ₹2 each fully paid-up, on conversion of 6,120 foreign currency convertible bonds.
- (ii) Effective April 1, 2019, the Group has adopted Ind AS 116 "Leases" and capitalised assets taken on operating lease. The transition was effected using modified retrospective method and the impact thereof of ₹121.45 crore (net of tax) has been reduced from the retained earnings as at April 1, 2019. Resultantly, the figures for the current period are not comparable with the previous periods. The impact of transition on the profit after tax for the quarter ended June 30, 2019 is not material.
- (iii) Exceptional item during the quarter ended June 30, 2019 represents impairment of investment in a road project special purpose vehicle, against which insolvency proceedings have been initiated post June 30, 2019 under the provisions of Insolvency and Bankruptcy Code, 2016.

- (iv) The Competition Commission of India (CCI) accorded on April 18, 2019 its approval (the detailed order was uploaded on its website on June 6, 2019) for acquisition of the Company's Electrical & Automation (E&A) business by Schneider Electric subject to fulfilment of certain conditions. As the sale is likely to be completed within the next one year, E&A business has been classified as discontinued operation and the profit thereof has been disclosed separately for the periods presented.
- (v) (a) As on June 30, 2019, the Company held 28.86% of the paid-up equity share capital of Mindtree Limited. Pursuant to completion of open offer for acquisition of equity shares in Mindtree Limited on July 2, 2019 and open market purchases, the Company holds 60.59% and has become the promoter and parent company.
- (b) As on June 30, 2019, the investment in equity shares of Mindtree Limited has been classified as investment measured at fair value through other comprehensive income for the quarter ended June 30, 2019, in the absence of significant influence over Mindtree Limited (as defined in Ind AS 28 "Investments in Associates and Joint Ventures").
- (vi) The Company reports consolidated financial results on quarterly basis as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. 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 June 30, 2019 are given below:

₹ Crore

Particulars	Quarter ended			Year ended
	June 30, 2019 [Reviewed]	March 31, 2019 [Note (vii)]	June 30, 2018 [Reviewed]	March 31, 2019 [Audited]
Revenue from continuing operations	16498.89	29464.82	14139.72	82226.89
Profit before tax from continuing operations	1589.49	3254.40	1053.40	8405.77
Profit before tax from discontinued operations	177.54	256.45	133.20	812.41
Net profit after tax from continuing operations	1273.72	2208.02	821.62	6134.64
Net profit after tax from discontinued operations	118.28	169.40	90.18	543.06
Net profit after tax from continuing operations & discontinued operations	1392.00	2377.42	911.80	6677.70

- (vii) Figures for the quarter ended March 31, 2019 represent the difference between audited figures for the financial year and the limited reviewed figures for the nine month period ended December 31, 2018.
- (viii) Figures for the previous periods have been regrouped/reclassified to conform to the classification of the current period.
- (ix) The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on July 23, 2019. The same have also been subjected to Limited Review by the Statutory Auditors.

for LARSEN & TOUBRO LIMITED

Mumbai
July 23, 2019

S.N. SUBRAHMANYAN
Chief Executive Officer & Managing Director

Consolidated unaudited segment-wise Revenue, Result, Total assets and Total liabilities in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended:

Particulars	₹ Crore			
	Quarter ended		Year ended	
	June 30, 2019 [Reviewed]	March 31, 2019 [Note (V)]	June 30, 2018 [Reviewed]	March 31, 2019 [Audited]
Gross segment revenue				
1 Infrastructure	14037.61	27093.55	12331.39	73203.76
2 Power	563.24	934.30	1080.57	3983.09
3 Heavy Engineering	991.53	899.45	377.25	2513.66
4 Defence Engineering	969.15	1108.39	733.59	3849.24
5 Electrical & Automation (discontinued operations)	1423.66	1715.51	1323.71	6093.63
6 Hydrocarbon	3768.73	4324.25	3516.26	15176.23
7 IT & Technology Services	3844.39	3826.76	3355.79	14553.10
8 Financial Services	3462.10	3182.34	3057.56	12637.69
9 Developmental Projects	1178.38	1082.93	1494.49	5068.04
10 Others	1193.76	1412.76	1373.16	5934.99
Total	31432.55	45580.24	28643.77	143013.43
Less: Revenue of discontinued operations	1423.66	1715.51	1323.71	6093.63
Less: Inter-segment revenue	372.94	561.33	315.29	1699.51
Net segment revenue from continuing operations	29635.95	43303.40	27004.77	135220.29
Segment result				
1 Infrastructure	704.58	3088.29	664.51	5388.77
2 Power	8.61	28.39	33.45	129.88
3 Heavy Engineering	159.88	169.51	110.35	487.01
4 Defence Engineering	124.15	170.20	47.74	472.22
5 Electrical & Automation (discontinued operations)	173.19	291.35	131.80	850.09
6 Hydrocarbon	246.82	386.41	208.97	1178.10
7 IT & Technology Services	784.23	763.08	760.60	3084.20
8 Financial Services	746.28	749.80	728.80	3052.64
9 Developmental Projects	93.72	(60.26)	387.97	314.35
10 Others	254.98	155.04	(417.22)	776.20
Total	3296.44	5741.81	2656.97	15733.46
Less: Result of discontinued operations	173.19	291.35	131.80	850.09
(Add)/Less: Inter-segment margins on capital jobs	9.21	16.14	(2.47)	5.50
Less: Finance costs	586.65	506.51	363.71	1802.55
Add/(Less): Unallocable corporate income net of expenditure	127.84	20.29	(146.68)	365.27
Add/(Less): Exceptional items	(93.55)	-	-	294.75
Profit before tax from continuing operations	2561.68	4948.10	2017.25	13735.34
Segment assets				
1 Infrastructure	75297.89		66280.56	74848.71
2 Power	5961.36		7161.35	6030.51
3 Heavy Engineering	4869.93		3923.32	4614.54
4 Defence Engineering	8248.12		7382.36	7826.76
5 Electrical & Automation (discontinued operations)	4289.80		4062.21	4183.22
6 Hydrocarbon	12331.40		9190.99	12224.57
7 IT & Technology Services	11313.81		8046.02	9647.21
8 Financial Services	106265.10		88462.75	104842.19
9 Developmental Projects	32137.84		29830.37	31191.27
10 Others	10040.48		10286.87	9819.89
Total segment assets	270755.73		234626.80	265228.87
Less: Inter-segment assets	4712.80		2251.71	2260.34
Add: Unallocable corporate assets	20417.67		11780.72	16165.54
Total assets	286460.60		244155.81	279134.07
Segment liabilities				
1 Infrastructure	46750.34		42052.68	50908.92
2 Power	4564.18		5788.38	4838.09
3 Heavy Engineering	2164.07		1613.35	2111.79
4 Defence Engineering	4707.52		4368.62	4964.28
5 Electrical & Automation (discontinued operations)	1931.21		1881.64	2053.88
6 Hydrocarbon	10174.95		8036.95	10096.59
7 IT & Technology Services	3808.24		2435.39	2575.96
8 Financial Services	93770.46		78168.63	92973.64
9 Developmental Projects	10250.64		9490.60	9560.38
10 Others	3710.78		4700.09	3936.13
Total segment liabilities	181832.39		158536.33	184019.66
Less: Inter-segment liabilities	4712.80		2251.71	2260.34
Add: Unallocable corporate liabilities	38028.44		27403.93	28173.84
Total liabilities	215148.03		183688.55	209933.16

Notes:

- (I) The Group has reported segment information as per Ind AS 108 "Operating Segments" read with SEBI 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, smart world & communication projects and metallurgical & material handling systems. **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 and Thermal & Nuclear Power. **Defence Engineering segment** comprises design, development, prototyping, serial production, delivery, commissioning and through life-support of equipment, systems and platforms for Defence and Aerospace sectors. It also includes Defence Shipbuilding comprising design, construction, commissioning, repair/refit and upgrades of Naval and Coast Guard vessels. **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 [refer note (iv) of financial results]. **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 rural finance, housing finance, wholesale finance, mutual fund and wealth management. **Developmental Projects segment** comprises development, operation and maintenance of basic infrastructure projects, toll and fare collection, power development, development and operation of port facilities (till the date of sale) and providing related advisory services. **Others segment** includes realty, manufacture and sale of industrial valves, 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, mining and aviation.
- (III) Segment revenue comprises sales and operational income allocable specifically to a segment and includes in the case of Developmental Projects and Realty business (grouped under "Others" segment) profits on sale of stake in the subsidiary and/or joint venture companies in those segments. 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 (including long term loans) 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) Power Generation projects under Developmental Projects segment which are classified as assets given on finance lease, segment liabilities include borrowings as the finance costs on borrowings are accounted as segment expense in respect of the segment and projects.
- (IV) In respect of most of the segments of the Group, sales and margins do not accrue uniformly during the year.
- (V) Figures for the quarter ended March 31, 2019 represent the difference between audited figures for the financial year and the limited reviewed figures for the nine month period ended December 31, 2018.
- (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 23, 2019

S.N. SUBRAHMANYAN
Chief Executive Officer & Managing Director