

L&T Press Release

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Financial Results for the period ended September 30, 2022

All-round performance

Order Inflow - ↑ 23% for the quarter & ↑ 36% for half year

Revenue - ↑ 23% for the quarter & half year

PAT - ↑ 23% for the quarter & ↑ 31% for half year

Mumbai, October 31, 2022

Larsen & Toubro achieved Consolidated Revenues of ₹ 42,763 crore for the quarter ended September 30, 2022 recording a y-o-y growth of 23% with execution tailwinds in the Infrastructure Projects segment and sustained growth momentum in the IT&TS portfolio. International revenues during the quarter at ₹ 15,473 crore constituted 36% of the total revenue.

For the half-year ended September 30, 2022, the Consolidated Revenues at ₹ 78,616 crore recorded a y-o-y growth of 23% with international revenues during the half-year at ₹ 28,708 crore constituting 37% of the total.

The Company for the quarter ended September 30, 2022, posted a Consolidated Profit After Tax (PAT) of ₹ 2,229 crore, registering a robust growth of 23% over the corresponding quarter of the previous year. All the major segments reported higher profits, led by the IT&TS and Financial Services businesses.

For the half-year ended September 30, 2022, Consolidated Profit After Tax at ₹ 3,931 crore, registered a growth of 31% y-o-y basis.

The Company recorded orders worth ₹ 51,914 crore at the group level during the quarter ended September 30, 2022, registering a growth of 23% over the corresponding quarter of the previous year. During the quarter, orders were received across multiple segments like Public Spaces, Nuclear Power, Irrigation, Ferrous Metal, Health, Renewables and Refinery sectors. International orders at ₹ 17,341 crore during the quarter comprised 33% of the total order inflow.

On a cumulative basis, the order inflow for the half-year ended September 30, 2022 stood at ₹ 93,720 crore, registering a growth of 36% over the corresponding period of the previous year. International orders at ₹ 35,184 crore during the half-year constituted 38% of the total.

The consolidated order book of the group was at ₹ 372,381 crore as on September 30, 2022, with international orders having a share of 28%.

Infrastructure Projects Segment

The Infrastructure Projects segment secured order inflows of ₹ 25,058 crore, during the quarter ended September 30, 2022, registering a substantial growth of more than 100%, as compared to the corresponding quarter of the previous year. International orders at ₹ 6,700 crore constituted 27% of the total order inflow of the segment during the quarter.

The segment order book stood at ₹ 268,752 crore as on September 30, 2022, with the share of international orders at 24%.

The segment recorded customer revenues of ₹ 19,370 crore for the quarter ended September 30, 2022, registering a y-o-y growth of 39%, aided by accelerated execution of projects across various sites. 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 September 30, 2022 was at 6.6% vis-à-vis 8.3% recorded in the corresponding quarter of the previous year. Margin for the quarter was impacted due to cost pressures witnessed in few projects.

Energy Projects Segment

The Energy Projects segment secured orders valued at ₹ 8,441 crore during the quarter ended September 30, 2022, registering a decline of 42% y-o-y since previous year had the benefit of receipt of a mega international order in the Hydrocarbon business. International order inflow constituted 3% of the total order inflow of the segment during the quarter.

The segment order book was at ₹ 68,971 crore as on September 30, 2022, with the international order book constituting 54%.

The segment posted customer revenues of ₹ 5,586 crore during the quarter ended September 30, 2022, recording a decline of 7% y-o-y, largely attributed to slower than expected progress across few projects in the Hydrocarbon business. International revenues had a share of 34% of the total customer revenues for the quarter.

The EBITDA margin of the segment at 8.5% for the quarter ended September 30, 2022 improved compared to 6.6% over corresponding quarter of the previous year, on account of execution cost savings in certain Hydrocarbon projects.

Hi-Tech Manufacturing Segment

The segment secured orders valued at ₹ 1,768 crore during the quarter ended September 30, 2022 registering substantial growth of 62% over corresponding quarter of the previous year with healthy flow of orders in the Heavy Engineering business. Export orders constituted 48% of the total order inflow of the segment during the quarter.

The order book of the segment was at ₹ 19,659 crore as on September 30, 2022, with the share of export orders at 14%.

The segment posted customer revenues of ₹ 1,456 crore for the quarter ended September 30, 2022, a marginal drop over the corresponding quarter of the previous year. Export sales comprised 22% of the total customer revenues for the quarter.

The EBITDA margin of the segment at 18.5% for the quarter ended September 30, 2022 registered growth, compared to 14.5% reported in the corresponding quarter of the previous year, with favourable job mix in current quarter, coupled with previous year quarter being impacted with cost pressures in few of the jobs.

IT & Technology Services (IT&TS) Segment

The segment recorded customer revenues of ₹ 10,151 crore for the quarter ended September 30, 2022, registering a y-o-y growth of 29%, reflecting continued growth impetus in the IT&TS sector. International billing contributed 93% of the total customer revenues of the segment for the quarter ended September 30, 2022. The aggregate revenue of the three listed subsidiaries in this segment at USD 1,270 Mn registered a sequential growth of 4%.

The EBITDA margin for the segment was at 21.9% for the quarter ended September 30, 2022 as compared to 23.2% in the corresponding quarter of the previous year. Elevated employee cost, driven by demand for talent and high attrition rates, impacted the margin.

Financial Services Segment

The segment reflects the performance of L&T Finance Holdings, a listed subsidiary. The segment recorded income from operations at ₹ 3,152 crore during the quarter ended September 30, 2022, registering a y-o-y growth of 6%, mainly attributed to higher disbursement in retail business, in line with its strategy of retailisation of the loan book.

The total Loan Book at ₹ 90,098 crore grew by 4% as compared with September 2021 at ₹ 86,936 crore, with growth achieved on increased disbursements in the retail portfolio and targeted reduction in defocused businesses.

The segment EBIT for the quarter ended September 30, 2022 increased to ₹ 613 crore as compared to ₹ 322 crore in the corresponding quarter of the previous year due to lower provision of credit cost arising from improved asset quality and rising NIM.

Development Projects Segment

The segment recorded customer revenues of ₹ 1,344 crore during the quarter ended September 30, 2022 registering growth of 15% 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 September 30, 2022 registered a loss of ₹ 12 crore as compared to loss of ₹ 35 crore during the corresponding quarter of the previous year, primarily 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 September 30, 2022 at ₹ 1,704 crore registered a growth of 24% y-o-y with increase in sales of Rubber Processing Machinery and improved execution of jobs in the Smart World and Communication business. Export sales constituting 7% 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 September 30, 2022, the segment EBITDA margin at 15.6%, has declined compared to 21.5% during the corresponding quarter of the previous year on lower handover of flats in Realty business and higher input cost in the Construction Equipment business.

Note:

Segment-wise summary of performance for the quarter and half year ended September 30, 2022 is attached in Annexure 1

Outlook

The Indian economy is doing relatively well and is expected to continue its growth momentum, albeit at a slower pace than earlier anticipated. High inflation, coupled with threat of an adverse BoP amidst the increasing uncertain global economic environment are possible headwinds to the country's growth trajectory. Large value private sector investments that was set for a major revival may get delayed due to the persisting geo-political and global economic turbulence.

On a positive note, the Government with success of its production linked incentives (PLI) scheme, is likely to expand it to more sectors. The Government is expected to intensify its efforts on structural reforms in critical areas such as labour, logistics, health and education. Robust tax collections this year will enable the government to sustain budgeted investment

programmes. Another silver lining is the visibility of a continuing domestic consumption demand, that augurs well for new investments.

On the global front, the economic outlook is clouded by key downside risks, viz., the conflict in eastern Europe impacting food & energy supply chains, gradual polarization and possibility of stagflation resulting from supply led inflation in an uncertain demand environment.

Amidst this visible global turmoil, the GCC region, a major geography for the Company's Projects business continues to invest in the oil & gas sector to accelerate production capacity. Besides, some of the GCC countries with long term strategy to reduce dependence on oil economy, are focusing on building non-oil sector, viz. metals, renewable energy, infrastructure development etc.

The Company is confident of the Indian Governments' various reform and economic measures to provide the right investment and growth climate, aided by the country demonstrating resilience to the global challenges. The Company's Projects & Hi-Tech Manufacturing businesses are rightly positioned to leverage the India and Middle East capex opportunity and with tech enabled skill sets and offerings, the IT&TS business will continue to pursue growth in the global services domain. The Company's strategy of focusing on Projects, Hi-Tech Manufacturing and IT&TS services in a rapidly changing global business environment is expected to provide improved returns to all its stakeholders.

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 (%)	
	Q2 FY 22	Q2 FY 23	Q2 FY 22	Q2 FY 23	Q2 FY 22	Q2 FY 23
Infrastructure Projects	12,108	25,058	13,923	19,370	8.3%	6.6%
Energy Projects	14,647	8,441	5,981	5,586	6.6%	8.5%
Hi-Tech Manufacturing	1,089	1,768	1,469	1,456	14.5%	18.5%
IT & Technology Services	7,876	10,151	7,876	10,151	23.2%	21.9%
Financial Services	2,976	3,152	2,976	3,152	Refer Note 1	
Development Projects	1,170	1,344	1,170	1,344	4.1%	5.2%
Others	2,275	2,000	1,379	1,704	21.5%	15.6%

Segment (in ₹ Crore)	Order Inflow		Customer Revenue		EBITDA Margin (%)	
	H1 FY 22	H1 FY 23	H1 FY 22	H1 FY 23	H1 FY 22	H1 FY 23
Infrastructure Projects	23,131	43,402	24,332	33,551	7.8%	6.6%
Energy Projects	16,559	12,807	10,930	10,659	7.0%	8.5%
Hi-Tech Manufacturing	2,172	5,257	2,706	2,728	16.7%	16.9%
IT & Technology Services	15,107	19,575	15,107	19,575	23.0%	22.1%
Financial Services	6,037	6,110	6,037	6,110	Refer Note 1	
Development Projects	2,296	2,690	2,296	2,690	1.9%	4.8%
Others	3,395	3,879	2,699	3,303	19.3%	16.4%

Note 1:

Financial Services	Q2 FY 22	Q2 FY 23	H1 FY 22	H1 FY 23
NIM + Fees %	7.6%	8.4%	7.5%	8.3%



LARSEN & TOUBRO LIMITED
Registered Office: L&T House, Ballard Estate, Mumbai 400 001
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STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2022

₹ Crore

Particulars	Quarter ended			Six months ended		Year ended
	September 30, 2022 [Reviewed]	June 30, 2022 [Reviewed]	September 30, 2021 [Reviewed]	September 30, 2022 [Reviewed]	September 30, 2021 [Reviewed]	March 31, 2022 [Audited]
1 Income:						
a) Revenue from operations	42762.61	35853.20	34772.90	78615.81	64107.63	156521.23
b) Other income (net)	738.53	694.72	532.14	1433.25	1180.11	2267.08
Total Income	43501.14	36547.92	35305.04	80049.06	65287.74	158788.31
2 Expenses:						
a) Manufacturing, construction and operating expenses:						
i) Cost of raw materials and components consumed	4102.48	4214.05	4387.90	8316.53	8109.85	17100.84
ii) Stores, spares and tools consumed	1111.44	1022.78	677.35	2134.22	1145.42	3091.07
iii) Sub-contracting charges	6495.00	3527.41	5236.89	10022.41	9016.47	24772.33
iv) Construction materials consumed	9597.72	7753.04	5840.37	17350.76	10036.33	33506.21
v) Purchase of stock-in-trade	303.58	199.32	252.70	502.90	491.71	1069.50
vi) Changes in inventories of finished goods, stock-in-trade and work-in-progress	(1409.75)	(1522.76)	(521.71)	(2932.51)	(980.87)	(2076.60)
vii) Other manufacturing, construction and operating expenses	5072.83	4326.84	3880.60	9399.67	7416.30	16434.54
b) Finance cost of financial services business and finance lease activity	1468.32	1456.41	1491.40	2924.73	3057.19	5952.54
c) Employee benefits expense	9166.29	8555.95	7253.83	17722.24	14125.61	29731.62
d) Sales, administration and other expenses	1955.27	2363.49	2278.70	4318.76	4523.26	8721.88
e) Finance costs	835.65	756.05	779.34	1591.70	1606.80	3125.70
f) Depreciation, amortisation, impairment and obsolescence	860.17	963.40	728.75	1823.57	1446.13	2947.95
Total Expenses	39559.00	33615.98	32286.12	73174.98	59994.20	144377.58
3 Profit before exceptional items and tax (1-2)	3942.14	2931.94	3018.92	6874.08	5293.54	14410.73
4 Exceptional items (net of tax)	-	-	96.93	-	96.93	96.93
5 Profit before tax (3+4)	3942.14	2931.94	3115.85	6874.08	5390.47	14507.66
6 Tax expense:						
a) Current tax	1241.94	952.18	658.20	2194.12	1678.88	4512.09
b) Deferred tax	(119.00)	(313.25)	226.32	(432.25)	(75.92)	(295.48)
Total tax expense	1122.94	638.93	884.52	1761.87	1602.96	4216.61
7 Net profit after tax (5-6)	2819.20	2293.01	2231.33	5112.21	3787.51	10291.05
8 Share in profit/(loss) after tax of joint ventures/associates (net)	(33.94)	(64.68)	0.63	(98.62)	(23.89)	128.19
9 Net profit after tax and share in profit/(loss) of joint ventures/associates (7+8)	2785.26	2228.33	2231.96	5013.59	3763.62	10419.24
Attributable to: Owners of the Company	2228.97	1702.07	1819.45	3931.04	2993.89	8669.33
Non-controlling interests	556.29	526.26	412.51	1082.55	769.73	1749.91
10 Other comprehensive income (OCI)						
a) i) Items that will not be reclassified to profit and loss	31.25	8.03	7.13	39.27	8.48	162.06
ii) Income tax relating to items that will not be reclassified to profit and loss	3.99	(7.73)	(0.75)	(3.74)	(3.03)	(25.53)
b) i) Items that will be reclassified to profit and loss	(1136.08)	(1256.48)	127.53	(2392.56)	340.44	389.38
ii) Income tax relating to items that will be reclassified to profit and loss	232.96	300.23	(46.65)	533.20	(85.97)	(87.56)
Other comprehensive income [net of tax] (a+b)	(867.88)	(955.95)	87.26	(1823.83)	259.92	438.35
Attributable to: Owners of the Company	(696.51)	(825.04)	41.45	(1521.54)	208.73	329.38
Non-controlling interests	(171.37)	(130.91)	45.81	(302.29)	51.19	108.97
11 Total comprehensive income (9+10)	1917.38	1272.38	2319.22	3189.76	4023.54	10857.59
Attributable to: Owners of the Company	1532.46	877.03	1860.90	2409.50	3202.62	8998.71
Non-controlling interests	384.92	395.35	458.32	780.26	820.92	1858.88
12 Paid-up equity share capital (face value of share: ₹ 2 each)	281.04	281.03	280.93	281.04	280.93	281.01
13 Other equity attributable to owners of the Company						82126.65
14 Earnings per share (EPS) (not annualised):						
(a) Basic EPS (₹)	15.86	12.11	12.95	27.98	21.31	61.71
(b) Diluted EPS (₹)	15.85	12.10	12.94	27.95	21.29	61.65

Notes:

- (i) During the quarter, the Company has allotted 45,978 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) Consolidated Statement of assets and liabilities:

Particulars	As at	
	September 30, 2022	March 31, 2022
	[Reviewed]	[Audited]
₹ Crore		
ASSETS:		
Non-current assets		
Property, plant and equipment	10860.87	10578.87
Capital work-in-progress	2212.42	1170.32
Investment property	3519.68	3962.98
Goodwill	7466.30	7476.98
Other intangible assets	18266.24	18729.37
Intangible assets under development	102.23	79.23
Right-of-use assets	1947.49	1988.62
Financial assets:		
Investments in joint ventures and associates	2674.33	2729.35
Other investments	7758.82	7081.51
Loans towards financing activities	51508.60	46736.84
Other loans	330.76	284.54
Other financial assets	2015.55	2131.42
Deferred tax assets (net)	3443.39	2840.10
Other non-current assets	6500.99	6077.62
Sub-total - Non-current assets	118607.67	111867.75
Current assets		
Inventories	6371.44	5943.32
Financial assets:		
Investments	28558.74	29792.51
Trade receivables	44011.34	46139.31
Cash and cash equivalents	11317.86	13770.24
Other bank balances	6259.96	5182.93
Loans towards financing activities	39906.66	42269.20
Other loans	308.57	280.34
Other financial assets	3922.14	3839.65
Other current assets	62742.82	60132.89
Sub-total - Current assets	203399.53	207350.39
Group(s) of assets classified as held for sale	787.01	830.78
TOTAL ASSETS	322794.21	320048.92
EQUITY AND LIABILITIES:		
EQUITY		
Equity share capital	281.04	281.01
Other equity	81553.88	82126.65
Equity attributable to owners of the Company	81834.92	82407.66
Non-controlling interest	13398.96	12966.07
Equity	95233.88	95373.73
LIABILITIES		
Non-current liabilities		
Financial liabilities:		
Borrowings	56780.53	61618.31
Lease liability	1566.53	1633.31
Other financial liabilities	416.20	111.67
Provisions	825.31	817.77
Deferred tax liabilities (net)	675.56	1039.33
Other non-current liabilities	86.75	21.27
Sub-total - Non-current liabilities	60350.88	65241.66
Current liabilities		
Financial liabilities:		
Borrowings	37031.56	30476.96
Current maturities of long term borrowings	33234.67	31372.96
Lease liability	457.97	406.54
Trade payables:		
Due to micro enterprises and small enterprises	585.37	575.91
Due to others	43172.49	50789.71
Other financial liabilities	7959.98	6657.29
Other current liabilities	40062.59	34408.75
Provisions	3379.60	3355.86
Current tax liabilities (net)	1276.99	1309.82
Sub-total - Current liabilities	167161.22	159353.80
Liabilities associated with group(s) of assets classified as held for sale	48.23	79.73
TOTAL LIABILITIES	227560.33	224675.19
TOTAL EQUITY AND LIABILITIES	322794.21	320048.92

(iv) 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 and six months ended September 30, 2022 are given below:

Particulars	₹ Crore					
	Quarter ended			Six months ended		Year ended
	September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	March 31, 2022
	[Reviewed]	[Reviewed]	[Reviewed]	[Reviewed]	[Reviewed]	[Audited]
a) Revenue from operations	25769.75	20211.69	21288.20	45981.44	37896.07	101000.41
b) Profit before exceptional items and tax	2545.54	1267.34	2268.78	3812.89	3595.61	9741.41
c) Profit before tax	2545.54	1267.34	2536.07	3812.89	3862.90	10008.70
d) Net profit after tax	2109.47	911.22	2145.62	3020.68	3155.11	7879.45

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

Sr. No.	Particulars	Quarter ended			Six months ended		Year ended
		September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	March 31, 2022
1	Debt equity ratio	1.33	1.24	1.40	1.33	1.40	1.29
2	Debt service coverage ratio (DSCR)	4.88	0.67	2.61	1.29	2.40	3.55
3	Interest service coverage ratio (ISCR)	4.98	4.41	4.46	4.71	3.95	5.14
4	Current ratio	1.22	1.21	1.39	1.22	1.39	1.30
5	Long term debt to working capital ratio	1.30	1.24	1.24	1.30	1.24	1.17
6	Bad debts to accounts receivable ratio	0.00	0.00	0.00	0.00	0.00	0.01
7	Current liability ratio	0.73	0.75	0.64	0.73	0.64	0.71
8	Total debt to total assets ratio	0.39	0.38	0.41	0.39	0.41	0.39
9	Debtors turnover ratio	3.50	3.20	3.28	3.50	3.28	3.03
10	Operating margin (%)	11.46%	11.04%	11.49%	11.27%	11.18%	11.64%
11	Net profit margin (%)	5.21%	4.75%	5.23%	5.00%	4.67%	5.54%
12	Inventory turnover ratio (refer note below)	NA	NA	NA	NA	NA	NA
13	Outstanding Redeemable Preference Shares [₹ Crore]	318.15	353.90	1411.10	318.15	1411.10	353.90
14	Capital Redemption Reserve/Debenture Redemption Reserve [₹ Crore]	571.75	593.50	1053.76	571.75	1053.76	881.72
15	Net worth [₹ Crore] (As per section 2(57) of Companies Act, 2013)	81475.71	82327.33	74738.53	81475.71	74738.53	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

(vi) Consolidated Statement of Cash Flows:

₹ crore

Particulars	Six months ended	
	September 30, 2022 [Reviewed]	September 30, 2021 [Reviewed]
A. Cash flow from operating activities:		
Profit before exceptional items and tax	6874.08	5293.54
Adjustments for:		
Dividend received	(4.46)	(3.00)
Depreciation, amortisation, impairment and obsolescence	1823.57	1446.13
Exchange difference on items grouped under financing/investing activities	49.78	(19.26)
Effect of exchange rate changes on cash and cash equivalents	(89.04)	(11.60)
Finance costs	1591.70	1606.80
Interest income	(793.08)	(476.72)
(Profit)/loss on sale of fixed assets (net)	(16.65)	(3.09)
(Profit)/loss on sale/fair valuation of investments (net)	(90.63)	(344.10)
Employee stock option-discount	105.35	54.45
(Gain)/loss on disposal of subsidiary	-	(1.65)
Impairment of investment in debt instruments	-	12.00
(Gain)/loss on de-recognition of lease liability/right-of-use assets	(9.82)	(0.02)
Operating profit before working capital changes	9440.80	7553.48
Adjustments for:		
(Increase)/decrease in trade and other receivables	(1271.34)	1.36
(Increase)/decrease in inventories	6.87	34.05
Increase/(decrease) in trade payables and customer advances	(2442.47)	(1367.24)
Cash generated from operations before financing activities	5733.86	6221.65
(Increase)/decrease in loans and advances towards financing activities	(2409.19)	7298.56
Cash generated from operations	3324.67	13520.21
Direct taxes refund/(paid) [net]	(2695.39)	(2069.44)
Net cash (used in)/from operating activities	629.28	11450.77
B. Cash flow from investing activities:		
Purchase of fixed assets	(1666.88)	(965.66)
Sale of fixed assets	33.13	40.47
Purchase of non-current investments	(1506.22)	(676.87)
Sale of non-current investments	545.30	414.25
(Purchase)/sale of current investments (net)	1422.15	2648.16
Change in other bank balance and cash not available for immediate use	(1262.48)	(4019.81)
Deposits/loans given to associates, joint ventures and third parties	-	(120.07)
Deposits/loans repaid by associates, joint ventures and third parties	4.93	-
Interest received	697.10	502.07
Dividend received from joint ventures/associates	9.92	11.61
Dividend received on other investments	4.46	3.00
Consideration received on disposal of subsidiaries	-	1002.75
Net payments for transfer of discontinued operations	(88.54)	(57.56)
Consideration paid on acquisition of subsidiaries	(17.23)	(72.95)
Cash and cash equivalents acquired pursuant to acquisition of subsidiaries	-	9.91
Cash and cash equivalents of subsidiaries discharged pursuant to divestment/classification to held for sale	(1.21)	(51.76)
Net cash (used in)/from investing activities	(1825.57)	(1332.46)
C. Cash flow from financing activities:		
Proceeds from issue of share capital (including share application money) [net]	4.67	4.04
Proceeds from non-current borrowings	12753.32	7590.86
Repayment of non-current borrowings	(15154.16)	(13344.33)
Proceeds from/(repayment of) other borrowings (net)	6350.04	(2079.59)
Payment (to)/from non-controlling interest (net)	(388.43)	(304.41)
Settlement of derivative contracts related to borrowings	114.83	31.93
Dividends paid	(3091.42)	(2528.38)
Repayment of lease liability	(204.80)	(204.26)
Interest paid on lease liability	(78.05)	(81.62)
Interest paid (including cash flows on account of interest rate swaps)	(1811.19)	(1863.14)
Net cash (used in)/from financing activities	(1505.19)	(12778.90)
Net (decrease)/increase in cash and cash equivalents (A + B + C)	(2701.48)	(2660.59)
Cash and cash equivalents at beginning of the period	13770.24	13373.52
Effect of exchange rate changes on cash and cash equivalents	249.10	27.38
Cash and cash equivalents at end of the period	11317.86	10740.31

Notes:

- Statement of Cash Flows has been prepared under the indirect method as set out in the Indian Accounting Standard (Ind AS) 7 "Statement of Cash Flows" as specified in the Companies (Indian Accounting Standards) Rules, 2015.
- Fixed assets include property, plant and equipment, investment property and intangible assets adjusted for movement of (a) capital work-in-progress for property, plant and equipment and investment property and (b) Intangible assets under development during the period.

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

(viii) The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on October 31, 2022. The same have also been subjected to Limited Review by the Statutory Auditors.

for LARSEN & TOUBRO LIMITED

Consolidated unaudited segment-wise Revenue, Result, Total assets and Total liabilities:						
Particulars	Quarter ended			Six months ended		Year ended
	September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	March 31, 2022
	[Reviewed]	[Reviewed]	[Reviewed]	[Reviewed]	[Reviewed]	[Audited]
Gross segment revenue						
1 Infrastructure Projects	19668.21	14400.51	14156.39	34068.72	24699.85	73560.09
2 Energy Projects	5593.41	5087.52	6001.98	10680.93	10967.90	23713.40
3 Hi-Tech Manufacturing	1588.94	1388.07	1532.99	2977.01	2852.80	6264.53
4 IT & Technology Services	10183.91	9460.22	7895.12	19644.13	15143.84	32455.29
5 Financial Services	3151.86	2958.14	2975.74	6110.00	6037.13	11971.10
6 Development Projects	1344.60	1345.39	1169.91	2689.99	2296.21	4367.52
7 Others	1743.17	1631.89	1472.38	3375.06	2838.55	6261.91
Total	43274.10	36271.74	35204.51	79545.84	64836.28	158593.84
Less: Inter-segment revenue	511.49	418.54	431.61	930.03	728.65	2072.61
Net segment revenue	42762.61	35853.20	34772.90	78615.81	64107.63	156521.23
Segment result						
1 Infrastructure Projects	1066.79	686.18	971.87	1752.97	1528.60	5182.41
2 Energy Projects	419.24	379.69	341.14	798.93	662.01	1640.13
3 Hi-Tech Manufacturing	221.63	150.30	172.90	371.93	370.31	1003.94
4 IT & Technology Services	1892.80	1774.85	1527.92	3667.65	2886.81	6333.19
5 Financial Services	613.22	355.55	321.64	968.77	555.47	1469.80
6 Development Projects	(11.53)	(21.10)	(35.43)	(32.63)	(126.16)	(230.59)
7 Others	242.69	251.62	272.49	494.31	473.96	1015.77
Total	4444.84	3577.09	3572.53	8021.93	6351.00	16414.65
(Add)/Less: Inter-segment margins on capital jobs	17.91	9.29	8.77	27.20	16.76	65.32
Less: Finance costs	835.65	756.05	779.34	1591.70	1606.80	3125.70
Add/(Less): Unallocable corporate income net of expenditure	350.86	120.19	234.50	471.05	566.09	1187.10
Profit before exceptional items and tax	3942.14	2931.94	3018.92	6874.08	5293.54	14410.73
Add: Exceptional items (net of tax)	-	-	96.93	-	96.93	96.93
Profit before tax	3942.14	2931.94	3115.85	6874.08	5390.47	14507.66
Segment assets						
1 Infrastructure Projects				83649.33	76699.85	85192.89
2 Energy Projects				22636.62	18344.28	20831.58
3 Hi-Tech Manufacturing				8577.97	8549.02	7746.23
4 IT & Technology Services				34973.26	31841.85	34633.51
5 Financial Services				106203.80	103796.18	105459.21
6 Development Projects				27707.78	27998.13	27552.27
7 Others				14530.59	13691.34	14260.73
Total segment assets				298279.35	280920.65	295676.42
Less: Inter-segment assets				2886.53	2225.12	2634.86
Add: Unallocable corporate assets				27401.39	24288.27	27007.36
Total assets				322794.21	302983.80	320048.92
Segment liabilities						
1 Infrastructure Projects				57953.79	51049.02	60959.09
2 Energy Projects				18546.33	15942.84	16384.12
3 Hi-Tech Manufacturing				5167.26	4604.67	5046.58
4 IT & Technology Services				8138.65	7372.62	8114.34
5 Financial Services				87021.54	85901.94	86746.21
6 Development Projects				7792.90	7372.53	7416.60
7 Others				6632.85	5788.98	6265.20
Total segment liabilities				191253.32	178032.60	190932.14
Less: Inter-segment liabilities				2886.53	2225.12	2634.86
Add: Unallocable corporate liabilities				39193.54	38002.35	36377.91
Total liabilities				227560.33	213809.83	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.

The 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 previous periods have been regrouped/reclassified to conform to the classification of the current periods.

for LARSEN & TOUBRO LIMITED

Mumbai
October 31, 2022

S. N. SUBRAHMANYAN
Chief Executive Officer & Managing Director