

L&T Press Release

Issued by Corporate Brand Management & Communications

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Financial Results for the quarter ended December 31, 2022

Robust all round performance during the quarter

PAT ↑ 24% y-o-y

Revenues ↑ 17% y-o-y

Order Inflows ↑ 21 % y-o-y

Hazira, January 30, 2023

Larsen & Toubro achieved Consolidated Revenues of ₹ 46,390 crore for the quarter ended December 31, 2022 recording a y-o-y growth of 17%, aided by improved execution in the Infrastructure Projects segment and continued growth momentum in the IT&TS portfolio. International revenues during the quarter at ₹ 17,317 crore constituted 37% of the total revenue.

For the nine months ended December 31, 2022, the Consolidated Revenues at ₹ 125,006 crore recorded a y-o-y growth of 21% with international revenues during the nine months at ₹ 46,025 crore constituting 37% of the total.

The Company for the quarter ended December 31, 2022, posted a total Consolidated Profit After Tax (PAT) of ₹ 2,553 crore, registering a robust growth of 24% over the corresponding quarter of the previous year. The PAT includes an exceptional gain of ₹ 97 crore (net), attributed to profit on divestment of the Mutual Fund business of the Financial Services segment off-set by a one time charge due to remeasurement of the wholesale loan assets of the Financial Services segment at fair value. The recurring PAT for the quarter at ₹ 2,456 crore evidenced an increase of 20% as compared to the PAT of ₹ 2,055 crore for the corresponding quarter of the previous year.

For the nine months ended December 31, 2022, the PAT at ₹ 6,484 crore, registered a growth of 28% y-o-y basis.

The Company received orders worth ₹ 60,710 crore at the group level during the quarter ended December 31, 2022, registering a growth of 21% over the corresponding quarter of

the previous year. During the quarter, orders were received across multiple segments like Oil & Gas, Public Spaces, Hydel & Tunnels, Irrigation systems, Ferrous Metals and Power Transmission & Distribution. International orders at ₹ 15,294 crore during the quarter comprised 25% of the total order inflow.

On a cumulative basis, the order inflow for the nine months ended December 31, 2022 stood at ₹ 154,429 crore, registering a growth of 30% y-o-y. International orders at ₹ 50,478 crore constituted 33% of the total.

The consolidated order book of the group was at ₹ 386,588 crore as on December 31, 2022, with international orders having a share of 26%.

Infrastructure Projects Segment

The Infrastructure Projects segment secured order inflows of ₹ 32,530 crore, during the quarter ended December 31, 2022, registering a significant growth of 28%, as compared to the corresponding quarter of the previous year. International orders at ₹ 2,936 crore constituted 9% of the total order inflow of the segment during the quarter.

The segment order book stood at ₹ 278,967 crore as on December 31, 2022, with the share of international orders at 22%.

The segment recorded customer revenues of ₹ 21,944 crore for the quarter ended December 31, 2022, registering a y-o-y growth of 20%, driven by a smooth execution of a large order book. International revenues constituted 21% of the total customer revenues of the segment during the quarter.

The EBITDA margin of the segment during the quarter ended December 31, 2022 was at 7% vis-à-vis 7.1% recorded in the corresponding quarter of the previous year. Margin for the quarter remained stable amidst continuing cost pressures.

Energy Projects Segment

The Energy Projects segment secured orders valued at ₹ 9,051 crore during the quarter ended December 31, 2022, registering a growth of 12% y-o-y on receipt of a large domestic offshore oil & gas order in the Hydrocarbon business. International order inflow constituted 14% of the total order inflow of the segment during the quarter.

The segment order book was at ₹ 72,000 crore as on December 31, 2022, with the international order book constituting 50%.

The segment achieved customer revenues of ₹ 6,333 crore during the quarter ended December 31, 2022, recording a moderate growth of 7% y-o-y. International revenues had a share of 40% of the total customer revenues for the quarter.

The EBITDA margin of the segment at 8.7% for the quarter ended December 31, 2022 improved compared to 8.3% 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 ₹ 1,931 crore during the quarter ended December 31, 2022 registering a decline of 36% over corresponding quarter of the previous year, largely due to subdued ordering witnessed in the Defence Engineering business. Export orders constituted 43% of the total order inflow of the segment during the quarter.

The order book of the segment was at ₹ 19,869 crore as on December 31, 2022, with the share of export orders at 16%.

The segment posted customer revenues of ₹ 1,673 crore for the quarter ended December 31, 2022, registering growth of 14% over the corresponding quarter of the previous year with accelerated progress in few jobs. Export sales comprised 21% of the total customer revenues for the quarter.

The EBITDA margin of the segment at 17.5% for the quarter ended December 31, 2022 registered decline, compared to 19.9% reported in the corresponding quarter of the previous year, since the previous year quarter had the benefit of a key job crossing the margin recognition threshold.

IT & Technology Services (IT&TS) Segment

During the quarter, L&T Infotech Limited and Mindtree Limited successfully completed their merger and started operating as a merged entity viz. LTIMindtree Limited.

The segment recorded customer revenues of ₹ 10,517 crore for the quarter ended December 31, 2022, registering a y-o-y growth of 25%, reflecting the continuing demand for tech-enabled services. International billing contributed 93% of the total customer revenues of the segment for the quarter ended December 31, 2022. The aggregate revenue of the two listed subsidiaries (LTIMindtree and L&T Technology Services) in this segment at USD 1,295 Mn registered a moderate sequential growth of 2%.

The EBITDA margin for the segment was at 19.2% for the quarter ended December 31, 2022 as compared to 23.6% in the corresponding quarter of the previous year. The segment margin was impacted mainly due to one-time merger integration expenses in LTIMindree.

Financial Services Segment

The segment reflects the performance of L&T Finance Holdings, a listed subsidiary. The segment recorded income from operations at ₹ 3,349 crore during the quarter ended December 31, 2022, registering a y-o-y growth of 13%, mainly attributed to higher disbursements in retail business, as the subsidiary continues to focus on its strategy of higher retailisation of the loan book.

The total Loan Book at ₹ 88,426 crore grew by 3% as compared with December 2021 at ₹ 85,552 crore. Retail loan book increased by 34% while wholesale loan book shrunk by 24% in the last one year. The Retail loan book constitutes 64% of the total loan book as on December 31, 2022.

The segment PBT for the quarter ended December 31, 2022 increased to ₹ 630 crore as compared to ₹ 434 crore in the corresponding quarter of the previous year due to better NIM+Fees and lower credit costs arising from improved asset quality.

During the quarter, LTFH concluded the sale of mutual fund business to HSBC AMC.

Development Projects Segment

The segment recorded customer revenues of ₹ 1,106 crore during the quarter ended December 31, 2022 registering growth of 13% 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 December 31, 2022 registered a loss of ₹ 6 crore as compared to loss of ₹ 48 crore during the corresponding quarter of the previous year, primarily aided by improved metro ridership.

During the quarter, the Company entered into a share purchase agreement, to sell its entire shareholding in L&T Infrastructure Development Projects Limited, a joint venture, primarily engaged in the development and operation of toll road and power transmission assets. Accordingly, the investment in the joint venture has been classified as “Held for Sale”, pending receipt of necessary approvals.

“Others” Segment

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

Customer revenues during the quarter ended December 31, 2022 at ₹ 1,468 crore registered a modest growth of 1% y-o-y, primarily due to lower pace of execution in the the SWC business. Export sales constituted 9% of the total customer revenues of the segment during the quarter, majorly relating to Industrial Valves and Rubber Processing Machinery businesses.

During the quarter ended December 31, 2022, the segment EBITDA margin at 19.6%, has improved compared to 14.7% during the corresponding quarter of the previous year mainly driven by a favourable sales mix in the Construction Equipment & Mining Machinery and Rubber Processing Machinery and profit on sale of property in the Realty business.

Note:

Segment-wise summary of performance for the quarter and nine months ended December 31, 2022 is attached in Annexure 1

Outlook

The Indian economy continues to stay resilient amidst geopolitical uncertainties, slowing global trade, disrupted supply chains, volatile commodity prices and rising interest rates. Structural reforms carried out in the country over the past several years are helping the country to regain a sustainable growth momentum despite the persisting global challenges.

There is visible tax buoyancy in the country today enabling the government to pursue its targeted capex plans. The PLI schemes of the Government are expected to incentivize private players, both domestic and foreign, to set up manufacturing facilities in an environment of improving demand conditions and business confidence. Lastly, the relatively stable financial system will facilitate disbursement of credit towards investment programmes in the future. Major private capex investments are likely in energy transformation, emerging tech, healthcare, logistics, industrial parks, data centres etc. which augurs well for the EPC and construction business. The Government is likely to continue the emphasis on infrastructure spending while providing subtle support to consumption and addressing the need for investing in new age technologies to combat the climate change risks.

Elsewhere, major parts of the global economy continue to tread in turbulent waters due to policy tightening, high inflation, worsening financial conditions and continued trade disruptions due to the ongoing Russia-Ukraine conflict. Further, China is running the risk of managing the Covid related challenges as restrictions on movement have been eased, however the impact, if any, could be temporary. With softening demand conditions and elevated interest rates, it is expected that inflation will soften in 2023. Despite these several headwinds, we believe the global economy is not at a higher risk of sliding into a recession.

Oil prices are likely to remain firm at current levels, aiding the GCC nations to continue to earn surpluses and thereby creating sufficient financial flexibility to invest in sectors besides oil viz., industrial and green investments.

In this backdrop, the Company possesses the necessary capability and flexibility to continuously rebalance its approach and strategy in order to benefit from the dynamic business environment. The Company is focused on tapping emerging opportunities with its proven competence in the domains of engineering, design, manufacturing, construction, project management, IT and financial services and committed to create sustainable long term value for 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 (%)	
	Q3 FY 22	Q3 FY 23	Q3 FY 22	Q3 FY 23	Q3 FY 22	Q3 FY 23
Infrastructure Projects *	25,330	32,530	18,345	21,944	7.1%	7.0%
Energy Projects *	8,105	9,051	5,946	6,333	8.3%	8.7%
Hi-Tech Manufacturing *	3,034	1,931	1,473	1,673	19.9%	17.5%
IT & Technology Services	8,398	10,517	8,398	10,517	23.6%	19.2%
Financial Services	2,971	3,349	2,971	3,349	Refer Note 2	
Development Projects	976	1,106	976	1,106	Refer Note 3	
Others *	1,547	2,226	1,455	1,468	14.7%	19.6%
Total	50,359	60,710	39,563	46,390		

Segment (in ₹ Crore)	Order Inflow		Customer Revenue		EBITDA Margin (%)	
	9M FY 22	9M FY 23	9M FY 22	9M FY 23	9M FY 22	9M FY 23
Infrastructure Projects *	48,461	75,932	42,677	55,495	7.5%	6.7%
Energy Projects *	24,664	21,858	16,876	16,991	7.4%	8.5%
Hi-Tech Manufacturing *	5,206	7,189	4,180	4,401	17.8%	17.2%
IT & Technology Services	23,505	30,093	23,505	30,093	23.2%	21.0%
Financial Services	9,008	9,459	9,008	9,459	Refer Note 2	
Development Projects	3,272	3,795	3,272	3,795	Refer Note 3	
Others *	4,941	6,105	4,153	4,772	17.7%	17.4%
Total	1,19,056	1,54,429	1,03,671	1,25,006		

* In respect of the Projects, Manufacturing and Others segments, the revenues and margins do not accrue uniformly during the year.

Note 1:

Particulars (in ₹ Crore)		Q3 FY 22	Q3 FY 23	% growth over PY	9M FY 22	9M FY 23	% growth over PY
1	Consolidated profit after tax	2,055	2,553	24%	5,049	6,484	28%
2	Exceptional items (net of tax and NCI)	-	97		97	97	
3	Recurring profit after tax (3 = 1-2)	2,055	2,456	20%	4,952	6,387	29%

Note 2:

Financial Services	Q3 FY 22	Q3 FY 23	9M FY 22	9M FY 23
NIM + Fees %	8.1%	8.8%	7.7%	8.5%

Note 3:

Development Projects (₹ crore)	Q3 FY 22	Q3 FY 23	9M FY 22	9M FY 23
EBIT	-48	-6	-174	-38



LARSEN & TOUBRO LIMITED

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

CIN: L99999MH1946PLC004768

STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2022

₹ Crore

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2022 [Reviewed]	September 30, 2022 [Reviewed]	December 31, 2021 [Reviewed]	December 31, 2022 [Reviewed]	December 31, 2021 [Reviewed]	March 31, 2022 [Audited]
1 Income:						
a) Revenue from operations	46389.72	42762.61	39562.92	125005.55	103670.55	156521.23
b) Other income (net)	755.03	738.53	571.39	2188.27	1751.49	2267.08
Total Income	47144.75	43501.14	40134.31	127193.82	105422.04	158788.31
2 Expenses:						
a) Manufacturing, construction and operating expenses:						
i) Cost of raw materials and components consumed	4660.31	4102.48	4003.00	12976.84	12112.86	17100.84
ii) Construction materials consumed	10413.68	9597.72	9757.08	27764.44	19793.41	33506.21
iii) Purchase of stock-in-trade	374.50	303.58	322.75	877.40	814.46	1069.50
iv) Stores, spares and tools consumed	1322.14	1111.44	771.03	3456.37	1916.45	3091.07
v) Sub-contracting charges	6483.49	6495.00	5877.78	16505.90	14894.25	24772.33
vi) Changes in inventories of finished goods, stock-in-trade and work-in-progress	(694.92)	(1005.34)	(1281.73)	(3223.01)	(2262.59)	(2076.60)
vii) Other manufacturing, construction and operating expenses	5247.95	4680.08	4430.53	14264.98	11863.02	16471.05
b) Finance cost of financial services business and finance lease activity	1580.43	1468.32	1453.52	4505.15	4510.71	5952.54
c) Employee benefits expense	9532.50	9154.41	7621.04	27233.01	21730.81	29695.79
d) Sales, administration and other expenses	2396.60	1961.08	2079.13	6724.16	6609.25	8733.89
e) Finance costs	802.45	835.65	813.80	2394.15	2420.60	3125.70
f) Depreciation, amortisation, impairment and obsolescence	825.18	860.17	732.46	2648.75	2178.60	2947.95
Total Expenses	42944.31	39564.59	36580.39	116128.14	96581.83	144390.27
3 Profit before exceptional items and tax (1-2)	4200.44	3936.55	3553.92	11065.68	8840.21	14398.04
4 Exceptional items:						
a) Exceptional items before tax	(91.97)	-	-	(91.97)	119.70	119.70
Current tax	448.35	-	-	448.35	22.77	22.77
Deferred tax	(676.31)	-	-	(676.31)	-	-
b) Total tax expense	(227.96)	-	-	(227.96)	22.77	22.77
Exceptional items (net of tax) (a-b)	135.99	-	-	135.99	96.93	96.93
5 Profit before tax (3+4)	4336.43	3936.55	3553.92	11201.67	8937.14	14494.97
6 Tax expense:						
a) Current tax	1740.12	1236.35	1116.42	3925.42	2788.05	4499.40
b) Deferred tax	(469.62)	(119.00)	(59.36)	(901.88)	(135.28)	(295.48)
Total tax expense	1270.50	1117.35	1057.06	3023.54	2652.77	4203.92
7 Net profit after tax (5-6)	3065.93	2819.20	2496.86	8178.13	6284.37	10291.05
8 Share in profit/(loss) after tax of joint ventures/associates (net)	(7.47)	(33.94)	20.28	(106.09)	(3.61)	128.19
9 Net profit after tax and share in profit/(loss) of joint ventures/associates (7+8)	3058.46	2785.26	2517.14	8072.04	6280.76	10419.24
Attributable to: Owners of the Company	2552.92	2228.97	2054.74	6483.94	5048.63	8669.33
Non-controlling interests	505.54	556.29	462.40	1588.10	1232.13	1749.91
10 Other comprehensive income (OCI)						
a) i) Items that will not be reclassified to profit and loss	(5.80)	31.25	38.09	33.47	46.57	162.06
ii) Income tax relating to items that will not be reclassified to profit and loss	(0.26)	3.99	(8.18)	(4.00)	(11.21)	(25.53)
b) i) Items that will be reclassified to profit and loss	517.91	(1136.08)	215.48	(1874.63)	555.93	389.38
ii) Income tax relating to items that will be reclassified to profit and loss	(62.84)	232.96	(73.36)	470.34	(159.33)	(87.56)
Other comprehensive income [net of tax] (a+b)	449.01	(867.88)	172.03	(1374.82)	431.96	438.35
Attributable to: Owners of the Company	414.24	(696.51)	94.73	(1107.31)	303.47	329.38
Non-controlling interests	34.77	(171.37)	77.30	(267.51)	128.49	108.97
11 Total comprehensive income (9+10)	3507.47	1917.38	2689.17	6697.22	6712.72	10857.59
Attributable to: Owners of the Company	2967.16	1532.46	2149.47	5376.63	5352.10	8998.71
Non-controlling interests	540.31	384.92	539.70	1320.59	1360.62	1858.88
12 Paid-up equity share capital (face value of share: ₹ 2 each)	281.07	281.04	280.97	281.07	280.97	281.01
13 Other equity attributable to owners of the Company						82126.65
14 Earnings per share (EPS) (not annualised):						
(a) Basic EPS (₹)	18.17	15.86	14.63	46.14	35.94	61.71
(b) Diluted EPS (₹)	18.15	15.85	14.61	46.10	35.90	61.65

Notes:

- (i) During the quarter, the Company has allotted 1,72,928 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) Exceptional Items reported at ₹135.99 crore for the quarter consist of:
 - a) Gain of ₹ 2146.85 crore (net of tax) on divestment of the Mutual Fund business of the Financial Services segment.
 - b) One-time charge of ₹ 2010.86 crore (net of tax) on remeasurement of the wholesale loan assets of Financial Services segment at fair value instead of at amortised cost, pursuant to the strategic decision to reduce the said portfolio through accelerated sell down.
- (iii) During the quarter, the Company entered into a share purchase agreement, to sell its entire shareholding in L&T Infrastructure Development Projects Limited, a joint venture, primarily engaged in the development and operation of toll road and power transmission assets. Accordingly, the investment in the joint venture has been classified as "Held for Sale", pending receipt of necessary approvals.

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

Sr. No.	Particulars	Quarter ended			Nine months ended		Year ended
		December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
1	Debt equity ratio	1.26	1.33	1.33	1.26	1.33	1.29
2	Debt service coverage ratio (DSCR)	2.02	4.87	4.83	1.49	2.97	3.54
3	Interest service coverage ratio (ISCR)	5.45	4.98	4.83	4.95	4.24	5.14
4	Current ratio	1.33	1.22	1.34	1.33	1.34	1.30
5	Long term debt to working capital ratio	1.06	1.30	1.19	1.06	1.19	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	0.73	0.68	0.73	0.68	0.71
8	Total debt to total assets ratio	0.38	0.39	0.40	0.38	0.40	0.39
9	Debtors turnover ratio	3.49	3.50	3.23	3.49	3.23	3.03
10	Operating margin (%)	10.94%	11.44%	11.45%	11.14%	11.27%	11.63%
11	Net profit margin (%)	5.50%	5.21%	5.19%	5.19%	4.87%	5.54%
12	Inventory turnover ratio (refer note below)	NA	NA	NA	NA	NA	NA
13	Outstanding Redeemable Preference Shares [₹ Crore]	218.15	318.15	353.90	218.15	353.90	353.90
14	Capital Redemption Reserve/Debenture Redemption Reserve [₹ Crore]	571.75	571.75	1086.86	571.75	1086.86	881.72
15	Net worth [₹ Crore] (As per section 2(57) of Companies Act, 2013)	84081.43	81475.71	76846.01	84081.43	76846.01	80556.88

Notes:

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

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

(v) The Company reports its consolidated financial results on a quarterly basis. The standalone financial results are available on the Company's website viz. www.larsentoubro.com and on the websites of BSE (www.bseindia.com) and NSE (www.nseindia.com). The specified items of the standalone financial results of the Company for the quarter and nine months ended December 31, 2022 are given below:

₹ Crore

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2022 [Reviewed]	September 30, 2022 [Reviewed]	December 31, 2021 [Reviewed]	December 31, 2022 [Reviewed]	December 31, 2021 [Reviewed]	March 31, 2022 [Audited]
a) Revenue from operations	27785.41	25769.75	25665.11	73766.85	63561.20	101000.41
b) Profit before exceptional items and tax	2306.94	2545.55	2322.09	6119.83	5917.68	9741.41
c) Profit before tax	2306.94	2545.55	2322.09	6119.83	6184.97	10008.70
d) Net profit after tax	1825.44	2109.46	1823.19	4846.12	4978.30	7879.45

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

(vii) The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on January 30, 2023. The same have also been subjected to Limited Review by the Statutory Auditors.

for LARSEN & TOUBRO LIMITED

Hazira
January 30, 2023

S. N. SUBRAHMANYAN
Chief Executive Officer & Managing Director

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

₹ Crore

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2022 [Reviewed]	September 30, 2022 [Reviewed]	December 31, 2021 [Reviewed]	December 31, 2022 [Reviewed]	December 31, 2021 [Reviewed]	March 31, 2022 [Audited]
Gross segment revenue						
1 Infrastructure Projects	22205.65	19668.21	18619.03	56274.37	43318.88	73560.09
2 Energy Projects	6346.15	5593.41	5967.64	17027.08	16935.54	23713.40
3 Hi-Tech Manufacturing	1863.07	1588.94	1548.47	4840.08	4401.27	6264.53
4 IT & Technology Services	10605.05	10183.91	8497.96	30249.18	23641.80	32455.29
5 Financial Services	3348.59	3151.86	2970.55	9458.59	9007.68	11971.10
6 Development Projects	1106.68	1344.60	975.56	3796.67	3271.77	4367.52
7 Others	1535.96	1743.17	1512.64	4911.03	4351.19	6261.91
Total	47011.15	43274.10	40091.85	126557.00	104928.13	158593.84
Less: Inter-segment revenue	621.43	511.49	528.93	1551.45	1257.58	2072.61
Net segment revenue	46389.72	42762.61	39562.92	125005.55	103670.55	156521.23
Segment result						
1 Infrastructure Projects	1304.22	1066.79	1114.66	3057.19	2643.26	5182.41
2 Energy Projects	496.56	419.24	440.45	1295.49	1102.46	1640.13
3 Hi-Tech Manufacturing	248.03	221.63	253.25	619.96	623.56	1003.94
4 IT & Technology Services	1705.27	1887.22	1682.55	5364.10	4562.12	6320.51
5 Financial Services	630.40	613.22	434.02	1599.17	989.49	1469.80
6 Development Projects	(5.58)	(11.53)	(48.02)	(38.21)	(174.18)	(230.59)
7 Others	264.46	242.68	189.81	758.75	663.77	1015.76
Total	4643.36	4439.25	4066.72	12656.45	10410.48	16401.96
(Add)/Less: Inter-segment margins on capital jobs	16.40	17.91	20.26	43.60	37.02	65.32
Less: Finance costs	802.45	835.65	813.80	2394.15	2420.60	3125.70
Add/(Less): Unallocable corporate income net of expenditure	375.93	350.86	321.26	846.98	887.35	1187.10
Profit before exceptional items and tax	4200.44	3936.55	3553.92	11065.68	8840.21	14398.04
Add: Exceptional items (net of tax)	135.99	-	-	135.99	96.93	96.93
Profit before tax	4336.43	3936.55	3553.92	11201.67	8937.14	14494.97
Segment assets						
1 Infrastructure Projects				84366.05	79823.41	85192.89
2 Energy Projects				24847.44	16062.83	20831.58
3 Hi-Tech Manufacturing				9033.54	8403.08	7746.23
4 IT & Technology Services				36703.38	33125.03	34651.83
5 Financial Services				106745.21	102625.01	105459.21
6 Development Projects				27295.59	28035.49	27552.27
7 Others				15177.25	14292.04	14260.73
Total segment assets				304168.46	282366.89	295694.74
Less: Inter-segment assets				3684.14	2509.58	2634.86
Add: Unallocable corporate assets				27363.53	25973.04	27007.36
Total assets				327847.85	305830.35	320067.24
Segment liabilities						
1 Infrastructure Projects				58583.95	52724.28	60959.09
2 Energy Projects				20766.72	16604.85	16384.12
3 Hi-Tech Manufacturing				5484.49	4446.83	5046.58
4 IT & Technology Services				8849.95	7716.92	8132.66
5 Financial Services				87984.05	84277.20	86746.21
6 Development Projects				7633.10	7430.77	7416.60
7 Others				7083.89	6253.10	6265.20
Total segment liabilities				196386.15	179453.95	190950.46
Less: Inter-segment liabilities				3684.14	2509.58	2634.86
Add: Unallocable corporate liabilities				36332.53	37131.88	36377.91
Total liabilities				229034.54	214076.25	224693.51

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 re-organised as "Energy Projects" segment to reflect the integrated pursuit of opportunities in a rapidly transforming Energy sector including Green Energy space.
- 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 (upto the date of divestment). **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 includes majorly interest income, dividends and profit on sale of investments. Unallocable expenditure includes majorly corporate expenses not allocated to segments. Unallocable corporate assets comprise majorly 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 comprise majorly 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

 Hazira
January 30, 2023

 S. N. SUBRAHMANYAN
Chief Executive Officer & Managing Director