

L&T Press Release

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Financial Results for the quarter ended September 30, 2023

Record Order Inflow to steer Revenue expansion

Order Inflow ↑ 72%, Revenue ↑ 19% & PAT ↑ 45%

Successful completion of the first ever Buyback

Mumbai, October 31, 2023

Larsen & Toubro achieved Consolidated Revenues of ₹ 51,024 crore for the quarter ended September 30, 2023 recording a y-o-y growth of 19%, primarily aided by improved execution of the large order book and accelerated progress in the Projects and Manufacturing portfolio. International revenues during the quarter at ₹ 21,898 crore constituted 43% of the total revenue.

For the half-year ended September 30, 2023, the Consolidated Revenues at ₹ 98,906 crore recorded a y-o-y growth of 26% with international revenues during the half-year at ₹ 40,921 crore constituting 41% of the total.

The Company for the quarter ended September 30, 2023, posted a Consolidated Profit After Tax (PAT) of ₹ 3,223 crore, registering a significant growth of 45% compared to the corresponding quarter of the previous year.

Similarly, for the half-year ended September 30, 2023, Consolidated Profit After Tax at ₹ 5,716 crore, registered a growth of 45% y-o-y basis.

The Company received orders worth ₹ 89,153 crore at the group level during the quarter ended September 30, 2023, registering a robust growth of 72% on y-o-y basis. During the quarter, orders were received across diverse segments like Onshore verticals of the Hydrocarbon business, Urban Transit systems, Transmission & Distribution as well as Residential & Commercial Space. International orders at ₹ 59,687 crore during the quarter comprised 67% of the total order inflow.

On a cumulative basis, the order inflow for the half-year ended September 30, 2023 stood at ₹ 154,672 crore, registering a growth of 65% over the corresponding period of the previous year. International orders at ₹ 87,333 crore during the half-year constituted 56% of the total.

The consolidated order book is at ₹ 450,734 crore as on September 30, 2023, with international orders having a share of 35%.

Commenting on the results, S.N. Subrahmanyam, Chairman and Managing Director said:

“Our strong operating and financial performance this quarter exhibits the resilience of the Company’s business model despite the on-going volatile geo-political situation. All our businesses - Projects, Manufacturing and Services have grown. During the quarter, we have received the highest ever order inflows in the history of the Company. This shows the faith our customers place on us and is a reflection of our capability to perform and deliver projects on time. The Company now tops the list of international EPC Contractors working in the MENA region in terms of value for projects under execution. This is a testament to our capabilities as a diversified conglomerate present across various geographies.

The Company has successfully completed the first ever Buyback of Equity Shares during the quarter, in alignment with our long-term Lakshya 2026 plan to enhance shareholder value.

In the near term, we remain cautiously optimistic, considering the recent geopolitical developments. However, we do expect sustained buoyancy of Services and Indian Government’s thrust on capex to continue.”

Segment-wise Performance Highlights

Infrastructure Projects Segment

The Infrastructure Projects segment secured order inflow of ₹ 27,990 crore, during the quarter ended September 30, 2023, registering growth of 12% y-o-y basis on receipt of some large value orders across the various sub-segments. International orders at ₹ 6,775 crore constituted 24% of the total order inflow of the segment during the quarter.

The segment order book stood at ₹ 304,497 crore as on September 30, 2023, with the share of international orders at 23%.

The segment posted customer revenues of ₹ 24,613 crore during the quarter ended September 30, 2023, registered a y-o-y growth of 27% aided by execution of projects across various sites. International revenue constituted 28% of the total customer revenue of the segment during the quarter.

The EBITDA margin of the segment during the quarter ended September 30, 2023 was at 5.4% vis-à-vis 6.6% recorded in the corresponding quarter of the previous year. Margin for the quarter is a function of job mix and legacy Covid jobs nearing completion.

Energy Projects Segment

The Energy Projects segment secured orders valued at ₹ 40,141 crore during the quarter ended September 30, 2023, registering a substantial growth y-o-y basis with receipt of two ultra-mega international orders in the Onshore vertical of Hydrocarbon business. International order inflow constituted significant portion of the total order inflow during the quarter.

Energy Projects Segment order book crossed ₹ 100,000 crore for the first time ever, taking the segment order book to ₹ 106,802 crore as on September 30, 2023, with the international order book constituting 79%.

The segment achieved customer revenues of ₹ 6,788 crore during the quarter ended September 30, 2023, recording growth of 22% over the corresponding quarter of the previous year largely attributed to pickup of execution momentum in few international projects in the Hydrocarbon business. International revenues had a share of 58% of the total customer revenues for the quarter.

The EBITDA margin of the segment at 9.5% for the quarter ended September 30, 2023 improved compared to 8.5% over the corresponding quarter of the previous year, mainly on account of execution cost savings in certain projects in Hydrocarbon and a favorable mix of job progress in Power projects.

Hi-Tech Manufacturing Segment

The Hi-Tech Manufacturing segment secured orders valued at ₹ 2,395 crore during the quarter ended September 30, 2023 registering a healthy growth of 35% over the corresponding quarter of the previous year, with receipt of a key order in Defence Engineering business. Export orders constituted 8% of the total order inflow of the segment during the quarter.

The order book of the segment was at ₹ 25,958 crore as on September 30, 2023, with the share of export orders at 10%.

The segment posted customer revenues of ₹ 1,886 crore for the quarter ended September 30, 2023, registering a growth of 30% over the corresponding quarter of the previous year, with improved project execution. Export sales comprised 30% of the total customer revenues for the quarter.

The EBITDA margin of the segment at 14.9% for the quarter ended September 30, 2023 is lower compared to 18.5% reported in the corresponding quarter of the previous year, mainly reflecting the execution phase of jobs in the portfolio.

IT & Technology Services (IT&TS) Segment

The segment recorded customer revenues of ₹ 11,182 crore for the quarter ended September 30, 2023, registering a modest y-o-y growth of 7%, reflective of the growing demand for tech-enabled services in the IT&TS sector. International billing contributed 92%

of the total customer revenues of the segment for the quarter ended September 30, 2023. The aggregate revenue of the two listed subsidiaries (LTI Mindtree and L&T Technology Services Limited) in this segment at USD 1,364 Mn registered y-o-y growth of 4% in USD terms.

The EBITDA margin for the segment was at 20.2% for the quarter ended September 30, 2023 as compared to 21.4% in the corresponding quarter of the previous year. The segment margin was impacted mainly due to higher employee cost though improved operational efficiencies partially negated the impact.

Financial Services Segment

The segment reflects the performance of L&T Finance Holdings (LTFH), a listed subsidiary. The segment recorded income from operations at ₹ 3,084 crore during the quarter ended September 30, 2023, registering de-growth of 2% y-o-y basis, mainly attributable to planned phase out of Wholesale loan book.

The total Loan Book is at ₹ 78,734 crore in September 2023 vs ₹ 80,893 crore in March 2023. This variation is mainly due to sell downs to ARCs and prepayments/repayments of Wholesale and run down of the De-focused loan book. The Retail loan book now constitutes 88% of the total loan book as on September 30, 2023, in line with its stated long-term objective of retailisation of the portfolio.

The segment PBT for the quarter ended September 30, 2023 increased to ₹ 796 crore as compared to ₹ 613 crore in the corresponding quarter of the previous year due to rising NIMs+Fees and reduction in credit cost.

Development Projects Segment

The segment recorded customer revenues of ₹ 1,849 crore during the quarter ended September 30, 2023, registering healthy growth of 38% compared to corresponding quarter of previous year, driven by monetization of commercial property in Hyderabad Metro.

The segment EBIT for the quarter ended September 30, 2023 registered a profit of ₹ 634 crore as compared to a loss of ₹ 12 crore during the corresponding quarter of the previous year, primarily due to the gain on sale of commercial property in Hyderabad Metro and consolidation of profits of Nabha Power.

“Others” Segment

“Others” segment comprises (a) Realty (b) Industrial Valves (c) Construction Equipment & Mining Machinery and (d) Rubber Processing Machinery.

Customer revenues during the quarter ended September 30, 2023 at ₹ 1,622 crore registered growth of 14% y-o-y, mainly contributed by higher handover of residential flats in the Realty business. Export sales constituted 11% of the total customer revenues of the segment during the quarter, majorly relating to Industrial Valves and Rubber Processing Machinery businesses.

The EBITDA margin of the segment at 20.0% for the quarter ended September 30, 2023 registered growth, compared to 17.5% reported in the corresponding quarter of the previous year was mainly aided by higher handover of flats in Realty.

Note:

Group Performance - Key Parameters for the quarter and half-year ended September 30, 2023 is attached in Annexure 1

Segment-wise summary of performance for the quarter and half-year ended September 30, 2023 is attached in Annexure 2

Outlook

Economic activity in India continues to witness resilience on the back of strong domestic demand in contrast to global trends. Investment activity is benefiting from continuing public sector capex with growth being witnessed in steel consumption, cement production as well as in imports and production of capital goods. Capacity utilization in the manufacturing sector is also trending up, which augurs well for country level capital formation.

The Indian economy is expected to grow by 6.5% in FY'24 primarily due to sustained buoyancy in services, consumer and business optimism, higher government spending, healthy balance sheets of banks and corporates, upcoming festive season demand and supply chain normalization.

Headwinds from global economic slowdown and declining global trade continue to pose event risks. Further, volatile energy and food prices in the wake of lingering geopolitical tensions and adverse weather conditions render uncertainty to the inflation outlook. While major central banks are signaling a peaking of their rate hike cycle, there are indications that the tight monetary policy stance could persist for longer than expected.

The recent conflict in the Middle East has raised concerns about potential increase in crude prices that can worsen the already fragile global economic situation, as the region is a crucial supplier of energy and a key shipping gateway to global trade. Despite this, we remain optimistic around fresh project awards in Oil & Gas, industrialization and energy transition projects in the GCC region.

The Company backed by its all-round capabilities in engineering, manufacturing, construction, project management and services will continue to focus on operational excellence and cost competitiveness for profitable execution of its large Order Book. The Company pursues its stated objective of demonstrating profitable growth with judicious use of capital and maximize shareholder value on a sustainable basis.

Background:

Larsen & Toubro is a USD 23 billion 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

Group Performance - Key Parameters

Q2 FY'23	Q2 FY'24	% Var	Key Parameters (in ₹ crore)	H1 FY'23	H1 FY'24	% Var
42,763	51,024	19%	Revenue from operations	78,616	98,906	26%
36%	43%		International revenue %	37%	41%	
37,869	45,392	20%	Total operational expenses	69,769	88,405	27%
4,894	5,632	15%	EBITDA	8,847	10,501	19%
11.4%	11.0%		EBITDA %	11.3%	10.6%	
836	864	3%	Finance cost	1,592	1,715	8%
860	910	6%	Depreciation & Amortisation	1,824	1,740	-5%
2,229	3,223	45%	Consolidated Profit After Tax	3,931	5,716	45%

Annexure 2

Segment Wise Details

Segment (in ₹ Crore)	Order Inflow		Customer Revenue		EBITDA Margin (%)	
	Q2 FY'23	Q2 FY'24	Q2 FY'23	Q2 FY'24	Q2 FY'23	Q2 FY'24
Infrastructure Projects	25,058	27,990	19,370	24,613	6.6%	5.4%
Energy Projects	8,441	40,141	5,586	6,788	8.5%	9.5%
Hi-Tech Manufacturing	1,768	2,395	1,456	1,886	18.5%	14.9%
IT & Technology Services	10,151	11,182	10,437	11,182	21.4%	20.2%
Financial Services	3,152	3,084	3,152	3,084	Refer Note 1	
Development Projects	1,344	1,849	1,344	1,849	Refer Note 2	
Others	2,000	2,512	1,418	1,622	17.5%	20.0%
Total	51,914	89,153	42,763	51,024		

Segment (in ₹ Crore)	Order Inflow		Customer Revenue		EBITDA Margin (%)	
	H1 FY'23	H1 FY'24	H1 FY'23	H1 FY'24	H1 FY'23	H1 FY'24
Infrastructure Projects	43,402	68,041	33,551	46,671	6.6%	5.2%
Energy Projects	12,807	47,386	10,659	13,470	8.5%	9.3%
Hi-Tech Manufacturing	5,257	3,446	2,728	3,668	16.9%	15.8%
IT & Technology Services	19,575	22,033	19,993	22,033	21.6%	20.4%
Financial Services	6,110	6,104	6,110	6,104	Refer Note 1	
Development Projects	2,690	3,142	2,690	3,142	Refer Note 2	
Others	3,879	4,520	2,885	3,819	18.1%	19.2%
Total	93,720	1,54,672	78,616	98,906		

Note 1:

Financial Services	Q2 FY'23	Q2 FY'24	H1 FY'23	H1 FY'24
NIM + Fees %	8.4%	10.8%	8.3%	10.2%

Note 2:

Development Projects (₹ crore)	Q2 FY'23	Q2 FY'24	H1 FY'23	H1 FY'24
EBIT	(12)	634	(33)	757



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 SIX MONTHS ENDED SEPTEMBER 30, 2023

₹ Crore

Particulars	Quarter ended			Six months ended		Year ended
	September 30, 2023 [Reviewed]	June 30, 2023 [Reviewed]	September 30, 2022 [Reviewed]	September 30, 2023 [Reviewed]	September 30, 2022 [Reviewed]	March 31, 2023 [Audited]
1 Income:						
a) Revenue from operations	51024.04	47882.37	42762.61	98906.41	78615.81	183340.70
b) Other income (net)	1132.98	1145.56	738.53	2278.54	1433.25	2929.17
Total Income	52157.02	49027.93	43501.14	101184.95	80049.06	186269.87
2 Expenses:						
a) Manufacturing, construction and operating expenses:						
i) Cost of raw materials and components consumed	4429.90	4629.32	4102.48	9059.22	8316.53	18995.11
ii) Construction materials consumed	11717.48	10988.13	9597.72	22705.61	17350.76	43237.35
iii) Purchase of stock-in-trade	338.50	325.37	303.58	663.87	502.90	1052.86
iv) Stores, spares and tools consumed	1016.59	1168.42	1111.44	2185.01	2134.22	4814.89
v) Sub-contracting charges	7757.49	7349.90	6495.00	15107.39	10022.41	25624.45
vi) Changes in inventories of finished goods, stock-in-trade and work-in-progress	373.75	(407.88)	(1005.34)	(34.13)	(2528.11)	(3156.64)
vii) Other manufacturing, construction and operating expenses	5430.62	5262.42	4680.08	10693.04	9017.03	20020.81
b) Finance cost of financial services business and finance lease activity	1408.48	1447.72	1468.32	2856.20	2924.73	6026.44
c) Employee benefits expense	10298.89	9889.36	9154.41	20188.25	17700.50	37214.11
d) Sales, administration and other expenses	2620.35	2360.97	1961.08	4981.32	4327.58	8758.04
e) Finance costs	864.01	851.36	835.65	1715.37	1591.70	3207.16
f) Depreciation, amortisation, impairment and obsolescence	909.89	830.47	860.17	1740.36	1823.57	3502.25
Total Expenses	47165.95	44695.56	39564.59	91861.51	73183.82	169296.83
3 Profit before exceptional items and tax (1-2)	4991.07	4332.37	3936.55	9323.44	6865.24	16973.04
4 Exceptional items:						
a) Exceptional items before tax (net) [gain/(loss)]	-	-	-	-	-	(91.97)
Current tax	-	-	-	-	-	448.35
Deferred tax	-	-	-	-	-	(676.31)
b) Total tax expense	-	-	-	-	-	(227.96)
c) Exceptional items (net of tax) (c=a-b)	-	-	-	-	-	135.99
5 Profit before tax (3+4)	4991.07	4332.37	3936.55	9323.44	6865.24	17109.03
6 Tax expense:						
a) Current tax	1086.52	1251.08	1236.35	2337.60	2185.28	5055.17
b) Deferred tax	49.00	(34.83)	(119.00)	14.17	(432.25)	(571.01)
Total tax expense	1135.52	1216.25	1117.35	2351.77	1753.03	4484.16
7 Net profit after tax (5-6)	3855.55	3116.12	2819.20	6971.67	5112.21	12624.87
8 Share in profit/(loss) after tax of joint ventures/associates (net)	(10.05)	(20.53)	(33.94)	(30.58)	(98.62)	(94.25)
9 Net profit after tax and share in profit/(loss) of joint ventures/associates (7+8)	3845.50	3095.59	2785.26	6941.09	5013.59	12530.62
Attributable to: Owners of the Company	3222.63	2493.00	2228.97	5715.63	3931.04	10470.72
Non-controlling interests	622.87	602.59	556.29	1225.46	1082.55	2059.90
10 Other comprehensive income (OCI)						
a) i) Items that will not be reclassified to profit and loss	19.63	(22.16)	31.25	(2.53)	39.27	(8.02)
ii) Income tax relating to items that will not be reclassified to profit and loss	(7.64)	6.26	3.99	(1.38)	(3.74)	6.79
b) i) Items that will be reclassified to profit and loss	(588.46)	490.12	(1136.08)	(98.34)	(2392.56)	(1336.04)
ii) Income tax relating to items that will be reclassified to profit and loss	153.46	(142.99)	232.96	10.47	533.20	378.73
Other comprehensive income [net of tax] (a+b)	(423.01)	331.23	(867.88)	(91.78)	(1823.83)	(958.54)
Attributable to: Owners of the Company	(368.68)	176.78	(696.51)	(191.90)	(1521.54)	(754.74)
Non-controlling interests	(54.33)	154.45	(171.37)	100.12	(302.29)	(203.80)
11 Total comprehensive income (9+10)	3422.49	3426.82	1917.38	6849.31	3189.77	11572.08
Attributable to: Owners of the Company	2853.95	2669.78	1532.46	5523.73	2409.50	9715.98
Non-controlling interests	568.54	757.04	384.92	1325.58	780.26	1856.10
12 Paid-up equity share capital (face value of share: ₹ 2 each)	274.88	281.11	281.04	274.88	281.04	281.10
13 Other equity attributable to owners of the Company						89044.85
14 Earnings per share (EPS) (not annualised):						
(a) Basic EPS (₹)	22.94	17.74	15.86	40.68	27.98	74.51
(b) Diluted EPS (₹)	22.92	17.73	15.85	40.65	27.95	74.45

Notes:

- (i) The shareholders approved the proposal of buyback of equity shares of the Company, as recommended by its Board of Directors, by way of e-voting on the postal ballot, the results of which were declared on August 25, 2023. The buyback was offered to the shareholders as on the record date i.e. September 12, 2023 on proportionate basis through the tender offer route. The tendering period was from September 18, 2023 to September 25, 2023. The settlement of all valid bids and extinguishment of equity shares bought back were completed on September 28, 2023.
- Accordingly, the Company has bought back 3,12,50,000 equity shares of face value of ₹ 2 each, representing 2.22% of the number of equity shares in the paid-up share capital, at a price of ₹ 3,200 per share aggregating to ₹ 10,000 crore. Consequently, the equity share capital stands reduced by ₹ 6.25 crore. The premium on buyback of ₹ 9,993.75 crore, transaction cost (net of tax) with respect to the buyback of ₹ 26.37 crore and the tax on buyback of ₹ 2,253.33 crore have been adjusted against securities premium account and free reserves.
- (ii) During the quarter, the Company has allotted 75,964 equity shares of ₹ 2 each fully paid-up, on exercise of stock options by employees in accordance with the Company's stock option schemes.
- (iii) The Company entered into a Share Purchase Agreement dated December 16, 2022 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. The sale transaction is subject to receipt of necessary approvals. Accordingly, the investment in the joint venture is classified as "Held for Sale".

(iv) Consolidated Statement of assets and liabilities:

Particulars	As at	
	September 30, 2023	March 31, 2023
	[Reviewed]	[Audited]
ASSETS:		
Non-current assets		
Property, plant and equipment	12528.64	11336.28
Capital work-in-progress	2739.11	2949.09
Investment property	2596.86	3360.22
Goodwill	7795.59	7798.65
Other intangible assets	17730.11	18007.98
Intangible assets under development	132.83	116.48
Right-of-use assets	2336.09	2137.87
Financial assets:		
Investments in joint ventures and associates	1262.36	1304.86
Other investments	10250.71	7920.03
Loans towards financing activities	45297.39	40920.92
Other loans	390.29	356.00
Other financial assets	1227.97	1965.78
Deferred tax assets (net)	3886.93	3984.79
Current Tax receivable (net)	3549.57	3611.66
Other non-current assets	2449.21	2377.38
Sub-total - Non-current assets	114173.66	108147.99
Current assets		
Inventories	6623.86	6828.78
Financial assets:		
Investments	29331.92	35573.42
Trade receivables	47977.25	44731.53
Cash and cash equivalents	12465.69	16926.69
Other bank balances	5554.40	5592.91
Loans towards financing activities	34653.12	40460.55
Other loans	245.47	251.15
Other financial assets	4040.63	4930.10
Other current assets	67067.28	65920.39
Sub-total - Current assets	207959.62	221215.52
Group(s) of assets classified as held for sale	988.75	988.80
TOTAL ASSETS	323122.03	330352.31
EQUITY AND LIABILITIES:		
EQUITY		
Equity share capital	274.88	281.10
Other equity	78136.89	89044.85
Equity attributable to owners of the Company	78411.77	89325.95
Non-controlling interest	15038.14	14241.27
TOTAL EQUITY	93449.91	103567.22
LIABILITIES		
Non-current liabilities		
Financial liabilities:		
Borrowings	58393.38	61217.68
Lease liability	1887.95	1646.31
Other financial liabilities	145.92	272.96
Provisions	939.43	869.99
Deferred tax liabilities (net)	541.21	630.43
Other non-current liabilities	509.53	81.73
Sub-total - Non-current liabilities	62417.42	64719.10
Current liabilities		
Financial liabilities:		
Borrowings	36147.51	30896.32
Current maturities of long term borrowings	25195.35	26399.38
Lease liability	484.56	490.75
Trade payables:		
Due to micro enterprises and small enterprises	665.34	851.70
Due to others	43855.30	48932.42
Other financial liabilities	7935.70	7441.94
Other current liabilities	45787.11	42166.55
Provisions	3690.09	3493.47
Current tax liabilities (net)	3493.74	1393.46
Sub-total - Current liabilities	167254.70	162065.99
Liabilities associated with group(s) of assets classified as held for sale	-	-
TOTAL LIABILITIES	229672.12	226785.09
TOTAL EQUITY AND LIABILITIES	323122.03	330352.31

(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 six months ended September 30, 2023 are given below:

Particulars	₹ Crore					
	Quarter ended			Six months ended		Year ended
	September 30, 2023 [Reviewed]	June 30, 2023 [Reviewed]	September 30, 2022 [Reviewed]	September 30, 2023 [Reviewed]	September 30, 2022 [Reviewed]	March 31, 2023 [Audited]
a) Revenue from operations	28151.12	26930.54	25769.75	55081.66	45981.44	110500.98
b) Profit before exceptional items and tax	3157.17	1805.73	2545.55	4962.90	3812.89	9832.70
c) Profit before tax	3157.17	2203.70	2545.55	5360.87	3812.89	9832.70
d) Net profit after tax	2709.72	1792.36	2109.46	4502.08	3020.68	7848.97

(vi) 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, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	March 31, 2023
1	Debt equity ratio	1.28	1.06	1.33	1.28	1.33	1.14
2	Debt service coverage ratio (DSCR)	5.60	0.75	4.87	1.39	1.29	1.99
3	Interest service coverage ratio (ISCR)	5.74	5.13	4.98	5.44	4.70	5.45
4	Current ratio	1.24	1.37	1.22	1.24	1.22	1.36
5	Long term debt to working capital ratio	1.27	1.02	1.30	1.27	1.30	1.02
6	Bad debts to accounts receivable ratio	0.01	0.00	0.00	0.01	0.00	0.01
7	Current liability ratio	0.73	0.71	0.73	0.73	0.73	0.71
8	Total debt to total assets ratio	0.37	0.35	0.39	0.37	0.39	0.36
9	Debtors turnover ratio	3.82	3.60	3.50	3.82	3.50	3.45
10	Operating margin (%)	11.04%	10.17%	11.44%	10.62%	11.25%	11.32%
11	Net profit margin (%)	6.32%	5.21%	5.21%	5.78%	5.00%	5.71%
12	Inventory turnover ratio (refer note below)	NA	NA	NA	NA	NA	NA
13	Outstanding Redeemable Preference Shares [₹ Crore]	-	-	318.15	-	318.15	-
14	Capital Redemption Reserve/Debenture Redemption Reserve [₹ Crore]	339.08	332.83	571.75	339.08	571.75	353.25
15	Net worth [₹ Crore] (As per section 2(57) of Companies Act, 2013)	77439.48	90658.30	81475.71	77439.48	81475.71	88142.76

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)	$\frac{\text{Profit before interest, tax and exceptional items}^{\wedge}}{\text{Finance costs}^{\wedge} + \text{Principal repayments (net of refinancing) made during the period for long term borrowings}^{\wedge}}$ ([^] Excluding Financial Services and Finance lease model business)
3	Interest service coverage ratio (ISCR)	$\frac{\text{Profit before interest, tax and exceptional items}^{\wedge}}{\text{Finance costs}^{\wedge}}$ ([^] 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 (%)	$\frac{\text{Profit before depreciation, interest}^{\wedge}, \text{ tax and exceptional items (-) Other income}}{\text{Revenue from operations}}$ ([^] Excluding Finance cost of Financial Services and Finance lease model business)
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

(vii) Consolidated Statement of Cash Flows:

		₹ crore	
		Six months ended	
Particulars		September 30, 2023 [Reviewed]	September 30, 2022 [Reviewed]
A.	Cash flow from operating activities:		
	Profit before exceptional items and tax	9323.44	6865.24
	Adjustments for:		
	Dividend received	(48.91)	(4.46)
	Depreciation, amortisation, impairment and obsolescence	1740.36	1823.57
	Exchange difference on items grouped under financing/investing activities	(14.33)	49.78
	Effect of exchange rate changes on cash and cash equivalents	1.54	(89.04)
	Finance costs	1715.37	1591.70
	Interest income	(1304.48)	(793.08)
	(Profit)/loss on sale of Property, plant and equipment, Investment property and Intangible assets (net)	(44.11)	(16.65)
	(Profit)/loss on sale/fair valuation of investments (net)	(388.32)	(90.63)
	Employee stock option-discount	159.92	105.35
	(Gain)/loss on disposal of subsidiary	(5.89)	-
	Impairment of investment in financial instruments	143.23	-
	(Profit)/loss on transfer of business undertaking in Development Projects business	(511.73)	0.00
	(Gain)/loss on de-recognition of lease liability/right-of-use assets	(4.15)	(9.82)
	Operating profit before working capital changes	10761.94	9431.96
	Adjustments for:		
	(Increase)/decrease in trade and other receivables	(4511.41)	(1271.34)
	(Increase)/decrease in inventories	206.66	6.87
	Increase/(decrease) in trade and other payables	(1285.92)	(2442.47)
	Cash generated from operations before financing activities	5171.27	5725.02
	(Increase)/decrease in loans and advances towards financing activities	1430.94	(2409.19)
	Cash generated from operations	6602.21	3315.83
	Direct taxes refund/(paid) [net]	(2421.08)	(2686.55)
	Net cash generated from/(used in) operating activities	4181.13	629.28
B.	Cash flow from investing activities:		
	Purchase of Property, plant and equipment, Investment property and Intangible assets	(1872.29)	(1666.88)
	Sale of Property, plant and equipment, Investment property and Intangible assets	174.57	33.13
	Purchase of non-current investments	(3706.46)	(1506.22)
	Sale of non-current investments	1190.77	545.30
	(Purchase)/sale of current investments (net)	7723.39	1422.15
	Change in other bank balance and cash not available for immediate use	1061.88	(1262.48)
	Deposits/loans repaid by associates, joint ventures and third parties	24.95	4.93
	Interest received	1355.07	697.10
	Dividend received from joint ventures/associates	22.46	9.92
	Dividend received on other investments	41.54	4.46
	Consideration received on disposal of subsidiaries/joint venture	28.36	-
	Consideration received on transfer of business undertaking in Development Projects business	651.33	-
	Net payments for transfer of discontinued operations	-	(88.54)
	Consideration paid on acquisition of subsidiaries	(13.14)	(17.23)
	Cash and cash equivalents of subsidiaries discharged pursuant to divestment/classification to held for sale	(2.32)	(1.21)
	Net cash generated from/(used in) investing activities	6680.11	(1825.57)
C.	Cash flow from financing activities:		
	Proceeds from issue of share capital (including share application money) [net]	3.64	4.67
	Buyback of equity shares	(10000.00)	-
	Expenses on buyback of shares	(31.38)	-
	Proceeds from non-current borrowings	11718.44	12753.32
	Repayment of non-current borrowings	(14971.83)	(15154.16)
	Proceeds from/(repayment of) other borrowings (net)	5174.25	6350.04
	Payment (to)/from non-controlling interest (net)	(609.40)	(388.43)
	Settlement of derivative contracts related to borrowings	0.84	114.83
	Dividends paid	(4216.95)	(3091.42)
	Repayment of lease liability	(225.88)	(204.80)
	Interest paid on lease liability	(80.90)	(78.05)
	Interest paid (including cash flows on account of interest rate swaps)	(2087.76)	(1811.19)
	Net cash generated from/(used in) financing activities	(15326.93)	(1505.19)
	Net increase in cash and cash equivalents (A + B + C)	(4465.69)	(2701.48)
	Cash and cash equivalents at beginning of the period	16926.69	13770.24
	Effect of exchange rate changes on cash and cash equivalents	4.69	249.10
	Cash and cash equivalents at end of the period	12465.69	11317.86

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.
- Property, plant and equipment, Investment property and Intangible assets are 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.

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

(ix) The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on October 31, 2023. The same have also been subjected to Limited Review by the Statutory Auditors.

for LARSEN & TOUBRO LIMITED

Mumbai
October 31, 2023

S. N. SUBRAHMANYAN
Chairman & Managing Director

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

₹ Crore

Particulars	Quarter ended			Six months ended		Year ended
	September 30, 2023 [Reviewed]	June 30, 2023 [Reviewed]	September 30, 2022 [Reviewed]	September 30, 2023 [Reviewed]	September 30, 2022 [Reviewed]	March 31, 2023 [Audited]
Gross segment revenue						
1 Infrastructure Projects	24976.75	22395.64	19668.21	47372.39	34068.72	87823.15
2 Energy Projects	6794.25	6690.42	5593.41	13484.67	10680.93	24956.26
3 Hi-Tech Manufacturing	2041.14	1968.27	1588.94	4009.41	2977.01	7160.87
4 IT & Technology Services	11246.95	10960.69	10470.02	22207.64	20062.27	41789.25
5 Financial Services	3084.08	3019.64	3151.86	6103.72	6110.00	12574.92
6 Development Projects	1853.12	1296.40	1344.60	3149.52	2689.99	5028.77
7 Others	1888.04	2347.18	1457.06	4235.22	2956.92	6270.78
Total	51884.33	48678.24	43274.10	100562.57	79545.84	185604.00
Less: Inter-segment revenue	860.29	795.87	511.49	1656.16	930.03	2263.30
Net segment revenue	51024.04	47882.37	42762.61	98906.41	78615.81	183340.70
Segment result						
1 Infrastructure Projects	1035.55	850.17	1066.79	1885.72	1752.97	5140.18
2 Energy Projects	587.72	557.08	419.24	1144.80	798.93	2066.69
3 Hi-Tech Manufacturing	233.77	254.43	221.63	488.20	371.93	995.24
4 IT & Technology Services	1901.24	1917.41	1904.72	3818.65	3677.52	7215.08
5 Financial Services	796.40	714.04	613.22	1510.44	968.77	2258.78
6 Development Projects	634.06	123.02	(11.53)	757.08	(32.63)	391.77
7 Others	298.20	382.60	225.18	680.80	475.60	1103.02
Total	5486.94	4798.75	4439.25	10285.69	8013.09	19170.76
(Add)/Less: Inter-segment margins on capital jobs	28.08	51.33	17.91	79.41	27.20	69.43
Less: Finance costs	864.01	851.36	835.65	1715.37	1591.70	3207.16
Add/(Less): Unallocable corporate income net of expenditure	396.22	436.31	350.86	832.53	471.05	1078.87
Profit before exceptional items and tax	4991.07	4332.37	3936.55	9323.44	6865.24	16973.04
Add: Exceptional items (net of tax)	-	-	-	-	-	135.99
Profit before tax	4991.07	4332.37	3936.55	9323.44	6865.24	17109.03
Segment assets						
1 Infrastructure Projects				89133.50	83649.33	86528.20
2 Energy Projects				23296.42	22636.62	23880.49
3 Hi-Tech Manufacturing				10119.65	8577.97	9263.35
4 IT & Technology Services				40193.28	36124.70	39028.20
5 Financial Services				99222.30	106203.80	104501.99
6 Development Projects				26640.58	27707.78	26774.69
7 Others				14955.38	13379.15	14386.27
Total segment assets				303561.11	298279.35	304363.19
Less: Inter-segment assets				3464.69	2886.53	2973.58
Add: Unallocable corporate assets				23025.61	27401.39	28962.70
Total assets				323122.03	322794.21	330352.31
Segment liabilities						
1 Infrastructure Projects				61372.77	57953.79	61951.34
2 Energy Projects				18639.13	18546.33	19581.52
3 Hi-Tech Manufacturing				6483.14	5167.26	6612.24
4 IT & Technology Services				9650.70	9198.10	9640.18
5 Financial Services				78694.50	87021.54	84718.92
6 Development Projects				7336.03	7792.90	7020.88
7 Others				6866.89	5573.40	6546.25
Total segment liabilities				189043.16	191253.32	196071.33
Less: Inter-segment liabilities				3464.69	2886.53	2973.58
Add: Unallocable corporate liabilities				44093.65	39193.54	33687.34
Total liabilities				229672.12	227560.33	226785.09

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) Consequent to transfer of the Carved-out Business of Smart World and Communication (SWC) to L&T Technology Services Limited (LTTS), a listed subsidiary w.e.f. April 1, 2023, the business which was hitherto a part of Others segment has now been included in IT & Technology Services segment. Concurrently, the military communications business has been transferred from Others segment to Hi-Tech Manufacturing 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 (including military communications) (iii) electrolysers and (b) design, construction and repair/refit of defence vessels. **IT & Technology Services segment** comprises (a) information technology and integrated engineering services (including smart world & communication projects) 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 and (ii) Green Energy. **Others segment** includes (a) realty, (b) manufacture and sale of industrial valves, (c) manufacture, marketing and servicing of construction equipment and parts thereof, (d) marketing and servicing of mining machinery and parts thereof and (e) 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 business undertaking/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 segments of the Group, revenue and margin 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, 2023

 S. N. SUBRAHMANYAN
 Chairman & Managing Director