

Group Performance for the quarter ended
September 30, 2016

PAT before exceptional items increases by 41%

The EBITDA margin of the segment improved to 14.6 % for the quarter ended September 30, 2016 on the back of execution progress vis-à-vis the operating loss of 12.6% recorded in the corresponding quarter of the previous year.

Electrical & Automation (E&A) Segment

E&A Segment recorded customer revenue of ` 1142 crore during the quarter ended September 30, 2016, registering a y-o-y decline of 4% International Revenue constituted 28% of the total customer revenue of the segment for the quarter ended September 30, 2016.

The EBITDA margin of the E&A Segment strengthened to 15.0% for the quarter ended September 30, 2016, recording an increase over 14.1% earned during the corresponding quarter of the previous year driven by favourable product mix .

The Order Book of the Segment registered a y-o-y decline of 4% and stood at ` 3032 crore as on September 30, 2016.

Hydrocarbon Segment

Hydrocarbon Segment achieved customer revenue of ` 2494 crore for the quarter ended September 30, 2016, registering a y-o-y growth of 33% over the corresponding period of the previous year. International revenue constituted 52% of the total customer revenue of the segment for the quarter ended September 30, 2016.

Hydrocarbon Segment secured fresh orders valued ` 663 crore during the quarter ended September 30, 2016, taking the total order intake for the half year ended September 30, 2016 to ` 8611

Developmental Projects Segment

Developmental Projects Segment registered customer revenue of ` 963 crore during the quarter ended September 30, 2016, vis-à-vis ` 1024 crore recorded in the corresponding quarter of the previous year .

The EBITDA margin of the Developmental Projects Segment for the quarter ended September 30, 2016 stood at 12.6% vis-à-vis 4.3% earned during the corresponding quarter of the previous year.

Financial Services Segment

Financial Services Segment recorded customer revenue of ` 2140 crore during the quarter ended September 30, 2016, registering a y-o-y growth of 13% driven by growth in loan assets and disbursements in the focus areas of retail and wholesale finance business

The operating margin of the Financial Services Segment for the quarter ended September 30, 2016 at 18.5% increased over 17.9% earned during the corresponding quarter of the previous year.

“Others” Segment

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

Customer Revenue of “Others” Segment during the quarter ended September 30, 2016 at ` 1999 crore registered a decrease of 11% over the corresponding quarter of the previous year on the back of weak demand. International Revenue constituted 26% of the total customer revenue of the segment.

The segment margin for the quarter declined to 6.5% as compared to margin of 14.6% earned in the corresponding quarter of the previous year due to inventory write-down in Shipbuilding business.

Outlook

The government has been stressing on its commitment to implement policies and programmes for infrastructure development with special focus on development of transportation corridors, metro rails, smart cities and water resources. There has been emphasis on domestic defence manufacturing as well. Significant changes in the form of introduction of GST and passage of bankruptcy code are being ushered. Various policy measures to facilitate ease of doing business, expansion of hi-tech manufacturing base and attracting foreign investments need to be implemented well to revive investments and sustain economic growth in the long run.

The Company has integrated range of comprehensive offerings in its various operating segments and is implementing its Strategic Plan of profitable growth and higher Return on Equity. On the international front, the Company continues to strengthen its position and pursue select prospects in the core infrastructure and energy sector.

The Company is well placed to benefit from the emerging opportunities and sustain its leadership position across the sectors.

Background

Larsen & Toubro is an Indian multinational engaged in technology, engineering, construction, manufacturing and financial services with over USD 16 billion in revenue. It operates in over 30 countries worldwide. A strong, customer -focused approach and the constant quest for top- class quality have enabled L&T to attain and sustain leadership in its major lines of business for over seven decades .

(iv) Exceptional item during the quarter ended September 30, 2016 represents gain on divestment of stake in a subsidiary company.

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

| ASSETS | | | (Audited) |
|--|----------|--|------------------|
| Non-current assets | | | |
| Property, plant and equipment | 11796.88 | | 12145.20 |
| Capital work-in-progress | 1866.58 | | 1695.72 |
| Investment property | 4777.94 | | 4387.54 |
| Goodwill | 1430.79 | | 1446.96 |
| Other intangible assets | 522.87 | | 582.00 |
| Intangible assets under development | 10566.33 | | 9278.74 |
| Financial Assets | | | |
| Investments in Associates and Joint Arrangements | 556.77 | | 871.62 |
| Other Investments | 1548.86 | | 2107.80 |
| Loans | 445.65 | | 1126.50 |



