

Group Performance for the quarter ended June 30, 2018

Consolidated Results

Robust growth registered: Order Inflow 37%; Revenue 18% & Overall PAT 36%

Mumbai, July 25, 2018: Larsen & Toubro recorded Consolidated Gross Revenue of ₹ 28,283 crore for the quarter ended June 30, 2018, registering a growth of 18% on a y-o-y basis with pick up of execution momentum in project businesses, robust growth in services business and recognition of revenue on completed performances in Realty business under the newly introduced accounting standard for revenue recognition (IND AS 115). International revenue during the quarter at ₹ 9,669 crore constituted 34% of the total revenue in line with previous year.

Consolidated Profit After Tax (PAT) for the quarter ended June 30, 2018 at ₹ 1,215 crore was higher by 36% vis-à-vis PAT of ₹ 893 crore for the corresponding quarter of the previous year.

The Company won new orders worth ₹ 36,142 crore at the group level during the quarter ended June 30, 2018, recording a growth of 37%, with pick-up in domestic ordering activity during the quarter. International orders at ₹ 9,404 crore constituted 26% of the total order inflow. Infrastructure, Hydrocarbon and Heavy Engineering businesses largely contributed to the growth in order inflows during the quarter.

The Consolidated Order Book stood at ₹ 271,732 crore as at June 30, 2018. International Order Book constituted 23% of the total Order Book.

Infrastructure Segment

Infrastructure segment secured orders of ` 19,395 crore during the quarter ended June 30, 2018 registering a smart increase of 16% on a y-o-y basis. The growth was mainly driven by turnkey projects awarded for Rural Water supply & Lift irrigation schemes in the Water & Effluent Treatment business. International orders contributed to around 23% of the total order inflow of the segment during the quarter.

The Order Book of the Segment stood at ` 210,599 crore as on June 30, 2018.

Infrastructure Segment achieved customer revenue of ` 12,135 crore for the quarter ended June 30, 2018, registering an increase of 9%. International revenue constituted 31% of the total customer revenue of the segment during the quarter.

The segment recorded EBITDA margin at 6.8% during the quarter ended June 30, 2018 vis-à-vis 7.1% recorded in the corresponding quarter of the previous year. Decline in margins reflected the phase & mix of jobs under execution & Expected Credit Loss provisions on contract assets under the newly introduced accounting norms.

Power Segment

Muted order inflow of ` 108 crore recorded by the Power segment during the quarter ended June 30, 2018 is indicative of over-capacity and aggressive competition in the sector. The segment continues to face business headwinds with intense competition bidding for the limited opportunities on offer in a challenging environment.

The Order Book of the Segment stood at ` 8,051 crore as on June 30, 2018.

Power Segment recorded customer revenue of ` 1,080 crore during the quarter ended

Heavy Engineering segment comprises manufacture and supply of custom designed, engineered critical equipment & systems to core sector industries like Fertiliser, Refinery, Petrochemical, Chemical, Oil & Gas, Thermal & Nuclear Power.

Heavy Engineering Segment secured fresh orders valued ` 1,409 crore during the quarter ended June 30, 2018, recording a significant y-o-y increase over a low base. International orders constituted 92% of the total order inflow of the segment during the quarter, mainly driven by buoyancy of activity in Oil & Gas sector.

The Order Book of the Segment stood at ` 4,055 crore as on June 30, 2018.

The Segment recorded customer revenue of ` 334 crore registering a growth of 26% over the corresponding quarter of the previous year. International revenue constituted 46% of the total customer revenue of the segment.

The EBITDA margin of the segment improved to 36.1% for the quarter ended June 30, 2018 vis-à-vis 12.3% recorded in the corresponding quarter of the previous year driven by efficient execution of orders on hand and on reversal of Expected Credit Loss provisions on contract assets due to improved Working Capital management.

Defence Engineering Segment

The newly introduced 'Defence Engineering' segment comprises Defence and Aerospace business (part of Heavy Engineering Segment till end-FY 2017-18) & Shipbuilding business (part of "Others" segment till end-FY 2017-18). Accordingly previous year figures have been regrouped wherever necessary.

The Order Book of the Segment stood at ` 11,599 crore as on June 30, 2018.

Defence Engineering Segment recorded customer revenue of ` 727 crore registering an increase of 34% over the corresponding quarter of the previous year with progress on projects under execution. International Revenue constituted 11.1% of the total customer revenue of the segment.

The EBITDA margin of the segment stood at 11.1% for the quarter ended June 30, 2018 vis-à-vis negative margins during the corresponding quarter of the previous year which included inventory write down in Shipbuilding business.

Electrical & Automation (E&A) Segment

The Order Book of the E&A Segment registered a y-o-y increase of 12% and stood at ` 3,061 crore as on June 30, 2018.

The Segment recorded customer revenue of ` 1,279 crore during the quarter ended June 30, 2018, registering a y-o-y increase of 6%. Adjusted for Excise Duty (subsumed within GST from 1st July, 2017), like-to-like revenues for the quarter grew by 13% on

y-o-y basis. International Revenue constituted 26% of the total customer revenue of the segment for the quarter ended June 30, 2018.

The EBITDA margin of the E&A Segment stood at 13.3% for the quarter ended June 30, 2018, recording increase over 10.3% y-o-y on the back of operational efficiencies and favourable product mix.

Hydrocarbon Segment

Hydrocarbon Segment recorded an order inflow of ` 4,785 crore during the quarter ended June 30, 2018, mainly driven by receipt of orders from the fertiliser sector.

The Order Book of the Segment registered a y-o-y growth of 23% and stood at ` 28,377 crore as on June 30, 2018.

Revenues for the segment stood at ` 3,511 crore registering a significant growth of 38%

Growth in tax revenues is giving the Government the wherewithal to focus on improving infrastructure. Public sector spending by the Central Government, State Governments and Public Sector Undertakings, aided by increased funding by bi-lateral and multi-lateral agencies are leading to building of essential infrastructure. Progress on resolution of stressed private sector corporates through the Insolvency & Bankruptcy Code is expected to resolve the issue of overleveraged businesses

LARSEN & TOUBRO LIMITED
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STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2018

` Crore

	June 30, 2018 [Reviewed]	March 31, 2018 [Note (v)]	June 30, 2017 [Reviewed]	Year Ended March 31, 2018 [Audited]
1 Income:				
Total Income	28527.48	41110.86	24355.52	121274.13

2 Expenses:				
	(516.91)	(55.17)	156.13	163.26

Profit before exceptional items (1-2)

The Company reports consolidated financial results on quarterly basis, pursuant to the option made available as per Regulation 30 of the SEBI (Listing Obligations and Disclosures) Regulations, 2015 as amended. The standalone financial results are available on the Company's website via www.larsentoubro.com and on the website of the stock exchanges (www.bseindia.com) and NSE (www.nseindia.com). The specific details of the standalone financial results of the Company for the quarter ended June 30, 2018 are as follows:

Quarter ended

Particulars	June 30, 2018 [Reviewed]	March 31, 2018 [Note (v)]	June 30, 2017 [Reviewed]	Year Ended March 31, 2018 [Audited]
11 Total comprehensive income (9+10)	955.09	3282.78	1184.43	8167.69

Revenue for the periods upto June 30, 2017 includes excise duty deducted from customers. Revenue from July 1, 2017 onwards is exclusive of subsumed excise duty.

14 Earnings per share (EPS) of ` 2 each (not annualised):

Notes:

The Group has changed its accounting policy in respect of provision for expected credit loss for its financial services business from 1st January 2018.

AS 115q figures for the nine month period ended December 31, 2017.

` Crore

June 30, 2018 [Reviewed]	March 31, 2018 [Note (v)]	June 30, 2017 [Reviewed]	Year Ended March 31, 2018 [Audited]

Chief Executive Officer

