



L&T Press Release

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Performance for the quarter ended September 30, 2010

Sales grow 18%
Profit after Tax rises 32%

Mumbai, October 18, 2010: Larsen & Toubro reported Gross Sales of ₹ 9342 crore, registering 18% y-o-y growth for the quarter ended September 30, 2010.

On the back of a 63% growth in Order Inflow recorded by the Company in the quarter ended June 30, 2010, the Company has registered a growth of 11% in Order Inflow during the quarter ended September 30, 2010 over the same period of the previous year. This translates into a cumulative growth of 29% in Order Inflow during the first half of the current year.

2 nd Quarter Results	Quarter ended September 30, 2010	
	₹ crore	Growth y-o-y %
Order Inflow	20464	11%
Sales	9342	18%
Profit after Tax	765	32%

The Order Book as at September 30, 2010 was ₹ 115393 crore.

Profit after Tax (PAT) for the quarter stood at ₹ 765 crore, recording an increase of 32% over the corresponding quarter of the previous year.

The Company's Operating Margin for the quarter improved to 10.8%.

Engineering & Construction Segment

The speed of execution of major project orders picked up during the quarter as scheduled. Accordingly, the Segment achieved Customer Sales of ₹ 7861 crore, recording a growth of 18% over the corresponding quarter of the previous year. The Segment is well poised to continue the revenue growth momentum during the second half of the financial year.

The Segment bagged a few large-value orders during the quarter from the Power and Infrastructure sectors. The Segment Order Inflow for the quarter ended September 30, 2010 stood at ₹ 18880 crore.

Segment Margin for the quarter was recorded at an improved 12.6%, supported by higher proportion of margin yielding sales.

Electrical & Electronics Segment

Acute competition in the domestic electrical sector coupled with the continued slowdown in the international market, impacted the Segment Sales during the quarter. Customer Sales for the quarter stood at ₹ 641 crore. With this, the Segment recorded Sales of ₹ 1364 crore for six months ended September 30, 2010, registering an increase of 10 % over the same period of the previous year. Higher input costs and the resistance of the market to absorb a price increase, led to a pressure on the Segment's margin which saw a drop of two percentage points.

Machinery & Industrial Products Segment

The buoyant industrial and construction sectors helped the Segment register a healthy growth of 37% in Customer Sales to ₹ 681 crore for the quarter ended September 30, 2010. The Segment recorded a margin of 18.4% for the quarter, even on the larger volume of sales.

Outlook

Given the country's confident GDP growth projection for the current year, the opportunity landscape for the Company is expected to be much wider and deeper in most of the sectors of the economy. However, the capital goods industry will have to be prepared for much higher level of global and local competition, while grappling with the general inflationary trend seen in the recent times. The Company with its superior execution capabilities and a strong organization base, is well positioned to convert these opportunities into profitable business prospects, providing visibility to sustained revenue growth in the near to medium term.

**LARSEN & TOUBRO LIMITED**

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

UNAUDITED STAND-ALONE FINANCIAL RESULTS FOR THE QUARTER ENDED SEPTEMBER 30 , 2010

Particulars	3 months ended September 30		6 months ended September 30		Rs.Lakh Year ended March 31	
	2010	2009	2010	2009	2010 (Audited)	
	1	Gross sales / revenues from operations	934222	793626	1725517	1536711
	Less: Excise duty	8145	7008	15930	13822	32078
	Net sales / revenues from operations	926077	786618	1709587	1522889	3667515
2	Other operational income	6999	5503	11635	9891	35965
3	Total income (1+2)	933076	792121	1721222	1532780	3703480
4	Expenditure:					
a)	(Increase) / decrease in stock -in- trade and work -in -progress	(9758)	8263	(39234)	34368	42299
b)	i) Consumption of raw materials	208470	172448	378120	336436	785430
	ii) Sub-contracting charges	186318	213029	353129	399996	866175
	iii) Construction materials	192033	125995	371377	246019	747808
	iv) Purchase of traded goods	50843	35768	95272	63264	157428
	v) Other manufacturing / operating expenses	70667	49226	135921	97870	246215
c)	Employee cost	82884	70967	139209	122115	237914
d)	Sales, administration and other expenses	51051	32595	84989	65798	138656
e)	Depreciation, amortisation and obsolescence	12121	10013	23536	19386	41460
	Total expenditure	844629	718304	1542319	1385252	3263385
5	Profit from operations before other income, interest & exceptional items (3-4)	88447	73817	178903	147528	440095
6	Other income	38219	21178	59729	43561	91025
7	Profit before interest & exceptional items (5+6)	126666	94995	238632	191089	531120
8	Interest expenses	19315	12625	33549	23584	50531
9	Profit after interest but before exceptional items (7-8)	107351	82370	205083	167505	480589
10	Exceptional items	-	2738	-	104726	107478
11	Profit from ordinary activities before tax (9+10)	107351	85108	205083	272231	588067
12	Provision for taxes:					
a)	Provision for current tax	37047	27262	68152	53753	164425
b)	Provision for deferred tax	890	(194)	900	618	(338)
	Total provision for taxes	37937	27068	69052	54371	164087
13	Profit after tax from ordinary activities (11-12)	69414	58040	136031	217860	423980
14	Extraordinary items [net of tax] [refer note (a)]	7084	-	7084	-	13572
15	Profit after tax (13+14)	76498	58040	143115	217860	437552
16	Paid-up equity share capital (face value of share:Rs. 2 each)			12099	11753	12044
17	Reserves excluding revaluation reserve					1814282
	Earning per share :					
18	Basic EPS before extraordinary items (Rupees)	11.48	9.90	22.53	37.15	71.49
19	Diluted EPS before extraordinary items (Rupees)	11.30	9.70	22.16	36.46	70.15
20	Basic EPS after extraordinary items (Rupees)	12.66	9.90	23.71	37.15	73.77
21	Diluted EPS after extraordinary items (Rupees)	12.45	9.70	23.32	36.46	72.39
22	Debt service coverage ratio (DSCR) [no.of times]*			3.45	5.20	4.86
23	Interest service coverage ratio (ISCR) [no.of times]**			7.11	8.10	10.51
24	Aggregate of public shareholding:					
	- Number of shares ('000s)			583247	569389	585993
	- Percentage of shareholding			96.41%	96.90%	97.31%
25	Promoters and promoter group shareholding [refer note (f)]			Nil	Nil	Nil

* DSCR = [Profit before Interest and exceptional & extraordinary items ÷ (Interest Expense + Principal repayments of long-term debt during the year)]

** ISCR = [Profit before Interest and exceptional & extraordinary items ÷ Interest Expense]

for LARSEN & TOUBRO LIMITED

A. M. NAIK

Chairman & Managing Director

Mumbai

October 18, 2010

Notes :

- a) Extraordinary item for the quarter ended September 30, 2010 represents reversal of the provision made in the earlier years on the Company's investment in the equity shares of Satyam Computer Services Limited (SCSL), proportionate to the sale of a part of its holding in SCSL during the quarter.
- b) The Company, during the quarter ended September 30, 2010, has allotted 1780968 equity shares of Rs. 2 each, fully paid up, on exercise of stock options by employees, in accordance with the Company's stock option schemes.
- c) Statement of Assets and Liabilities as per clause 41(v) (h) of the Listing Agreement.

Particulars	Rs. Lakh		
	30.9.2010 (Unaudited)	30.9.2009 (Unaudited)	31.3.2010 (Audited)
SOURCES OF FUNDS			
Shareholders' funds:			
Share capital	12099	11753	12044
Employee stock options application money	-	-	2509
Reserves and surplus	1982005	1470970	1816611
	1994104	1482723	1831164
Loan funds	772359	694289	680083
Deferred tax liabilities (net)	8453	5988	7739
TOTAL	2774916	2183000	2518986
APPLICATION OF FUNDS			
Fixed assets	697913	562125	636576
Investments	1287763	895486	1370535
Current assets, loans and advances:			
(i) Inventories	152320	140968	141537
(ii) Sundry debtors	1006665	905765	1115835
(iii) Cash and bank balances	133064	100506	143187
(iv) Other current assets	840615	505083	635322
(v) Loans and advances	837282	637663	600047
	2969946	2289985	2635928
Less: Current liabilities and provisions:			
(i) Liabilities	2083856	1461685	1905450
(ii) Provisions	96850	102925	218603
	2180706	1564610	2124053
Net current assets	789240	725375	511875
Miscellaneous expenditure (to the extent not written-off or adjusted)	-	14	-
TOTAL	2774916	2183000	2518986

- d) Figures for the previous periods have been re-grouped / re-classified to conform to the figures of the current periods.
- e) There were no pending investor complaints as on July 1, 2010. During the quarter ended September 30, 2010, 24 complaints were received and resolved.
- f) The promoter and promoter group shareholding is nil and accordingly the information on shares pledged / encumbered is not applicable.
- g) The results for the quarter ended September 30, 2010 have been subjected to Limited Review by the Statutory Auditors, reviewed by the Audit Committee, and approved by the Board of Directors at its meeting held on October 18, 2010.

for LARSEN & TOUBRO LIMITED

A. M. NAIK
Chairman & Managing Director

Mumbai
October 18, 2010

**Segment-wise Revenue, Result and Capital employed
in terms of clause 41 of the listing agreement :**

Rs.Lakh

Particulars	3 months ended September 30		6 months ended September 30		Year ended March 31, 2010 (Audited)
	2010	2009	2010	2009	
Gross Segment Revenue					
A Engineering & Construction	801504	685778	1465501	1342734	3231577
B Electrical & Electronics	67241	70767	141753	128500	298654
C Machinery & Industrial Products	69813	50955	124633	94652	221953
D Others	15969	9214	28172	16942	36456
Total	954527	816714	1760059	1582828	3788640
Less: Inter-segment revenue	13306	17585	22907	36226	53082
Net Segment Revenue	941221	799129	1737152	1546602	3735558
Segment Result (Profit before Interest and Tax)					
A Engineering & Construction	90020	69390	171686	139306	409501
B Electrical & Electronics	8682	10596	16058	17399	39419
C Machinery & Industrial Products	11558	9283	22858	18819	45190
D Others	1721	1760	5070	2180	4434
Total	111981	91029	215672	177704	498544
Less: Segment margins on internal capitalisation	(309)	1075	209	1934	5835
Less: Interest expenses	19315	12625	33549	23584	50531
Add: Unallocable corporate income net of expenditure	14376	7779	23169	120045	145889
Profit Before Tax	107351	85108	205083	272231	588067
Capital Employed					
(Segment assets less Segment liabilities)					
A Engineering & Construction			733418	710776	629067
B Electrical & Electronics			115712	113005	113176
C Machinery & Industrial Products			27231	19350	22400
D Others			22280	16797	20348
Total capital employed in Segments			898641	859928	784991
Unallocable corporate assets less corporate liabilities			1876275	1323072	1733995
Total Capital Employed			2774916	2183000	2518986

Notes :

- i) Segments have been identified in accordance with Accounting Standard (AS) 17 on Segment Reporting, considering the risk / return profiles of the businesses, their organisational structure and the internal reporting systems.
- ii) Segment definitions : **Engineering & Construction** comprises execution of engineering and construction projects to provide solutions in civil, mechanical, electrical and instrumentation engineering (on turnkey basis or otherwise) to core / infrastructure sectors including railways, shipbuilding and supply of complex plant and equipment to core sectors. **Electrical & Electronics** include manufacture and/or sale of low and medium voltage switchgear, custom built switchboards, electronic energy meters / protection (relays) systems, control & automation products and medical equipment. **Machinery & Industrial Products** comprise manufacture and sale of industrial machinery & equipment, marketing of industrial valves, construction equipment and welding / industrial products. **Others** include property development and integrated engineering services.
- iii) Segment Revenue comprises Sales & Operational Income allocable specifically to a segment. Unallocable expenditure mainly includes expenses incurred on common services provided to segments and other corporate expenses. Unallocable income primarily includes interest income, dividends and profit on sale of investments. Corporate assets mainly comprise investments.
- iv) In the Engineering & Construction segment, sales and margins do not accrue uniformly during the year. Hence the operational / financial performance of aforesaid segment can be discerned only on the basis of figures for the full year.

for LARSEN & TOUBRO LIMITED

A. M. NAIK
Chairman & Managing Director

Mumbai
October 18, 2010