



L&T Press Release

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L&T House, Ballard Estate,
N M Marg, Mumbai 400 001 INDIA
Tel: 1800 2094545
Email: mediarelations@Larsentoubro.com
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Group Performance for the quarter ended September 30, 2018

Consolidated Results

**Stellar performance:
Growth in Order Inflow 46%, Revenue 21% & PAT 23%**

Mumbai, October 31, 2018: Larsen & Toubro recorded Consolidated Gross Revenue of ₹ 32,081 crore for the quarter ended September 30, 2018, registering a growth of 21% on a y-o-y basis. Growth was facilitated with improved execution in project businesses, strong growth in service businesses and recognition of revenue on completed performances in Realty business on application of IND AS 115 from 1st April, 2018. International revenue during the quarter at ₹ 10,630 crore constituted 33% of the total revenue marginally lower than 36% in the previous year.

For the period April-September 2018, the Consolidated Gross revenue at ₹ 60,364 crore recorded a y-o-y increase of 20%.

Consolidated Overall Profit After Tax (PAT) for the quarter ended September 30, 2018 at ₹ 2,230 crore was higher by 23% vis-à-vis PAT of ₹ 1,820 crore for the corresponding quarter of the previous year. For the half-year ended September 30, 2018, overall PAT at ₹ 3,445 crore registered an increase of 27% over ₹ 2,712 crore for similar period last year.

The Company has witnessed a strong growth of 46%, with order wins worth ₹ 41,921 crore at the group level during the quarter ended September 30, 2018 due to pick-up in domestic ordering activity. International orders at ₹ 8,268 crore constituted 20% of the total order inflow. On a cumulative basis, the order inflow for the half year ended September 30, 2018 stood at ₹ 78,064 crore, growing at 42% over the corresponding period of the previous year. Infrastructure, Hydrocarbon, Heavy Engineering and Power businesses largely contributed to the growth in order inflows.

The Consolidated Order Book stood at ₹ 281,166 crore as at September 30, 2018. International Order Book constituted 22% of the total Order Book.

Infrastructure Segment

Metallurgical and Material Handling (MMH) business, which was reported under “Others” Segment last year, was grouped under the Infrastructure Segment in Q1 FY 2018-19. Accordingly previous year figures are regrouped wherever necessary.

Infrastructure segment secured orders of ₹ 23,406 crore during the quarter ended September 30, 2018 registering a substantial growth of 69% on a y-o-y basis. The growth was mainly driven by awards in Heavy Civil Infrastructure, Buildings & Factories and Water & Effluent Treatment business verticals. International orders contributed to around 14% of the total order inflow of the segment during the quarter.

The Order Book of the Segment stood at ₹ 218,261 crore as on September 30, 2018.

Infrastructure Segment achieved customer revenue of ₹ 15,223 crore for the quarter ended September 30, 2018, registering a smart growth of 22% over the corresponding quarter of the previous year. Growth was contributed by good execution progress in almost all the businesses of the segment. International revenue constituted 28% of the total customer revenue of the segment during the quarter.

The segment recorded EBITDA margin at 6.8% during the quarter ended September 30, 2018 vis-à-vis 7.4% recorded in the corresponding quarter of the previous year. Decline in margins reflected the phase & mix of jobs under execution & cost escalations encountered in some projects.

Power Segment

With Ministry of Environment, Forest and Climate Change, Government of India mandating power companies to curtail SO2 emissions, a spurt of ordering activity for Flue gas desulphurization (FGD) was seen in Q2 FY 2018-19. The Power segment was successful in receiving 4 FGD orders during the quarter ended September 30, 2018 and recorded an order inflow of ₹ 2,485 crore. Investments in new coal-fired power plants, however, continue to be muted and such jobs which are put up for tendering continue to witness fierce competition.

The Order Book of the Segment stood at ₹ 9,283 crore as on September 30, 2018.

Power Segment recorded customer revenue of ₹ 1,059 crore during the quarter ended September 30, 2018, registering a decrease of 36% over the corresponding quarter of the previous year mirroring a depleting order book. International revenue constituted 37% of the total customer revenue of the segment during the quarter, marginally lower than 42% in the corresponding quarter of previous year.

The segment EBITDA margin for the quarter ended September 30, 2018 was higher at 6.0% vis-à-vis 5.4% recorded in the corresponding quarter of the previous year on reversal of Expected Credit Loss provisions on receipt of customer collections.

Heavy Engineering Segment

Beginning from previous quarter i.e. Q1 FY 2018-19, the operations of Heavy Engineering segment, have been segregated into two segments viz. Heavy Engineering Segment & Defence Engineering Segment, based on internal re-structuring. Accordingly previous year figures have been regrouped, wherever necessary.

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 ₹ 1,296 crore during the quarter ended September 30, 2018, recording growth over a low base. International orders constituted 49% of the total order inflow of the segment during the quarter, mainly driven by buoyancy of activity in Oil & Gas sector and tightening of emission norms globally.

The Order Book of the Segment stood at ₹ 4,991 crore as on September 30, 2018.

The Segment recorded customer revenue of ₹ 465 crore, registering a strong growth of 53% over the corresponding quarter of the previous year, led mainly by execution momentum in Oil & Gas projects. International revenue constituted 52% of the total customer revenue of the segment.

The EBITDA margin of the segment improved to 24.2% for the quarter ended September 30, 2018 vis-à-vis 22.8% recorded in the corresponding quarter of the previous year, driven by cost savings, efficient execution of orders on hand and reversal of Expected Credit Losses on contract assets arising from better working capital management.

Defence Engineering Segment

'Defence Engineering' segment which was newly introduced in Q1 FY 2018-19, 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 segment received orders of ₹ 1,195 crore during the quarter ended September 30, 2018. While the Government continues to focus on its initiatives to enhance indigenous defence production, the pace of procurement has remained slow in Q2 FY 2018-19 alongwith some high value prospects being still under evaluation by the Ministry of Defence.

The Order Book of the Segment stood at ₹ 11,885 crore as on September 30, 2018.

Defence Engineering Segment recorded customer revenue of ₹ 930 crore lower by 6% over the corresponding quarter of the previous year. International Revenue constituted 8% of the total customer revenue of the segment.

The EBITDA margin of the segment stood at 25.0% for the quarter ended September 30, 2018 vis-à-vis 10.6% during the corresponding quarter of the previous year led by progress in a key job, which crossed margin recognition threshold.

Electrical & Automation (E&A) Segment

The Order Book of the E&A Segment stood at ₹ 3,058 crore as on September 30, 2018.

The Segment recorded customer revenue of ₹ 1,403 crore during the quarter ended September 30, 2018, registering a y-o-y increase of 14%. Growth was led by the Products business which witnessed better offtake in Final Distribution products. International Revenue constituted 28% of the total customer revenue of the segment for the quarter ended September 30, 2018.

The EBITDA margin of the E&A Segment stood at 17.8% for the quarter ended September 30, 2018, recording an increase over 15.3% y-o-y on the back of operational efficiencies and favourable product mix.

Hydrocarbon Segment

Hydrocarbon Segment recorded an order inflow of ₹ 2,744 crore during the quarter ended September 30, 2018, mainly driven by receipt of an onshore EPC contract for Cracker Furnace.

The Order Book of the Segment stood at ₹ 27,927 crore as on September 30, 2018.

Revenue for the segment at ₹ 3,544 crore registered a significant growth of 38% over the corresponding quarter of the previous year, on acceleration of execution in key projects in its portfolio. International revenue constituted 52% of the total customer revenue of the segment for the quarter ended September 30, 2018.

The EBITDA margin of the segment was at 9.9% for the quarter ended September 30, 2018 vis-à-vis 10.7% recorded in the corresponding quarter of the previous year on account of Expected Credit Loss provisions made on contract assets under the newly introduced accounting norms.

IT & Technology Services (IT&TS) Segment

IT & Technology Services Segment achieved customer revenue of ₹ 3,573 crore during the quarter ended September 30, 2018, registering a y-o-y growth of 32%. International Revenue constituted 93% of the total customer revenue of the segment for the quarter

ended September 30, 2018. Focus on digital technologies has been aiding growth in this segment and an array of business verticals have contributed to the strong growth (BFS, CPG, retail & pharma and Hi-Tech, media & entertainment in L&T Infotech group and Telecom & Hi-tech, Transportation and Process verticals in L&T Technology Services group).

The EBITDA margin of the IT&TS Segment at 24.1% for the quarter ended September 30, 2018 reflect improvement vis-à-vis corresponding quarter of the previous year at 21.7%, driven by operational efficiencies.

Financial Services Segment

Financial Services Segment recorded customer revenue of ₹ 3,139 crore during the quarter ended September 30, 2018, registering a y-o-y growth of 30%, driven by growth in loan assets and disbursements in the focused business vertical of Rural Finance. Assets managed by Wealth Management businesses registered a sharp rise on healthy inflows.

The operating margin of the Financial Services Segment for the quarter ended September 30, 2018 at 25.8% increased over 13.0% earned during the corresponding quarter of the previous year, on back of higher fee income.

The segment transitioned to IND AS with effect from 1st April, 2018 and has adopted robust governance norms on asset provisioning.

Developmental Projects Segment

Developmental Projects Segment registered customer revenue of ₹ 1,297 crore during the quarter ended September 30, 2018, vis-à-vis ₹ 1,218 crore recorded in the corresponding quarter of the previous year.

The EBITDA margin of the Developmental Projects Segment for the quarter stood at 4.3% compared to 32.2% earned during the corresponding quarter of the previous year. Previous year included resumption of revenue recognition of disputed items in Nabha Power, pursuant to favourable Supreme Court judgement.

“Others” Segment

“Others” segment comprises Realty, Construction & Mining Equipment and Industrial Machinery & Products and Valves businesses.

Customer Revenue during the quarter ended September 30, 2018 at ₹ 1,448 crore, registered an increase of 67% over the corresponding quarter of the previous year, mainly from adoption of new accounting norms under IND AS 115 for Realty business from 1st April, 2018, whereby revenue is now being recognized on completed contract method. International Revenue constituted 6% of the total customer revenue of the segment.

The segment margins stood at 23.1% during the quarter vis-à-vis 19.7% during the corresponding quarter of the previous year.

Outlook

Government's thrust to infrastructure development, rural electrification, water supply and irrigation has provided investment momentum to the domestic markets for the past few quarters. Increased spending by the States & the Centre, Public Sector Undertakings and Municipal authorities is further supplemented by bi-lateral and multi-lateral funding agencies supporting developmental programmes. Besides allocation of funds for projects, a push by Government has also been seen in facilitating faster clearances to ensure speedy, timely execution of the projects. Recovery of stressed corporate debts through insolvency resolution has alleviated the concerns on liquidation of funds blocked in stressed assets and also improved the business sentiment.

Investment by private sector however remains cautious with increased economic volatility in terms of hardening commodity prices, weakening INR, rising crude oil prices, tight liquidity in the financial markets, coupled with unevenly distributed monsoon. 'Make for India' initiative by Government, especially in Defence, is yet to create an impact due to various embroils. Fiscal pressures and increased Current Account Deficit are adding to the uncertain economic environment.

Global challenges are also being witnessed in terms of increasing trade barriers and activation of sanctions impacting free trade. Trade flows are also influenced by increasing geo-political developments in regions such as Middle East. The surge in oil prices however is leading to revival of investment momentum in the Middle East regions in the Infrastructure and Hydrocarbon segments. Other regions like ASEAN & Africa are also witnessing some investment activity, which if developed well, could broadbase global growth.

The Company, backed by its all round capabilities in engineering, design, manufacturing, construction & project management is positioned well to take advantage of business opportunities, both present and emerging. Backed by digital initiatives, the Company continues to focus on operational excellence and cost competitiveness for profitable execution of its large Order Book. The Company is committed to improve the shareholder returns on a sustainable basis.

Background:

Larsen & Toubro is an Indian multinational engaged in technology, engineering, construction, manufacturing and financial services with over USD 18 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 eight decades.



STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2018

₹ Crore

Particulars	Quarter ended			Six months ended		Year ended
	September 30, 2018 [Reviewed]	June 30, 2018 [Reviewed]	September 30, 2017 [Reviewed]	September 30, 2018 [Reviewed]	September 30, 2017 [Reviewed]	March 31, 2018 [Audited]
1 Income:						
a) Revenue from operations	32080.83	28283.45	26446.76	60364.28	50436.55	119862.10
b) Other income	425.27	244.03	399.65	669.30	765.38	1412.03
Total Income	32506.10	28527.48	26846.41	61033.58	51201.93	121274.13
2 Expenses:						
a) Manufacturing, construction and operating expenses:						
i) Cost of raw materials and components consumed	4069.43	3634.61	4191.82	7704.04	7533.61	15377.21
ii) Stores, spares and tools consumed	739.94	694.66	491.84	1434.60	1063.96	2384.91
iii) Excise duty	-	-	-	-	178.94	178.94
iv) Sub-contracting charges	5769.58	5098.43	4534.87	10868.01	9511.53	24639.02
v) Construction materials consumed	6091.53	4614.73	4843.23	10706.26	8649.83	24057.20
vi) Purchase of stock-in-trade	353.86	290.11	322.17	643.97	682.68	1357.76
vii) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(208.35)	54.68	(290.18)	(153.67)	(665.59)	(1230.19)
viii) Other manufacturing, construction and operating expenses	3096.06	2884.69	2555.93	5980.75	5018.35	10520.74
b) Finance cost of financial services business and finance lease activity	1787.65	1655.04	1520.37	3442.69	2914.46	6019.74
c) Employee benefits expense	4569.14	4281.53	3794.88	8850.67	7325.47	15292.48
d) Sales, administration and other expenses	2041.46	2161.70	1519.65	4203.16	3185.96	7692.91
e) Finance costs	399.29	364.76	393.00	764.05	757.37	1538.52
f) Depreciation, amortisation, impairment and obsolescence	515.51	644.89	430.59	1160.40	981.86	1928.73
Total Expenses	29225.10	26379.83	24308.17	55604.93	47138.43	109757.97
3 Profit before exceptional items (1-2)	3281.00	2147.65	2538.24	5428.65	4063.50	11516.16
4 Exceptional items (net) [refer note (iv)]	294.75	-	136.74	294.75	136.74	123.00
5 Profit before tax (3+4)	3575.75	2147.65	2674.98	5723.40	4200.24	11639.16
6 Tax expense:						
a) Current tax	872.94	770.15	638.96	1643.09	1141.18	3732.27
b) Deferred tax	13.18	164.43	(95.02)	177.61	(137.52)	(533.40)
Total tax expense	886.12	934.58	543.94	1820.70	1003.66	3198.87
7 Net Profit after tax (5-6)	2689.63	1213.07	2131.04	3902.70	3196.58	8440.29
8 Share in profit/(loss) of joint ventures/associates (net)	(96.22)	258.93	(110.74)	162.71	(147.98)	(435.86)
9 Net Profit after tax and share in profit/(loss) of joint ventures/associates (PAT) (7+8)	2593.41	1472.00	2020.30	4065.41	3048.60	8004.43
Attributable to: Owners of the Company	2230.49	1214.78	1819.88	3445.27	2712.42	7369.86
Non-controlling interests	362.92	257.22	200.42	620.14	336.18	634.57
10 Other comprehensive income (OCI)	(393.65)	(516.91)	(45.21)	(910.56)	110.92	163.26
Attributable to: Owners of the Company	(330.55)	(490.36)	(38.86)	(820.91)	112.77	162.33
Non-controlling interests	(63.10)	(26.55)	(6.35)	(89.65)	(1.85)	0.93
11 Total comprehensive income (9+10)	2199.76	955.09	1975.09	3154.85	3159.52	8167.69
Attributable to: Owners of the Company	1899.94	724.42	1781.02	2624.36	2825.19	7532.19
Non-controlling interests	299.82	230.67	194.07	530.49	334.33	635.50
12 Paid-up equity share capital (face value of share: ₹ 2 each)	280.44	280.35	280.11	280.44	280.11	280.27
13 Other equity attributable to owners of the Company						54623.23
14 Earnings per share (EPS) of ₹ 2 each (not annualised):						
(a) Basic EPS (₹)	15.91	8.67	13.00	24.58	19.37	52.62
(b) Diluted EPS (₹)	15.88	8.65	12.96	24.53	19.32	52.49

Notes:

- (i) During the quarter ended September 30, 2018, the Company has allotted 4,92,688 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) Revenue for the periods upto June 30, 2017 includes excise duty collected from customers. Revenue from July 1, 2017 onwards is exclusive of Goods and Service tax which subsumed excise duty.
- (iii) Effective April 1, 2018, the Group aligned its revenue recognition policy with Ind AS 115 "Revenue from Contracts with Customers" to (a) recognise revenue from realty business on delivery of units to customers as against percentage completion basis used in the previous years and (b) recognise provision for expected credit loss on contract assets. The cumulative impact of initial application of Ind AS 115 has been adjusted against the Retained Earnings as at April 1, 2018. Accordingly, the figures for the current year are not comparable with the previous year.
- (iv) Exceptional item during the quarter represents recognition of certain customer dues now considered recoverable.
- (v) In terms of the approval of the shareholders, the Parent Company made a public announcement on October 5, 2018 offering to buyback upto 6,10,16,949 equity shares (representing 4.35% of the issued and paid up equity share capital of the Company) at a price of ₹1475 per equity share. The regulatory process in this regard is underway.

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

Particulars	As at	
	September 30, 2018	March 31, 2018
	[Reviewed]	[Audited]
ASSETS		
Non-current assets		
Property, plant and equipment	10469.53	10642.04
Capital work-in-progress	2238.11	2143.07
Investment property	4232.21	4345.86
Goodwill	1606.53	1561.78
Other intangible assets	3240.44	2030.51
Intangible assets under development	11098.74	11300.36
Financial assets:		
Investments in joint ventures and associates	2771.08	2487.59
Other investments	4111.11	3359.47
Loans	1823.70	1793.85
Loans towards financing activities	54591.56	58554.06
Other financial assets	838.54	614.32
Deferred tax assets (net)	3485.95	2754.92
Other non-current assets	5395.19	4753.78
Sub-total - Non-current assets	105902.69	106341.61
Current assets		
Inventories	6193.53	4847.80
Financial assets:		
Investments	14061.86	9464.25
Trade receivables	33224.58	34654.08
Cash and cash equivalents	6150.86	6834.34
Other bank balances	1361.87	1198.19
Loans	613.46	559.72
Loans towards financing activities	37968.33	27910.47
Other financial assets	6914.22	4194.60
Other current assets	49377.65	46360.32
Sub-total - Current assets	155866.36	136023.77
Group(s) of assets classified as held for sale	7.41	1512.43
TOTAL ASSETS	261776.46	243877.81
EQUITY AND LIABILITIES:		
EQUITY		
Equity share capital	280.44	280.27
Other equity	56066.22	54623.23
Equity attributable to owners of the Company	56346.66	54903.50
Non-controlling interest	6077.09	5201.43
Sub-total - Equity	62423.75	60104.93
LIABILITIES		
Non-current liabilities		
Financial liabilities:		
Borrowings	75526.90	72914.76
Other financial liabilities	671.17	353.95
Provisions	530.41	523.54
Deferred tax liabilities (net)	616.14	637.92
Other non-current liabilities	51.98	67.97
Sub-total - Non-current liabilities	77396.60	74498.14
Current liabilities		
Financial Liabilities:		
Borrowings	34734.83	19331.85
Current maturities of long term borrowings	13291.48	15277.47
Trade payables:		
Due to micro enterprises and small enterprises	141.03	158.03
Due to others	34969.45	37641.77
Other financial liabilities	4375.80	4848.99
Other current liabilities	31113.81	27318.06
Provisions	2726.74	2483.75
Current tax liabilities (net)	599.78	752.85
Sub-total - Current liabilities	121952.92	107812.77
Liabilities associated with group(s) of assets classified as held for sale	3.19	1461.97
TOTAL EQUITY AND LIABILITIES	261776.46	243877.81

(vii) The Company reports consolidated financial results on quarterly basis, pursuant to the option made available as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended. 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, 2018 are given below:

Particulars	Quarter ended			Six months ended		Year ended
	September 30, 2018	June 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017	March 31, 2018
	[Reviewed]	[Reviewed]	[Reviewed]	[Reviewed]	[Reviewed]	[Audited]
Revenue from operations	18648.76	15173.69	15862.53	33822.45	29951.93	74611.65
Profit before tax	2250.31	1186.60	1517.82	3436.91	2289.40	7262.38
Net profit after tax	1753.71	911.80	1161.94	2665.51	1720.14	5387.30

(viii) Figures for the previous periods have been re-grouped/re-classified 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, 2018. The same have also been subjected to Limited Review by the Statutory Auditors.

for LARSEN & TOUBRO LIMITED

Mumbai
October 31, 2018

R. SHANKAR RAMAN
Chief Financial Officer & Whole-time Director

Consolidated unaudited segment-wise Revenue, Result, Total assets and Total liabilities in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended:

₹ Crore

Particulars	Quarter ended			Six months ended		Year ended
	September 30, 2018 [Reviewed]	June 30, 2018 [Reviewed]	September 30, 2017 [Reviewed]	September 30, 2018 [Reviewed]	September 30, 2017 [Reviewed]	March 31, 2018 [Audited]
Gross segment revenue						
1 Infrastructure	15407.55	12331.39	12790.32	27738.94	24144.36	63416.91
2 Power	1059.92	1080.57	1667.29	2140.49	3431.63	6208.23
3 Heavy Engineering	544.13	377.25	362.04	921.38	731.53	1635.07
4 Defence Engineering	962.35	733.59	985.72	1695.94	1527.06	3232.48
5 Electrical & Automation	1489.72	1323.71	1309.33	2813.43	2577.74	5508.27
6 Hydrocarbon	3558.02	3516.26	2561.40	7074.28	5110.63	11759.63
7 IT & Technology Services	3606.48	3355.79	2723.84	6962.27	5290.10	11357.43
8 Financial Services	3138.86	3057.56	2412.95	6196.42	4707.40	10063.75
9 Developmental Projects	1297.10	1494.49	1218.42	2791.59	2045.57	4294.05
10 Others	1488.01	1373.16	904.65	2861.17	1847.48	4444.20
Total	32552.14	28643.77	26935.96	61195.91	51413.50	121920.02
Less: Inter-segment revenue	471.31	360.32	489.20	831.63	976.95	2057.92
Net segment revenue	32080.83	28283.45	26446.76	60364.28	50436.55	119862.10
Segment result						
1 Infrastructure	870.37	664.51	759.01	1534.88	1376.11	5440.08
2 Power	52.63	33.45	79.04	86.08	91.67	163.99
3 Heavy Engineering	102.52	110.35	28.34	212.87	46.86	205.21
4 Defence Engineering	198.76	47.74	70.85	246.50	11.96	120.38
5 Electrical & Automation	209.34	131.80	149.58	341.14	227.64	668.82
6 Hydrocarbon	312.85	208.97	245.01	521.82	386.02	771.81
7 IT & Technology Services	798.89	760.60	530.37	1559.49	1022.34	2146.51
8 Financial Services	798.24	728.80	301.60	1527.04	659.67	1440.64
9 Developmental Projects	(46.01)	387.97	377.61	341.96	328.42	196.40
10 Others	309.89	(417.22)	154.41	(107.33)	292.92	1182.57
Total	3607.48	2656.97	2695.82	6264.45	4443.61	12336.41
Less: Inter-segment margins on capital jobs	(2.90)	(2.47)	(8.91)	(5.37)	(12.35)	(12.90)
Less: Finance costs	399.29	364.76	393.00	764.05	757.37	1538.52
Add: Unallocable corporate income net of expenditure	364.66	(147.03)	363.25	217.63	501.65	828.37
Profit before tax	3575.75	2147.65	2674.98	5723.40	4200.24	11639.16
Segment assets						
1 Infrastructure				68059.71	57256.30	65485.32
2 Power				6505.12	8025.92	6491.79
3 Heavy Engineering				2358.66	2468.75	2267.17
4 Defence Engineering				7671.24	6695.38	7833.19
5 Electrical & Automation				4421.30	4327.02	4449.55
6 Hydrocarbon				10614.45	7569.59	9226.17
7 IT & Technology Services				8089.56	6806.59	7568.14
8 Financial Services				98900.41	76073.94	86088.63
9 Developmental Projects				29959.69	29440.15	30375.07
10 Others				10203.92	10343.80	10576.58
Total segment assets				246784.06	209007.44	230361.61
Less: Inter-segment assets				5729.44	2856.97	2409.69
Add: Unallocable corporate assets				20721.84	16543.93	15925.89
Total assets				261776.46	222694.40	243877.81
Segment liabilities						
1 Infrastructure				43255.11	34827.85	43235.53
2 Power				5270.63	7046.85	5647.48
3 Heavy Engineering				1880.01	1708.26	1532.81
4 Defence Engineering				4398.11	4459.35	4627.31
5 Electrical & Automation				1973.54	1736.00	2140.87
6 Hydrocarbon				9261.57	6125.20	7841.04
7 IT & Technology Services				2674.62	1978.00	2187.10
8 Financial Services				88036.28	69628.01	76390.47
9 Developmental Projects				9128.55	10578.40	11109.86
10 Others				4246.76	3194.39	2975.92
Total segment liabilities				170125.18	141282.31	157688.39
Less: Inter-segment liabilities				5729.44	2856.97	2409.69
Add: Unallocable corporate liabilities				34956.97	30469.57	28494.18
Total liabilities				199352.71	168894.91	183772.88

Notes:

- (i) The Group has reported segment information as per Ind AS 108 "Operating Segments" read with SEBI circular dated July 5, 2016. The identification of operating segments is consistent with performance assessment and resource allocation by the management.
- (ii) Effective from April 1, 2018, the following changes have been made in constitution of segments to reflect the organisation structure, evaluation and management of financial performance: (a) Defence & Aerospace business and Shipbuilding business have been constituted as a business segment. Prior to this, Defence & Aerospace was part of Heavy Engineering segment and Shipbuilding was part of "Others" segment. (b) Metallurgical & Material handling systems business has been aggregated with Infrastructure segment.
- (iii) Segment composition: **Infrastructure segment** comprises engineering and construction of building and factories, transportation infrastructure, heavy civil infrastructure, power transmission & distribution, water & effluent treatment and smart world & communication projects and metallurgical & material handling systems. **Power segment** comprises turnkey solutions for Coal-based and Gas-based thermal power plants including power generation equipment with associated systems and/or balance-of-plant packages. **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 and Thermal & Nuclear Power. **Defence Engineering segment** comprises design, development, prototyping, serial production, delivery, commissioning and through life-support of equipment, systems and platforms for Defence and Aerospace sectors. It also includes Defence Shipbuilding comprising design, construction, commissioning, repair/refit and upgrades of Naval and Coast Guard vessels. **Electrical & Automation segment** comprises manufacture and sale of low and medium voltage switchgear components, custom built low and medium voltage switchboards, electronic energy meters/protection (relays) systems and control & automation products [refer note (VI) below]. **Hydrocarbon segment** comprises complete EPC solutions for the global Oil & Gas Industry from front-end design through detailed engineering, modular fabrication, procurement, project management, construction, installation and commissioning. **IT & Technology Services segment** comprises information technology and integrated engineering services. **Financial Services segment** comprises rural finance, housing finance, wholesale finance, mutual fund and wealth management. **Developmental Projects segment** comprises development, operation and maintenance of basic infrastructure projects, toll and fare collection, power development, development and operation of port facilities (till the date of sale) and providing related advisory services. **Others segment** includes realty, manufacture and sale of industrial valves, welding equipment & cutting tools (till the date of sale), manufacture, marketing and servicing of construction equipment and parts thereof, marketing and servicing of mining machinery and parts thereof, manufacture and sale of rubber processing machinery, mining and aviation.
- (iv) Segment revenue comprises sales and operational income allocable specifically to a segment and includes in the case of Developmental Projects and Realty business (grouped under "Others" segment) profits on sale of stake in the subsidiary and/or joint venture companies in those segments. Unallocable corporate income primarily includes interest income, dividends and profit on sale of investments. Unallocable expenditure mainly includes corporate expenses not allocated to segments. Unallocable corporate assets mainly comprise investments. Unallocable corporate liabilities mainly comprise borrowings. In respect of (a) Financial Services segment and (b) Power Generation projects under Developmental Projects segment which are classified as assets given on finance lease, segment liabilities include borrowings as the finance costs on borrowings are accounted as segment expenses in respect of the segment and projects.
- (v) In respect of most of the segments of the Group, sales and margins do not accrue uniformly during the year.
- (vi) As disclosed earlier, the Group has signed definitive agreements with Schneider Electric for strategic divestment of its Electrical & Automation business. The Group is in the process of obtaining the necessary regulatory approvals.
- (viii) Figures for the previous periods have been re-grouped/re-classified to conform to the classification of the current periods.

for LARSEN & TOUBRO LIMITED

Mumbai
October 31, 2018

R. SHANKAR RAMAN
Chief Financial Officer & Whole-time Director