



L&T Press Release

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Group Performance for the quarter ended December 31, 2018

Consolidated Results

Robust Revenue growth of 24% and PAT growth of 37%

Mumbai, January 25, 2019: Larsen & Toubro recorded Consolidated Gross Revenue of ₹ 35,709 crore for the quarter ended December 31, 2018. Riding on strong execution in project businesses coupled with noteworthy performance in service businesses, the company registered a strong revenue growth of 24% on a y-o-y basis. International revenue during the quarter at ₹ 11,476 crore constituted 32% of the total revenue, lower than 35% in the previous year.

For the period April-December 2018, the Consolidated Gross Revenue at ₹ 96,073 crore recorded a y-o-y increase of 21%.

Consolidated overall Profit After Tax (PAT) for the quarter ended December 31, 2018 at ₹ 2,042 crore was higher by 37% vis-à-vis PAT of ₹ 1,490 crore for the corresponding quarter of the previous year. For the nine-month ended December 31, 2018, overall consolidated PAT at ₹ 5,487 crore registered an increase of 31% over ₹ 4,202 crore for similar period last year.

The Company secured orders worth ₹ 42,233 crore at the group level during the quarter ended December 31, 2018. The current quarter witnessed delays in order awards due to deferment of select prospects in project businesses mainly in Transportation Infrastructure, Heavy Civil Infrastructure and Power business. International orders at ₹ 11,454 crore constituted 27% of the total order inflow.

On a cumulative basis, the order inflow for the nine month ended December 31, 2018 stood at ₹ 120,296 crore, growing at 16% over the corresponding period of the previous year. Infrastructure, Hydrocarbon, Heavy Engineering businesses largely contributed to the growth in order inflows.

The Consolidated Order Book stood at ₹ 284,049 crore as at December 31, 2018, up by 5% over December, 2017 position, registering a reasonable growth over a large base. International Order Book constituted 21% of the total Order Book vis-à-vis 25% recorded as of December 31, 2017.

Infrastructure Segment

Infrastructure segment includes Metallurgical and Material Handling (MMH) business, which was reported under “Others” Segment last year. Accordingly, previous year figures are regrouped wherever necessary.

Infrastructure segment secured orders of ₹ 21,908 crore during the quarter ended December 31, 2018. Bid deferrals, delay in finalizing awards especially in Transportation Infrastructure and Heavy Civil Infrastructure business impacted the order inflow of the segment during the quarter. 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 ₹ 219,258 crore as on December 31, 2018.

Infrastructure Segment achieved customer revenue of ₹ 18,206 crore for the quarter ended December 31, 2018, registering a growth of 24% over the corresponding quarter of the previous year. Growth was contributed by good execution progress across business verticals of the segment. International revenue constituted 26% of the total customer revenue of the segment during the quarter.

The segment recorded EBITDA margin at 5.4% during the quarter ended December 31, 2018 vis-à-vis 7.9% recorded in the corresponding quarter of the previous year. Decline in margins reflected the phase & mix of jobs under execution, and cost provisions pending client approval of additional claims in some projects.

Power Segment

The segment continued to witness muted prospects due to limited opportunities in the face of over-capacity in the sector coupled with aggressive competition. With the Government’s thrust on controlling industrial pollutant emissions, the tendering activity in Flue Gas Desulphurisation awards of which commenced in this fiscal is expected to continue in the ensuing quarter and in FY20.

The Order Book of the Segment stood at ₹ 8,107 crore as on December 31, 2018.

Power Segment recorded customer revenue of ₹ 905 crore during the quarter ended December 31, 2018, registering a decrease of 29% over the corresponding quarter of the previous year mirroring a depleting order book. International revenue constituted 42% of the total customer revenue of the segment during the quarter higher than 21% in the corresponding quarter of previous year on execution pick up in Bangladesh projects.

The segment EBITDA margin for the quarter ended December 31, 2018 was marginally higher at 2.9% vis-à-vis 2.4% recorded in the corresponding quarter of the previous year, reflecting higher margins on international projects under execution.

Heavy Engineering Segment

Heavy Engineering segment includes supply of engineered-to-order custom designed, critical equipment & piping and systems to core sector industries like Fertiliser, Refinery, Petrochemical, Chemical, Oil & Gas and Thermal & Nuclear Power. Defence and Aerospace which was part of Heavy Engineering segment last year is reported as a separate segment from the current financial year. Accordingly, previous year figures have been regrouped, wherever necessary.

Heavy Engineering Segment secured orders valued ₹ 553 crore during the quarter ended December 31, 2018, recording growth over a low base. International orders constituted 10% of the total order inflow of the segment during the quarter.

The Order Book of the Segment stood at ₹ 4,857 crore as on December 31, 2018.

The Segment recorded customer revenue of ₹ 605 crore, registering a strong growth of 82% on a low base in the corresponding quarter of the previous year, led mainly by execution momentum in Oil & Gas projects. International revenue constituted 62% of the total customer revenue of the segment mainly from jobs executed in Europe & America.

The EBITDA margin of the segment was at 20.5% for the quarter ended December 31, 2018, lower than 28.4% compared to the corresponding quarter of the previous year, reflecting mix of jobs under execution.

Defence Engineering Segment

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 segment received orders of ₹ 495 crore during the quarter ended December 31, 2018. Even as the Government continues to chart out roadmaps towards its flagship programme “Make for India”, significant involvement of the private sector in defence sector manufacturing is yet to gather meaningful momentum.

The Order Book of the Segment stood at ₹ 11,485 crore as on December 31, 2018.

Defence Engineering Segment recorded customer revenue of ₹ 1,005 crore higher by 36% over the corresponding quarter of the previous year led by ramp up in execution

of the K9 Vajra artillery gun order. International Revenue constituted 6% of the total customer revenue of the segment.

The EBITDA margin of the segment was at 9.0% for the quarter ended December 31, 2018 vis-à-vis 7.4% during the corresponding quarter of the previous year with favourable job mix.

Electrical & Automation (E&A) Segment

The Order Book of the E&A Segment stood at ₹ 2,850 crore as on December 31, 2018.

The Segment recorded customer revenue of ₹ 1,475 crore during the quarter ended December 31, 2018, registering a y-o-y increase of 20%. Growth was led by the Products business which witnessed better offtake in Final Distribution products. International Revenue constituted 25% of the total customer revenue of the segment for the quarter ended December 31, 2018.

The EBITDA margin of the E&A Segment stood at 17.4% for the quarter ended December 31, 2018, marginally higher than 17.3% during the corresponding quarter of the previous year.

Hydrocarbon Segment

Hydrocarbon Segment recorded an order inflow of ₹ 7,774 crore during the quarter ended December 31, 2018, recording a marginal growth of 4% over the corresponding quarter of the previous year.

The Order Book of the Segment stood at ₹ 31,688 crore as on December 31, 2018.

Revenue for the segment at ₹ 3,761 crore registered a growth of 22% over the corresponding quarter of the previous year, on accelerated execution in key projects in its portfolio. International revenue constituted 55% of the total customer revenue of the segment for the quarter ended December 31, 2018 with execution of projects mainly in Middle East.

The EBITDA margin of the segment was at 8.2% for the quarter ended December 31, 2018 vis-à-vis 8.0% recorded in the corresponding quarter of the previous year.

IT & Technology Services (IT&TS) Segment

IT & Technology Services Segment achieved customer revenue of ₹ 3,701 crore during the quarter ended December 31, 2018, registering a y-o-y growth of 29%. International Revenue constituted 91% of the total customer revenue of the segment for the quarter ended December 31, 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 22.2% for the quarter ended December 31, 2018 reflects improvement vis-à-vis corresponding quarter of the previous year at 21.3%, driven by operational efficiencies.

Financial Services Segment

Financial Services Segment recorded customer revenue of ₹ 3,259 crore during the quarter ended December 31, 2018, registering a y-o-y growth of 24%, driven by healthy growth in the loan book of focused business of Rural and Housing Finance. Assets under Management and under Service registered strong growth, aiding fee based income.

The operating margin of the Financial Services Segment for the quarter ended December 31, 2018 at 24.2% increased over 14.6% earned during the corresponding quarter of the previous year, on the strength of higher Net interest margin, growth in fee and other income, and lower credit costs arising out of focus on improved asset quality.

The business 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 ₹ 1,194 crore during the quarter ended December 31, 2018, vis-à-vis ₹ 1,031 crore recorded in the corresponding quarter of the previous year.

The EBITDA margin of the Developmental Projects Segment for the quarter stood at 4.2% compared to 8.5% earned during the corresponding quarter of the previous year, on higher operating costs in Nabha Power.

“Others” Segment

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

Customer Revenue during the quarter ended December 31, 2018 at ₹ 1,598 crore, registered an increase of 77% over the corresponding quarter of the previous year, arising from sale of commercial property in Realty business. International Revenue constituted 6% of the total customer revenue of the segment.

The segment margins stood at 47.2% during the quarter vis-à-vis 25.6% during the corresponding quarter of the previous year on the back of asset monetization transaction in Realty business.

Outlook

The domestic economy has been facing periodic headwinds in the form of volatile oil prices, currency depreciation, higher CAD, possibility of fiscal slippage and money market liquidity contraction. Economic indicators, however, continue to register improvement on the multiple parameters of growth, control on inflation, credit rebound and domestic consumption. The Government has also continued to focus on infrastructure buildout and this trend is likely to continue. Fruits of reforms such as demonetization and GST are gradually coming to bear through widening of the tax base and formalization of the economy. Investment traction in the areas of transportation infra, metro rail networks, water resources management, irrigation, rural electrification, oil and gas production and refinery capex are encouraging and likely to sustain.

The services businesses, which are currently well positioned in the target market segments/markets in which they operate, are poised for continued growth and value creation.

While international markets have witnessed periodic bouts of instability driven by oil price swings, geo-political tensions and increasing protectionism being resorted to by some countries, investment programs in select markets in the Middle East, East Asia and Africa continue to provide business potential.

Amidst this backdrop, the Company is focused on tapping emerging opportunities with its proven competence in domains of engineering, design, manufacturing, construction, project management, IT and financial services. The Company continues to focus on operational excellence and cost competitiveness backed by digital initiatives. 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 NINE MONTHS ENDED DECEMBER 31, 2018

₹ Crore

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2018 [Reviewed]	September 30, 2018 [Reviewed]	December 31, 2017 [Reviewed]	December 31, 2018 [Reviewed]	December 31, 2017 [Reviewed]	March 31, 2018 [Audited]
1 Income:						
a) Revenue from operations	35708.87	32080.83	28747.45	96073.15	79184.00	119862.10
b) Other income	606.39	425.27	213.94	1275.69	979.33	1412.03
Total Income	36315.26	32506.10	28961.39	97348.84	80163.33	121274.13
2 Expenses:						
a) Manufacturing, construction and operating expenses:						
i) Cost of raw materials and components consumed	4648.30	4080.71	3719.75	12363.62	11253.36	15377.21
ii) Stores, spares and tools consumed	789.39	739.94	682.01	2223.99	1745.97	2384.91
iii) Excise duty	-	-	-	-	178.94	178.94
iv) Sub-contracting charges	6094.50	5769.58	5642.65	16962.51	15154.18	24639.02
v) Construction materials consumed	8708.91	6091.53	5818.81	19415.17	14468.64	24057.20
vi) Purchase of stock-in-trade	373.35	353.86	284.32	1017.32	967.00	1357.76
vii) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(922.81)	(208.35)	(372.45)	(1076.47)	(1038.05)	(1230.19)
viii) Other manufacturing, construction and operating expenses	3765.51	3220.35	2571.53	9922.73	7529.06	10533.13
b) Finance cost of financial services business and finance lease activity	1976.22	1787.65	1528.60	5418.91	4443.06	6019.74
c) Employee benefits expense	4606.55	4569.29	3838.70	13457.46	11164.33	15292.48
d) Sales, administration and other expenses	1672.64	1905.74	1892.27	5687.80	5138.91	7680.52
e) Finance costs	534.85	399.29	360.78	1298.91	1118.18	1538.52
f) Depreciation, amortisation, impairment and obsolescence	448.95	515.51	454.49	1609.34	1436.34	1928.73
Total Expenses	32696.36	29225.10	26421.46	88301.29	73559.92	10957.97
3 Profit before exceptional items (1-2)	3618.90	3281.00	2539.93	9047.55	6603.41	11516.16
4 Exceptional items (net)	-	294.75	(13.75)	294.75	123.00	123.00
5 Profit before tax (3+4)	3618.90	3575.75	2526.18	9342.30	6726.41	11639.16
6 Tax expense:						
a) Current tax	1259.88	872.94	795.71	2902.97	1936.88	3732.27
b) Deferred tax	(59.73)	13.18	(58.47)	117.88	(195.99)	(533.40)
Total tax expense	1200.15	886.12	737.24	3020.85	1740.89	3198.87
7 Net Profit after tax (5-6)	2418.75	2689.63	1788.94	6321.45	4985.52	8440.29
8 Share in profit/(loss) of joint ventures/associates (net)	(56.47)	(96.22)	(171.06)	106.24	(319.04)	(435.86)
9 Net Profit after tax and share in profit/(loss) of joint ventures/associates (PAT) (7+8)	2362.28	2593.41	1617.88	6427.69	4666.48	8004.43
Attributable to: Owners of the Company	2041.62	2230.49	1489.98	5486.89	4202.39	7369.86
Non-controlling interests	320.66	362.92	127.90	940.80	464.09	634.57
10 Other comprehensive income (OCI)	443.04	(393.65)	107.50	(467.52)	218.43	163.26
Attributable to: Owners of the Company	339.02	(330.55)	92.53	(481.89)	205.31	162.33
Non-controlling interests	104.02	(63.10)	14.97	14.37	13.12	0.93
11 Total comprehensive income (9+10)	2805.32	2199.76	1725.38	5960.17	4884.91	8167.69
Attributable to: Owners of the Company	2380.64	1899.94	1582.51	5005.00	4407.70	7532.19
Non-controlling interests	424.68	299.82	142.87	955.17	477.21	635.50
12 Paid-up equity share capital (face value of share: ₹ 2 each)	280.44	280.44	280.21	280.44	280.21	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 (₹)	14.56	15.91	10.64	39.14	30.01	52.62
(b) Diluted EPS (₹)	14.54	15.88	10.57	39.07	29.93	52.49

Notes:

(i) 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.

(ii) 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.

(iii) The Company had made a public announcement on October 5, 2018 offering to buyback up to 6,10,16,949 equity shares at a price of ₹ 1475 per equity share, subject to regulatory approvals. The buyback proposal in accordance with the extant laws and regulations was approved by the shareholders on the basis of the standalone debt of the Company not being more than twice the equity after the buyback. The Securities and Exchange Board of India (SEBI) vide its letter dated January 18, 2019 advised the Company not to proceed with the buyback since the Group's debt exceeds twice the equity of the Company. The Group's debt includes debt of financial services business, a listed company operating within the norms for Debt:Equity prescribed by the Reserve Bank of India (RBI).

(iv) 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 nine months ended December 31, 2018 are given below:

₹ Crore

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2018 [Reviewed]	September 30, 2018 [Reviewed]	December 31, 2017 [Reviewed]	December 31, 2018 [Reviewed]	December 31, 2017 [Reviewed]	March 31, 2018 [Audited]
Revenue from operations	22342.98	18648.76	17717.98	56165.43	47669.92	74611.65
Profit before tax	2270.41	2250.31	1580.14	5707.32	3869.55	7262.38
Net profit after tax	1634.78	1753.71	1221.95	4300.29	2942.10	5387.30

(v) Figures for the previous periods have been re-grouped/re-classified to conform to the classification of the current periods.

(vi) The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on January 25, 2019. The same have also been subjected to Limited Review by the Statutory Auditors.

for LARSEN & TOUBRO LIMITED

Mumbai
January 25, 2019

S.N. SUBRAHMANYAN
Chief Executive Officer & Managing 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			Nine months ended		Year ended
	December 31, 2018 [Reviewed]	September 30, 2018 [Reviewed]	December 31, 2017 [Reviewed]	December 31, 2018 [Reviewed]	December 31, 2017 [Reviewed]	March 31, 2018 [Audited]
Gross segment revenue						
1 Infrastructure	18371.27	15407.55	14923.79	46110.21	39068.15	63416.91
2 Power	908.30	1059.92	1269.84	3048.79	4701.47	6208.23
3 Heavy Engineering	692.83	544.13	391.52	1614.21	1123.05	1635.07
4 Defence Engineering	1044.91	962.35	740.30	2740.85	2267.24	3220.06
5 Electrical & Automation	1564.69	1489.72	1287.47	4378.12	3865.21	5508.27
6 Hydrocarbon	3777.70	3558.02	3089.93	10851.98	8200.56	11759.63
7 IT & Technology Services	3764.07	3606.48	2914.98	10726.34	8205.08	11357.43
8 Financial Services	3258.93	3138.86	2634.27	9455.35	7341.67	10063.75
9 Developmental Projects	1193.52	1297.10	1031.50	3985.11	3077.07	4294.05
10 Others	1661.05	1488.01	961.56	4522.22	2809.04	4444.20
Total	36237.27	32552.14	29245.16	97433.18	80658.54	121907.60
Less: Inter-segment revenue	528.40	471.31	497.71	1360.03	1474.54	2045.50
Net segment revenue	35708.87	32080.83	28747.45	96073.15	79184.00	119862.10
Segment result						
1 Infrastructure	765.60	870.37	983.69	2300.48	2359.80	5440.08
2 Power	15.41	52.63	20.30	101.49	111.97	163.99
3 Heavy Engineering	104.63	102.52	79.18	317.50	126.04	205.21
4 Defence Engineering	55.52	198.76	21.00	302.02	32.96	120.38
5 Electrical & Automation	217.60	209.34	175.45	558.74	403.09	668.82
6 Hydrocarbon	269.87	312.85	206.71	791.69	592.73	771.81
7 IT & Technology Services	761.63	798.89	558.40	2321.12	1580.74	2146.51
8 Financial Services	775.80	798.24	372.26	2302.84	1031.93	1440.64
9 Developmental Projects	32.65	(46.01)	67.28	374.61	395.70	196.40
10 Others	728.49	309.89	203.05	621.16	495.97	1182.57
Total	3727.20	3607.48	2687.32	9991.65	7130.93	12336.41
Less: Inter-segment margins on capital jobs	(5.27)	(2.90)	(9.53)	(10.64)	(21.88)	(12.90)
Less: Finance costs	534.85	399.29	360.78	1298.91	1118.18	1538.52
Add: Unallocable corporate income net of expenditure	421.28	364.66	190.11	638.92	691.78	828.37
Profit before tax	3618.90	3575.75	2526.18	9342.30	6726.41	11639.16
Segment assets						
1 Infrastructure				69763.34	60314.00	65485.32
2 Power				6222.47	7066.89	6491.79
3 Heavy Engineering				2704.69	2527.71	2267.17
4 Defence Engineering				7856.82	7402.89	7833.19
5 Electrical & Automation				4472.80	4320.78	4449.55
6 Hydrocarbon				11309.96	8361.25	9226.17
7 IT & Technology Services				8581.47	7334.44	7568.14
8 Financial Services				100694.89	80072.54	86088.63
9 Developmental Projects				30546.06	30311.65	30375.07
10 Others				10900.64	9935.23	10576.58
Total segment assets				253053.14	217647.38	230361.61
Less: Inter-segment assets				5409.61	3010.74	2409.69
Add: Unallocable corporate assets				23398.72	19151.03	15926.50
Total assets				271042.25	233787.67	243878.43
Segment liabilities						
1 Infrastructure				44924.46	37073.24	43235.53
2 Power				5086.16	6149.32	5647.48
3 Heavy Engineering				1434.27	1167.93	1074.56
4 Defence Engineering				4864.47	4616.85	4627.31
5 Electrical & Automation				2018.57	1861.20	2140.87
6 Hydrocarbon				9458.30	6967.44	7841.04
7 IT & Technology Services				2421.33	2150.42	2187.10
8 Financial Services				89173.46	73349.45	76390.47
9 Developmental Projects				8965.02	11277.75	11109.86
10 Others				4130.31	2869.75	2975.92
Total segment liabilities				172476.35	147483.35	157230.14
Less: Inter-segment liabilities				5409.61	3010.74	2409.69
Add: Unallocable corporate liabilities				38767.83	33756.13	28953.04
Total liabilities				205834.57	178228.74	183773.49

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, 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.
- (vii) 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
January 25, 2019

S.N. SUBRAHMANYAN
Chief Executive Officer & Managing Director