



L&T Press Release

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Group Performance for the quarter ended

September 30, 2019

Consolidated Results

Strong all-round growth in a challenging environment

Mumbai, October 23, 2019

The Company successfully won new orders worth ₹ 48,292 crore at the group level during the quarter ended September 30, 2019 registering a year on year growth of 20%. International orders during the quarter at ₹ 16,675 crore constituted 35% of the total order inflow. Large value order wins in Hydrocarbon, Buildings & Factories and Power business were the major contributors to the order inflow during the quarter. On a cumulative basis, the order inflow for the half year ended September 30, 2019 stood at ₹ 86,992 crore, growing at 16% over the corresponding period of the previous year.

With the surge in order intake, the Company crossed the ₹ 3 lakh crore Order Book milestone with the consolidated Order Book at ₹ 303,222 crore as at September 30, 2019 and with international orders constituting 22% of the total Order Book.

L&T recorded Consolidated Gross Revenue of ₹ 35,328 crore from continuing operations for the quarter ended September 30, 2019, achieving y-o-y growth of 15%. The International revenue during the quarter at ₹ 12,118 crore constituted 34% of the total revenue.

For the period April-September 2019, the Consolidated Gross revenue at ₹ 64,964 crore recorded a y-o-y increase of 13%.

Consolidated Profit After Tax (PAT) from continuing operations for the quarter ended September 30, 2019 at ₹ 2,309 crore registered growth of 10.3% over the corresponding quarter of the previous year. The overall PAT at ₹ 2,527 crore, including the PAT from discontinued operations for the quarter ended September 30, 2019 grew by 13.3% over the corresponding quarter of the previous

year. The parent company and some of the subsidiaries have computed their tax liability for the current year in accordance with the new provisions of Section 115BAA of the Indian Income Tax Act, applying the revised base rate of 22% escalated by the applicable surcharge and the cess.

For the half-year ended September 30, 2019, overall PAT including the PAT from discontinued operations at ₹ 4,000 crore registered an increase of 16.1% over the profits for similar period last year.

Infrastructure Segment

Infrastructure Segment secured orders of ₹ 15,669 crore, during the quarter ended September 30, 2019, lower by 33% compared to the previous year on account of bid deferrals and delays in finalisation of orders where the Company believes it is well placed. Order wins were mainly in the affordable housing sector, water supply & distribution, industrial water systems and in Power Transmission & Distribution business. International orders at ₹ 3,075 crore constituted 20% of the total order inflow of the segment during the quarter.

The Order Book of the Segment stood at ₹ 214,898 crore as at September 30, 2019, with the international order book constituting 17% of the total.

Infrastructure Segment recorded Customer Revenue of ₹ 16,590 crore for the quarter ended September 30, 2019 leading to a y-o-y growth of 9%. Despite challenges faced in some states on fund allocation and uncertainty around execution of some early stage projects in Andhra Pradesh and Maharashtra, growth was contributed by good execution progress across most business verticals of the segment. International revenue constituted 25% of the total customer revenue of the segment during the quarter.

The EBITDA margin of the segment during the quarter ended September 30, 2019 was 7.1% vis-à-vis 6.8% recorded in the corresponding quarter of the previous year, largely due to better progress and realisation of some variation claims.

Power Segment

Power Segment secured orders of ₹ 4,315 crore for the quarter ended September 30, 2019 registering significant growth on receipt of multiple FGD orders and an order for a comprehensive boiler island package in L&T-MHPS Boiler JV, consolidated at L&T share of the order.

Consequently, the Order Book of the Segment grew to ₹ 16,481 crore as at September 30, 2019, with the international order book constituting 7% of the total. The Order Book now provides good forward revenue visibility.

Power Segment recorded customer revenue of ₹ 484 crore during the quarter ended September 30, 2019, registering a y-o-y decrease of 54% on a depleted opening order book. International revenue constituted 20% of the total customer revenue of the segment during the quarter.

The segment EBITDA margin for the quarter ended September 30, 2019 was at 4.2%, lower as compared to 6.0% recorded in corresponding quarter of the previous year.

Heavy Engineering Segment

Heavy Engineering Segment secured orders valued at ₹ 680 crore during the quarter ended September 30, 2019 representing a decline of 48% y-o-y mainly due to deferment of orders in Refinery, Oil and Gas sector and Fertiliser and Petrochemical projects. International orders constituted 80% of the total order inflow of the segment during the quarter.

The Order Book of the Segment stood at ₹ 4,085 crore as at September 30, 2019, with 56% being international.

The Segment recorded Customer Revenue of ₹ 619 crore registering growth of 33% over the corresponding quarter of the previous year, with execution momentum derived from the opening order book of oil & gas projects. International sales constituted 45% of the total customer revenue of the segment.

The EBITDA margin of the segment at a healthy 24.9% for the quarter ended September 30, 2019 registered a marginal improvement over the similar quarter in the previous year.

Defence Engineering Segment

Defence Engineering Segment received orders of ₹ 573 crore during the quarter ended September 30, 2019, representing a decline of 52% over the corresponding quarter of the previous year. International orders constituted 17% of the total order inflow of the segment. The sector continues to be plagued with policy inaction on allowing the private sector to participate in defence equipment/platform manufacturing and fabrication in a meaningful manner.

The Order Book of the Segment stood at ₹ 10,603 crore as on September 30, 2019, with the international order book constituting 16% of the total.

Defence Engineering Segment recorded customer revenue of ₹ 1,016 crore registering a y-o-y growth of 9% over the corresponding quarter of the previous year led by noteworthy progress in execution of a marquee order for tracked artillery guns. International Revenue constituted 9% of the total customer revenue of the segment.

The EBITDA margin of the segment at 17.9% was lower for the quarter ended September 30, 2019 as compared to the margin during corresponding quarter of the previous year, due to stage of completion of a key job.

Hydrocarbon Segment

Hydrocarbon Segment secured a significantly high quantum of orders valued ₹ 14,851 crore during the quarter ended September 30, 2019, registering a substantial growth, with receipt of a mega order in Onshore vertical in the domestic market as well as receipt of a large order in Offshore vertical in an international geography. International orders at ₹ 7,245 crore constituted 49% of the total order inflow of the segment during the quarter.

The Order Book of the Segment stood at ₹ 50,531 crore as at September 30, 2019, with international orders comprising 48%.

The Segment recorded Customer Revenue of ₹ 4,303 crore during the quarter ended September 30, 2019, registering a y-o-y growth of 21% arising from strong execution momentum in Onshore vertical. International Revenue constituted 42% of the total customer revenue of the segment for the quarter ended September 30, 2019.

The segment recorded improvement in the EBITDA Margin to 12.5% for the quarter ended September 30, 2019 as compared to the corresponding quarter of the previous year on the back of efficient execution and some favourable variation claim settlements.

IT & Technology Services (IT&TS) Segment

The Group acquired control of Mindtree Limited on July 2, 2019. The stake as on September 30, 2019 is 60.55%. Subsequent to acquisition, the financials have been consolidated from the current quarter and is reported under IT & TS segment. The resultant figures for the current periods are not comparable with the previous periods to that extent.

IT & Technology Services Segment achieved Customer Revenue of ₹ 5,876 crore during the quarter ended September 30, 2019 including ₹ 1,914 crore on account of the Mindtree acquisition (consolidated in Q2 FY20). International sales constituted 94% of the total customer revenue of the segment for the quarter ended September 30, 2019. An array of business verticals has contributed to the strong growth which is above the industry average (CPG, retail & pharma and Energy & Utilities in L&T Infotech Group, Transportation, Medical devices and Process Engineering verticals in L&T Technology Services Group and Hi-Tech & Media and Travel & Hospitality in Mindtree Limited).

The EBITDA Margin for IT&TS Segment declined to 19.5% for the quarter ended September 30, 2019 as compared to the corresponding quarter of the previous year

with increase in employee costs across the segment, primarily driven by compensation revision and sectoral compulsions of increased localisation and higher mix of onsite presence on customer contracts.

Financial Services Segment

Financial Services Segment recorded Customer Revenue of ₹ 3,444 crore during the quarter ended September 30, 2019, registering a y-o-y growth of 10%, driven by growth in loan assets of ‘focussed’ business.

The Loan Book grew from ₹ 91,201 crore to ₹ 100,258 crore registering a growth of 10% in a volatile and tight liquidity environment. The operating margin of the financial services segment for the quarter ended September 30, 2019 was lower at 22.5% as compared to the corresponding quarter of previous year on account of higher credit cost coupled with lower disbursements, particularly in higher margin Real estate sector.

Focus of the segment continues to be on retailisation of loan book, robust NIMs & Fee earnings, prudent ALM, asset quality and increasing diversity of funding sources

Developmental Projects Segment

Developmental Projects Segment registered Customer Revenue of ₹ 1,452 crore during the quarter ended September 30, 2019, recording 12% growth over the corresponding quarter of the previous year on account of higher fare revenue with partial commissioning of metro rail in Hyderabad in March’19.

The EBITDA Margin of the Segment for the quarter ended September 30, 2019 consequently improved to 10.2% as compared with the margin during the corresponding quarter of the previous year.

“Others” Segment

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

Customer Revenue of “Others” Segment during the quarter ended September 30, 2019 at ₹ 1,544 crore registered growth of 7% over corresponding quarter of the previous year. The growth is led by first time handover of residential apartments in Bangalore (‘Raintree Boulevard’) project, monetisation of commercial asset in Seawoods project and strong execution of opening Order Book in Valves business. International sales constituted 7% of the total customer revenue of the segment.

During the quarter ended September 30, 2019, the segment EBITDA margin stood at 21.8%, lower as compared to margin in the corresponding quarter of the previous year.

Electrical & Automation Segment (Discontinued Operations)

Electrical & Automation Segment which has been classified as 'Discontinued Operations' in the financial statements pending divestment to Schneider Electric, has clocked Customer Revenue of ₹ 1,422 crore during the quarter ended September 30, 2019. International Revenues constituted 26% of the total customer revenue of the segment for the quarter ended September 30, 2019.

The segment recorded improvement in the EBITDA Margin to 18.2% for the quarter ended September 30, 2019 as compared to the corresponding quarter of the previous year with favourable sales mix and improved overhead recoveries.

Outlook

The last few months has seen a noticeable contraction in economic activity, mainly centred around private consumption and industrial capex. To a large extent, public sector spending in the areas of core infrastructure (such as water projects, metro railways, roads and expressway programs, Power Transmission & Distribution and Hydrocarbon) have stayed the course albeit with time delay for awards. Private sector investments, however, remain tepid in areas of industrial capex, PPP, and buildings infrastructure in urban agglomerations.

The Government, on its part, has been sensitive to the needs of different sectors and has quickly taken steps aimed at reviving the economy such as boosting capital availability to NBFCs, policy reforms on FDI, release of funds for recapitalisation of PSBs, PSU Bank Mergers, incentives for export and real estate, push towards resolution of stressed assets and a far reaching reduction in Corporate Income Tax rates for domestic companies. These fiscal measures have also been aided by an accommodative monetary policy. All these stimulus measures can be expected to revive growth rates and incentivise domestic investments in the medium to long term.

On the global front, protectionist measures being increasingly adopted by various countries along with adverse geopolitical events have aggravated the incipient global slowdown and has adversely affected the global growth rates. The looming Brexit event has had a dampening effect on growth in the UK and the European Union. Crude oil price volatility occasioned by unexpected disruption of production facilities in KSA and OPEC curbs on output is also being felt on a global scale, particularly in countries dependent on oil imports. Oil & Gas investments, however, remains encouraging in the MENA region providing impetus to Hydrocarbon EPC business. Markets such as parts of Africa, Sri Lanka, Bangladesh & Far East Asian countries continue to provide competitive opportunities for E&C businesses.

A robust Order Book, strong Balance Sheet, diversified business portfolio and proven execution capabilities are acting as an economic moat for the Company in the current volatile and challenging economic environment, and places the Company in pole position to capitalise on economic revival when it happens. The Company meanwhile continues to focus on selective order acquisition, efficient execution of its large Order Book, conservation of monetary resources, productivity enhancement through leverage of new age digital technologies and improving the Return on Equity.

Background:

Larsen & Toubro is an Indian multinational engaged in technology, engineering, construction, manufacturing and financial services with over USD 21 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.



LARSEN & TOUBRO LIMITED

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CIN : L99999MH1946PLC004768

STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2019

₹ Crore

Particulars	Quarter ended			Six months ended		Year ended
	September 30, 2019 [Reviewed]	June 30, 2019 [Reviewed]	September 30, 2018 [Reviewed]	September 30, 2019 [Reviewed]	September 30, 2018 [Reviewed]	March 31, 2019 [Audited]
A Continuing operations						
1 Income:						
a) Revenue from operations	35328.45	29635.95	30678.13	64964.40	57682.92	135220.29
b) Other income (net)	596.44	634.99	408.46	1231.43	636.46	1836.53
Total Income	35924.89	30270.94	31086.59	66195.83	58319.38	137056.82
2 Expenses:						
a) Manufacturing, construction and operating expenses:						
i) Cost of raw materials and components consumed	3867.41	3925.05	3515.89	7792.46	6550.29	14771.56
ii) Stores, spares and tools consumed	617.36	539.56	726.96	1156.92	1407.61	2812.31
iii) Sub-contracting charges	5956.78	5123.32	5679.19	11080.10	10714.71	26011.91
iv) Construction materials consumed	6454.05	5523.76	6140.43	11977.81	10786.62	31230.44
v) Purchase of stock-in-trade	188.85	185.52	186.18	374.37	361.76	887.87
vi) Changes in inventories of finished goods, stock-in-trade and work-in-progress	313.28	(215.92)	(166.50)	97.36	(74.51)	(731.11)
vii) Other manufacturing, construction and operating expenses	3465.33	2859.27	3114.59	6324.60	5939.63	13264.43
b) Finance cost of financial services business and finance lease activity	2023.28	2078.62	1787.65	4101.90	3442.69	7385.63
c) Employee benefits expense	6140.60	4551.78	4403.42	10692.38	8532.19	17466.40
d) Sales, administration and other expenses	2279.65	1996.64	1748.82	4276.29	3722.73	6791.21
e) Finance costs	685.90	586.65	398.35	1272.55	762.06	1802.55
f) Depreciation, amortisation, impairment and obsolescence	629.65	461.46	477.60	1091.11	1082.32	1923.03
Total Expenses	32622.14	27615.71	28012.58	60237.85	53228.10	123616.23
3 Profit before exceptional items (1-2)	3302.75	2655.23	3074.01	5957.98	5091.28	13440.59
4 Exceptional items	-	(93.55)	294.75	(93.55)	294.75	294.75
5 Profit before tax (3+4)	3302.75	2561.68	3368.76	5864.43	5386.03	13735.34
6 Tax expense:						
a) Current tax	991.78	736.00	760.16	1727.78	1483.14	4402.95
b) Deferred tax	(200.66)	58.79	56.91	(141.87)	223.51	(335.86)
Total tax expense [refer note (iv)]	791.12	794.79	817.07	1585.91	1706.65	4067.09
7 Net profit after tax from continuing operations (5-6)	2511.63	1766.89	2551.69	4278.52	3679.38	9668.25
8 Share in profit/(loss) of joint ventures/associates (net)	40.04	(69.27)	(96.22)	(29.23)	162.71	(21.00)
9 Net profit after tax and share in profit/(loss) of joint ventures/associates from continuing operations (7+8)	2551.67	1697.62	2455.47	4249.29	3842.09	9647.25
B Discontinued operations						
10 Profit before tax from discontinued operations	269.55	172.45	206.98	442.00	337.37	845.57
11 Tax expense of discontinued operations [refer note (iv)]	50.79	60.37	69.04	111.16	114.05	276.24
12 Net profit after tax from discontinued operations (10-11)	218.76	112.08	137.94	330.84	223.32	569.33
13 Net profit after tax from continuing operations & discontinued operations (9+12)	2770.43	1809.70	2593.41	4580.13	4065.41	10216.58
Attributable to: Owners of the Company	2527.26	1472.58	2230.49	3999.84	3445.27	8905.13
Non-controlling interests	243.17	337.12	362.92	580.29	620.14	1311.45
14 Other comprehensive income (OCI)	(305.02)	(263.86)	(393.65)	(568.88)	(910.56)	(229.88)
Attributable to: Owners of the Company	(256.11)	(255.47)	(330.55)	(511.58)	(820.91)	(273.99)
Non-controlling interests	(48.91)	(8.39)	(63.10)	(57.30)	(89.65)	44.11
15 Total comprehensive income (13+14)	2465.41	1545.84	2199.76	4011.25	3154.85	9986.70
Attributable to: Owners of the Company	2271.15	1217.11	1899.94	3488.26	2624.36	8631.14
Non-controlling interests	194.26	328.73	299.82	522.99	530.49	1355.56
16 Paid-up equity share capital (face value of share: ₹ 2 each)	280.65	280.62	280.44	280.65	280.44	280.55
17 Other equity attributable to owners of the Company						62094.25
18 Earnings per share (EPS) of ₹ 2 each from continuing operations (not annualised):						
(a) Basic EPS (₹)	16.45	9.70	14.93	26.15	22.98	59.45
(b) Diluted EPS (₹)	16.43	9.68	14.90	26.11	22.94	59.35
19 Earnings per share (EPS) of ₹ 2 each from discontinued operations (not annualised):						
(a) Basic EPS (₹)	1.56	0.80	0.98	2.36	1.59	4.06
(b) Diluted EPS (₹)	1.56	0.80	0.98	2.35	1.59	4.05
20 Earnings per share (EPS) of ₹ 2 each from continuing operations & discontinued operations (not annualised):						
(a) Basic EPS (₹)	18.01	10.50	15.91	28.51	24.58	63.51
(b) Diluted EPS (₹)	17.99	10.48	15.88	28.47	24.53	63.40

Notes:

- During the quarter ended September 30, 2019, the Company has allotted (a) 86,241 equity shares of ₹ 2 each fully paid-up, on exercise of stock options by employees in accordance with the Company's stock option schemes and (b) 88,063 equity shares of ₹ 2 each fully paid-up, on conversion of 1,850 foreign currency convertible bonds.
- Effective April 1, 2019, the Group has adopted Ind AS 116 "Leases" and capitalised assets taken on operating lease. The transition was effected using modified retrospective method. The impact of transition on the profit after tax for the quarter and six months ended September 30, 2019 is not material.
- The Group's Electrical & Automation (E&A) business was classified as discontinued operation in the quarter ended June 30, 2019 with the sale of E&A business likely to be completed within one year from then. Accordingly, the profit thereof has been disclosed separately for the periods presented.
- The Parent Company and some of the subsidiaries have computed the tax expense of the current financial year as per the tax regime announced under section 115BAA of the Income Tax Act, 1961. Accordingly, (a) the provision for current and deferred tax has been determined at the rate of 25.17%, (b) the deferred tax assets and deferred tax liabilities as on April 1, 2019 have been restated at the rate of 25.17% and (c) the unutilised credit for minimum alternate tax as on April 1, 2019 has been written-off. As a result, the tax expense for the quarter and six months ended September 30, 2019 is higher by ₹ 416.33 crore.
- The Company acquired control of Mindtree Limited upon completion of open offer on July 2, 2019. As on September 30, 2019, the Company holds 60.55% stake in Mindtree Limited. The revenue and expenses of Mindtree Limited for the quarter ended September 30, 2019 have been consolidated and included in the above financials. Resultantly, the figures for the current periods are not comparable with the previous periods.

(vi) Statement of assets and liabilities as per Regulation 33(3)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended:

₹ Crore

Particulars	As at	
	September 30, 2019 [Reviewed]	March 31, 2019 [Audited]
ASSETS		
Non-current assets		
Property, plant and equipment	10328.95	10889.56
Capital work-in-progress	2648.76	2483.56
Investment property	3704.76	4254.56
Goodwill	7865.23	1826.91
Other intangible assets	7932.21	4222.91
Intangible assets under development	11406.01	11435.93
Right of use assets	2188.59	-
Financial assets:		
Investments in joint ventures and associates	2544.81	2642.29
Other investments	2682.08	4531.81
Loans towards financing activities	56558.94	57788.88
Other loans	1719.49	1862.32
Other financial assets	1036.39	1144.05
Deferred tax assets (net)	3350.54	3418.93
Other non-current assets	6240.62	5648.62
Sub-total - Non-current assets	120207.38	112150.33
Current assets		
Inventories	5980.93	6413.93
Financial assets:		
Investments	7556.17	13946.17
Trade receivables	34352.90	36845.87
Cash and cash equivalents	7205.23	6509.49
Other bank balances	1512.85	5216.75
Loans towards financing activities	45703.62	42530.82
Other loans	475.84	626.69
Other financial assets	3689.37	2551.25
Other current assets	55396.90	52143.06
Sub-total - Current assets	161873.81	166784.03
Group(s) of assets classified as held for sale	4239.64	7.41
TOTAL ASSETS	286320.83	278941.77
EQUITY AND LIABILITIES:		
EQUITY		
Equity share capital	280.65	280.55
Other equity	62980.34	62094.25
Equity attributable to owners of the Company	63260.99	62374.80
Non-controlling interest	9139.57	6826.11
Sub-total - Equity	72400.56	69200.91
LIABILITIES		
Non-current liabilities		
Financial liabilities:		
Borrowings	68828.67	74120.79
Other financial liabilities	271.80	354.83
Provisions	644.24	556.84
Deferred tax liabilities (net)	1381.01	311.13
Lease liability	1733.19	-
Other non-current liabilities	27.46	0.55
Sub-total - Non-current liabilities	72886.37	75344.14
Current liabilities		
Financial Liabilities:		
Borrowings	34870.68	29223.84
Current maturities of long term borrowings	29317.48	22210.54
Trade payables:		
Due to micro enterprises and small enterprises	256.70	261.12
Due to others	34951.47	42733.69
Other financial liabilities	4511.36	4622.78
Lease liability	348.41	-
Other current liabilities	31173.50	31166.55
Provisions	2583.78	3037.84
Current tax liabilities (net)	1101.87	1137.16
Sub-total - Current liabilities	139115.25	134393.52
Liabilities associated with group(s) of assets classified as held for sale	1918.65	3.20
TOTAL EQUITY AND LIABILITIES	286320.83	278941.77

(vii) The Company reports consolidated financial results on quarterly basis 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, 2019 are given below:

₹ Crore

Particulars	Quarter ended			Six months ended		Year ended
	September 30, 2019 [Reviewed]	June 30, 2019 [Reviewed]	September 30, 2018 [Reviewed]	September 30, 2019 [Reviewed]	September 30, 2018 [Reviewed]	March 31, 2019 [Audited]
Revenue from continuing operations	18751.69	16498.89	17520.18	35250.58	31659.88	82226.89
Profit before tax from continuing operations	1766.46	1589.49	2045.22	3355.95	3098.62	8405.77
Profit before tax from discontinued operations	252.59	177.54	205.08	430.13	338.28	812.41
Net profit after tax from continuing operations	1776.65	1273.72	1614.52	3050.37	2436.14	6134.64
Net profit after tax from discontinued operations	206.95	118.28	139.19	325.23	229.37	543.06
Net profit after tax from continuing operations & discontinued operations	1983.60	1392.00	1753.71	3375.60	2665.51	6677.70

(viii) Condensed Statement of Cash Flows as per Regulation 33(3)(g) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended:

₹ crore

Particulars	Six months ended	
	September 30, 2019 [Reviewed]	September 30, 2018 [Management certified]
A. Cash flow from operating activities:		
Profit before tax from:		
Continuing operations	5957.98	5091.28
Discontinued operations	442.00	337.37
Profit before tax including discontinued operations (excluding non-controlling interest and exceptional items)	6399.98	5428.65
Adjustments for :		
Dividend and Interest income	(542.53)	(384.53)
Depreciation, amortisation, impairment and obsolescence	1091.11	1082.32
Finance costs	1272.55	762.06
(Profit)/loss on sale of property, plant and equipment and investment property (net)	36.13	(24.57)
(Profit)/loss on sale/fair valuation of investments (including impairment on financial instruments measured through other comprehensive income) (net)	(136.38)	60.04
(Profit)/loss on sale of subsidiary classified under developmental projects segment	-	(415.61)
Non cash items related to discontinued operations	47.24	82.34
Other Adjustments	134.41	175.28
Operating profit before working capital changes	8302.51	6765.98
Adjustments for changes in working capital	(8763.20)	(4725.80)
Cash generated from operations before financing activities	(460.69)	2040.18
(Increase)/decrease in loans and advances towards financing activities	(1942.85)	(6095.34)
Cash generated from operations	(2403.54)	(4055.16)
Direct taxes refund/(paid) [net]	(2166.72)	(2234.04)
Net cash (used in)/from operating activities	(4570.26)	(6289.20)
B. Cash flow from investing activities:		
(Purchase)/sale of fixed assets (including advance received) [net]	(1015.46)	(1373.91)
(Purchase)/sale of non-current investments & current investments (net)	8505.28	(8728.29)
Change in other bank balances and cash not available for immediate use	3720.38	(181.44)
Deposits/loans (given) to/repaid by associates, joint ventures and third parties (net)	(23.84)	(41.37)
Dividend and interest received	541.46	322.73
Consideration received on disposal of subsidiaries/joint ventures (including advance received)	43.16	42.00
Consideration paid on acquisition of subsidiaries/joint ventures	(9782.69)	(33.10)
Cash & cash equivalents acquired pursuant to acquisition of subsidiaries	190.02	-
Net cash (used in)/from investing activities	2178.31	(9993.38)
C. Cash flow from financing activities:		
Proceeds from issue of share capital (including share application money) [net]	5.72	14.80
Proceeds from/(repayments) of borrowings (net)	7621.27	16629.21
Payment (to)/from non-controlling interest (net)- including sale proceeds on divestment of part stake in subsidiary companies	184.05	3031.60
Dividends paid (including additional tax on dividend)	(2874.49)	(2733.73)
Repayments of lease liabilities (including interest thereon)	(169.53)	-
Interest paid (including cash flows on account of interest rate swaps)	(1536.79)	(1400.40)
Net cash (used in)/from financing activities	3230.23	15541.48
Net (decrease)/increase in cash and cash equivalents (A + B + C)	838.28	(741.10)
Cash and cash equivalents at beginning of the period	6523.43	6798.69
Effects of exchange rate changes on cash and cash equivalents	42.59	93.27
Cash and cash equivalents at end of the period	7404.30	6150.86
Cash and cash equivalents for continuing operations	7205.23	6150.86
Cash and cash equivalents for discontinued operations (classified as asset held for sale)	199.07	-
Cash and cash equivalents at end of the period	7404.30	6150.86

(ix) Figures for the previous periods have been regrouped/reclassified to conform to the classification of the current periods.

(x) The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on October 23, 2019. The same have also been subjected to Limited Review by the Statutory Auditors.

for LARSEN & TOUBRO LIMITED

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, 2019 [Reviewed]	June 30, 2019 [Reviewed]	September 30, 2018 [Reviewed]	September 30, 2019 [Reviewed]	September 30, 2018 [Reviewed]	March 31, 2019 [Audited]
Gross segment revenue						
1 Infrastructure	16780.60	14037.61	15407.55	30818.21	27738.94	73203.76
2 Power	491.63	563.24	1059.92	1054.87	2140.49	3983.09
3 Heavy Engineering	705.80	991.53	544.13	1697.33	921.38	2513.66
4 Defence Engineering	1017.25	969.15	962.35	1986.40	1695.94	3849.24
5 Electrical & Automation (discontinued operations)	1484.43	1423.66	1489.72	2908.09	2813.43	6093.63
6 Hydrocarbon	4304.94	3768.73	3558.02	8073.67	7074.28	15176.23
7 IT & Technology Services	5903.60	3844.39	3606.48	9747.99	6962.27	14553.10
8 Financial Services	3444.47	3462.10	3138.86	6906.57	6196.42	12637.69
9 Developmental Projects	1452.27	1178.38	1297.10	2630.65	2791.59	5068.04
10 Others	1592.13	1193.76	1487.99	2785.89	2861.17	5934.99
Total	37177.12	31432.55	32552.12	68609.67	61195.91	143013.43
Less: Revenue of discontinued operations	1484.43	1423.66	1489.72	2908.09	2813.43	6093.63
Less: Inter-segment revenue	364.24	372.94	384.27	737.18	699.56	1699.51
Net segment revenue from continuing operations	35328.45	29635.95	30678.13	64964.40	57682.92	135220.29
Segment result						
1 Infrastructure	991.95	704.58	870.37	1696.53	1534.88	5388.77
2 Power	10.41	8.61	52.63	19.02	86.08	129.88
3 Heavy Engineering	141.88	159.88	102.52	301.76	212.87	487.01
4 Defence Engineering	146.49	124.15	198.76	270.64	246.50	472.22
5 Electrical & Automation (discontinued operations)	270.10	173.19	209.34	443.29	341.14	850.09
6 Hydrocarbon	504.06	246.82	312.85	750.88	521.82	1178.10
7 IT & Technology Services	890.50	784.23	798.89	1674.73	1559.49	3084.20
8 Financial Services	758.73	746.28	798.24	1505.01	1527.04	3052.64
9 Developmental Projects	120.66	93.72	(46.01)	214.38	341.96	314.35
10 Others	311.80	254.98	309.89	566.78	(107.33)	776.20
Total	4146.58	3296.44	3607.48	7443.02	6264.45	15733.46
Less: Result of discontinued operations	270.10	173.19	209.34	443.29	341.14	850.09
(Add)/Less: Inter-segment margins on capital jobs	7.85	9.21	(2.90)	17.06	(5.37)	5.50
Less: Finance costs	685.90	586.65	398.35	1272.55	762.06	1802.55
Add/(Less): Unallocable corporate income net of expenditure	120.02	127.84	71.32	247.86	(75.34)	365.27
Add/(Less): Exceptional items	-	(93.55)	294.75	(93.55)	294.75	294.75
Profit before tax from continuing operations	3302.75	2561.68	3368.76	5864.43	5386.03	13735.34
Segment assets						
1 Infrastructure				73630.23	68059.71	74848.71
2 Power				6058.87	6505.12	6030.51
3 Heavy Engineering				4298.62	4020.42	4614.54
4 Defence Engineering				8290.85	7671.24	7826.76
5 Electrical & Automation (discontinued operations)				4292.13	4145.42	4183.22
6 Hydrocarbon				12975.47	10614.45	12224.57
7 IT & Technology Services				24473.27	8089.56	9647.21
8 Financial Services				103875.10	98900.41	104842.19
9 Developmental Projects				31719.23	29814.16	30998.97
10 Others				10303.25	10203.92	9819.89
Total segment assets				279917.02	248024.41	265036.57
Less: Inter-segment assets				4883.98	5728.38	2260.34
Add: Unallocable corporate assets				11287.79	19334.90	16165.54
Total assets				286320.83	261630.93	278941.77
Segment liabilities						
1 Infrastructure				44813.95	43255.11	50908.92
2 Power				4592.42	5270.63	4838.09
3 Heavy Engineering				1265.01	1880.01	2111.79
4 Defence Engineering				4692.09	4398.11	4964.28
5 Electrical & Automation (discontinued operations)				1858.97	1874.94	2053.88
6 Hydrocarbon				10644.53	9261.57	10096.59
7 IT & Technology Services				5094.30	2674.62	2575.96
8 Financial Services				91055.08	88036.28	92973.64
9 Developmental Projects				9515.09	8983.02	9368.08
10 Others				3655.62	4246.76	3936.13
Total segment liabilities				177187.06	169881.05	183827.36
Less: Inter-segment liabilities				4883.98	5728.38	2260.34
Add: Unallocable corporate liabilities				41617.19	35054.51	28173.84
Total liabilities				213920.27	199207.18	209740.86

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) 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 (iii) of financial results]. **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, 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.
- (iii) 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. Investment (including long term loans) in joint ventures and associates identified with a particular segment are reported as part of the segment assets of those respective segments. 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 expense in respect of the segment and projects.
- (iv) In respect of most of the segments of the Group, sales and margins do not accrue uniformly during the year.
- (v) Figures for the previous periods have been regrouped/reclassified to conform to the classification of the current period.

for LARSEN & TOUBRO LIMITED

Mumbai
October 23, 2019

S.N. SUBRAHMANYAN
Chief Executive Officer & Managing Director