

L&T Press Release

Issued by Corporate Brand Management & Communications

L&T House, 2nd Floor,
Ballard Estate, Mumbai 400 001
Tel: 91 22 6752 5656 / 836
Fax: 91 22 6752 5796

Performance for the quarter ended December 31, 2012

Order inflow up 14%
PAT increases by 13%

Mumbai, 24 January 2013: Larsen & Toubro recorded Gross Revenue of ₹ 15581 crore for the quarter ended December 31, 2012, taking total Revenue for nine months period April-December 2012 to ₹ 40987 crore, higher by 17%.

The upward trend in the Order Inflow was sustained in the third consecutive quarter of the year. Order Inflow at ₹ 19545 crore during the quarter October-December 2012 recorded y-o-y growth of 14%, translating into a cumulative growth of 22% in the Order Inflow for the nine months period April-December 2012. International order inflow contributed 22% of the total order inflow during the quarter. The major orders came from Building & Factories, Infrastructure and Power Transmission & Distribution sectors.

Order Book stood robust at ₹ 162334 crore as at December 31, 2012. International Order Book constituted 13% of the total Order Book.

Profit after Tax (PAT) for the quarter October-December 2012 stood at ₹ 1122 crore, recording an increase of 13% over the corresponding quarter of the previous year. For the nine months period ended December 31, 2012, the recurring PAT at ₹ 2926 crore registered a y-o-y growth of 15%.

Engineering & Construction (E&C) Segment

The E&C Segment achieved Net Segment Revenue of ₹ 13858 crore for the quarter ended December 31, 2012 registering a y-o-y growth of 11%. While growth in the segment revenue was moderate during the quarter, the cumulative revenue growth is higher at 19% for the nine months period April-December 2012. International sales constituted 23% of the total revenue as compared to 9% in the corresponding quarter of the previous year.

The businesses of the E&C Segment garnered fresh orders of ₹ 17818 crore, during the quarter ended December 2012 registering a y-o-y growth of 16% despite weak investment climate and intense competition. International orders constituted 22% of the total order inflow of the segment as compared to 10% in the corresponding quarter of the previous year.

The Order Book of the Segment stood at ₹ 159985 crore as at December 31, 2012.

The Segment recorded cumulative Operating Margin for the nine months period April-December 2012 at 11.1%. Being essentially project business, the margins for the Segment do not accrue evenly during the quarters.

Electrical & Electronics (E&E) Segment

E&E Segment recorded Net Segment Revenue of ₹ 830 crore for the quarter ended December 31, 2012, recording a moderate y-o-y growth of 7%, as demand in the domestic market decelerated. International sales, however, increased by 26%, contributing to 11% of the total segment revenue for the quarter.

The Segment recorded an improved Operating Margin at 14.3% during the quarter, aided by better price realization.

Machinery & Industrial Products (MIP) Segment

During the quarter ended December 31, 2012, MIP Segment recorded Net Segment Revenue of ₹ 563 crore during the quarter ended December 31, 2012. The revenue was lower as compared to the corresponding quarter of the previous year due to slow-down in manufacturing, especially in capital goods sector. International sales constituted 23% of the total revenue as compared to 19% in the corresponding quarter of the previous year.

The Segment recorded Operating Margin at 18% during the quarter ended December 31, 2012.

“Others” Segment

This Segment, which includes Integrated Engineering Services and Property Development, recorded Revenue of ₹ 330 crore, registering a smart growth of 30% over the corresponding quarter of the previous year. The Segment recorded Operating Margin of 23.2% for the quarter ended December 31, 2012.

Outlook

The Indian economy continues to grapple with the challenges of persisting inflationary pressures, volatile currency market, tight liquidity conditions and impaired investment climate. Speedy implementation of proposed reforms and follow-through policy measures hold the key for rediscovery of the growth momentum. The recent policy measures aiming to correct the fiscal situation and boost growth are expected to improve economic outlook in India and revive the investments in the various sectors in which the Company operates.

Global economic conditions remain fragile, though green shoots of recovery are visible. The Company is strengthening its presence in select international markets, amidst intense competition.

Braving these challenges, the Company has delivered consistent performance on the back of execution efficiencies, proven track record, diversified portfolio and international presence. With strong order book, the Company expects to sustain its growth in the period ahead.



LARSEN & TOUBRO LIMITED

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

UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED DECEMBER 31, 2012

₹ Lakh

Particulars	3 months ended			9 months ended		Year ended March 31, 2012 (Audited)
	December 31, 2012	September 30, 2012	December 31, 2011	December 31, 2012	December 31, 2011	
1 Gross Sales / Revenue from operations	1558099	1332753	1414049	4098687	3509229	5373778
Less: Excise duty	15163	13230	15688	40691	38240	56726
Net Sales / Revenue from operations	1542936	1319523	1398361	4057996	3470989	5317052
2 Expenses:						
a) i) Consumption of raw materials, components, and stores, spares & tools	282036	319101	339078	973141	841963	1171495
ii) Sub-contracting charges	413838	286880	301847	955017	672688	1064754
iii) Construction materials consumed	415839	334946	314220	954449	768608	1252742
iv) Purchases of stock-in-trade	51658	43712	55352	145536	160743	236939
v) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(51292)	(87506)	(23499)	(18949)	(65850)	(53977)
vi) Other manufacturing, construction and operating expenses	131598	99237	116022	337112	292667	430319
b) Employee benefits expense	104852	130001	86244	329593	268848	366345
c) Sales, administration and other expenses	46914	52434	72333	156184	158063	220174
d) Depreciation, amortisation and obsolescence	20035	20396	18034	58626	51910	69946
Total expenses	1415478	1199201	1279631	3720709	3149640	4758737
3 Profit from operations before other income, finance costs and exceptional items (1-2)	127458	120322	118730	337287	321349	558315
4 Other income	53018	32759	42358	146359	101334	133828
5 Profit from ordinary activities before finance costs and exceptional items (3+4)	180476	153081	161088	483646	422683	692143
6 Finance costs	23798	23502	19071	70141	54501	66610
7 Profit from ordinary activities after finance costs but before exceptional items (5-6)	156678	129579	142017	413505	368182	625533
8 Exceptional items	-	21429	-	17595	-	5500
9 Profit from ordinary activities before tax (7+8)	156678	151008	142017	431100	368182	631033
10 Provision for taxes:						
a) Provision for current tax	37892	42317	39222	117804	109393	181413
b) Provision for deferred tax	6611	249	3640	6314	5180	3970
Total provision for taxes	44503	42566	42862	124118	114573	185383
11 Net profit after tax from ordinary activities (9-10)	112175	108442	99155	306982	253609	445650
12 Extraordinary items	-	5289	-	5289	-	-
13 Net profit after tax for the period (11+12)	112175	113731	99155	312271	253609	445650
14 Paid-up equity share capital (face value of share: ₹ 2 each)				12298	12237	12248
15 Reserves excluding revaluation reserve						2507940
Earnings per share (Not annualised):						
16 Basic EPS before extraordinary items (₹)	18.26	17.67	16.21	50.04	41.52	72.92
17 Diluted EPS before extraordinary items (₹)	18.11	17.54	16.11	49.63	41.12	72.23
18 Basic EPS after extraordinary items (₹)	18.26	18.54	16.21	50.90	41.52	72.92
19 Diluted EPS after extraordinary items (₹)	18.11	18.39	16.11	50.48	41.12	72.23
20 Profit after tax from normal operations (i.e.excluding exceptional and extraordinary items)	112175	91476	99155	292606	253609	441340

See accompanying notes to the financial results

SELECT INFORMATION FOR THE QUARTER ENDED DECEMBER 31, 2012

A PARTICULARS OF SHAREHOLDING						
1 Public shareholding:						
- Number of shares ('000s)		594100		594038	592445	593300
- Percentage of shareholding		96.79%		96.60%	96.83%	96.88%
2 Promoters and promoter group shareholding [refer note (ii)]		Nil		Nil	Nil	Nil

B INVESTOR COMPLAINTS		3 months ended December 31, 2012
Pending at the beginning of the quarter		Nil
Received during the quarter		18
Disposed of during the quarter		18
Remaining unresolved at the end of the quarter		Nil

Notes:

- (i) The Company, during the quarter ended December 31, 2012, has allotted 11,13,270 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) The promoters and promoter group shareholding is nil and accordingly the information on shares pledged / encumbered is not applicable.
- (iii) Figures for the previous periods have been re-grouped / re-classified to conform to the figures of the current periods.
- (iv) The above results have been subjected to Limited Review by the Statutory Auditors, reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on January 24, 2013.

for LARSEN & TOUBRO LIMITED

Mumbai
January 24, 2013

A.M.NAIK
Executive Chairman

Segment-wise Revenue, Result and Capital Employed in terms of clause 41 of the Listing Agreement:
₹ Lakh

Particulars	3 months ended			9 months ended		Year ended March 31, 2012 (Audited)
	December 31, 2012	September 30, 2012	December 31, 2011	December 31, 2012	December 31, 2011	
Gross segment revenue						
1 Engineering & Construction	1388180	1166906	1252585	3610924	3048531	4727870
2 Electrical & Electronics	88649	88033	84203	252709	243598	357943
3 Machinery & Industrial Products	59322	55079	64486	165068	187263	255394
4 Others	33828	33200	26705	103330	68814	96302
Total	1569979	1343218	1427979	4132031	3548206	5437509
Less: Inter-segment revenue	11880	10465	13930	33344	38977	63731
Net segment revenue	1558099	1332753	1414049	4098687	3509229	5373778
Segment result (Profit before interest and tax)						
1 Engineering & Construction	128018	125944	129005	353283	315066	544078
2 Electrical & Electronics	9873	7302	7155	21211	20478	36421
3 Machinery & Industrial Products	16073	6953	12221	29847	33125	44342
4 Others	14510	6804	6794	31750	15785	19033
Total	168474	147003	155175	436091	384454	643874
Less: Inter-segment margins on capital jobs	265	98	765	1135	1354	2542
Less: Interest expenses	23798	23502	19071	70141	54501	66610
Add: Unallocable corporate income net of expenditure	12267	27605	6678	66285	39583	56311
Profit before tax	156678	151008	142017	431100	368182	631033
Capital employed (Segment assets less segment liabilities)						
1 Engineering & Construction				1535544	1060528	1098014
2 Electrical & Electronics				138395	134397	136345
3 Machinery & Industrial Products				56291	51467	52813
4 Others				71383	67711	59995
Total capital employed in segments				1801613	1314103	1347167
Unallocable corporate assets less corporate liabilities				2178958	2072675	2178013
Total capital employed				3980571	3386778	3525180

Notes:

- (i) Segments have been identified in accordance with Accounting Standard (AS) 17 on Segment Reporting, considering the risk/return profiles of the businesses, their organisational structure and the internal reporting systems. The operations of industrial machinery business and the Foundry at the Kansbahal Business unit which were earlier part of the Machinery and Industrial Products segment have been integrated with the Engineering & Construction segment during the quarter ended September 30, 2012 considering the risk / return profile of these businesses and the same have been reported as part of Engineering & Construction segment for the quarter and nine month period ended December 31, 2012. The figures pertaining to the corresponding previous periods have been regrouped and restated for proper comparison.
- (ii) Segment composition: **Engineering & Construction** comprises execution of engineering and construction projects in India / abroad to provide solutions in civil, mechanical, electrical and instrumentation engineering (on turnkey basis or otherwise) to core/infrastructure sectors including railways, shipbuilding and supply of complex plant and equipment to core sectors. **Electrical & Electronics** comprises manufacture and sale of low and medium voltage switchgear components, custom built low and medium voltage switchboards, electronic energy meters/protection (relays) systems, control & automation products and medical equipment. **Machinery & Industrial Products** comprises manufacture and sale of rubber processing machinery & castings, manufacture and marketing of industrial valves, construction equipment and industrial products. Machinery & Industrial Products also includes marketing of welding products in the previous year. **Others** comprise property development and integrated engineering services.
- (iii) Segment revenue comprises sales & operational income allocable specifically to a segment. Unallocable expenditure mainly includes expenses incurred on common services provided to segments and other corporate expenses. Unallocable income primarily includes interest income, dividends and profit on sale of investments. Corporate assets mainly comprise investments.
- (iv) In the Engineering & Construction segment, sales and margins do not accrue uniformly during the year. Hence the operational / financial performance of aforesaid segment can be discerned only on the basis of figures for the full year.

for LARSEN & TOUBRO LIMITED

 A. M. NAIK
 Executive Chairman

 Mumbai
 January 24, 2013