

SEC/PAM/2020

June 5, 2020

The Secretary BSE Limited Phiroze Jejeebhoy Towers, Dalal Street, MUMBAI - 400 001 STOCK CODE: 500510	National Stock Exchange of India Limited Exchange Plaza, 5th Floor Plot No.C/1, G Block Bandra-Kurla Complex Bandra (E), Mumbai - 400 051 STOCK CODE: LT
---	--

Dear Sirs,

Sub.: **Standalone Audited Financial Results for the
Quarter and Year ended 31st March, 2020.**

Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose a copy of the statement containing the **Standalone Audited Financial Results** of the Company, **for the quarter and year ended 31st March, 2020**, which has been approved at the Meeting of the Board of Directors, held today. The Board Meeting commenced at 2.30 p.m. and concluded at 6.15 p.m.

We also enclose a copy of **Audit Report** signed by our Statutory Auditors, **M/s.Deloitte Haskins & Sells LLP**, Chartered Accountants, Mumbai along with a **declaration** signed by our Company Secretary (for Audit Report with Un-modified opinion).

Please inform your members accordingly and display this on your Notice Boards.

Thanking you,

Yours faithfully,
for LARSEN & TOUBRO LIMITED



**SIVARAM NAIR A
COMPANY SECRETARY
(FCS 3939)**

Encl : as above



LARSEN & TOUBRO LIMITED

Registered Office: L&T House, Ballard Estate, Mumbai 400 001
CIN : L99999MH1946PLC004768

STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2020

₹ Crore

Particulars	Quarter ended		Year ended	
	March 31, 2020 [Note (viii)]	December 31, 2019 [Reviewed]	March 31, 2020 [Audited]	March 31, 2019 [Audited]
A Continuing operations				
1 Income:				
a) Revenue from operations	27252.75	19885.85	29455.24	82383.65
b) Other income (net)	801.67	632.91	767.24	2807.87
Total Income	28054.42	20518.76	30232.48	85191.52
2 Expenses:				
a) Manufacturing, construction and operating expenses:				
i) Cost of raw materials and components consumed	1411.10	1417.55	1669.72	5486.99
ii) Stores, spares and tools consumed	244.00	417.96	531.59	1520.47
iii) Sub-contracting charges	7158.53	5772.69	8156.85	22488.74
iv) Construction materials consumed	10836.95	6375.84	11199.55	28632.03
v) Purchases of stock-in-trade	225.38	245.14	304.82	855.63
vi) Changes in inventories of finished goods, stock-in-trade and work-in-progress	327.81	(73.43)	149.14	(64.01)
vii) Other manufacturing, construction and operating expenses	2191.47	1992.77	2452.46	7962.36
b) Employee benefits expense	1425.75	1505.44	1443.74	5955.98
c) Sales, administration and other expenses	808.79	768.13	329.99	2707.34
d) Finance costs	563.71	589.81	472.78	2266.56
e) Depreciation, amortisation, impairment and obsolescence	257.05	244.51	269.48	1020.51
Total Expenses	25450.54	19266.41	26980.52	77421.60
3 Profit before exceptional items (1-2)	2603.88	1262.35	3251.96	6358.92
4 Exceptional items (net)	-	-	(24.70)	626.99
5 Profit before tax (3+4)	2603.88	1262.35	3227.26	6985.91
6 Tax expense:				
a) Current tax	749.32	211.49	1131.94	1525.60
b) Deferred tax	(259.68)	(6.41)	(85.56)	(564.45)
Total tax expense	489.64	205.08	1046.38	961.15
7 Net profit after tax from continuing operations (5-6)	2114.24	1057.27	2180.88	6024.76
B Discontinued operations				
8 Profit before tax from discontinued operations	185.23	250.02	256.45	865.38
9 Tax expense of discontinued operations	44.83	61.20	87.05	210.93
10 Net profit after tax from discontinued operations (8-9)	140.40	188.82	169.40	654.45
11 Net profit after tax from continuing operations & discontinued operations (7+10)	2254.64	1246.09	2350.28	6679.21
12 Other comprehensive income (OCI)	(166.55)	82.79	48.16	(518.92)
13 Total Comprehensive Income (11+12)	2088.09	1328.88	2398.44	6160.29
14 Paid-up equity share capital (face value of share: ₹ 2 each)	280.78	280.72	280.55	280.78
15 Other equity	-	-	-	51894.57
16 Earnings per share (EPS) of ₹ 2 each from continuing operations (not annualised):				
(a) Basic EPS (₹)	15.06	7.53	15.55	42.93
(b) Diluted EPS (₹)	15.04	7.53	15.52	42.87
17 Earnings per share (EPS) of ₹ 2 each from discontinued operations (not annualised):				
(a) Basic EPS (₹)	1.00	1.35	1.21	4.66
(b) Diluted EPS (₹)	1.00	1.34	1.21	4.66
18 Earnings per share (EPS) of ₹ 2 each from continuing operations & discontinued operations (not annualised):				
(a) Basic EPS (₹)	16.06	8.88	16.76	47.59
(b) Diluted EPS (₹)	16.04	8.87	16.73	47.53

Notes:

- During the quarter ended March 31, 2020, the Company has allotted 3,10,646 equity shares of ₹ 2 each fully paid-up, on exercise of stock options by employees in accordance with the Company's stock option schemes.
- Effective April 1, 2019, the Company 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 year ended March 31, 2020 is not material.
- Based on the progress of the divestment process and its current status, the Company continues to classify its Electrical & Automation (E&A) business as discontinued operations. Accordingly, the financial results of E&A business have been disclosed separately for the periods presented.
- The Board of Directors recommended a final dividend of ₹ 8 per equity share of face value of ₹ 2 each in addition to the interim dividend of ₹ 10 per equity share paid in March 31, 2020.
- The Company has assessed the impact of COVID-19 on its financial statements based on the internal and external information upto the date of approval of these financial statements and the Company expects to recover the carrying amounts of its investments, intangible assets, trade receivables, project work-in-progress and inventories. The Company will continue to monitor the future economic conditions and assess its impact on its financial statements.
- The Hon'ble National Company Law Tribunal, Chennai Bench vide order dated March 10, 2020 and the Hon'ble National Company Law Tribunal, Mumbai Bench vide order dated April 24, 2020 have approved the scheme of amalgamation of L&T Shipbuilding Limited (wholly-owned subsidiary) with the Company ('the Scheme'), the appointed date being April 1, 2019. Accordingly, the effect of the Scheme has been given in the financial statements of the Company for the year 2019-20 and 2018-19.
- The Company has opted to pay the tax 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.
- Figures for the quarter ended March 31, 2020 and March 31, 2019 represent the difference between audited figures for the financial year and the limited reviewed figures for the nine months period ended December 31, 2019 and December 31, 2018 respectively.

(ix) 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	
	March 31, 2020 [Audited]	March 31, 2019 [Audited]
ASSETS:		
Non-current assets		
Property, plant and equipment	6853.43	7982.02
Capital work-in-progress	796.55	567.31
Investment property	490.40	381.26
Intangible assets	83.72	228.72
Intangible assets under development	0.66	171.69
Right of use assets	412.82	-
Financial assets:		
Investments	27975.28	18197.30
Loans	3507.00	1279.76
Other financial assets	304.48	577.00
Deferred tax assets(net)	1428.20	841.86
Other non-current assets	4068.94	3373.64
Sub-total - Non-current assets	45921.48	33600.56
Current assets		
Inventories	2769.90	3349.24
Financial assets:		
Investments	6059.15	4706.85
Trade receivables	27912.96	28212.55
Cash and cash equivalents	3262.83	2733.45
Other bank balances	675.56	4886.52
Loans	515.14	1305.94
Other financial assets	1997.59	1955.40
Other current assets	49661.61	43867.50
Sub-total - Current assets	92854.74	91017.45
Group(s) of assets classified as held for sale	2780.37	41.72
TOTAL ASSETS	141556.59	124659.73
EQUITY AND LIABILITIES:		
EQUITY		
Equity share capital	280.78	280.55
Other equity	51894.57	49767.87
Sub-total - Equity	52175.35	50048.42
LIABILITIES		
Non-current liabilities		
Financial liabilities:		
Borrowings	7185.71	3772.07
Lease liability	24.18	-
Other financial liabilities	179.62	81.69
Provisions	611.23	497.62
Other non-current liabilities	0.22	0.58
Sub-total - Non-current liabilities	8000.96	4351.96
Current liabilities		
Financial liabilities:		
Borrowings	15044.11	4086.16
Current maturities of long term borrowings	3555.48	4131.46
Lease liability	132.27	-
Trade payables:		
Due to micro enterprises and small enterprises	379.88	201.96
Due to others	36249.51	36023.07
Other financial liabilities	1709.09	1931.73
Other current liabilities	20758.05	22080.45
Provisions	1555.39	1483.61
Current tax liabilities(net)	628.92	320.91
Sub-total - Current liabilities	80012.70	70259.35
Liabilities associated with the group(s) of assets classified as held for sale	1367.58	-
TOTAL EQUITY AND LIABILITIES	141556.59	124659.73

(x) 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	March 31, 2020 [Audited]	March 31, 2019 [Audited]
A. Cash flow from operating activities:		
Profit before tax from:		
Continuing operations	6358.92	7577.11
Discontinued operations	865.38	812.40
Profit before tax including discontinued operations (excluding exceptional items)	7224.30	8389.51
Adjustments for:		
Dividend and interest income	(1948.77)	(1986.97)
Depreciation, amortisation, impairment and obsolescence	1020.51	999.55
Impairment of current investment	100.00	-
Finance costs	2266.56	1787.62
(Profit)/loss on sale of fixed assets (net)	30.92	(594.25)
(Profit)/loss on sale/fair valuation of investments (net)	(503.71)	(230.58)
Non-cash items related to discontinued operations	45.85	145.46
Other adjustments	(38.26)	110.86
Operating profit before working capital changes	8197.40	8621.20
Adjustments for changes in working capital	(6582.40)	(3377.46)
Cash (used in)/generated from operations	1615.00	5243.74
Direct taxes refund/(paid) [net]	(1736.30)	(2687.32)
Net cash (used in)/generated from operating activities	(121.30)	2556.42
B. Cash flow from investing activities:		
(Purchase)/sale of fixed assets (including advance received) [net]	(1309.01)	(791.57)
(Investment)/Divestment of stake in subsidiaries, associates and joint venture companies (net)	(9497.29)	3365.52
(Purchase)/sale of non-current investments & current investments (net)	(764.33)	1110.19
Change in other bank balances and cash not available for immediate use	4226.96	(3722.45)
Deposits/loans (given to)/repaid by subsidiaries, associates, joint ventures and third parties (net)	(1391.98)	(313.27)
Dividend and interest received	1901.91	1936.77
Net cash (used in)/generated from investing activities	(6833.74)	1585.19
C. Cash flow from financing activities:		
Proceeds from issue of share capital (including share application money) [net]	17.56	11.31
Proceeds from/(Repayments) of borrowings (net)	13520.98	(492.51)
Dividends paid (including additional tax on dividend)	(4158.83)	(2596.78)
Repayments of lease liabilities (including interest thereon)	(80.60)	-
Interest paid (including cash flows on account of interest rate swaps)	(1880.49)	(1527.61)
Net cash (used in)/generated from financing activities	7418.62	(4605.59)
Net (decrease)/increase in cash and cash equivalents (A + B + C)	463.58	(463.98)
Cash and cash equivalents at beginning of the year*	2723.77	3187.75
Effects of exchange rate changes on cash and cash equivalents	75.55	9.68
Cash and cash equivalents at end of the year	3262.90	2733.45
Cash and cash equivalents for continuing operations	3262.83	2733.45
Cash and cash equivalents for discontinued operations (classified as asset held for sale)	0.07	-
Cash and cash equivalents at end of the year	3262.90	2733.45

*excluding unrealised exchange gain/(loss) on cash and cash equivalents ₹ 9.68 crore [previous year: (₹ 4.00 crore)]

(xi) Additional disclosures as per Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Sr. No.	Particulars	As at March 31, 2020		As at March 31, 2019	
1	Debt-equity ratio [no. of times]**	0.49		0.24	
2	i) Last due date for the payment of Interest of Non-convertible debentures (NCDs)				
	a) 9.15% NCDs (issued on 5th January 2009)			05-01-2019	
	b) 8.80% NCDs (issued on 13th April 2010)	15-04-2019		13-04-2018	
	c) 9.15% NCDs (issued on 11th May 2010)	13-05-2019		11-05-2018	
	d) 8.95% NCDs (issued on 26th May 2010)	27-05-2019		28-05-2018	
	e) 9.75% NCDs (issued on 10th April 2012)	10-04-2019		10-04-2018	
	f) 9.10% NCDs (issued on 25th October 2012)	25-10-2019		25-10-2018	
	g) 9.10% NCDs (issued on 25th October 2012)	25-10-2019		25-10-2018	
	h) 9.10% NCDs (issued on 25th October 2012)	25-10-2019		25-10-2018	
	i) 9.10% NCDs (issued on 25th October 2012)	25-10-2019		25-10-2018	
	j) 9.10% NCDs (issued on 25th October 2012)	25-10-2019		25-10-2018	
	k) 8.40% NCDs (issued on 24th September 2015)	24-09-2019		24-09-2018	
	l) Inflation linked NCDs (issued on 23rd May 2013)	23-05-2019		23-05-2018	
	ii) Whether interest has been paid on due dates	Yes		Yes	
3	i) Last due date for the repayment of principal of NCDs			07-01-2019	
	ii) Whether principal has been repaid on due dates	Yes		Yes	
4	Next due date and amount for the payment of interest of NCDs	₹ Crore	Date	₹ Crore	Date
	a) 8.80% NCDs (issued on 13th April 2010)	17.55	13-04-2020	17.60	15-04-2019
	b) 9.15% NCDs (issued on 11th May 2010)	27.37	11-05-2020	27.45	13-05-2019
	c) 8.95% NCDs (issued on 26th May 2010)	26.85	26-05-2020	26.85	27-05-2019
	d) 9.75% NCDs (issued on 10th April 2012)	24.44	10-04-2020	24.38	10-04-2019
	e) 9.10% NCDs (issued on 25th October 2012)	23.66	27-10-2020	23.66	25-10-2019
	f) 9.10% NCDs (issued on 25th October 2012)	23.66	27-10-2020	23.66	25-10-2019
	g) 9.10% NCDs (issued on 25th October 2012)	23.66	27-10-2020	23.66	25-10-2019
	h) 9.10% NCDs (issued on 25th October 2012)	23.66	27-10-2020	23.66	25-10-2019
	i) 9.10% NCDs (issued on 25th October 2012)	26.48	27-10-2020	26.48	25-10-2019
	j) 8.40% NCDs (issued on 24th September 2015)	84.23	24-09-2020	84.00	24-09-2019
	k) 7.87 % NCDs (issued 18th April 2019)	118.37	20-04-2020	-	NA
	l) 8.02 % NCDs (issued 22nd May 2019)	160.84	22-05-2020	-	NA
	m) 6.77 % NCDs (issued 19th August 2019)	95.04	20-08-2020	-	NA
	n) 6.72 % NCDs (issued 24th January 2020)	16.71	24-04-2020	-	NA
	o) Inflation linked NCDs (issued on 23rd May 2013)	1.80	25-05-2020	1.80	23-05-2019
5	Next due date and amount for the repayment of principal of NCDs (falling due within next one year period)				
	a) 8.80% NCDs (issued on 13th April 2010)	200.00	13-04-2020	-	NA
	b) 9.15% NCDs (issued on 11th May 2010)	300.00	11-05-2020	-	NA
	c) 8.40% NCDs (issued 24th September 2015)	1000.00	24-09-2020	-	NA
	d) 6.77 % NCDs (issued 19th August 2019)	1400.00	20-08-2020	-	NA
	e) 8.95% NCDs (issued on 26th May 2010)	300.00	26-05-2020	-	NA
6	Next due date and amount for the repayment of principal of CPs (falling due within next one year period)				
	a) 5.33% CPs (issued 6th March 2020)	250.00	18-05-2020	-	NA
	b) 5.49% CPs (issued 6th March 2020)	350.00	18-05-2020	-	NA
	c) 5.35% CPs (issued 20th February 2020)	45.00	20-05-2020	-	NA
	d) 7.87% CPs (issued 31st March 2020)	1000.00	09-07-2020	-	NA
	e) 5.9% CPs (issued 20th March 2020)	1000.00	16-09-2020	-	NA
	f) 6.55% CPs (issued 24th March 2020)	500.00	16-09-2020	-	NA
	g) 6% CPs (issued 20th March 2020)	700.00	15-12-2020	-	NA
	h) 6% CPs (issued 24th March 2020)	500.00	15-12-2020	-	NA
	i) 8.25% CPs (issued 30th March 2020)	500.00	15-12-2020	-	NA
		For the year ended March 31, 2020		For the year ended March 31, 2019	
7	Debt service coverage ratio (DSCR) [no. of times]** (principal repayments during the year ended March 31, 2020 - ₹ 3934.43 crore principal repayments during the year ended March 31, 2019 - ₹ 796.02 crore)	1.53		3.94	
8	Interest service coverage ratio (ISCR) [no. of times]***	4.19		5.69	
		As at March 31, 2020 ₹ Crore		As at March 31, 2019 ₹ Crore	
9	Debt Redemption Reserve	533.53		440.26	
10	Net worth [^]	52522.66		49854.63	
11	Total Borrowings	25785.30		11989.69	
12	The NCDs issued by the Company are rated CRISIL AAA (Stable) and ICRA AAA (Stable).				
13	The Company continues to maintain 100% asset cover for the NCDs issued by it.				

* Debt-Equity Ratio = Total Borrowings divided by Equity

** DSCR = [Profit before interest and exceptional items divided by (Interest expense together with principal repayments of long-term debt during the period and cash flow on settlement of derivatives contracts related to borrowings)]

*** ISCR = Profit before interest and exceptional items divided by interest expense

[^] Net worth as per section 2(57) of Companies Act, 2013

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

(xii) The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on June 5, 2020.

for LARSEN & TOUBRO LIMITED


S. N. SUBRAHMANYAM
Chief Executive Officer & Managing Director

Chennai
June 5, 2020

Standalone audited 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:

Particulars	Quarter ended			Year ended	
	March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
	[Note (V)]	[Reviewed]	[Note (V)]	[Audited]	[Audited]
Gross segment revenue					
1 Infrastructure	24306.36	16628.09	25837.04	70289.38	68908.53
2 Power	565.28	698.31	934.30	2318.46	3983.09
3 Heavy Engineering	701.59	806.08	899.04	3204.91	2513.25
4 Defence Engineering	928.11	1064.66	1108.39	3979.17	3849.58
5 Electrical & Automation (discontinued operations)	1005.24	1161.73	1408.35	4557.34	4930.56
6 Others	858.53	770.06	858.61	2992.17	3660.70
Total	28365.11	21128.93	31043.73	87341.43	87845.71
Less: Revenue of discontinued operations	1005.24	1161.73	1408.35	4557.34	4930.56
Less: Inter-segment revenue	107.12	81.35	172.14	400.44	627.73
Net segment revenue from continuing operations	27252.75	19885.85	29465.24	82383.65	82287.42
Segment results					
1 Infrastructure	2407.49	884.28	2879.67	4853.15	5000.11
2 Power	203.05	13.76	28.35	235.68	129.84
3 Heavy Engineering	105.22	158.62	169.37	565.15	486.79
4 Defence Engineering	124.40	181.80	170.11	576.65	389.03
5 Electrical & Automation (discontinued operations)	185.23	250.02	256.45	865.38	812.40
6 Others	11.36	96.70	164.27	367.34	1230.27
Total	3036.75	1585.18	3668.22	7463.35	8048.44
Less: Result of discontinued operations	185.23	250.02	256.45	865.38	812.40
Less: Inter-segment margins on capital jobs	14.01	6.83	8.85	44.27	10.11
Less: Finance costs	563.71	589.81	472.78	2266.56	1787.62
Add: Unallocable corporate income net of expenditure	330.08	523.83	321.82	2071.78	2138.80
Add/(Less): Exceptional items (net)	-	-	(24.70)	626.99	1642.35
Profit before tax from continuing operations	2603.88	1262.35	3227.26	6985.91	9219.46
Segment assets					
1 Infrastructure				74562.94	68926.08
2 Power				5000.45	5095.07
3 Heavy Engineering				3255.02	2932.34
4 Defence Engineering				7270.89	7792.13
5 Electrical & Automation (discontinued operations)				2779.74	2726.08
6 Others				4160.76	3399.31
Total segment assets				97029.80	90871.01
Less: Inter-segment assets				640.38	663.34
Add: Unallocable corporate assets				45167.17	34452.06
Total assets				141556.59	124659.73
Segment liabilities					
1 Infrastructure				48676.59	47253.59
2 Power				4381.75	4838.09
3 Heavy Engineering				1415.24	1528.56
4 Defence Engineering				4248.42	4944.47
5 Electrical & Automation (discontinued operations)				1367.58	1562.30
6 Others				1892.15	1530.76
Total segment liabilities				61979.73	61657.77
Less: Inter-segment liabilities				640.38	663.34
Add: Unallocable corporate liabilities				28041.89	13616.88
Total liabilities				89381.24	74611.31

Notes:

(I) The Company 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 (a) design, development, serial production and through life-support of equipment, systems and platforms for Defence and Aerospace sectors and (b) design, construction, and repair/refit of defence 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]. Others segment includes Realty (reported as a separate segment in the previous year which has been reclassified and reported under "Others" segment as the thresholds for reportability have not been met in the current period), Hydrocarbon, marketing and servicing of construction & mining machinery and parts thereof, manufacture and sale of rubber processing machinery.

(III) 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. Corporate liabilities mainly comprise borrowings.

(IV) In respect of most of the segments of the Company, sales and margins do not accrue uniformly during the year.

(V) Figures for the quarter ended March 31, 2020 and March 31, 2019 represent the difference between audited figures for the financial year and the limited reviewed figures for the nine months period ended December 31, 2019 and December 31, 2018 respectively.

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

for LARSEN & TOUBRO LIMITED

S. N. Subrahmanyam
S. N. SUBRAHMANYAM
Chief Executive Officer & Managing Director

Chennai
June 5, 2020

**INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL STANDALONE
FINANCIAL RESULTS AND REVIEW OF QUARTERLY FINANCIAL RESULTS**

TO THE BOARD OF DIRECTORS OF

LARSEN & TOUBRO LIMITED

Opinion and Conclusion

We have (a) audited the Standalone Financial Results for the year ended March 31, 2020 and (b) reviewed the Standalone Financial Results for the quarter ended March 31, 2020 (refer 'Other Matters' section below, both included in the accompanying "Statement of Standalone Financial Results for the Quarter and Year Ended March 31, 2020 of LARSEN & TOUBRO LIMITED (the Company)", which includes the financial information of the entities (comprising 31 joint operations consolidated on a proportionate basis and an amalgamated entity) listed in **Attachment A** (the "Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

(a) Opinion on annual Standalone Financial Results

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the audit reports of the other auditors as referred to in Other Matters section below the Standalone Financial Results for the year ended March 31, 2020:

- a. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- b. gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for year then ended.

(b) Conclusion on Unaudited Standalone Financial Results for the quarter ended March 31, 2020

With respect to the Standalone Financial Results for the quarter ended March 31, 2020, based on our review conducted and procedures performed as stated in paragraph (b) of Auditor's Responsibilities section below and based on the consideration of the audit reports for the year ended March 31, 2020 of the other auditors as referred to in Other Matters section below, nothing has come to our attention that causes us to believe that the Standalone Financial Results for the quarter ended March 31, 2020, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards and other

accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Basis for Opinion on the Audited Annual Standalone Financial Results for the year ended March 31, 2020

We conducted our audit in accordance with the Standards on Auditing ("SA"s) specified under Section 143(10) of the Companies Act, 2013 (the "Act"). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (the "ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Results for the year ended March 31, 2020 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us [and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

We draw attention to Note (v) to the Standalone Financial Results in which the Company describes the uncertainties arising from the COVID 19 pandemic. Our report is not modified in respect of this matter.

Management's Responsibilities for the Statement

This Statement which includes the Standalone Financial Results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The Standalone Financial Results for the year ended March 31, 2020, has been compiled from the related audited standalone interim financial information. This responsibility includes the preparation and presentation of the Standalone Financial Results for the quarter and year ended March 31, 2020 that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.



In preparing the Standalone Financial Results, the Board of Directors are responsible for assessing the Company's ability, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities

(a) Audit of the Annual Standalone Financial Results for the year ended March 31, 2020

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results for the year ended March 31, 2020 as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Standalone Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Annual Standalone Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual Standalone Financial Results, including the disclosures, and whether the Annual Standalone

Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.

- Perform procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations to the extent applicable
- Obtain sufficient appropriate audit evidence regarding the Annual Standalone Financial Results of the Company and its joint operations to express an opinion on the Annual Standalone Financial Results. [We are responsible for the direction, supervision and performance of the audit of financial information of such entities or business activities included in the Annual Standalone Financial Results of which we are the independent auditors. For the other entities or business activities included in the Annual Standalone Financial Results, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Annual Standalone Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Standalone Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Annual Standalone Financial Results.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

(b) Review of the Standalone Financial Results for the quarter ended March 31, 2020

We conducted our review of the Standalone Financial Results for the quarter ended March 31, 2020 in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the ICAI. A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with SAs specified under section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As part of annual audit we also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable

Other Matters

- Due to the COVID-19 related lock-down restrictions, management was able to perform year end physical verification of inventories at certain locations, subsequent to the year-end. Also, we were not able to physically observe the stock verification, where carried out by management. Consequently, we have performed alternate procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence – Specific Considerations for Selected Items", which includes inspection of supporting documentation relating to purchases and , consumption, results of cyclical count performed by the Management through the year and such other third party evidences where applicable, and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on the Statement.
- Attention is drawn to Note (viii) to the Statement which states that the standalone figures for the corresponding quarter ended March 31, 2019 (as recast) are the balancing figures between the annual audited figures for the year then ended (as recast) and the year to date figures of nine months period ended December 31, 2018 (as recast). We have not issued a separate limited review report on the results and figures for the quarter ended March 31, 2019 (as recast). Our report on the Statement is not modified in respect of this matter.
- The Statement includes the results for the quarter ended March 31, 2020 being the balancing figure between audited figures in respect of the full financial year and the recast year to date figures up to the third quarter of the current financial year which were subjected to limited review by us. Our report on the Statement is not modified in respect of this matter.
- As described in note (vi) to the Statement, the figures for the current and previous financial years / periods have been recast to include the financial information of the erstwhile L&T Shipbuilding Limited which has been amalgamated with the Company with effect from April 1, 2019. The financial information of the erstwhile L&T Shipbuilding Limited was audited / reviewed by another firm of Chartered Accountants whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of the erstwhile L&T Shipbuilding Limited, is based solely on the reports of such other auditor.
- We did not audit the financial information / financial results of 28 joint operations and erstwhile L&T Shipbuilding Limited included in the Statement, whose financial information / financial results reflect total assets of ₹6,161.16 crore as at March 31, 2020 and total revenues of ₹4,462.36 crore, total net loss after tax (net) of ₹385.33 crore, total comprehensive loss (net) of ₹384.02 crore and net cash outflows (net) of ₹114.57 crore for the year ended March 31, 2020, respectively, as considered in the Statement. The financial information / financial results of these joint operations and erstwhile L&T Shipbuilding Limited have been audited, by the other auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these joint operations, is based solely on the reports of such other auditors and the procedures performed by us as stated under Auditor's Responsibilities section above.

Our report on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

h,

**Deloitte
Haskins & Sells LLP**

- The Statement also includes the financial information of 2 joint operations which have not been audited by their auditors, whose financial information reflect total assets of ₹0.03 crore as at March 31, 2020 and total revenues of ₹2.08 crore, total net loss after tax of ₹0.63 crore, total comprehensive loss of ₹0.63 crore and net cash outflows (net) of ₹0.20 crore for the year ended March 31, 2020, respectively, as considered in the Statement. The financial information of these joint operations has been unaudited and has been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these joint operations, is based solely on such unaudited financial information which is certified by Management. In our opinion and according to the information and explanation given to us by the Management, the financial information of these joint operations are not material to the Company.

Our report on the Statement is not modified in respect of these matters.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Sanjiv V. Pilgaonkar
Partner
Membership No. 39826
UDIN: 20039826AAAADE1731

Place: Mumbai
Date: 5 June 2020

Attachment A:

Sr. No.	Name of Joint Operations
1	Desbuild L&T Joint Venture
2	Larsen and Toubro Limited-Shapoorji Pallonji & Co. Ltd. Joint Venture
3	Al Balagh Trading & Contracting Co W.L.L- L&T Joint Venture
4	L&T - AM Tapovan Joint Venture
5	HCC - L&T Purulia Joint Venture
6	International Metro Civil Contractors Joint Venture
7	Metro Tunneling Group
8	L&T - Hochtief Seabird Joint Venture
9	Metro Tunneling Chennai-L&T Shanghai Urban Construction (Group) Corporation Joint Venture
10	Metro Tunneling Delhi- L&T Shanghai Urban Construction (Group) Corporation Joint Venture
11	L&T-Shanghai Urban Construction (Group) Corporation Joint Venture CC27 Delhi
12	Aktor- Larsen & Toubro-Yapi Merkezi-STFA-Al Jaber Engineering Joint Venture
13	Civil Works Joint Venture
14	L&T-Shanghai Urban Construction (Group) Corporation Joint Venture
15	DAEWOO and L&T Joint Venture
16	L&T – STEC JV MUMBAI
17	L&T-AL-Sraiya LRDP 6 Joint Venture
18	L&T-Eastern Joint Venture
19	Larsen & Toubro Limited & NCC Limited Joint Venture
20	Besix - Larsen & Toubro Joint Venture
21	Larsen and Toubro Limited-Scomi Engineering BHD Consortium-Residual Joint Works Joint Venture
22	Larsen and Toubro Limited-Scomi Engineering BHD Consortium-O&M Joint Venture
23	L&T-Delma Mafraq Joint Venture
24	Larsen & Toubro Ltd - Passavant Energy & Environment JV
25	LNT-Shriram EPC Tanzania UJV
26	L&T- ISDPL (JV)
27	L&T-IHI Consortium
28	L&T- Inabensa Consortium
29	LTH Milcom Private Limited
30	L&T –Tecton @
31	L&T – Power China JV @
32	L&T Shipbuilding Limited (an amalgamated company)

@Incorporated during the year

**DECLARATION PURSUANT TO 2ND PROVISOR TO REGULATION 33(3)(d) AND
REGULATION 52(3) (a) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE
REQUIREMENTS) REGULATIONS, 2015**

We, **Larsen & Toubro Limited**, a Company within the provisions of the Companies Act, 2013, do hereby state and declare that the Auditor's Report on the Financial Statements for the year ended March 31, 2020 is with an unmodified opinion.

Yours faithfully,
for LARSEN & TOUBRO LIMITED



**SIVARAM NAIR A
COMPANY SECRETARY
(FCS 3939)**

Date : 5th June 2020
Place : Mumbai