

SEC/PAM/2017

February 7, 2017

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

**Sub.: Investor Presentation**

Pursuant to Regulation 46(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith a copy of updated Investor Presentation, which will be uploaded to our Investor Website <http://investors.larsentoubro.com/>

We request you to take note of the same.

Thanking you,

Yours faithfully,  
**for LARSEN & TOUBRO LIMITED**



**N. HARIHARAN**  
**COMPANY SECRETARY**  
**(ACS 3471)**

Encl : as above

# Larsen & Toubro

## Investor Presentation - Q3 / 9M FY17

February 7, 2017



# Disclaimer

This presentation contains certain forward looking statements concerning L&T's future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements.

The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, competition (both domestic and international), economic growth in India and the target countries for exports, ability to attract and retain highly skilled professionals, time and cost over runs on contracts, our ability to manage our international operations, government policies and actions with respect to investments, fiscal deficits, regulations, etc., interest and other fiscal costs generally prevailing in the economy. Past performance may not be indicative of future performance.

The company does not undertake to make any announcement in case any of these forward looking statements become materially incorrect in future or update any forward looking statements made from time to time by or on behalf of the company.

# Presentation Outline



**L&T Overview**



**Business Overview**



**Group Performance**



**Sectoral opportunities**

# Presentation Outline



**L&T Overview**



Business Overview



Group Performance



Sectoral opportunities

# L&T - At a Glance

*India's largest E&C company with interests in Projects, Infrastructure Development, Manufacturing, IT & Financial Services*



**Professionally  
Managed  
Company**



**FY 16 Group  
Revenues:  
₹1020 Bn  
(approx.  
US\$ 16 Bn)**



**Market Cap  
(30<sup>th</sup> Jan'17):  
₹1347 Bn  
(approx.  
US\$ 20 Bn)**

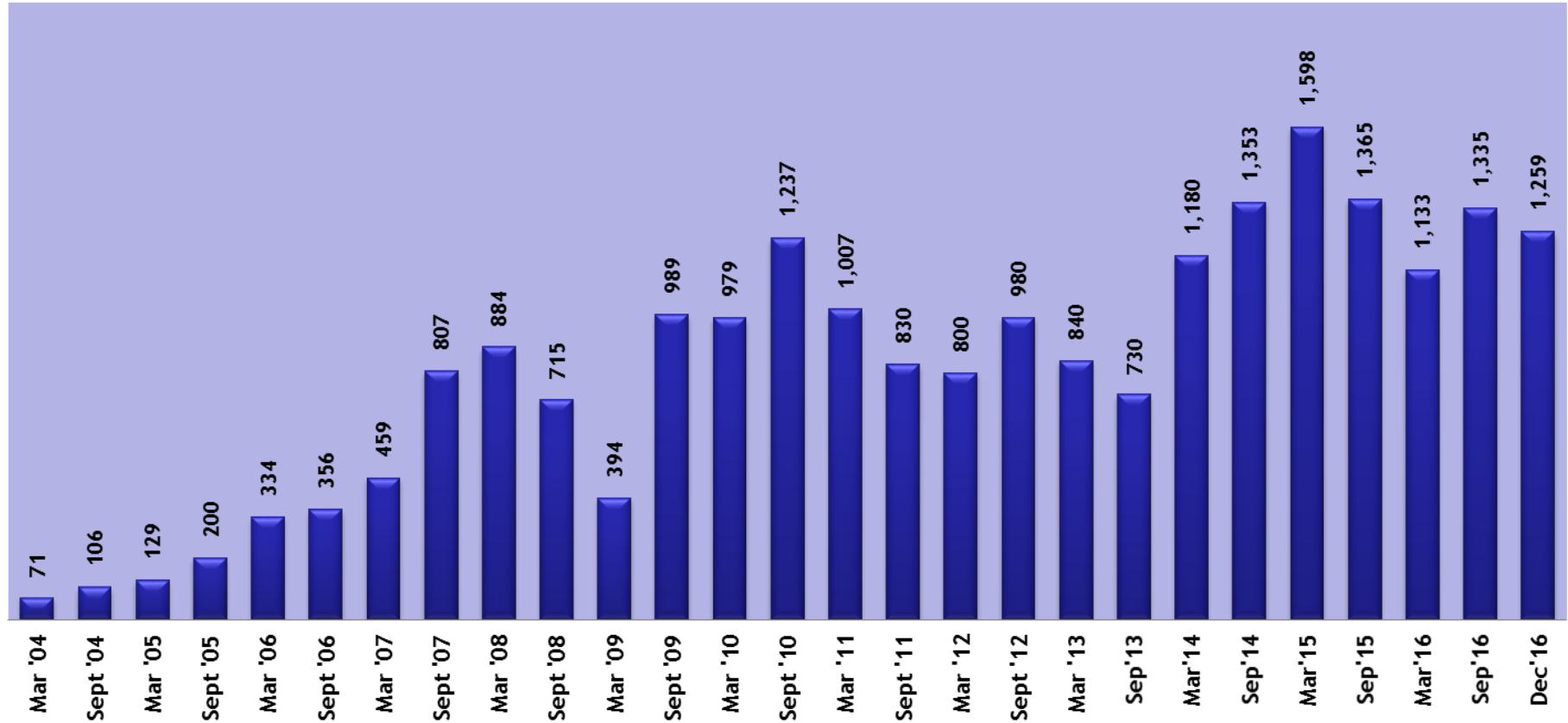


**Credit Ratings  
CRISIL:  
AAA/Stable  
ICRA:  
AAA(Stable)**

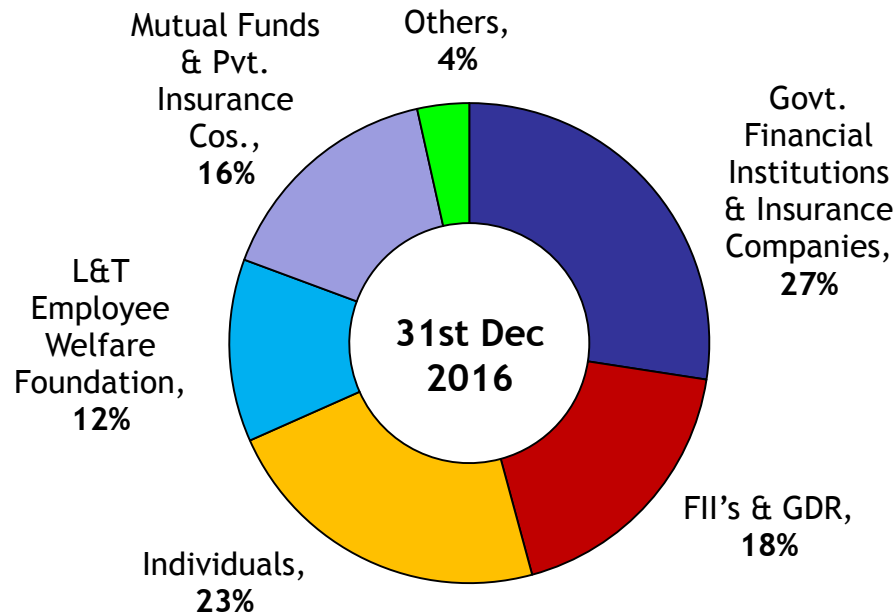


# L&T - At a Glance

L&T Market Cap (Amt. ₹ Bn)



# L&T - Shareholding Pattern



Major Institutional Shareholders	% Shares
Life Insurance Corporation of India	16.5%
Administrator of the SUUTI	6.6%
HDFC Mutual Fund	3.1%
General Insurance Corp. of India	1.9%
ICICI Prudential Mutual Fund	1.9%
ICICI Prudential Life Insurance	1.8%
Government of Singapore	1.5%
Reliance Mutual Fund	1.4%

- Listed with BSE & NSE
- GDRs listed with LSE and LuxSE
- L&T is one of the most widely held listed companies in India
- No promoter holding
- Uninterrupted Dividend payment record since 1946; FY16 Dividend of Rs. 18.25 per share (FY15: Rs. 16.25 per share)



# Experienced Management Team



**A M Naik**

*Group Executive Chairman*

- BE [Mech]
- Joined L&T in March 1965
- Diverse and vast experience in general management, Technology and E&C



**S. N. Subrahmanyan**

*Deputy Managing Director & President*

- B.SC ENGG (CIVIL), MBA (Finance)
- Joined L&T in November 1984

- Vast experience in Design & Build (D&B) Contracts, PPP Projects, Engineering and Construction Industry



**R Shankar Raman**

*Whole-time Director & Chief Financial Officer*

- B.Com, ACA, CWA
- Joined L&T Group in November 1994

- Vast experience in Finance, Taxation, Insurance, Risk Management, Legal and Investor Relations



**Shailendra Roy**

*Whole-time Director & Sr. Executive Vice President (Power, Heavy Engg. & Defence)*

- BTech
- Joined L&T in 2004

- Vast experience in Thermal Power, Heavy Engineering, Defence & Aerospace Business



**D. K. Sen**

*Whole-time Director & Sr. Executive Vice President (Infrastructure)*

- B.SC ENGG (CIVIL), MBA (Finance)
- Joined L&T in 1989

- Vast experience in Design & Engineering, Business Development, Tendering and construction



**M. V. Satish**

*Whole-time Director & Sr. Executive Vice President (Building, Minerals & Metals)*

- BE (Civil)
- Joined L&T in 1980

- Vast experience in Construction, Business Development, Contracts Management and Property Development in India and GCC region



**Subramanian Sarma**

*Non-Executive Director*

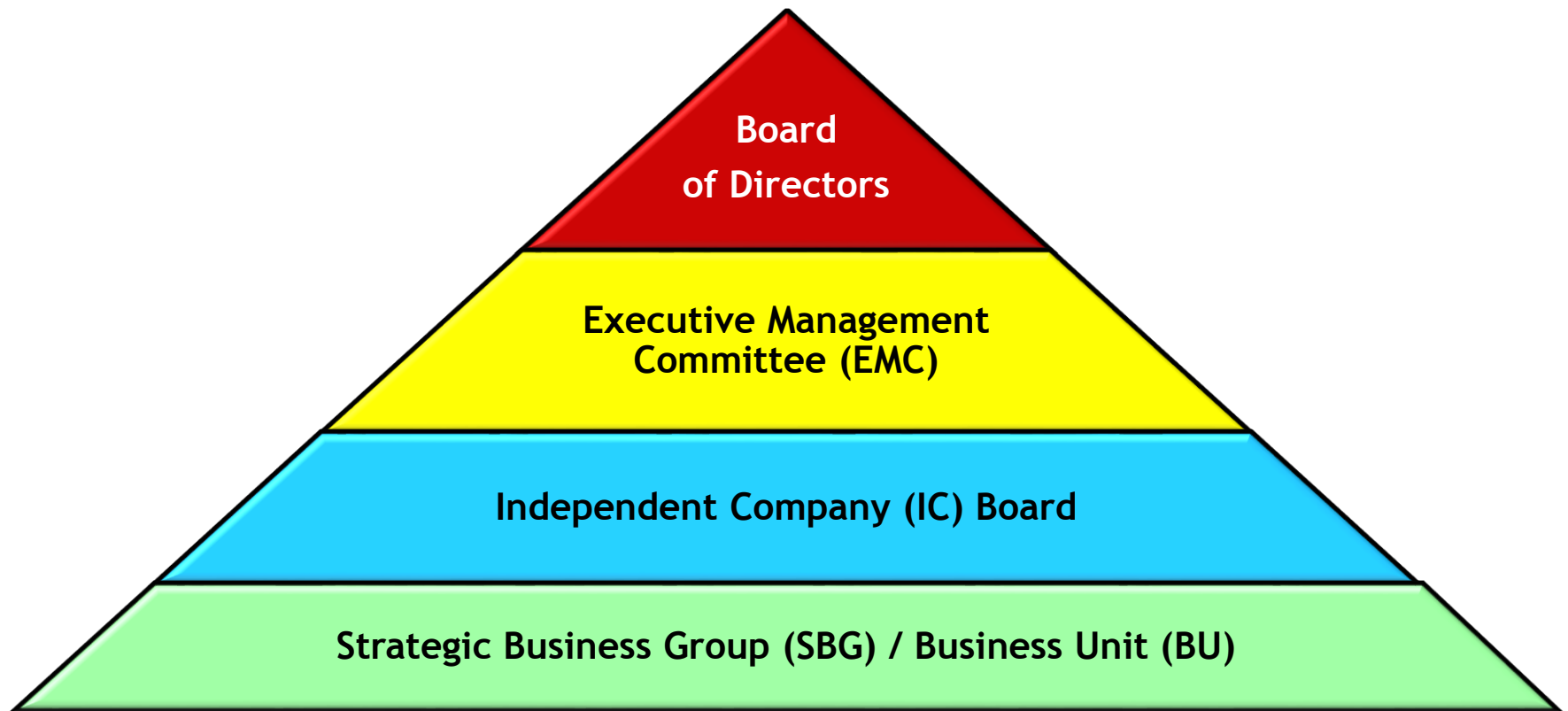
- B.Tech (Chem.), M.Tech - IIT, Mumbai
- Joined L&T Group in 2015

- Vast experience in managing large business portfolios in energy sector

# Corporate Governance

*L&T's essential character revolves around values based on transparency, integrity, professionalism and accountability*

## **Four-tier Governance Structure**



# Sustainability Programme



Sustainability Report 2016 is 'GRI Checked' externally assured & 'In Accordance-Comprehensive' highest level of disclosures in public domain

Released

**Sustainability Roadmap 2021**

INDUSTRY OVERVIEW REPORT | DJI 2016  
CON Construction & Engineering

**ROBECOSAM**  
We are Sustainability Investing.

## Sustainability Thrust Areas



**Energy Conservation**



**Renewable Energy**



**GHG Emissions**



**Water Efficiency**



**Material Management**



**Green Buildings**

### Sustainability Leaders as of September 2016

Company	Country
CIMIC Group Ltd	Australia
CTCI Corp	Taiwan
Ferrovial SA	Spain
Fluor Corp	United States
GS Engineering & Construction Corp	Republic of Korea
HOCHTIEF AG	Germany
Hyundai Engineering & Construction Co Ltd*	Republic of Korea
<b>Larsen &amp; Toubro Ltd</b>	<b>India</b>
Samsung Engineering Co Ltd	Republic of Korea
UGL Ltd	Australia
Vinci SA	France

**Among the Top 11 Engineering & Construction Companies in the world by DJI (Dow Jones Sustainability Index)**

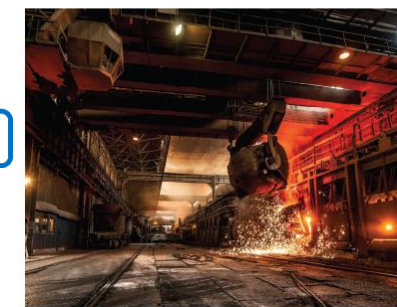


**L&T ranked among Asia's Top 5 'Most Sustainable Companies'**



**India Inc. readies for #ParisAgreement & beyond**  
CDP India Climate Change Report 2016

Written on behalf of 107 investors with USD 100 billion in assets

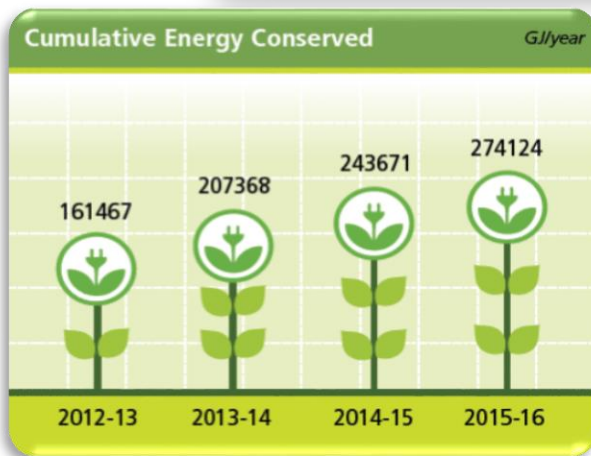


**L&T is leader in Carbon Performance Leadership Index (CDLI) 2016 - Industrial segment**

# Sustainability - Environment & Social



Green Product Portfolio reached over 25.9 % of sales in 2016



Over 76 million units of energy conserved cumulatively  
Over 60,900 Tons of CO<sub>2</sub> emissions avoided



## Green Buildings

L&T's own 17 green buildings at campuses.  
Constructed for Clients – 49.2 million sq. ft.  
Under certification- 8.8 Million Sq. ft

## CSR Highlights

Theme:  
**Building India's social infrastructure reached over 1.3 million beneficiaries**

Working in three states on  
**Integrated Community Development Program**

Linkage with Sustainable Development Goals (SDGs)

# Presentation Outline



L&T Overview



**Business Overview**



Group Performance



Sectoral opportunities



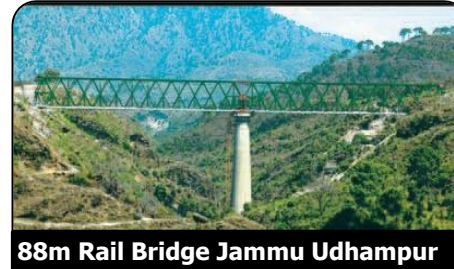
# Builders to the Nation



**Vizag Steel Plant**



**Turbine Rotor, Gujarat**



**88m Rail Bridge Jammu Udhampur**



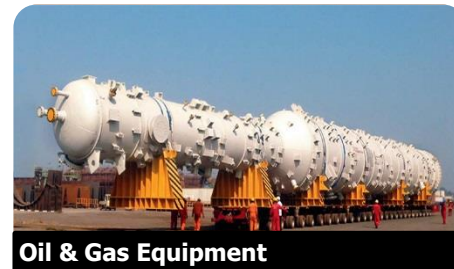
**Wankhede Stadium, Mumbai**



**Baha'i Temple, Delhi**



**Mumbai International Airport**



**Oil & Gas Equipment**



**Vivekanand Bridge, Kolkata**



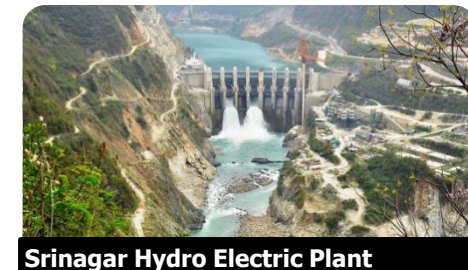
**Kakrapar Nuclear Power Plant, Guj**



**ITC Grand Chola Hotel, Chennai**



**Sri Sathya sai Whitefield Hospital**



**Srinagar Hydro Electric Plant**



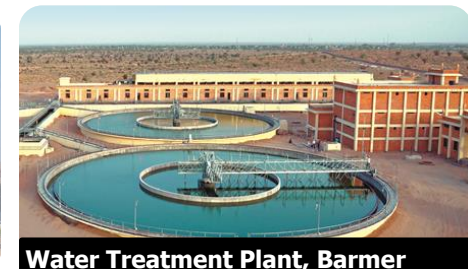
**Vacuum Column, Paradip Refinery**



**2x384 MW CCPP, Vemagiri, A.P.**



**Cyber Towers, Hyderabad**



**Water Treatment Plant, Barmer**



# International Footprint - Marquee Jobs



**Stadium at Barbados**



**Salalah Airport, Oman**



**Twin Towers, Dubai Marina**



**NMC Speciality hospital, Abu Dhabi**



**Bhukara Hotel, Uzbekistan**



**World's Longest Conveyer, Bangladesh**



**Bulk Cement Terminal, Colombo**



**Fabrication Facility, Oman**



**Punatsangchhu HEP, Bhutan**



**Sheikh Khalifa Interchange, UAE**



**Coal Gasifier for China**



**Transmission Lines, Fujirah, Dhaid**



**Water Treatment Plant, Doha**



**Petronas Refinery, Malaysia**



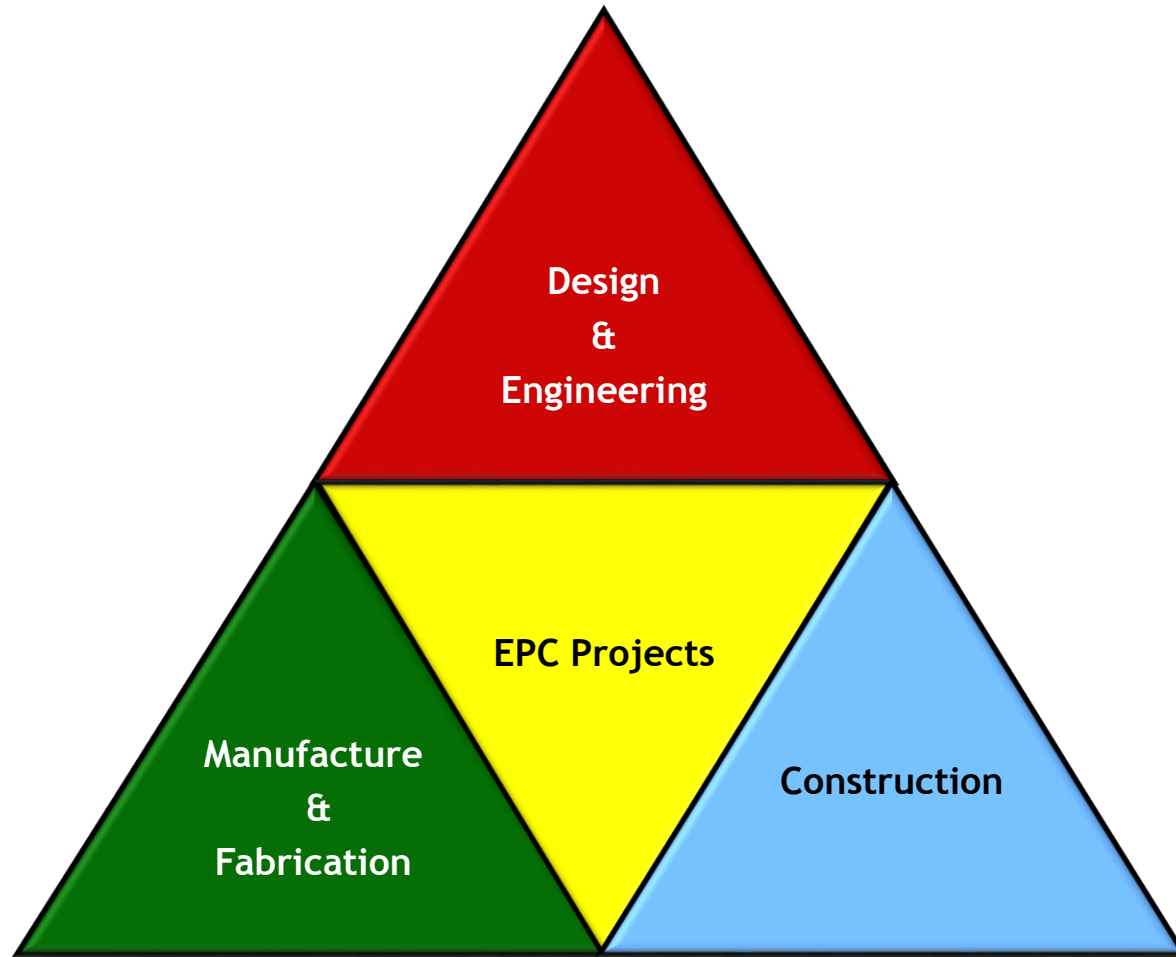
**Bi-metallic Urea Stripper for Saudi**



**MV Switchgear Factory, Malaysia**

# E&C Delivery Platform

One of Asia's largest vertically integrated E&C Companies



Single point responsibility for turnkey solutions



# Quality Customer Mix



Indian Coastguard



सेल SAIL



MIAL



شركة البترول الوطنية الكويتية (ك.م.ب.ك.)



# Multiple Alliances & Joint Ventures

## Alliances



## Pre qualifications

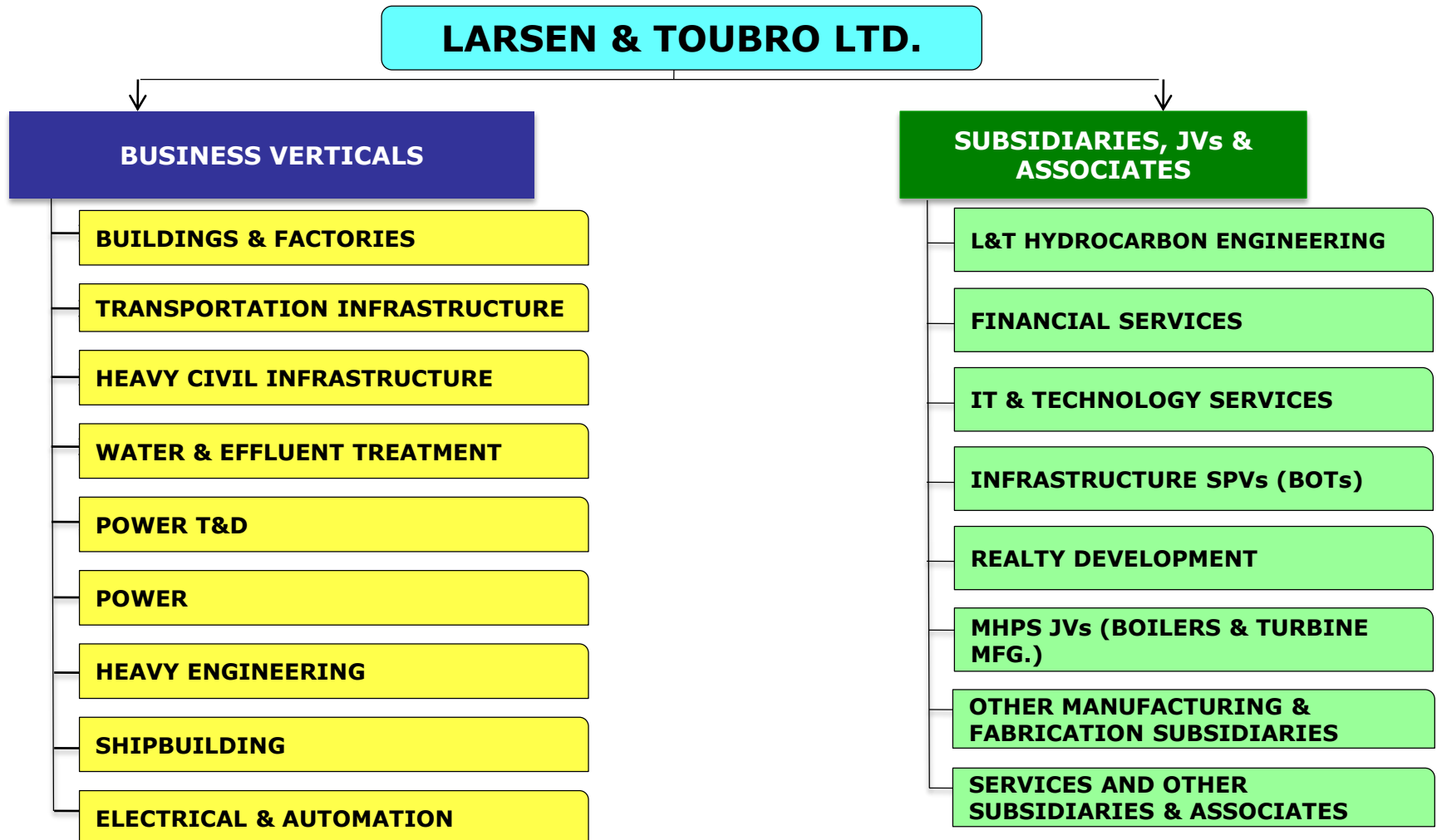


## Joint Ventures



**Note:** Some of these are project specific alliances & pre qualifications

# L&T's Business Structure



# Presentation Outline



L&T Overview



Business Overview



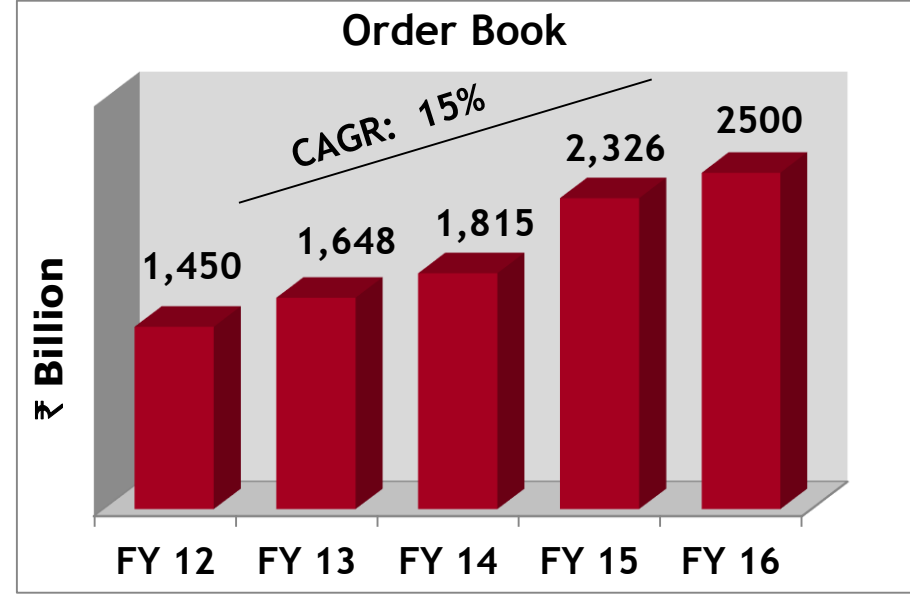
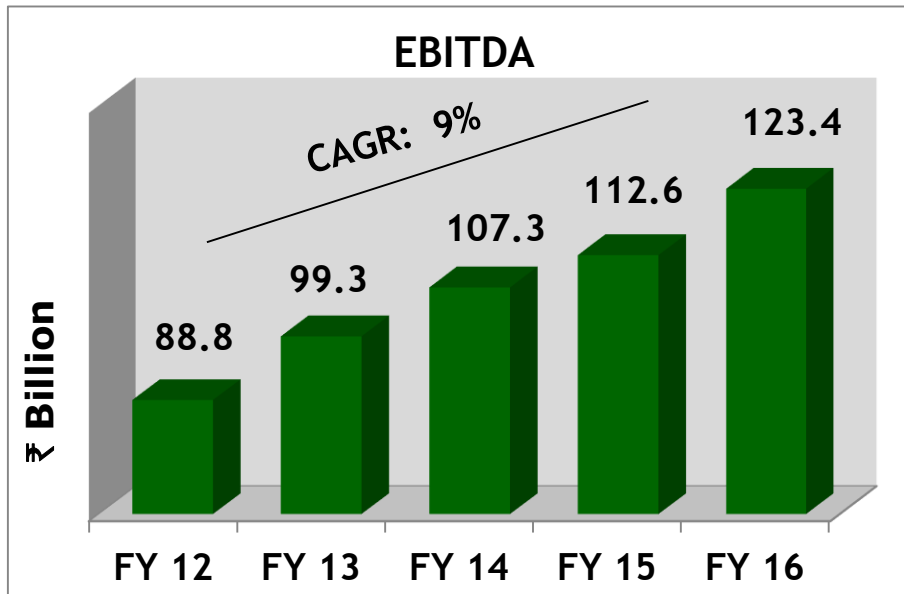
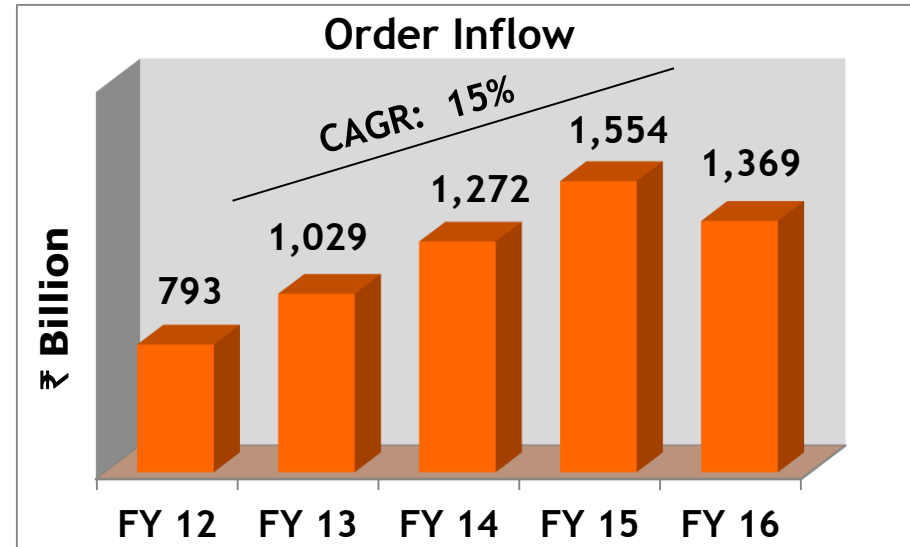
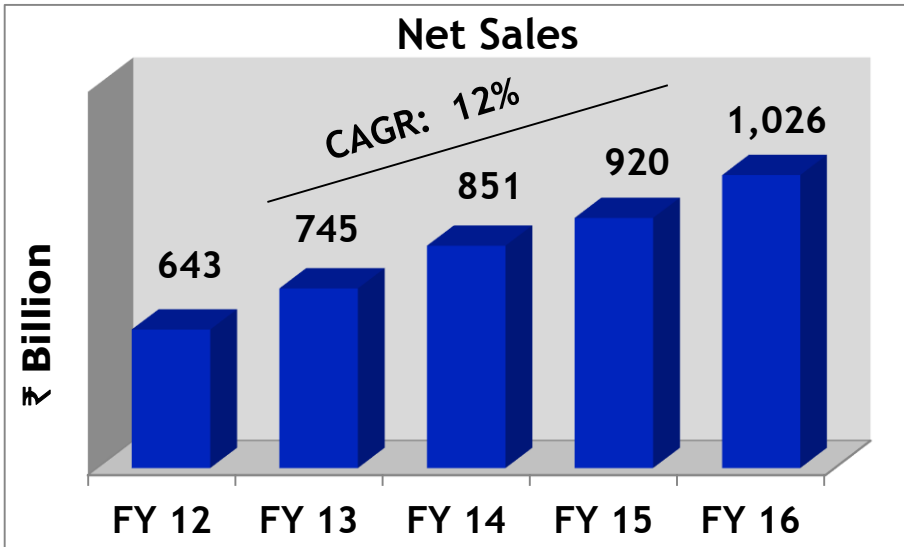
**Group Performance**



Sectoral opportunities

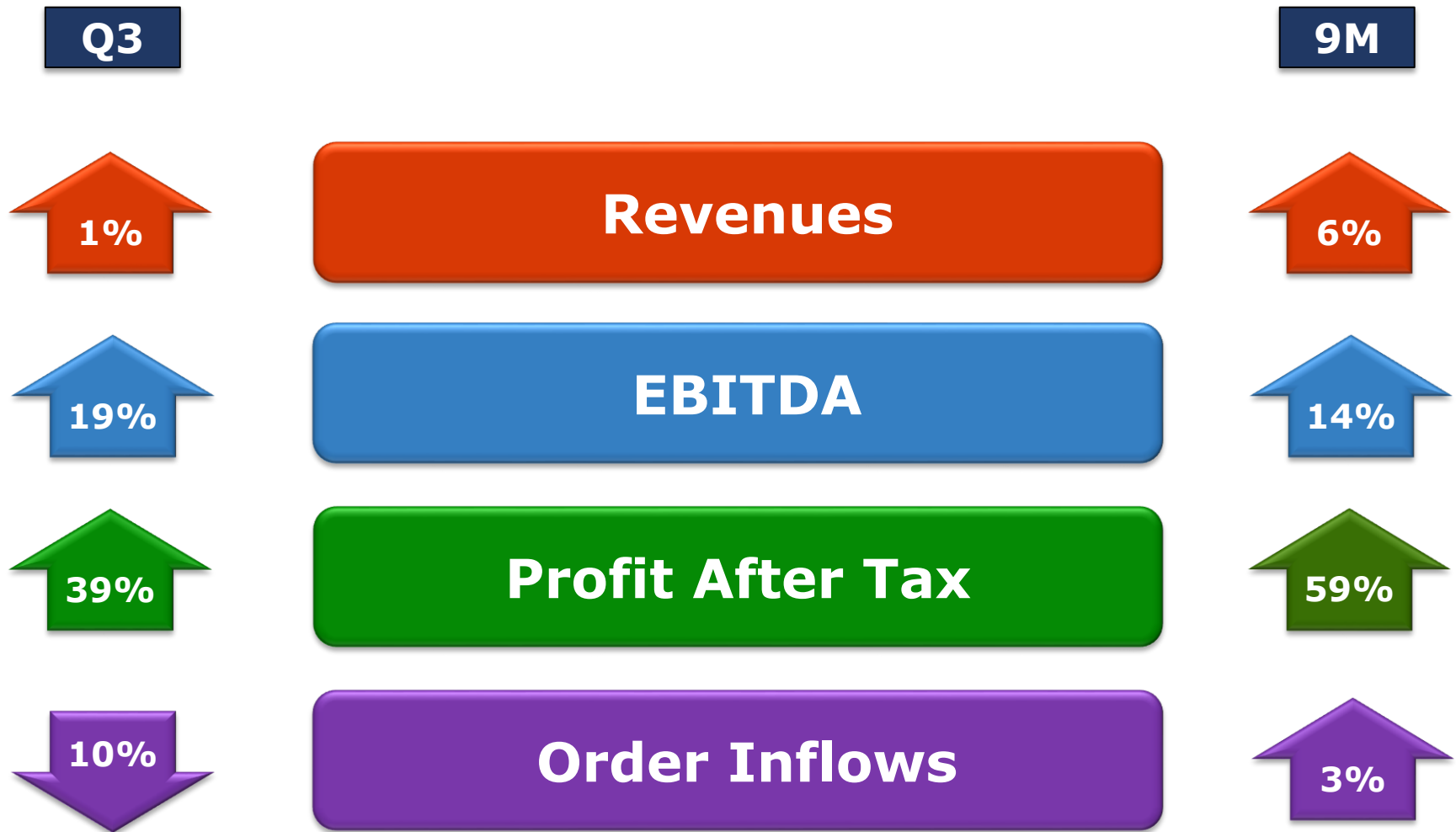


# Five Year Performance



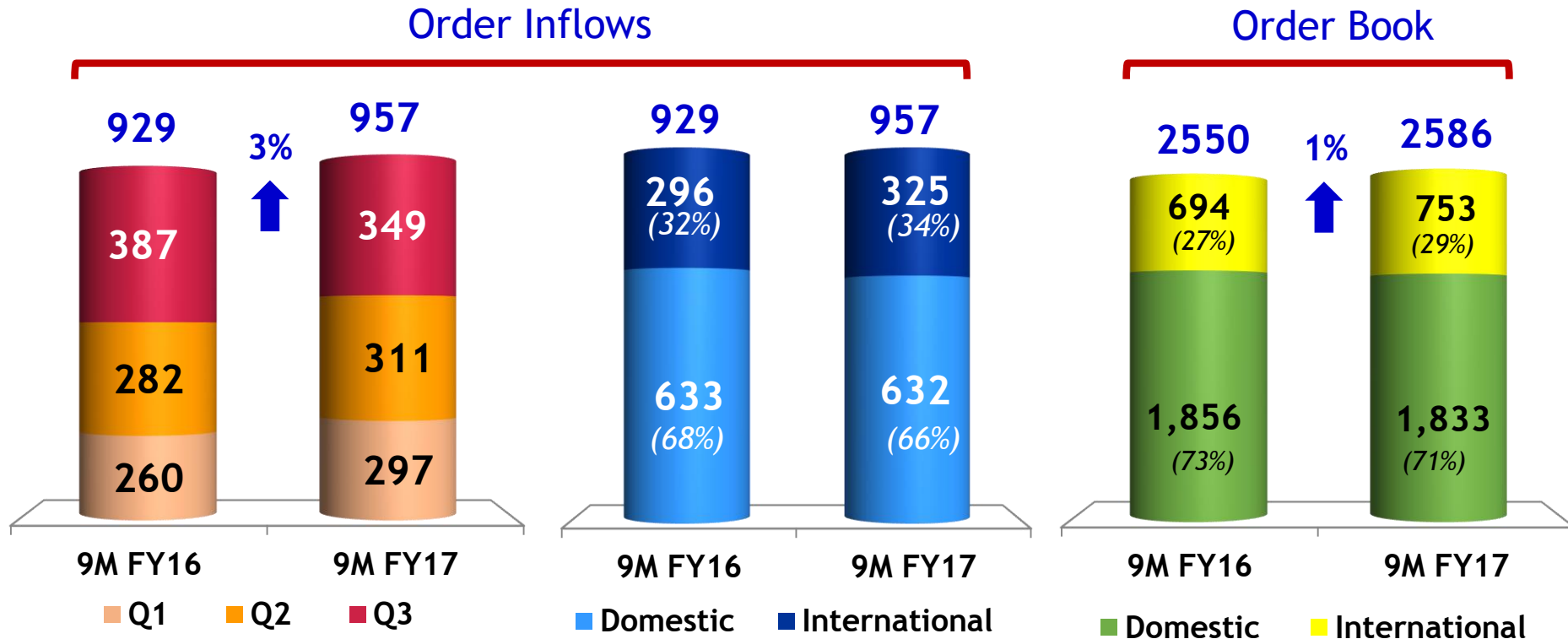
All numbers are under I-GAAP

# Performance Highlights



# Group level Order Inflow & Order Book

Amount in ₹ Bn



- Order Inflow decline due to muted domestic capex and delay in awards
- 10% growth in International orders led by B&F, Heavy Civil and Hydrocarbon Businesses
- Order Book at more than 2x TTM Revenues

# Group Performance - Sales & Costs

Q3 FY16	Q3 FY17	% Change	₹ Billion	9M FY16	9M FY17	% Change	FY16
259.28	262.87	1%	Revenue from Operations	691.00	731.83	6%	1,019.75
88.21	95.90	9%	International Revenue	227.20	261.42	15%	323.37
34%	36%		% of Revenue	33%	36%		32%
175.81	172.83	-2%	Mfg, Cons. & Opex (MCO)	453.67	474.23	5%	674.21
12.12	13.32	10%	Finance Cost of Fin. Services and Fin. Lease Activities	36.26	40.22	11%	49.67
34.17	34.97	2%	Staff Costs	99.02	103.53	5%	133.25
15.92	16.52	4%	Sales & Admin. Expense (SGA)	43.24	46.73	8%	58.77
238.02	237.64	0%	Total Opex	632.18	664.71	5%	915.90

- Revenue growth in International market neutralized by domestic execution environment
- Hydrocarbon and Infrastructure business aid revenue growth
- Operational efficiencies in Hydrocarbon, MMH and Heavy Engg. Businesses led to favourable MCO expenses
- Moderate increase in staff cost on productivity improvements
- SGA includes higher provisioning by Financial Services Business

# Group Performance Summary - Profitability

Q3 FY16	Q3 FY17	% Change	₹ Billion	9M FY16	9M FY17	% Change	FY16
21.26	25.23	19%	EBITDA	58.81	67.12	14%	103.85
8.2%	9.6%	1.4%	EBITDA Margin	8.5%	9.2%	0.7%	10.2%
(4.04)	(3.79)	-6%	Interest Expenses	(12.16)	(10.43)	-14%	(16.55)
(3.68)	(7.22)	96%	Depreciation	(13.62)	(16.47)	21%	(17.87)
2.41	2.57	7%	Other Income	8.46	10.29	22%	9.82
(5.12)	(4.40)	-14%	Provision for Taxes	(14.75)	(16.69)	13%	(24.16)
(2.94)	(1.48)		Share in profit / (loss) of JVs / Associates	(6.57)	(4.79)		(9.90)
(0.9)	(1.18)		Non-controlling Interest	(1.65)	(2.88)		(3.20)
7.00	9.72	39%	PAT (Before Exceptionals)	18.52	26.14	41%	42.00
-	-		Exceptional (Net of Tax)	0.46	4.02		0.79
7.00	9.72	39%	Reported PAT	18.98	30.17	59%	42.79

- Margin improvement driven by Infrastructure, Heavy Engg. and Hydrocarbon businesses
- Decline in Interest cost on efficient fund management
- Depreciation includes asset value restatement of a Retail Mall upon monetization
- Increase in Other Income due to higher Treasury earnings

# Group Balance Sheet

₹ Billion	Dec-16	Mar-16	Incr / (Decr)
Equity & Reserve	471.02	444.55	26.48
Non Controlling Interest	32.55	27.11	5.44
Borrowings - Financial Services	585.32	545.86	39.46
Development Projects	152.99	142.03	10.96
Others	186.19	193.43	(7.24)
Other Non-Current Liabilities	24.30	8.44	15.86
<b>Sources of Funds</b>	<b>1,452.37</b>	<b>1,361.41</b>	<b>90.96</b>
Fixed Assets (Tangible / Intangible / Goodwill)	183.63	188.06	(4.43)
Development Projects Fixed Assets	145.19	123.22	21.97
Finance lease receivable	96.11	98.16	(2.05)
Loans towards Financing Activities	599.82	557.03	42.78
Other Non-Current Assets (Incl. S&A / JV Investment)	81.98	87.31	(5.34)
Current Investments	119.61	74.91	44.69
Working Capital	226.03	232.71	(6.67)
<b>Application of Funds</b>	<b>1,452.37</b>	<b>1,361.41</b>	<b>90.96</b>



# Group Cash Flow

Q3 FY16	9M FY16	₹ Billion	Q3 FY17	9M FY17
24.79	65.83	Operating Profit	26.12	69.62
(6.28)	(5.24)	Changes in Working Capital	10.22	9.59
(8.75)	(22.49)	Direct Taxes paid	(9.51)	(22.84)
<b>9.75</b>	<b>38.10</b>	<b>Net Cash from Operations (A)</b>	<b>26.83</b>	<b>56.37</b>
(7.27)	(33.75)	Investments in Fixed Assets (Net)	(8.64)	(27.33)
22.06	(0.29)	Net Purchase of Long Term & Curr. Inv.	(27.90)	(48.38)
(0.55)	(2.14)	Loans/Deposits made with Associate Cos.	(0.52)	(3.10)
0.03	0.40	Interest & Dividend Received & Others	1.47	3.42
-	0.74	Divestment Proceeds (Incl. Advances)	14.30	19.56
<b>14.27</b>	<b>(35.05)</b>	<b>Net Cash from/(used in) Invest. Act. (B)</b>	<b>(21.29)</b>	<b>(55.84)</b>
3.88	9.90	Issue of Share Capital / Minority	(0.02)	20.57
29.47	104.23	Net Borrowings	16.24	43.75
(43.93)	(80.60)	Disbursements towards financing activities*	(17.59)	(31.11)
(6.72)	(37.32)	Interest & Dividend paid	(3.88)	(32.93)
<b>(17.29)</b>	<b>(3.79)</b>	<b>Net Cash from Financing Activities (C)</b>	<b>(5.25)</b>	<b>0.28</b>
<b>6.73</b>	<b>(0.74)</b>	<b>Net (Dec) / Inc in Cash &amp; Bank (A+B+C)</b>	<b>0.28</b>	<b>0.81</b>

\* included under Net Cash from operations under statutory financial statements

# Segment Performance Analysis

# Segment Composition

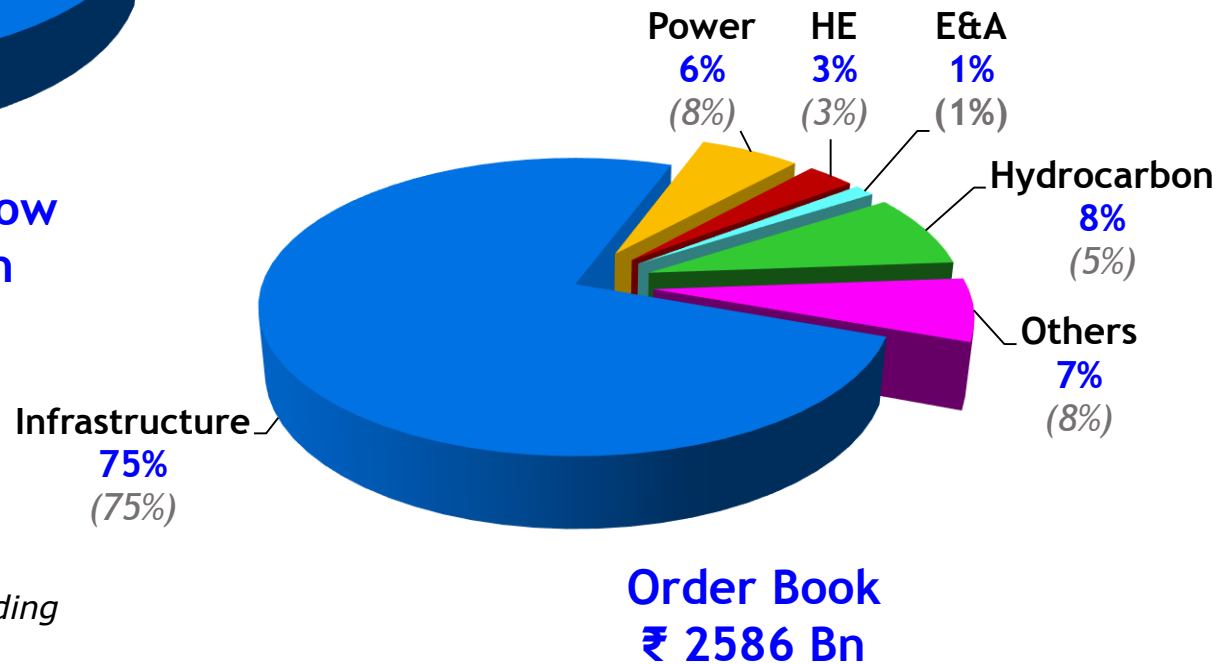
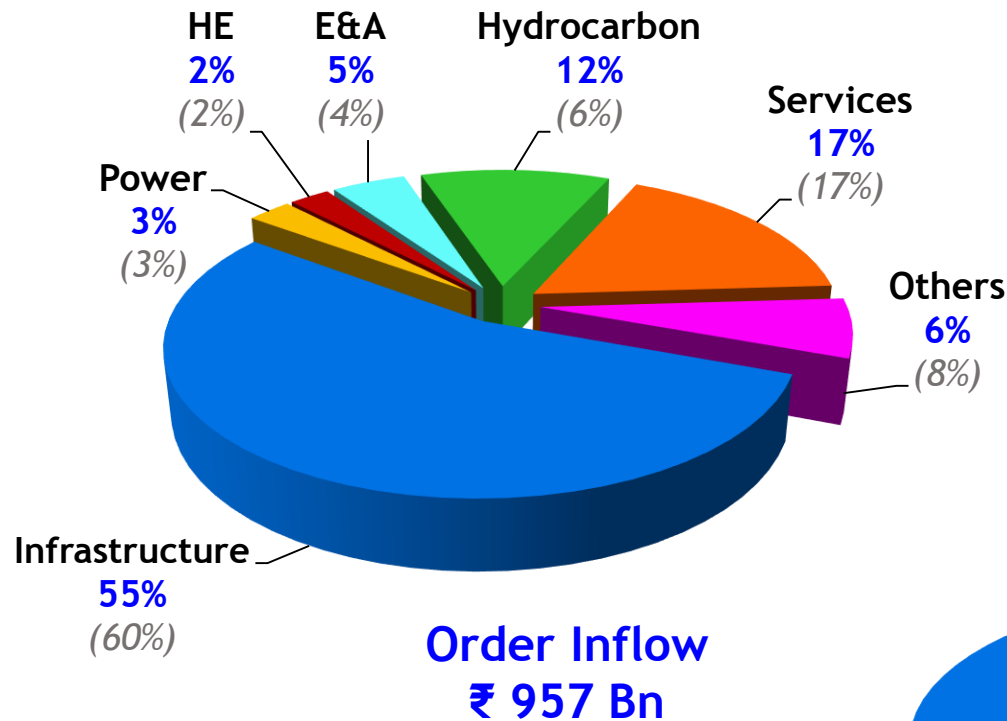
Infrastructure	Power	Heavy Engineering	Electrical & Automation
Buildings & Factories	EPC - Coal & Gas	Process Plant Equipment	Electrical Standard Products
Transportation Infra	Thermal Power Plant Construction	Nuclear Power Plant Equipment	Electrical Systems & Equipment
Heavy Civil Infra	Electrostatic Precipitators	Defence & Aerospace	Metering & Protection
Water & Effluent Treatment		Piping Centre	Control & Automation
Power T&D			
Smart World & Communication			

Hydrocarbon	Developmental Projects	IT & TS	Financial Services	Others
Onshore	Roads*	Information Technology	Retail & Corporate	Shipbuilding
Offshore	Metros	Technology Services	Infrastructure	Realty
	Ports		Mutual Fund Asset Management	Metallurgical & Material Handling
	Power			Construction & Mining Equipment
				Machinery & Industrial Products

\* Consolidated at PAT level

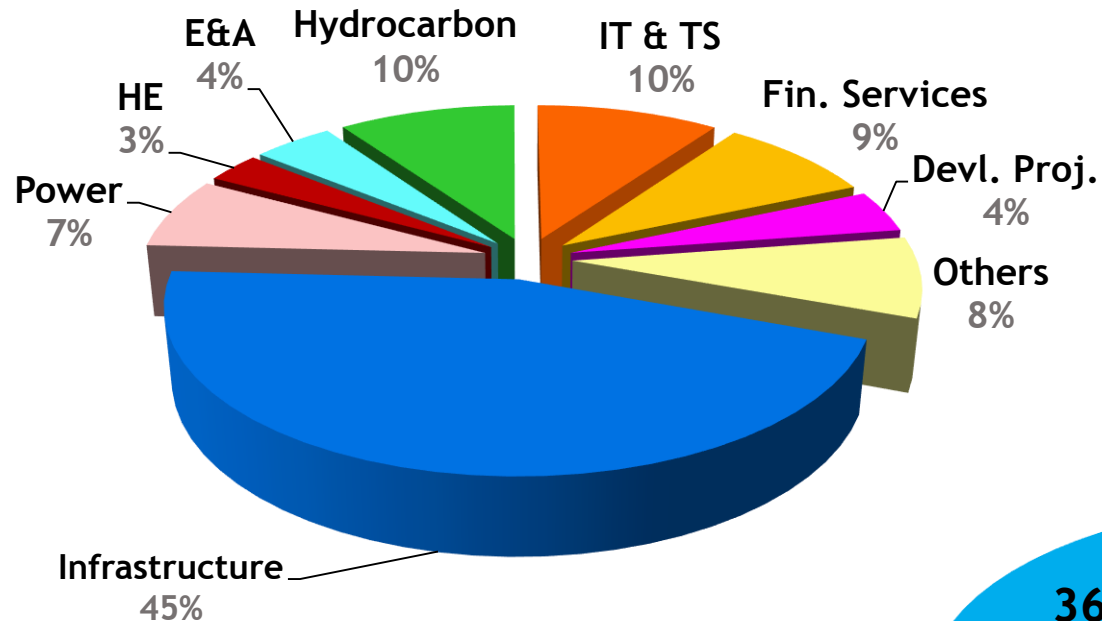
# Segmental Breakup of Orders - 9M FY17



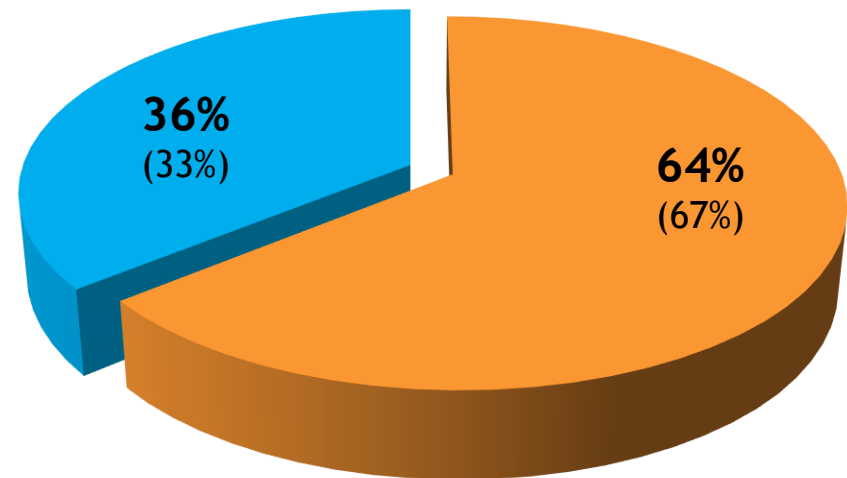
*Figures in brackets indicate corresponding period of the Previous Year*

# Revenue Breakup - 9M FY17

## Segmental Breakup



## Geographical breakup



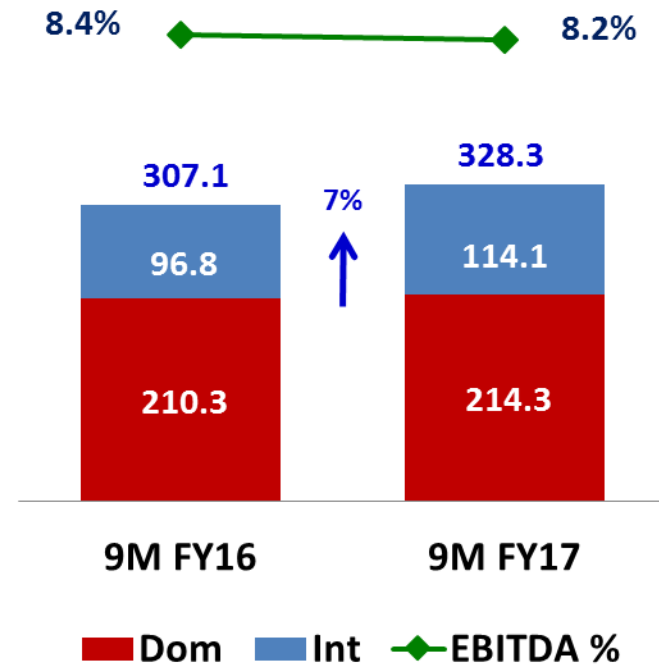
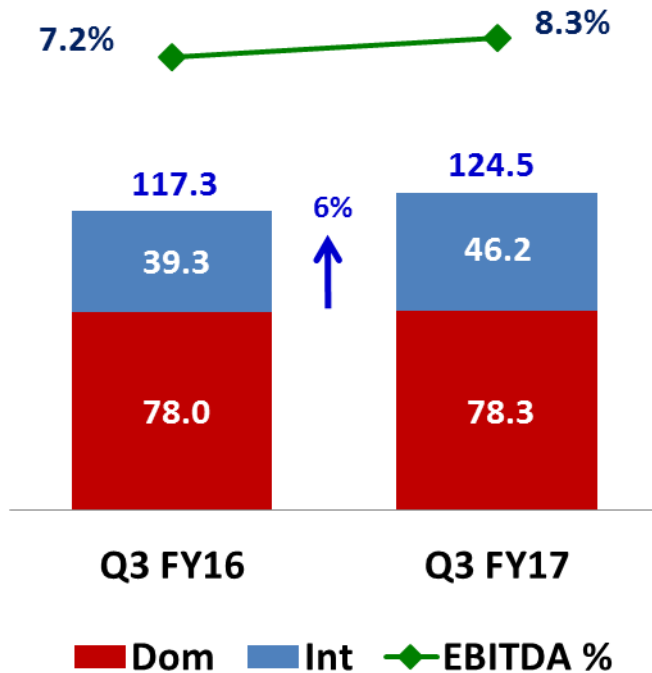
*Figures in brackets indicate corresponding period of the Previous Year*

■ Domestic ■ International

# Infrastructure Segment

Amount in ₹ Bn

## Net Revenues & Margin



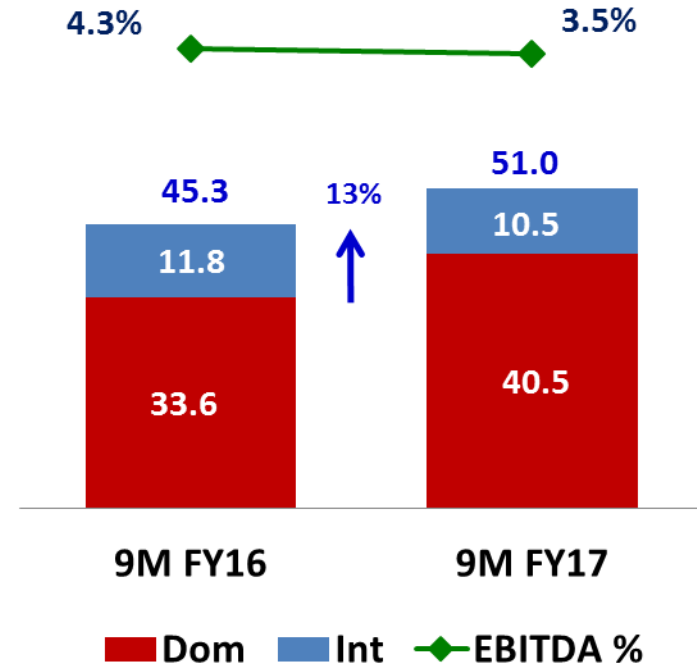
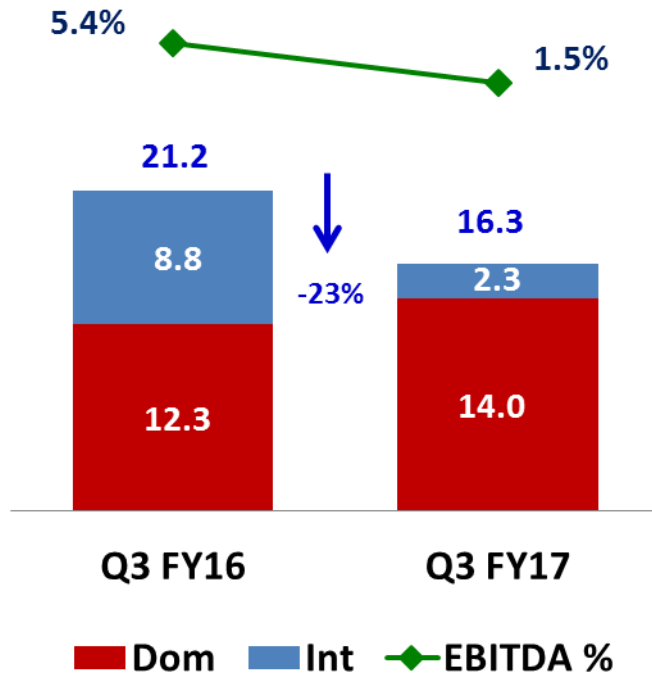
- Modest sales growth on execution headwinds and slower payment cycles
- Heavy Civil and Power T&D registers better margin
- Q3 Margin benefits from cost reduction & design optimization initiatives



# Power Segment

Amount in ₹ Bn

## Net Revenues & Margin

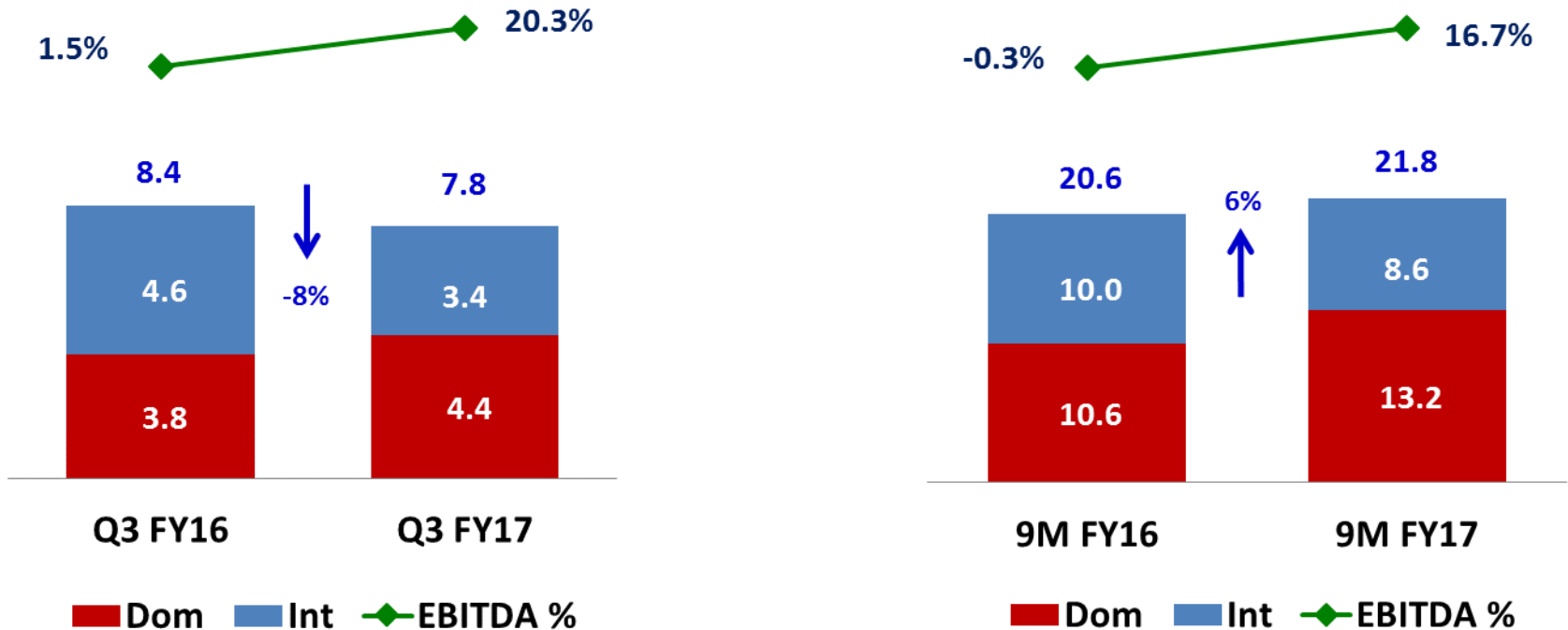


- Revenue decline due to lower order-book and international revenue taper
- Lower Margins in Q3 due to higher proportion of cost jobs
- MHPS JVs consolidated at PAT level

# Heavy Engineering Segment

Amount in ₹ Bn

## Net Revenues & Margin

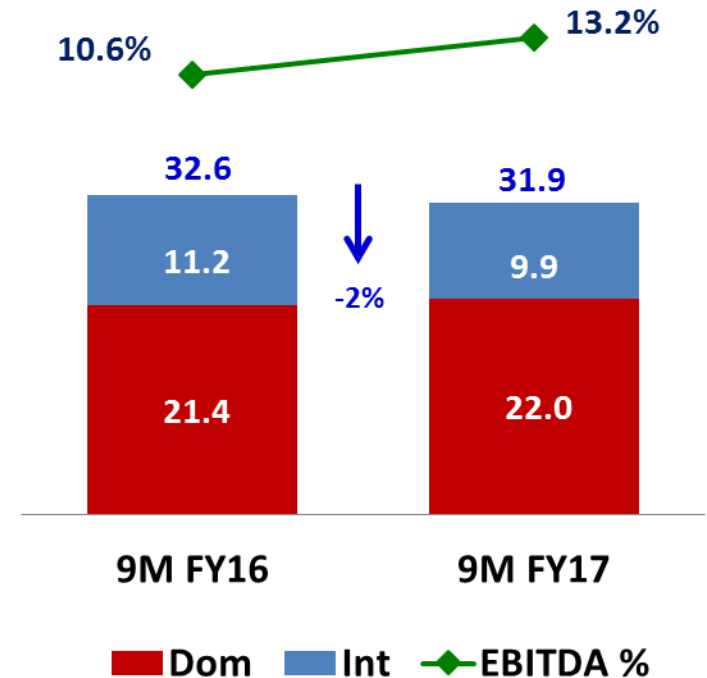
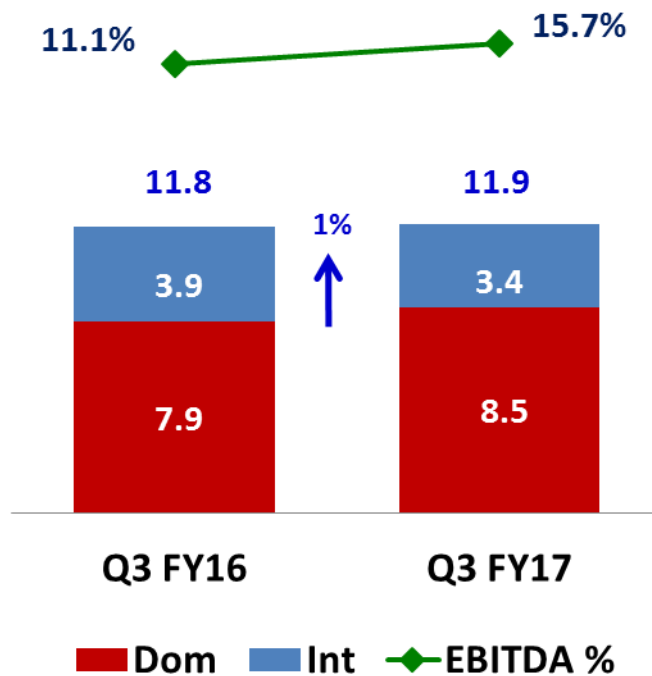


- Revenue growth impacted by lower order book and stage of execution
- Previous year margin impacted by cost and time overruns
- CY margin improved both in PPN and D&A Business

# Electrical & Automation (E&A) Segment

Amount in ₹ Bn

## Net Revenues & Margin

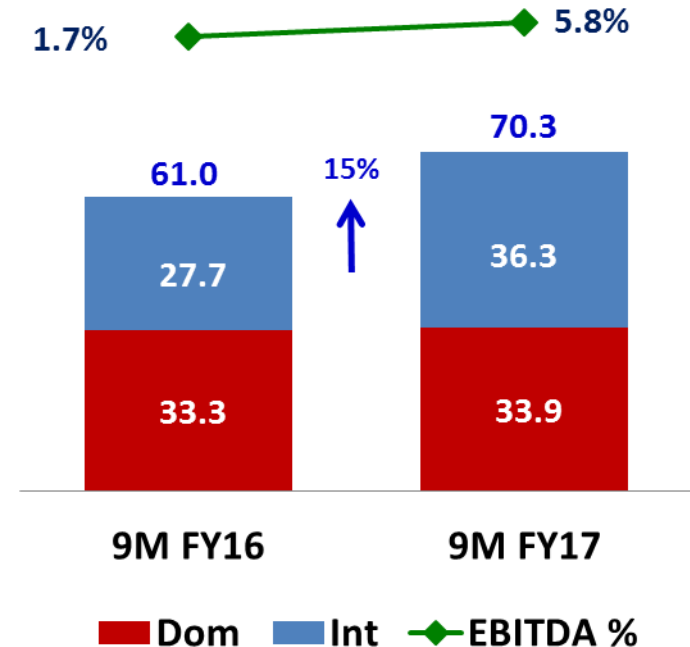
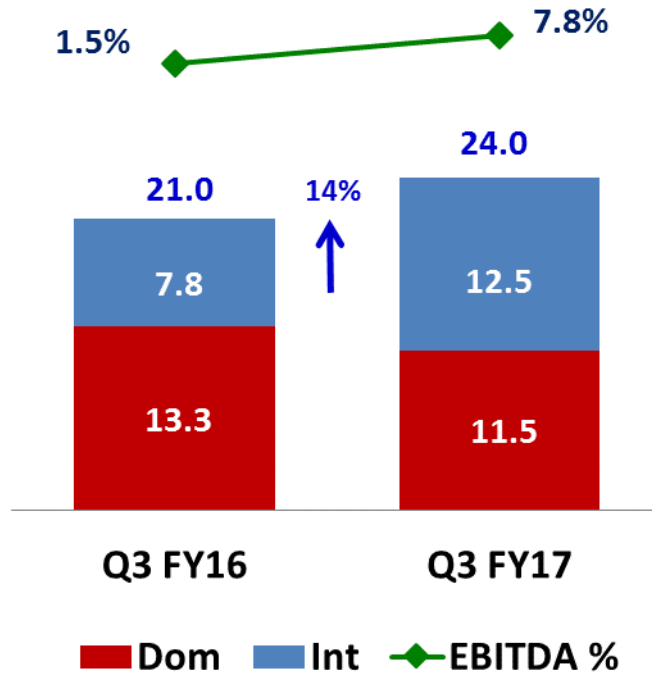


- Lack of industrial demand continues to hamper growth
- Electrical Standard Product (ESP) and Control & Automation Business registers growth
- Margin improvement due to operational efficiencies

# Hydrocarbon Segment

Amount in ₹ Bn

## Net Revenues & Margin

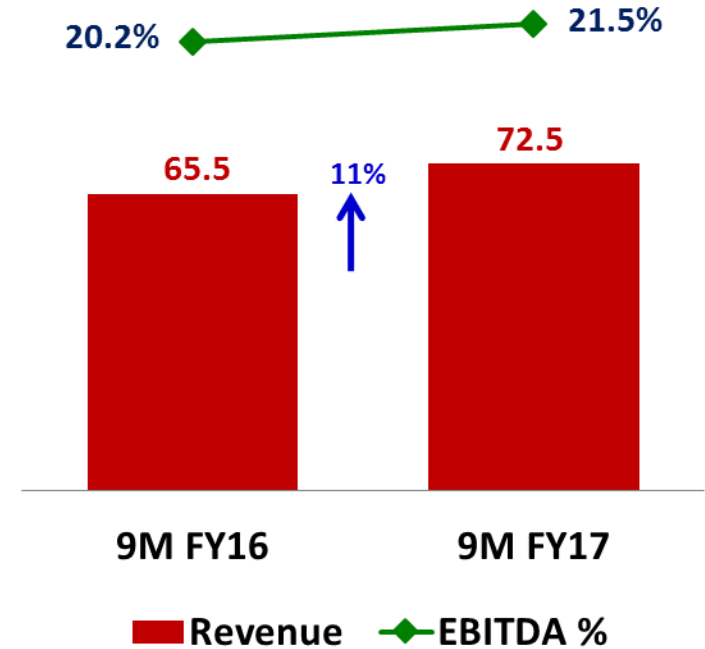
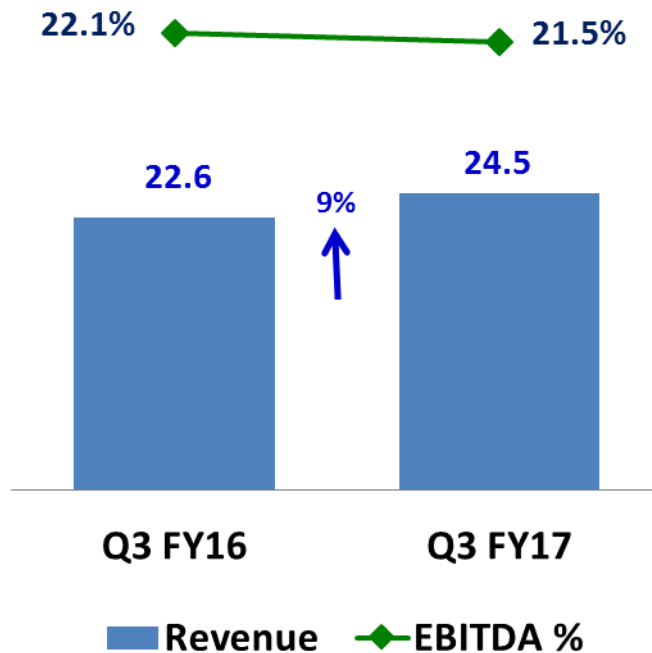


- Revenue growth as conversion of orders pick-up
- Margin improvement on execution progress, operational efficiency and close out of legacy jobs

# IT & Technology Services Segment

Amount in ₹ Bn

## Net Revenues & Margin

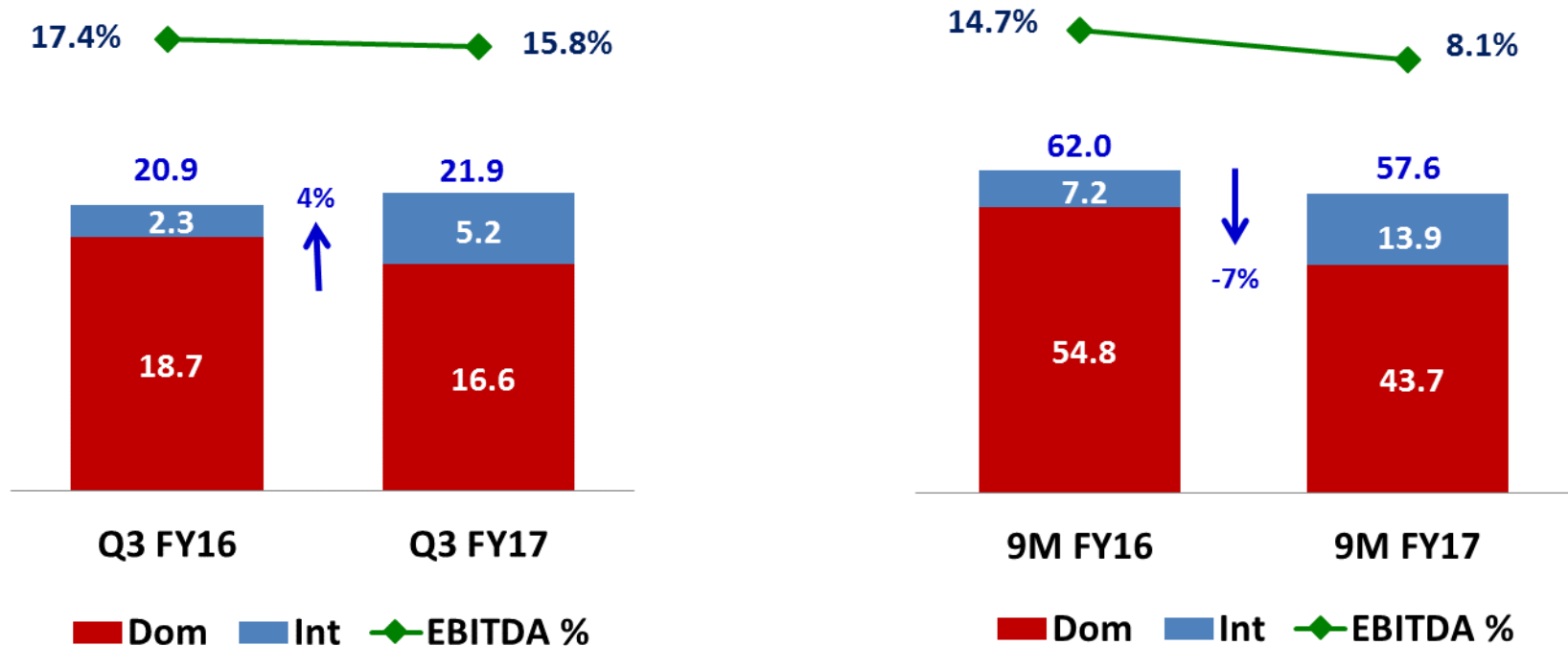


- Revenue growth contributed by Insurance, Auto & Aero for IT business and Transportation & Medical Devices for Tech Services Business
- Margin decline on investment for scaling up of operations
- Thrust on mining existing customers, analytics and automation

# Others Segment

Amount in ₹ Bn

## Net Revenues & Margin



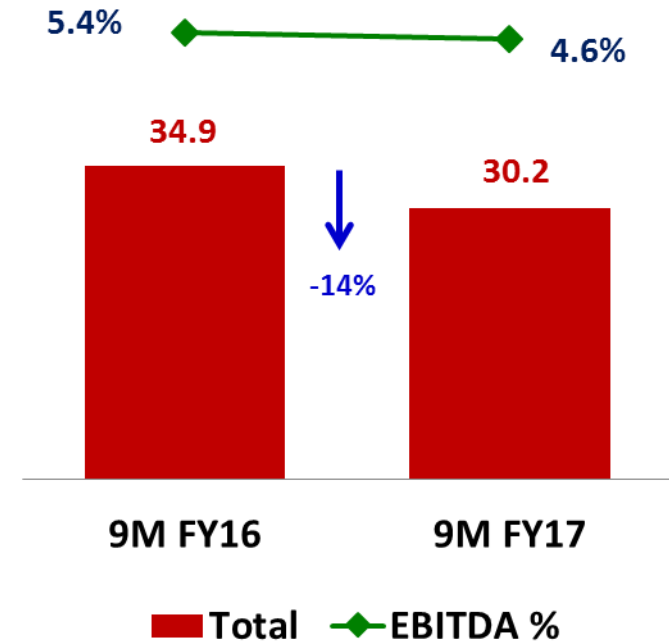
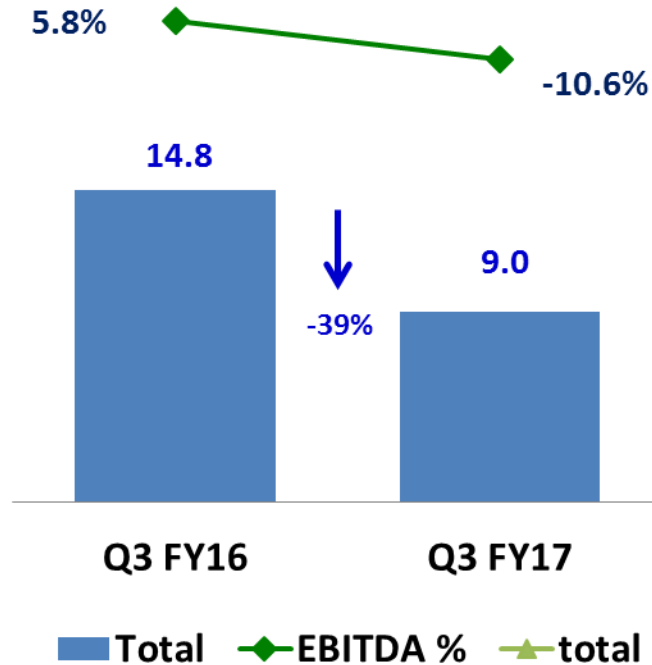
- Weak industrial demand and low capacity utilization indicative of the business environment
- MMH business witnessed robust revenue growth on execution pick-up
- Lower offtake in construction and mining equipment and Realty projects
- Delayed defence ordering impacts Shipbuilding performance



# Developmental Projects Segment

Amount in ₹ Bn

## Net Revenues & Margin



- Segment includes Power Development, Port and Hyderabad Metro
- IDPL (Roads & TL) consolidated only at PAT level
- Lower construction revenue in Hyderabad Metro and maintenance shutdown of Nabha Power Plant impacts revenue
- Margins impacted due to provisioning for disputed receivables

# L&T Finance Holdings (I-GAAP)

₹ Billion	Q3 FY16	Q3 FY17	% Change
Networth (Incl. Pref.Cap and Warrants)	92.38	91.35	-1%
Consolidated Debt	488.30	550.68	13%
Loans and Advances	561.19	619.70	10%
Mutual Fund Average AUM	250.59	351.91	40%
Income from Operations	18.20	20.94	15%
Net NPA (%) - 120 DPD	3.89%	3.10%	-0.79%
PAT	2.12	2.71	28%

- Third successive quarter of ROE improvement - ROE stands at 12.81% in Q3FY17 as against 9.29% in Q3FY16 and 11.72% in Q2FY17
- Cost to Income reduced from 30% to 25%
- Focussed business growth of 15%

# Presentation Outline



L&T Overview



Business Overview



Group Performance



**Sectoral opportunities**

# Infrastructure Segment - Urban Infra



## ***Presence :***

*Residential & Commercial Buildings, IT & Office Space, Hospitals, Shopping Malls, Educational Institutions, Luxury Hotels, Airport Terminals, and Factory Buildings*

## ***Opportunities:***

- High end residential projects by cash rich developers
- Affordable housing projects
- Government and Private sector office buildings
- Healthcare capacity expansion in India & Middle East
- Brownfield Airport terminal expansions
- Thrust on Education facility expansion by Govt
- New Manufacturing facilities under Make In India as well as capacity expansions in light engg. and Cement

# Infrastructure Segment - Smart World & Communications



## ***Presence :***

*Smart Cities, telecom infrastructure, and security systems*

## ***Opportunities:***

- Defence sector fibre optic connectivity projects
- Intra-city telecom connectivity
- Smart cities: Smart Infrastructure and e-Governance projects
- Security and Surveillance solutions for cities, industrial establishments and infrastructure facilities

# Infrastructure Segment - Transportation Infra



## ***Presence :***

*Roads, Elevated Corridors, Railway Construction & Airport Runways*



## ***Opportunities:***

- Increased road build-out by NHAI with current focus on EPC projects
- Expressway projects by State Governments
- Elevated corridors and Ring Roads in major cities
- Dedicated Freight Corridor program
- Track modernisation and expansion by Indian Railways
- Brownfield Airport expansion
- Highway projects in Middle East





# Infrastructure Segment - Heavy Civil Infra



## ***Presence :***

*Metro Railways, Monorails, Ports, Hydel Power Plant construction, Nuclear (civil) plant construction, Defence Infrastructure, Special Bridges and Tunnels*

## ***Opportunities:***

- Metro Rail projects planned in multiple cities across India (to decongest urban traffic)
- Thrust on connectivity to hilly states with Tunnels and Border Roads
- Major road and railway bridges and sea links
- Increased spends on infrastructure facilities for armed forces
- Thrust being given by Govt on increasing nuclear power installed base
- Inland Water Transport Terminal

# Infrastructure Segment - Water & Effluent Treatment



## ***Presence :***

*Bulk transmission of water, water treatment, waste water treatment, sewage rehabilitation, effluent treatment*

## ***Opportunities:***

- Thrust on water infra due to growing scarcity in India
- Water treatment, management & distribution, desalination
- Lift irrigation programs
- Waste water treatment plants from municipalities
- Clean Ganga and other river water pollution prevention projects
- Effluent treatment plants in Industrial units/clusters
- Thrust on Water recycling, conservation, Desalination and availability improvement in Middle East

# Infrastructure Segment - Power T&D



## ***Presence :***

*Sub-stations, Transmission Lines, Solar Power projects*



## ***Opportunities:***

- Thrust on Grid Strengthening, Expansion and Efficiency programs with growing generation capacities and increasing loads
- Transmission lines from State, Central and Private Transmission utilities
- Inter-regional and HVDC grid connectivity
- Feeder Separation scheme (DDUGJY), IPDS, and other Rural electrification programs
- Dedicated Green Energy Transmission Corridors
- Thrust on Solar Power capacity addition
- T&D expansion in Middle East, Africa, South East Asia



# Infrastructure Segment - Challenges



## ***Major Challenges in Infrastructure:***

- Investment constraints
- Lending capacity of Banking system
- Lack of private sector interest in PPP projects
- Land acquisition
- Government Funding
- Environmental Clearances
- Slow evolution of policy frameworks
- Pace of awards and execution
- Oil price-led fiscal deficits in Middle East



# Power Segment



***Presence*** : EPC Projects in Power Capacity addition (Coal & Gas), Coal based Power Plant Equipment (Boilers, Turbines, ESP, and other Power Auxiliaries)



## ***Opportunities:***

- Base level capacity addition in Coal based Power Plants
- Improving coal availability outlook
- Distribution Reforms under UDAY



## ***Challenges:***

- Fuel supply
- Land acquisition
- Environment and Forest Clearances
- Poor financial health of Distribution Cos
- Lack of interest from Private sector investors
- Slackening power demand growth due to economic slowdown
- Aggressive bidding by competing equipment suppliers

# Heavy Engineering & Defence



**Presence** : Equipment for process plants (mainly for oil and gas), High pressure piping, Nuclear power plant equipment, Defense (mainly for Navy and Army), Aerospace



## Opportunities:

- Oil & Gas equipment supply opportunities in India and key Petroleum / Petrochem producing regions
- Nuclear Power Plant equipment in India
- Indigenisation thrust for Defence equipment
- Interceptor Boats, Naval vessels and Submarines for Indian Navy and Coastguard
- Artillery guns and other equipment for Indian Army
- Components for Indian Space Program



## Challenges:

- Shrinking spends on Oil & Gas with low Crude price
- Reduced prospect base of nuclear power equipment; Indian civil liability overhang
- Very long prospect-to-award timelines and dominance of Public Sector and foreign OEMs in Defense orders





# Hydrocarbon Segment



***Presence*** : Offshore Platforms, Subsea pipelines, Floating Systems, Subsea installations, Onshore Oil & Gas installations, Refineries, Petrochemical and Fertiliser Plants (EPC), Onshore pipelines, Regasification Terminals

## ***Opportunities:***

- Select International prospects - mainly Onshore
- Opportunities from ONGC Capex - Offshore / Onshore
- Opportunities for Fertilizer EPC
- Clean Fuel projects, Refinery Expansion and upgrade
- Pipeline projects

## ***Challenges:***

- Reduced Capex in Middle East in low Crude price scenario
- Long bid-to-award timelines
- Aggressive competition in Domestic and GCC markets
- Project execution in international markets

# Thank You

# Annexure-1: Group Profit & Loss Extract

₹ Billion	IT & TS	Fin. Services *	Devl. Projects	L&T & Others (Incl. Eliminations)	L&T Group		
					9M FY17	9M FY16	% Change
Revenue from Operations	72.47	63.38	30.21	565.77	731.83	691.00	6%
EBITDA	15.28	6.93	1.10	43.81	67.12	58.81	14%
Interest Expenses	(0.03)	(0.01)	(1.07)	(9.32)	(10.43)	(12.16)	-14%
Depreciation	(1.86)	(0.64)	(0.43)	(13.54)	(16.47)	(13.62)	21%
Other Income	0.28	2.10	0.28	7.63	10.29	8.46	22%
Provision for Taxes	(3.20)	(2.66)	(0.39)	(10.44)	(16.69)	(14.75)	13%
Share in profit/(loss) of JVs / Associates	-	0.03	(4.08)	(0.73)	(4.79)	(6.57)	
Adjustments for non -controlling interest in Subs., etc.	(0.98)	(2.13)	0.73	(0.49)	(2.88)	(1.65)	
<b>Net PAT</b>	<b>9.48</b>	<b>3.62</b>	<b>(3.86)</b>	<b>20.93</b>	<b>30.17</b>	<b>18.98</b>	<b>59%</b>

\* Includes Insurance Business

## Annexure-2: Share in Profit/ (Loss) of JVs/ Associates

₹ Billion	9M FY17	9M FY16
MHPS JVs	0.77	0.19
IDPL & Subs.	(4.08)	(5.30)
Others	(1.48)	(1.46)
<b>Total</b>	<b>(4.79)</b>	<b>(6.57)</b>

# Annexure-3: Other Comprehensive Income (OCI)

₹ Billion	9M FY16	9M FY17
Changes arising out of re-measurement of defined benefit plans for employees	0.13	(0.44)
MTM of investment in Debt instruments	(0.33)	0.06
Changes in Foreign Currency Translation Reserve	(0.32)	(0.83)
MTM of Off-Balance Sheet Hedges	(0.44)	(0.77)
<b>Total</b>	<b>(0.96)</b>	<b>(1.98)</b>

- OCI represents movement in components of Equity (Net Worth) in Balance Sheet
- Components:
  - Re-measurement of defined benefit (retirement) plans - Volatile and dependent on G-Sec rate movement due to actuarial valuation; no flow back to P&L
  - MTM of Debt investments - Flow back to P&L on actual sale
  - Changes in FCTR represents MTM on Consolidation of Balance Sheets of Businesses with Foreign Functional Currency - Flow back to P&L only on sale of business
  - MTM of Off-Balance Sheet Hedges - Flow back to P&L on entry of underlyings into Balance Sheet

# Annexure 4: Concessions Business Portfolio - 21 SPVs



## ***Roads and Bridges:***

Portfolio: 15 projects (1661 Km); 13 Operational  
Project Cost: ₹161 Bn

## ***Power (Excl. Projects under DPR):***

Portfolio: 2 projects (1499 MW); 1 Operational  
Project Cost: ₹112 Bn



## ***Ports:***

Portfolio: 2 projects (18 MTPA) - Operational  
Project Cost: ₹20 Bn

## ***Metros:***

Portfolio: 1 project (71.16 Km) - Under-implementation  
Project Cost (Fin. Closure): ₹170 Bn



## ***Transmission Lines:***

Portfolio: 1 project (482 Km)  
Project Cost: ₹13.5 Bn

**Total Project Cost (Dec 2016): ₹ 476 Bn**

**Equity Invested (Dec 2016): ₹ 97 Bn**

**Balance Equity Commitment (Dec 2016): ₹ 18 Bn**

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