

SEC/PAM/2017

August 10, 2017

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
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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 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
EXECUTIVE VICE PRESIDENT &
COMPANY SECRETARY
(ACS 3471)

 Encl : as above

Investor
Presentation
- Q1 FY18

July 28, 2017



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.



L&T Overview

Business Overview

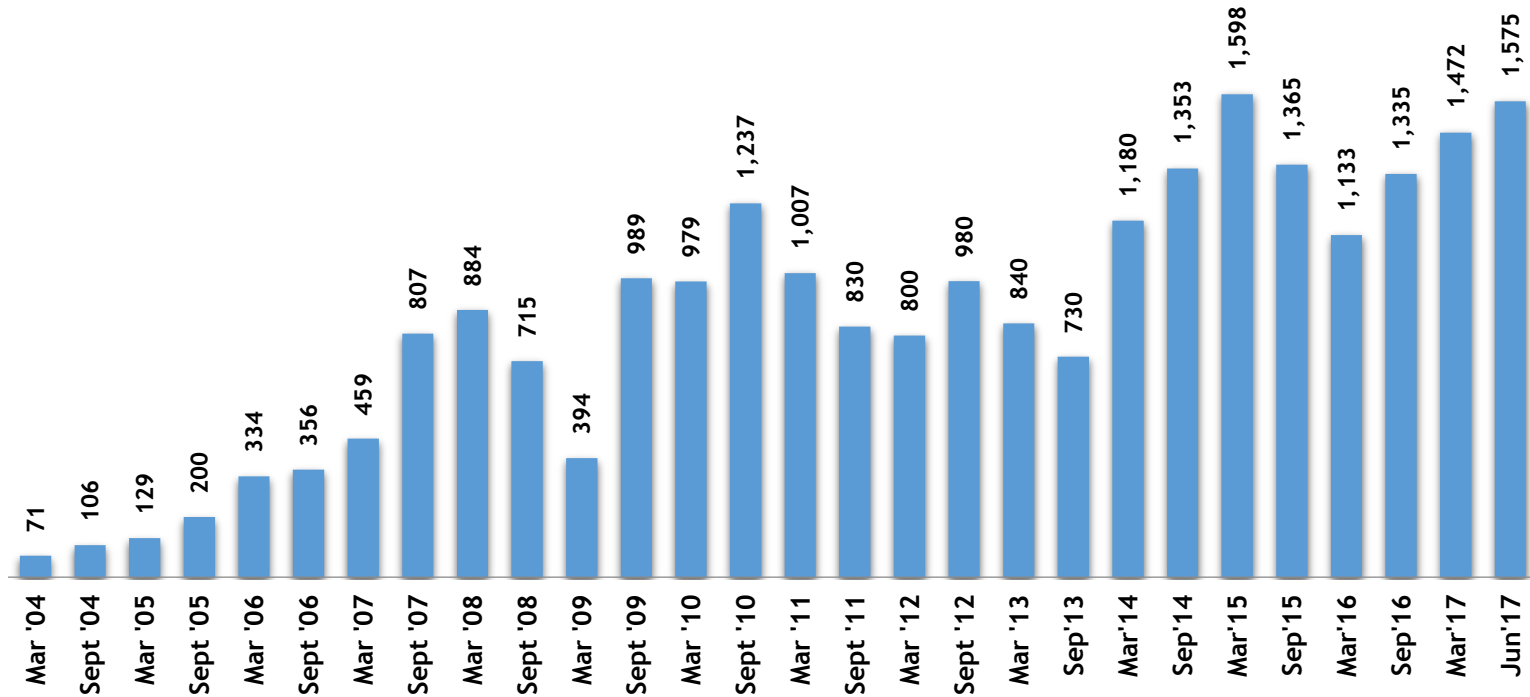
Group Performance

The Environment & the Outlook

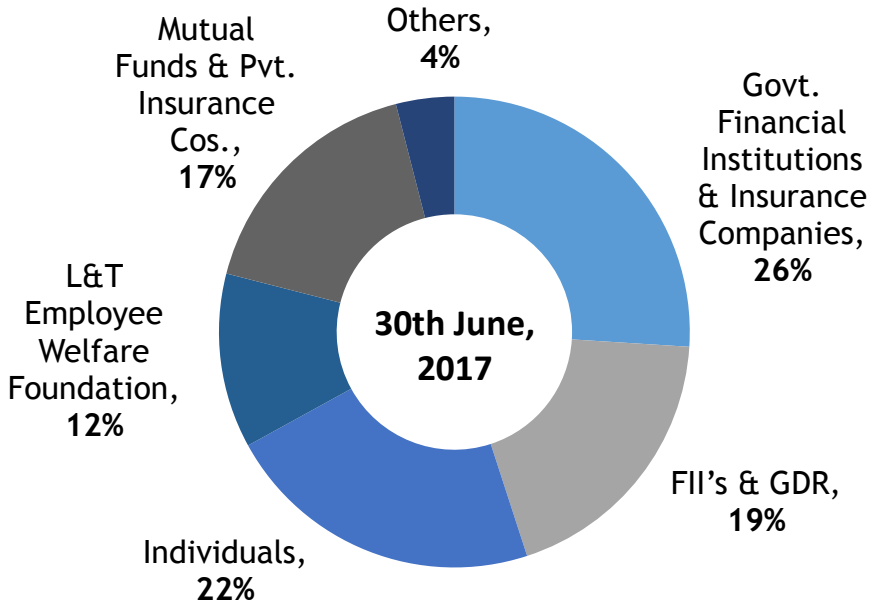
India's largest E&C company with interests in Projects, Infrastructure Development, Manufacturing, IT & Financial Services

			
Professionally Managed Company	FY 17 Group Revenues: ₹ 1100 Bn (approx. US\$ 17 Bn)	Market Cap (28 th July, 2017): ₹1623 Bn (approx. US\$ 25 Bn)	Credit Ratings CRISIL: AAA / Stable ICRA: AAA (Stable)

L&T Market Cap (Amt. ₹ Bn)



L&T - Shareholding Pattern



Major Institutional Shareholders	% Shares
Life Insurance Corporation of India	17.6%
Administrator of the SUUTI	4.0%
HDFC Mutual Fund	3.5%
ICICI Prudential Mutual Fund	2.1%
ICICI Prudential Life Insurance	1.9%
General Insurance Corp. of India	1.8%
Government of Singapore	1.5%
SBI Mutual Fund	1.3%

- 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;
- FY17 Recommended Dividend (pre-bonus) of ₹21.00 per share (FY16: ₹ 18.25 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. Subrahmanyam

Chief Executive Officer and Managing Director

- 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 (GRAD)
- 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. & Nuclear)

- B.Tech
- Joined L&T in 2004

Vast experience in Thermal Power, Heavy Engineering, Nuclear 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



J.D. Patil

Whole-time Director & Sr. Executive Vice President (Defence Business)

- M.Tech- IIT, Mumbai
- Joined L&T in 1978

Vast experience in leading high technology interdisciplinary strategic programs across defence & aerospace sector



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

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

Four-tier Governance Structure

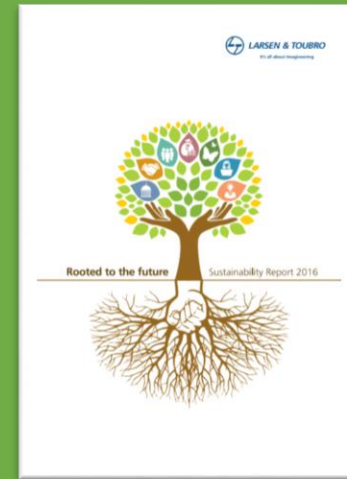


Sustainability Report 2016 released with Sustainability Roadmap 2021

‘GRI Checked’ externally assured & ‘In Accordance - Comprehensive’ highest level of disclosure in public domain

Thrust Areas:

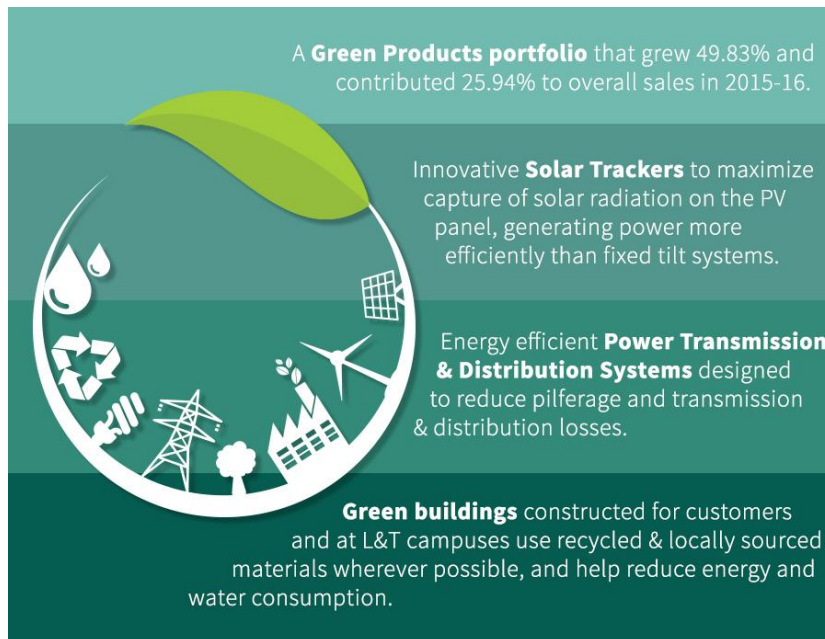
- Energy Conservation
- Renewable Energy
- GHG Emissions
- Water Efficiency
- Material Management
- Green Buildings



Sustainability - Environment & Social

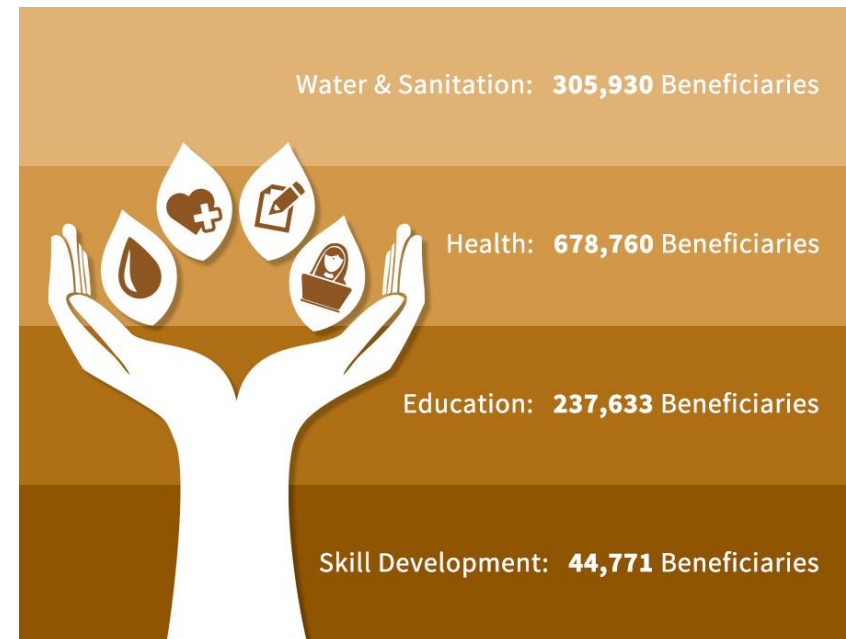
Green Product Portfolio

- 17 Green Buildings at L&T Campuses + 49.2 million sq. ft. constructed for clients
- Over 76 million units of energy conserved cumulatively
- Over 60,900 tons of CO2 emissions avoided.



CSR Highlights

- Theme: Building India's social infrastructure
- Working in 3 states across India on Integrated Community Development Programmes
- Aligned with Sustainability Development Goals (SDGs)





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Group Performance

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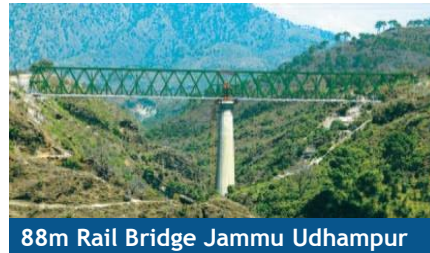
Builders to the Nation



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



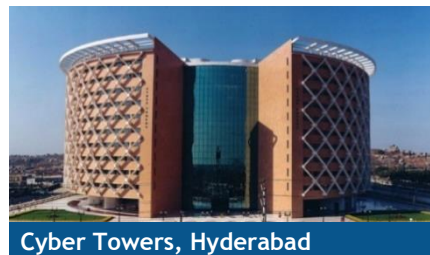
Srinagar Hydro Electric Plant



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



Punatsangchu HEP, Bhutan



Sheikh Khalifa Interchange, UAE



Coal Gasifier for China



Transmission Lines, Fujirah, Dhaid



Water Treatment Plant, Doha



Petronas Refinery, Malaysia

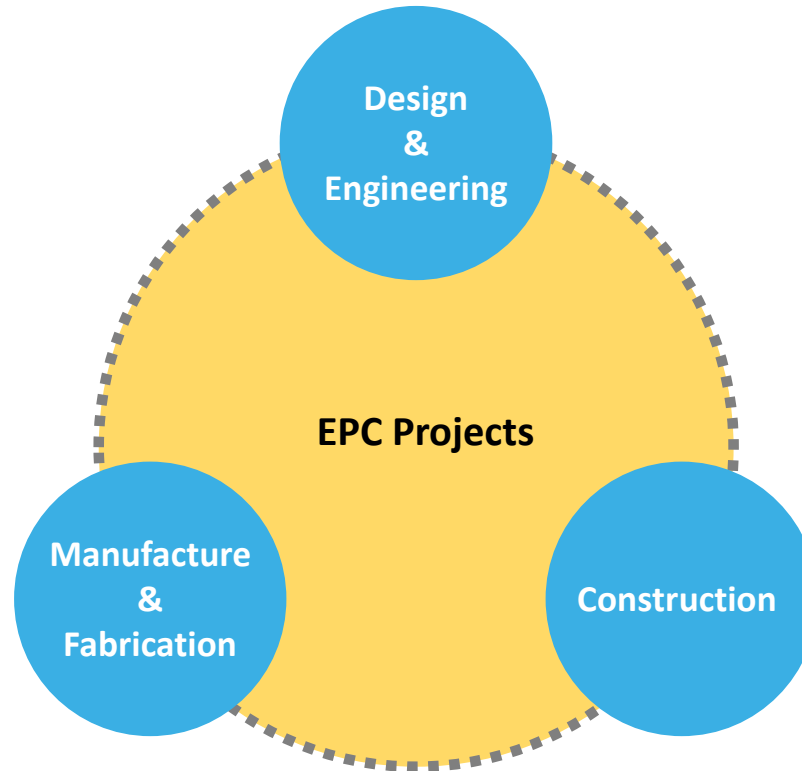


Bi-metallic Urea Stripper for Saudi



MV Switchgear Factory, Malaysia

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



Single point responsibility for turnkey solutions

Quality Customer Mix



Indian
Coastguard



Multiple Alliances & Joint Ventures

Alliances



ATOMSTROYEXPORT



Outotec

VOITH SIEMENS
HYDRO POWER GENERATION

AKER KVÆRNER

MBDA
MISSILE SYSTEMS

TOYO ENGINEERING CORPORATION

Pre Qualifications

AREVA



Stamicarbon



UOP

Lurgi

PARSONS

KBR

Joint Ventures



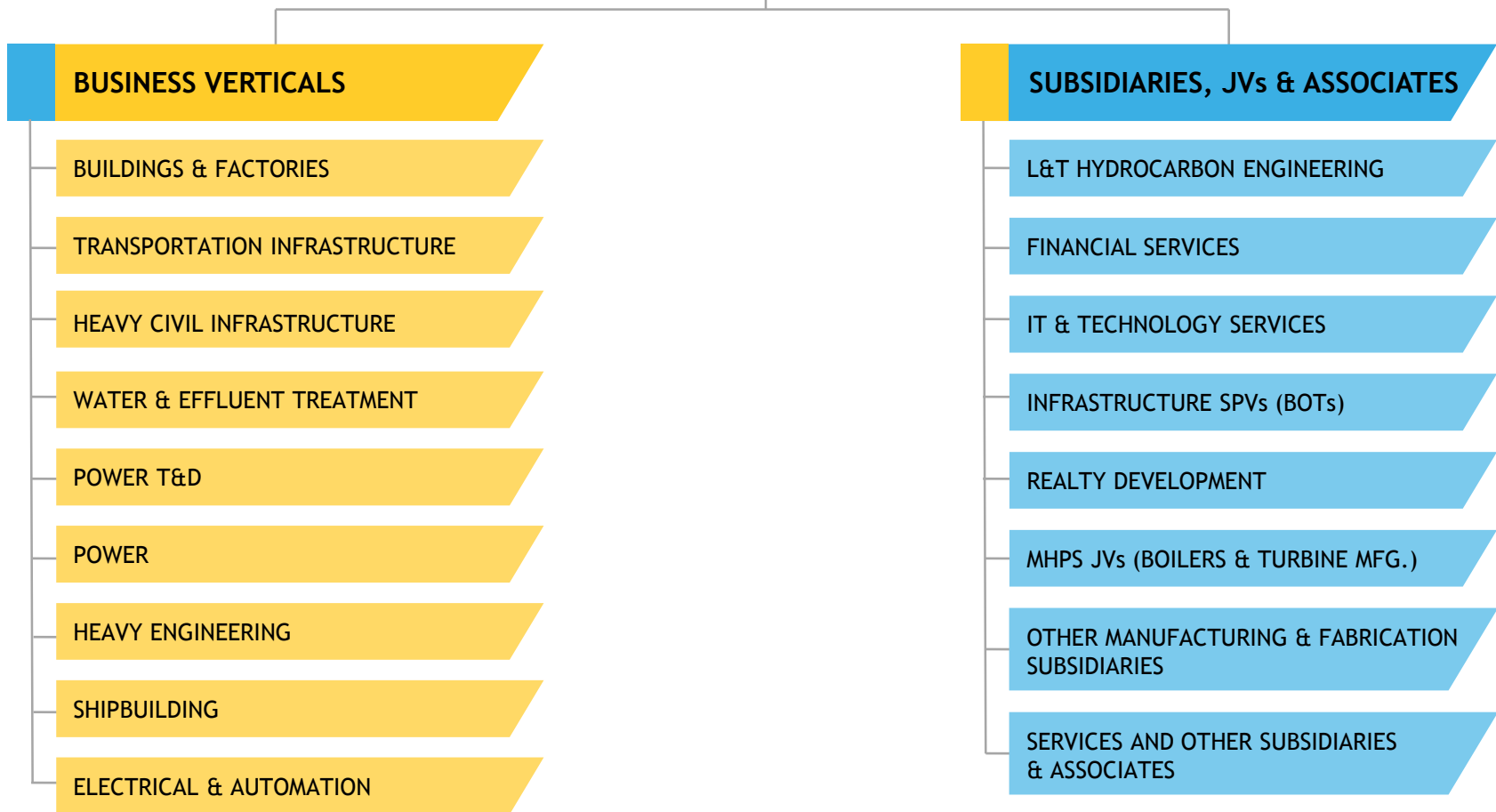
MITSUBISHI HITACHI POWER SYSTEMS



KOBE STEEL, LTD.

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

LARSEN & TOUBRO LTD.



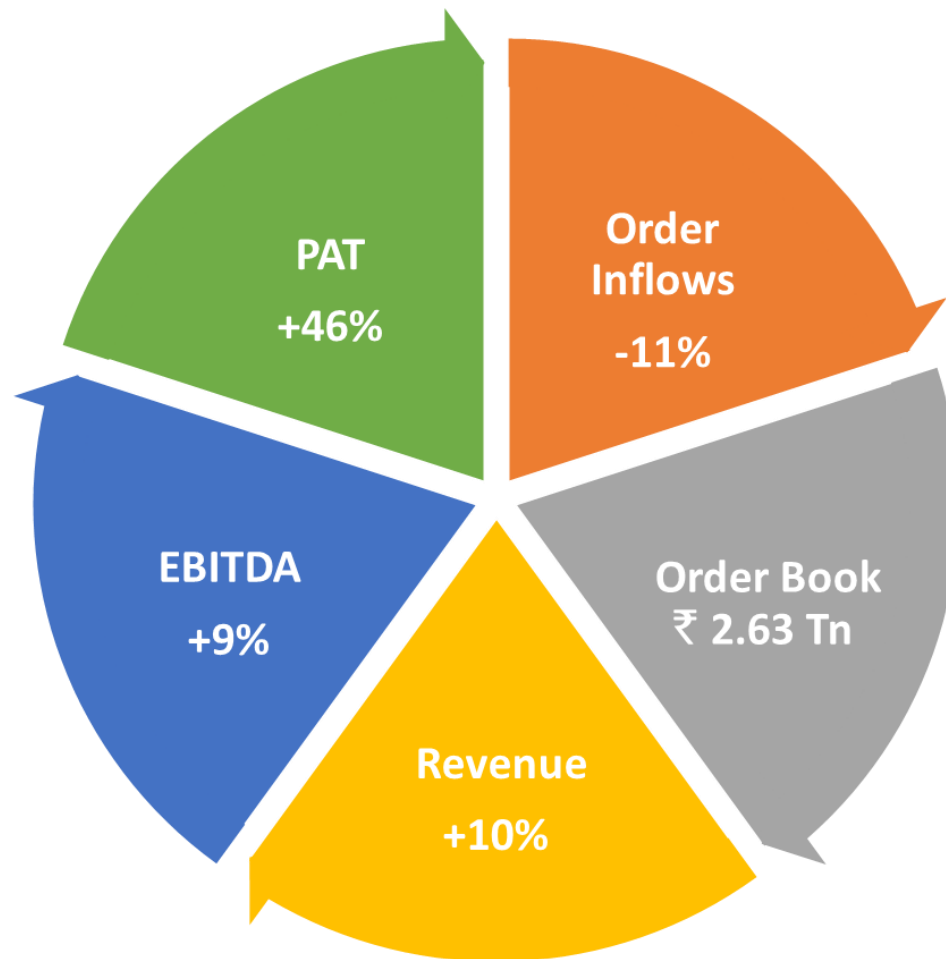


L&T Overview

Business Overview

Group Performance

The Environment & the Outlook



Strong Operational Parameters in challenging times

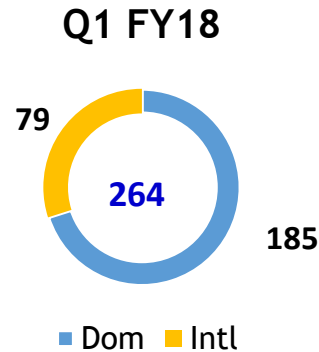
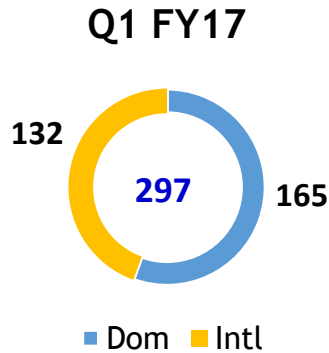
Amount in ₹ bn

Particulars	Q1 FY17	Q1 FY18	Var
Order Inflow	297	264	-11%
Order-Book	2574	2629	2%
Revenue from Operations	219	240	10%
EBITDA	19	21	9%
Profit After Tax	6.1	8.9	46%
Cash flow from operations	-9.2	3.9	+13 bn
Net Worth	447	514	+67 bn
Borrowings	915	979	+64 bn
Gross Debt / Equity	1.92	1.77	0.15x
Net Working Capital	23%	20%	-321 bps

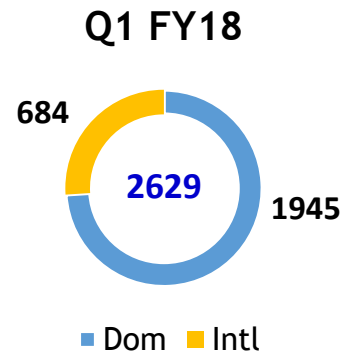
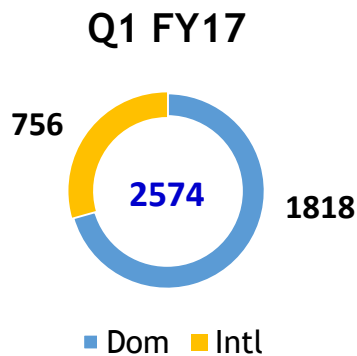
Q1 FY18 Order Inflow/Order Book

Amount in ₹ bn

Order Inflow



Order Book



- Order inflow reflects muted capex environment
- Trend of higher public sector outlay vis-a-vis reduced private sector capex continues
- 12% Yoy growth in domestic order inflow led by PT&D, Water, and MMH businesses
- Q1 FY17 International Order inflow included a large Hydrocarbon Order
- Large & diversified order-book offers hedge against cyclical volatility

Group Performance - Sales & Costs

₹ Billion	Q1 FY17	Q1 FY18	% Var	FY17
Revenues	219	240	10%	1,100
MCO Exp.	137	153	12%	727
Fin. Charge Opex*	13	14	5%	54
Staff Costs	34	35	3%	139
Sales & Admin.	16	17	7%	70
Total Opex	200	219	10%	989

- Domestic execution picks up
- Revenue growth led by Infra, Hydrocarbon and E&A businesses
- Variation in MCO charge mainly due to higher material and sub-contracting costs
- Staff cost optimised through automation and productivity improvements
- SGA increase mainly on higher credit costs in Fin. Serv. business

* Finance cost of financial services business and finance lease activity





Group Performance - EBITDA to PAT





₹ Billion	Q1 FY17	Q1 FY18	% Var	FY17
EBITDA	18.9	20.6	9%	111
Fin. Cost	(3.2)	(3.7)	12%	(13)
Depreciation	(4.6)	(5.5)	19%	(24)
Other Income	3.1	3.8	26%	14
Tax Expense	(5.5)	(4.6)	-16%	(20)
JV/S&A PAT Share	(1.7)	(0.4)		(4)
Non-controlling Interest	(0.7)	(1.4)		(4)
Exceptional	-	-		1
Reported PAT	6.1	8.9	46%	60

- Increase in interest cost primarily due to higher proportion of interest bearing customer advances
- Depreciation increase due to asset impairment upon capacity rebalancing in Middle East
- Other Income mainly comprises treasury earnings
- Improved performance in entities consolidated under equity method

Segment Performance Analysis

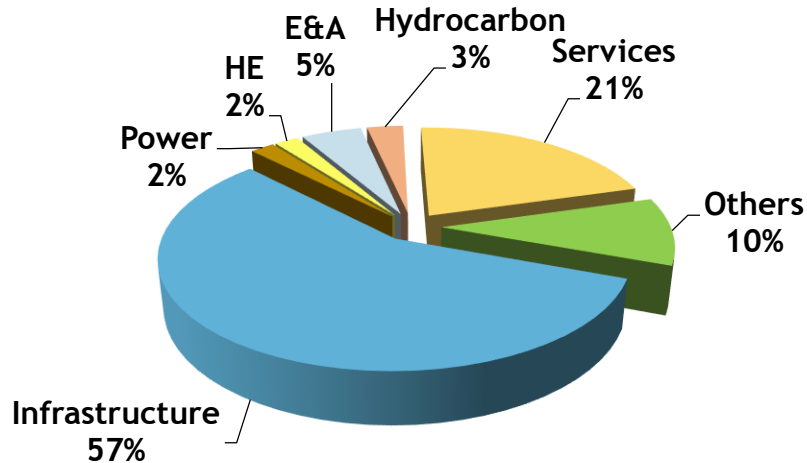
Segment Composition

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

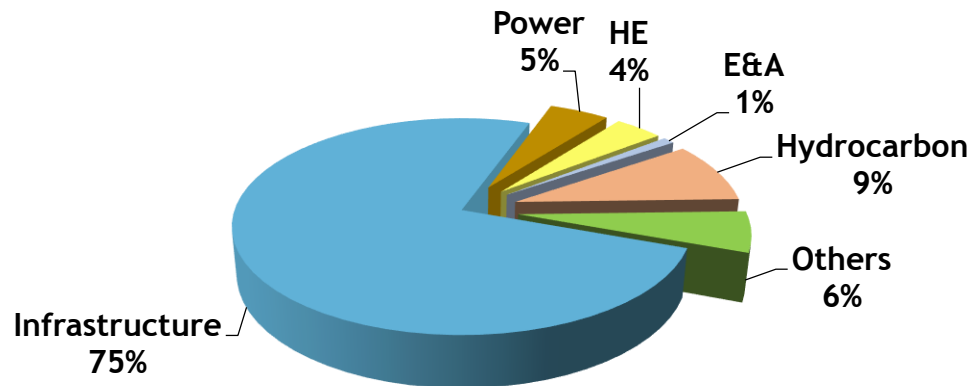
 Hydrocarbon	 Developmental Projects	 IT & TS	 Financial Services	Others
Onshore	Roads*	Information Technology	Rural Lending	Shipbuilding
Offshore	Metros		Technology Services	Housing Finance
		Ports	Wholesale Finance	Metallurgical & Material Handling
	Power		Asset Management	Industrial Products & Machinery

* Consolidated at PAT level

Q1 FY18 Order Inflow/Order Book Break-up

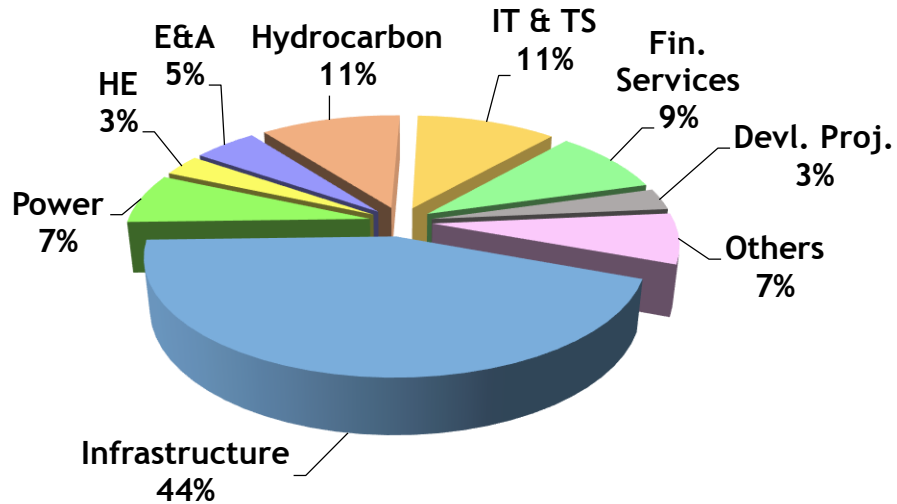


Order Inflow
₹ 264 Bn

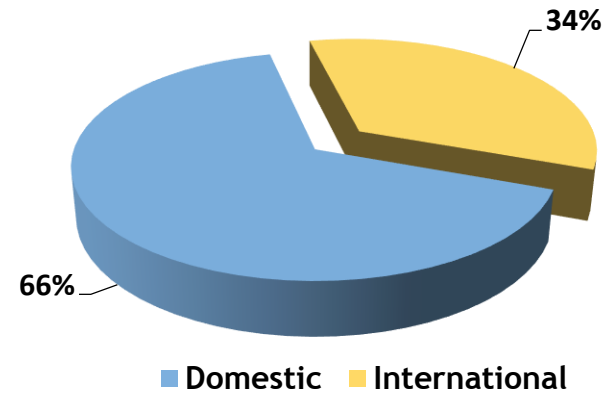


Order Book
₹ 2629 Bn

Q1 FY18 Revenue Break-up

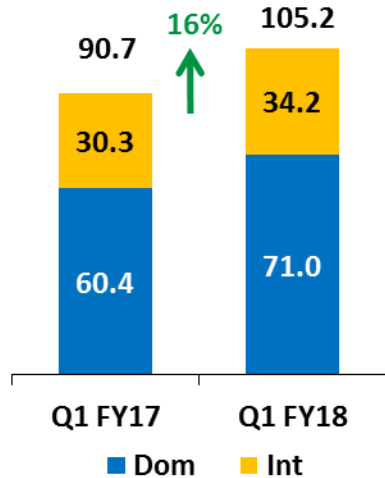


Revenue
₹ 240 Bn

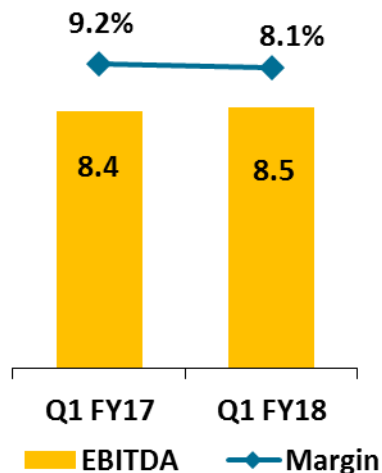


Amount in ₹bn

Net Revenues

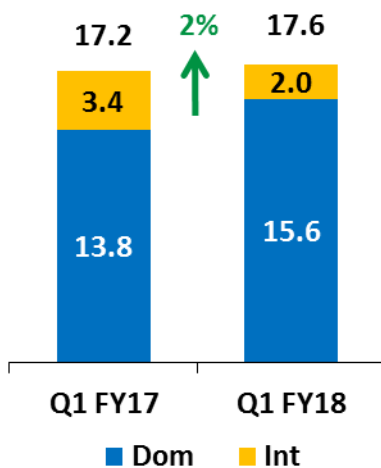


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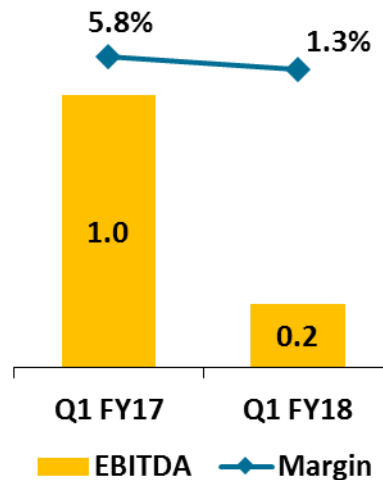


- Transportation Infra and other Businesses deliver revenue growth
- Higher growth witnessed in domestic market
- Quarterly variation in margins primarily due to job mix and cost overruns on extended stay in a few projects

Net Revenues

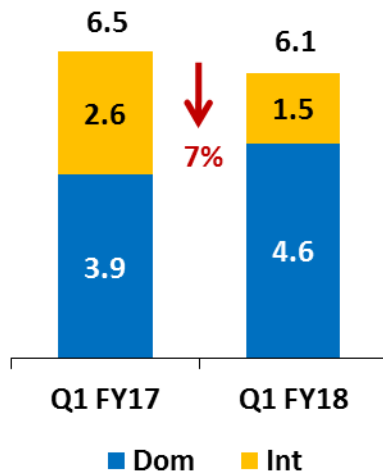


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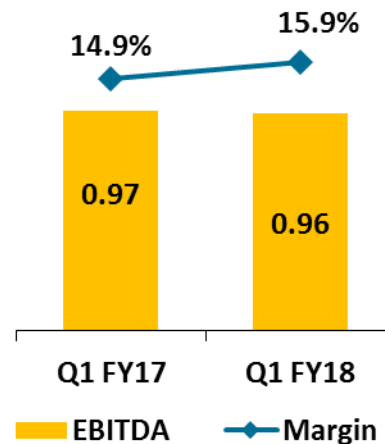


- Sector challenges hindering business growth
- Subdued revenues arising out of low order book
- Margins reflective of competitive environment
- JV companies' profits consolidated at PAT under equity method

Net Revenues

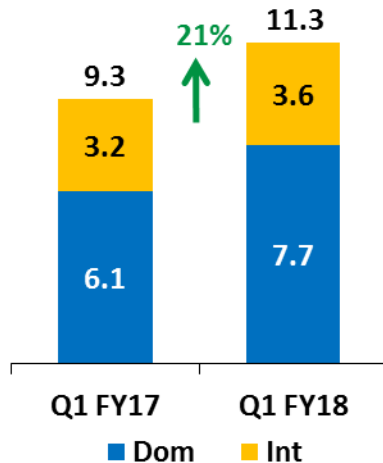


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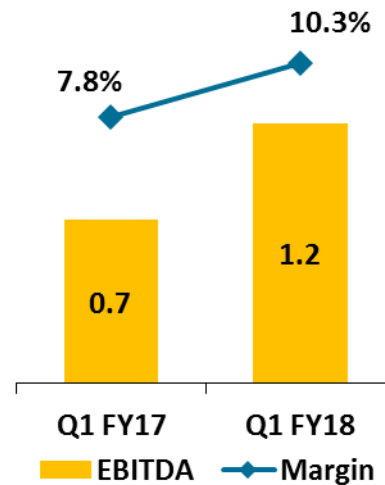


- Revenues affected by lower order book
- Quarterly margin variation is subject to job progress
- Low capacity utilisation in Forgings business (consolidated at PAT level under equity method)

Net Revenues

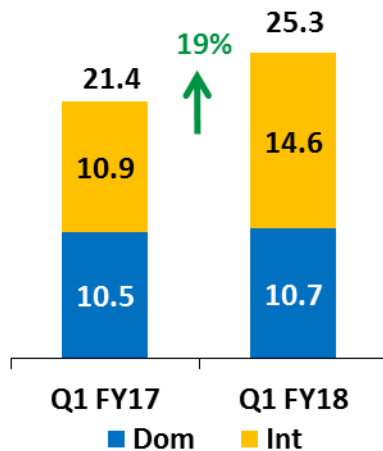


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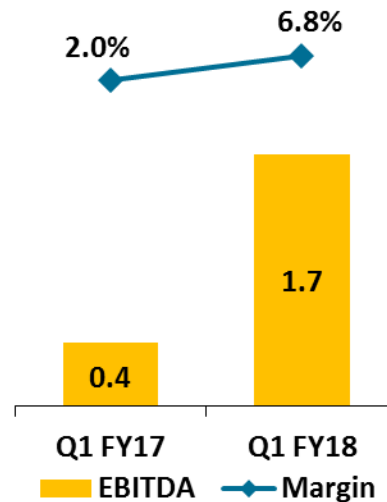


- Growth in Standard Products business obtained from Agri. and Retail sectors
- Inline execution drives growth in project business
- Margin step-up due to improvement in operational efficiencies

Net Revenues

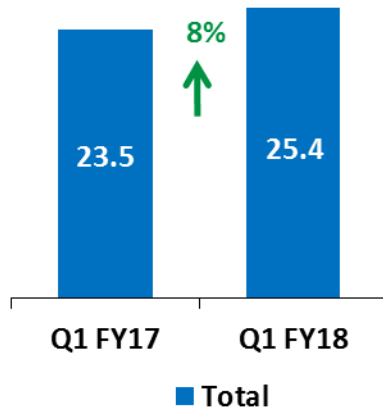


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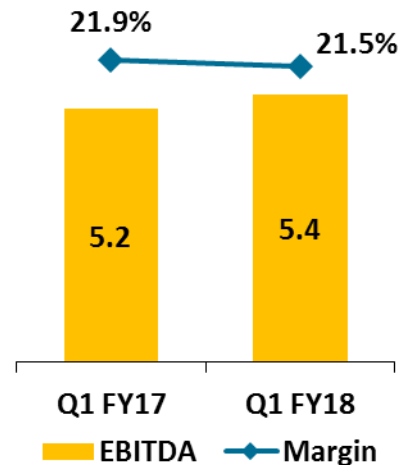


- All challenged legacy jobs closed out
- Better execution progress on current order book leads to revenue growth
- Improved margins obtained on efficient execution. PY included some closure costs of legacy jobs

Net Revenues

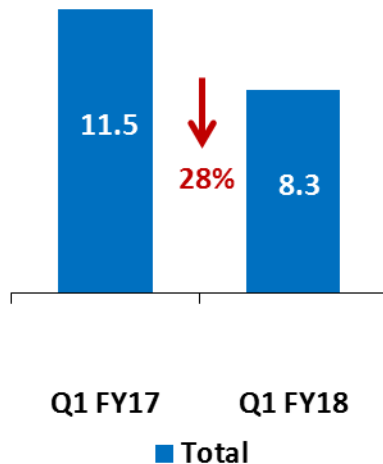


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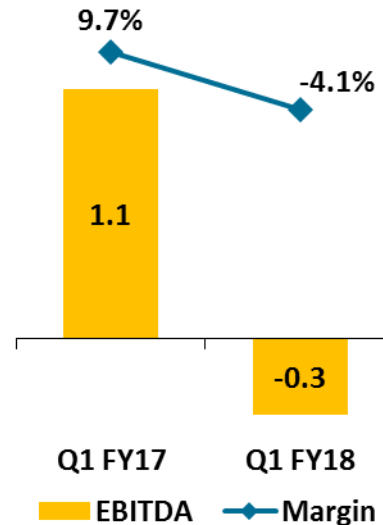


- IT Revenue growth mainly driven by BFS, Energy & Utilities and CPG, Retail & Pharma verticals
- Transportation and Telecom & Hi-Tech verticals grow within Tech. Services business

Net Revenues

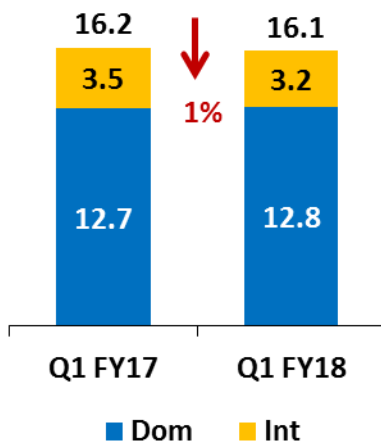


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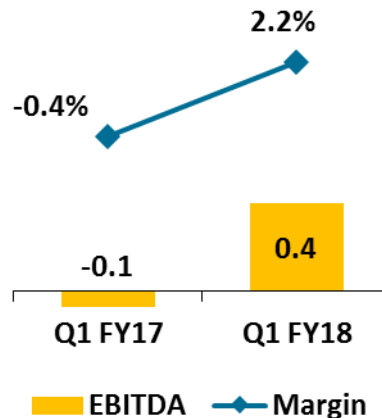


- Segment includes Power Development, Hyderabad Metro and Kattupalli Port (currently under divestment process)
- IDPL (Roads & TL) consolidated at PAT level under Equity method
- Revenue impacted by slower construction progress in Hyd. Metro and lower PLF in Nabha Power
- Non recognition of disputed revenues in Nabha Power contributes to margin decline

Net Revenues



EBIDTA



- Segment constitutes Metallurgical and Material Handling (MMH), Industrial Products & Machinery (IPM), Realty and Shipbuilding (SHBD) businesses
- Revenue Growth in SHBD and MMH offset by lower demand in IPM and Realty
- Realty business adversely affected by pending approvals for launch of fresh projects
- Improved performance of SHBD and MMH contributes to margin recovery

₹ Billion	Q1 FY17	Q1 FY18	% Var
Networth	72.54	85.83	18%
Consolidated Debt (incl. Pref Cap)	544.13	619.74	14%
Loans and Advances	581.61	681.80	17%
Mutual Fund Average AUM	284.04	444.84	57%
Income from Operations	19.96	22.59	13%
Net NPA (%)	8.85%	3.31%	-554 bps
PAT attributable to Equity Shareholders	1.75	2.79	59%

- Healthy growth in disbursements across lending businesses
- Strong inflows witnessed in Mutual Fund business
- ROE and Asset quality continues to remain core focus



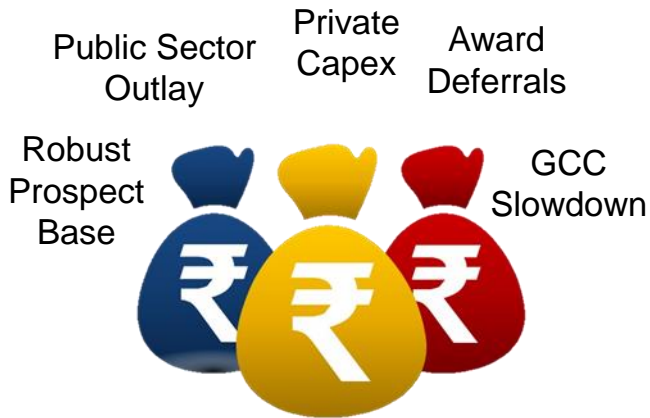
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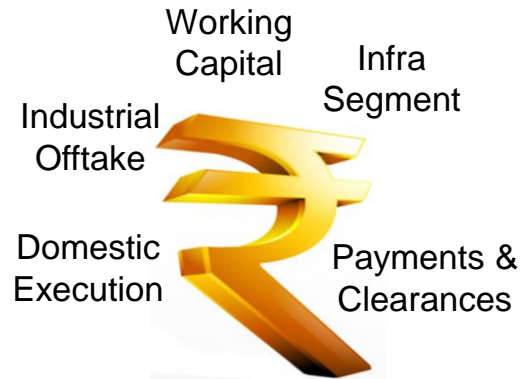
Group Performance

The Environment & the Outlook

The Environment & the Outlook



Order Inflows



Revenues



Margins

Thank You

Annexures

Group Profit & Loss Extracts

₹ Billion	IT & TS	Fin. Services	Devl. Projects	L&T & Others (Incl. Eliminations)	L&T Group		
					Q1 FY18	Q1 FY17	% Var
Income from Operations	25.4	22.9	8.3	183.3	239.9	218.7	10%
EBITDA	5.2	2.8	(0.4)	12.9	20.6	18.9	9%
Other Income	0.2	0.9	0.1	2.6	3.8	3.1	25%
Interest Expenses	(0.04)	(0.0)	(0.02)	(3.6)	(3.7)	(3.2)	12%
Depreciation	(0.5)	(0.1)	(0.1)	(4.7)	(5.5)	(4.6)	19%
Provision for Taxes	(1.2)	(0.3)	(0.1)	(2.9)	(4.6)	(5.5)	-16%
Share in profit/(loss) of JVs / Associates	-	0.0	(0.4)	0.0	(0.4)	(1.7)	
Adjustments for non -controlling interest in Subs., etc.	(0.5)	(1.3)	0.2	0.2	(1.4)	(0.7)	
Net PAT	3.1	2.0	(0.9)	4.6	8.9	6.1	46%

₹ Billion	Jun-17	Mar-17	Incr / (Decr)
Equity & Reserves	514	502	12
Non Controlling Interest	40	36	4
Borrowings - Financial Services	640	631	9
Development Projects	160	150	10
Others	179	159	20
Sources of Funds	1,534	1,478	56
Fixed Assets (Tangible / Intangible / Goodwill)	166	169	(3)
Loans towards Financing Activities	636	625	11
Development Projects	165	160	5
Finance lease receivable	95	95	(0)
Other Non-Current Assets (Incl. S&A / JV Investment)	102	102	0
Current Investments	160	136	24
Net Current Assets	210	191	19
Application of Funds	1,534	1,478	56

₹ Billion	Q1 FY18	Q1 FY17
Operating Profit	21.3	20.1
Changes in Working Capital	(9.5)	(23.3)
Direct Taxes paid	(7.8)	(6.0)
Net Cash from Operations (A)	3.9	(9.2)
Investments in Fixed Assets (Net)	(9.4)	(12.0)
Net Purchase of Long Term & Curr. Inv.	(18.3)	(15.7)
Loans/Deposits made with JV/Associate Cos.	(2.6)	(1.6)
Interest & Dividend Received & Others	0.1	0.8
Net Cash from/(used in) Invest. Act. (B)	(30.2)	(28.5)
Issue of Share Capital / Minority	4.1	0.2
Net Borrowings	31.2	31.9
Disbursements towards financing activities*	(10.9)	2.4
Interest & Dividend paid	(4.2)	(4.8)
Net Cash from Financing Activities (C)	20.2	29.7
Net (Dec) / Inc in Cash & Bank (A+B+C)	(6.1)	(7.9)

* included under Net Cash from operations under statutory financial statements

₹ Billion	Q1 FY18	Q1 FY17
MHPS JVs	0.44	0.26
IDPL & Subs.	(0.41)	(1.60)
Others	(0.40)	(0.40)
Total	(0.37)	(1.74)

- MHPS JVs: PAT improvement consequent on better utilisation of manufacturing facilities
- IDPL Group: Improved IDPL group operations due to revenue growth. PY included impairment on surrendered projects

Changes arising out of	Q1 FY18	Q1 FY17
Re-measurement of defined benefit plans for employees	(0.13)	(0.03)
MTM of investment in Debt instruments	0.05	(0.19)
Foreign Currency Translation Reserve	0.23	0.04
Hedging Reserve	1.42	(1.02)
Total	1.56	(1.20)

Concessions Business Portfolio - 21 SPVs



Roads and Bridges:
Portfolio: 15 projects (1661 Km);
13 Operational
Project Cost: ₹ 161 bn



Transmission Lines:
Portfolio: 1 project (482 Km)
- Operational
Project Cost: ₹ 13.5 bn

Balance Equity Commitment
(June 2017): ₹ 14 Bn

Equity Invested
(June 2017): ₹ 90 Bn

Total Project Cost
(June 2017): ₹ 476 Bn



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



Power (Excl. Projects under DPR):
Portfolio: 2 projects (1499 MW);
1 Operational
Project Cost: ₹ 112 bn



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

Major Opportunities

Roads & Highways <ul style="list-style-type: none"> - NH & SH - Special Bridges - Tunnels - Expressways - Elevated Corridors 	Railways <ul style="list-style-type: none"> - Metros - DFCC (next phase) - Station development 	Water <ul style="list-style-type: none"> - Lift Irrigation schemes - Water Treatment (Incl. Desal) - Effluent & Waste water Treatment (Incl. Namami Gange) - Inland Waterways
Smart World & Comm. <ul style="list-style-type: none"> - Surveillance systems - Optical fiber layout - Traffic mgmt system - Smart Grid - Wifi enabled 	Power T&D <ul style="list-style-type: none"> - Various countries in ME - High voltage lines - Green Energy corridors - Solar EPC 	Building & Factories <ul style="list-style-type: none"> - Airports - Hospitals & Medical Colleges - Affordable housing
Defence & Aerospace (Incl. Shipbuilding) <ul style="list-style-type: none"> - Landing Platform Docks - Corvettes - Gun programs - Submarines 	Hydrocarbon <ul style="list-style-type: none"> - Saudi Aramco capex (ME) - Kuwait Oil Co. capex (ME) - Refinery fuel upgrade (IN) - Planned mega refinery (IN) - East Africa (Algeria, etc) - Fertilizer plants - Oil & Gas Pipelines 	Nuclear Power <ul style="list-style-type: none"> - Indigenous tech plants - Russian based plants - Steam generators