

SEC/PAM/2016

November 22, 2016

<p>The Secretary BSE Limited Phiroze Jejeebhoy Towers, Dalal Street, MUMBAI - 400 001 STOCK CODE: 500510</p>	<p>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</p>
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Dear Sir,

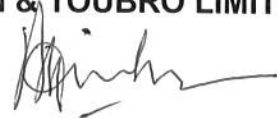
Sub.: Analyst Presentation.- FY 17

Pursuant to Regulation 46(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith a copy of Analyst Presentation on financials of FY17 which will be uploaded to our Investor Website <https://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

Analyst Presentation

- Q4 / FY17

May 29, 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.

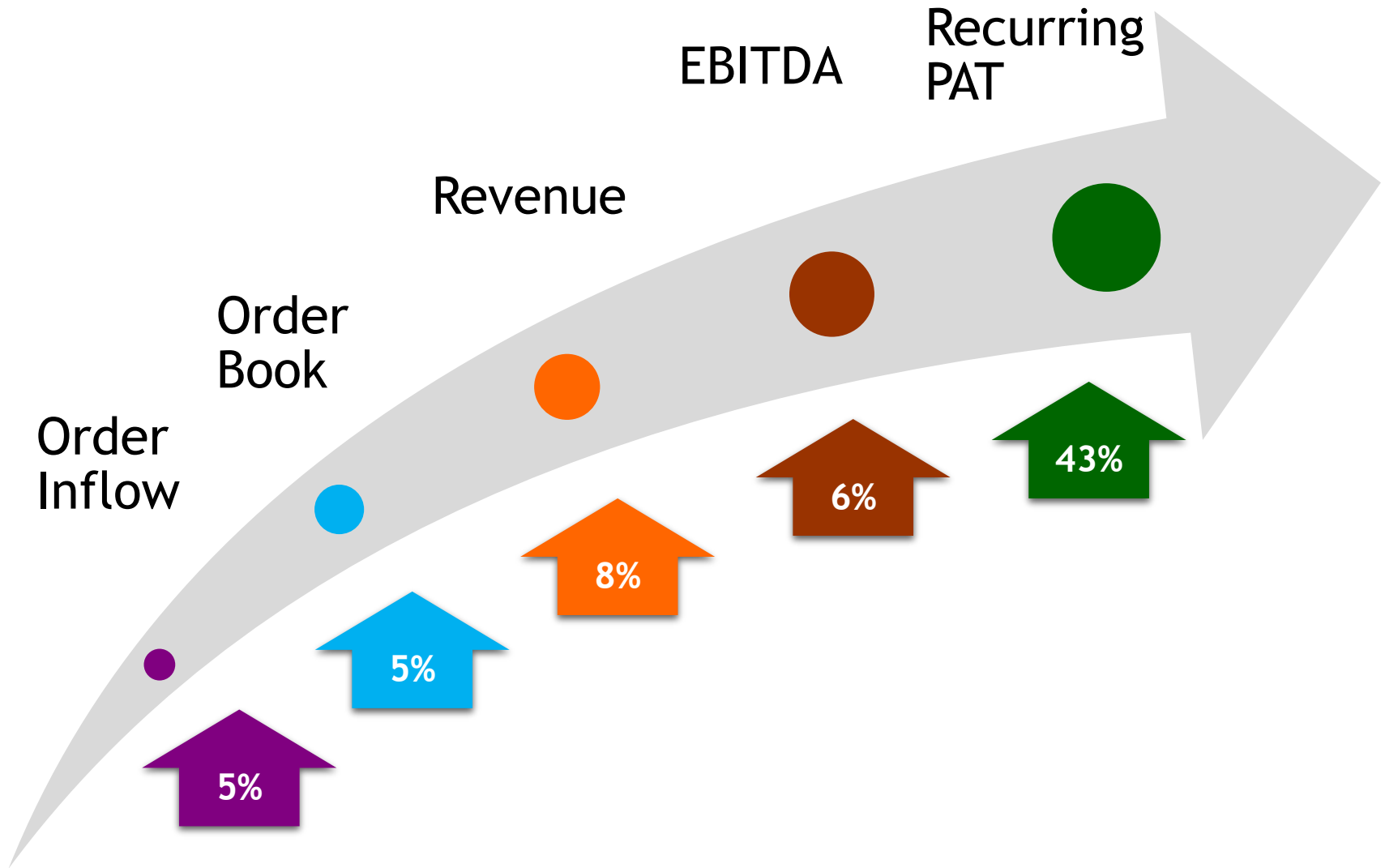


Group Performance Highlights

Group Performance Summary

Segment / Key Subsidiaries

The Environment & the Outlook



Key Financial Indicators

Amount in ₹ bn

Q4 FY16	Q4 FY17	Var %	Particulars	FY16	FY17	Var %
432	473	10%	Order Inflow	1360	1430	5%
			Order-Book	2490	2613	5%
329	368	12%	Revenue from Operations	1020	1100	8%
45	43	-4%	EBITDA	105	111	6%
23	30	30%	Profit After Tax	42	60	43%
42	73	+₹30 bn	Cash flow from operations	77	122	+ ₹44 bn
			Net Worth	442	502	+ ₹60 bn
			Borrowings	881	940	+ ₹59 bn
			Gross Debt / Equity	1.87	1.75	-12 bps
			Net Working Capital	23%	19%	-430 bps
			RONW (%)	9.9%	12.8%	+290 bps
			Dividend (per share) pre-bonus*	18.25	21.00	+₹2.75
			Bonus*		1:2	

* Recommended



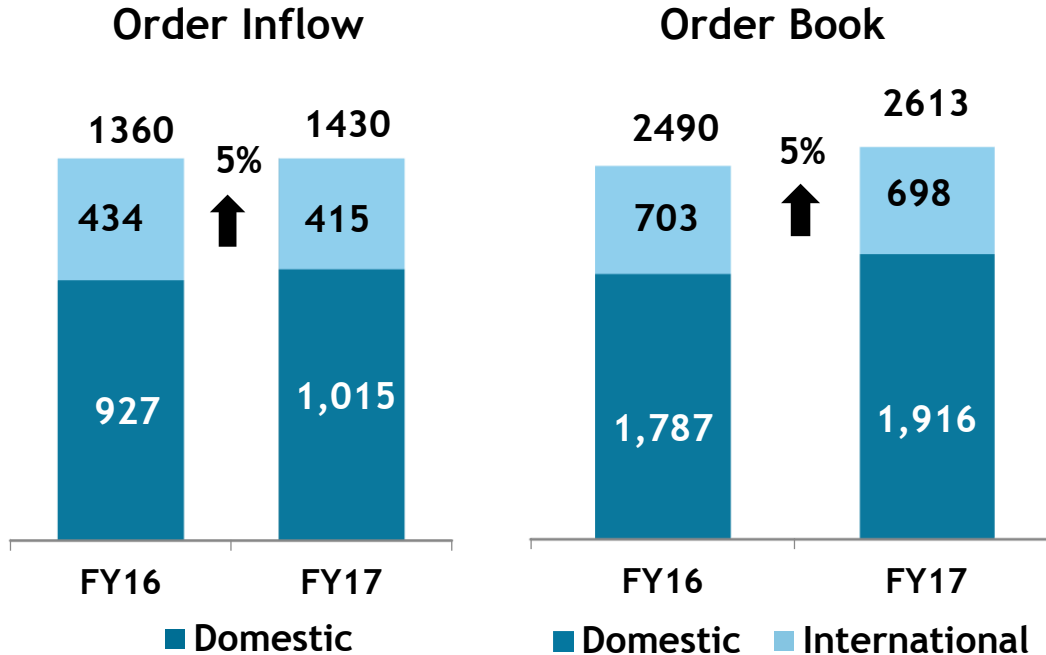
Group Performance Highlights

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The Environment & the Outlook

Amount in ₹bn



- Order inflow growth reflects muted capex environment
- Domestic order inflow growth of 10% YoY led by Heavy Civil, Water and Heavy Engg. businesses
- Large & diversified order-book offers hedge against cyclical volatility

Key Orders won during FY17

Order Details	Client	Segment	Value
International			
Hasbah Field Development	Saudi Aramco	Hydrocarbon	~ USD 1000 mn
Transmission expansion Phase - XIII	KAHRAMAA, Qatar	Infrastructure	~ USD 800 mn
Major Onshore EPC Contract	Overseas Client	Hydrocarbon	~ USD 600 mn
Domestic			
100 Nos Vajra Artillery Guns	MoD	Heavy Engg.	~ Rs 45 bn
3x660 MW Ghatampur TPP	Neyveli UP Power	Power	~ Rs 40 bn
Rewari to Dadri Section	DFCC	Infrastructure	~ Rs 40 bn
Mumbai BDD Chawl Re-development	MHADA	Infrastructure	~ Rs 30 bn
Barrage construction at Karimnagar District	Govt of Telangana	Infrastructure	~ Rs 20 bn
Neelam Redevelopment offshore contract	ONGC	Hydrocarbon	~ Rs 20 bn
High rise residential	Mumbai Developer	Infrastructure	~ Rs 10 bn
Bongaigaon Refinery	IOCL	Hydrocarbon	~ Rs 10 bn
Electrification works - IPDS and DDUGJY	Bihar Discoms	Infrastructure	~ Rs 10 bn

Group Performance - Sales & Costs

Amount in ₹bn

Q4 FY16	Q4 FY17	% Var	₹ Billion	FY16	FY17	% Var
329	368	12%	Revenues	1,020	1,100	8%
221	253	14%	MCO Exp.	674	727	8%
13	13	0%	Fin. Charge Opex*	50	54	8%
34	35	2%	Staff Costs	133	139	4%
15	24	56%	Sales & Admin.	58	70	22%
284	325	14%	Total Opex	915	989	8%

- Planned execution of international jobs contributes to revenue growth
- Revenues supported by growth in Infrastructure, Hydrocarbon and MMH businesses
- MCO expenses in line with level of operations
- Staff cost controlled by productivity improvements
- SGA increase mainly on higher provisioning by Fin. Serv. business

* Finance cost of financial services business and finance lease activity

Group Performance - EBITDA to PAT

Amount in ₹bn

Q4 FY16	Q4 FY17	% Var	₹ Billion	FY16	FY17	% Var
45	43	-4%	EBITDA	105	111	6%
(4)	(3)	-32%	Fin. Cost	(17)	(13)	-19%
(4)	(7)	70%	Depreciation	(18)	(24)	33%
1	4	175%	Other Income	9	14	55%
(10)	(3)	-66%	Tax Expense	(25)	(20)	-19%
(3)	1		JV/S&A PAT Share	(10)	(4)	
(1)	(2)		Non-controlling Interest	(3)	(4)	
0	(3)		Exceptional	1	1	
23	30	30%	Reported PAT	42	60	43%

- EBITDA Margin (Ex-Services) improves by 50 bps
- Decline in interest cost arising from loan repayments and efficient fund management
- Depreciation includes asset value restatement
- Reduction in Tax expense includes tax effect of some LTFHL subsidiaries merger
- Other Income mainly comprises treasury earnings







Group Performance Highlights





Group Performance Summary

Segment / Key Subsidiaries

The Environment & the Outlook

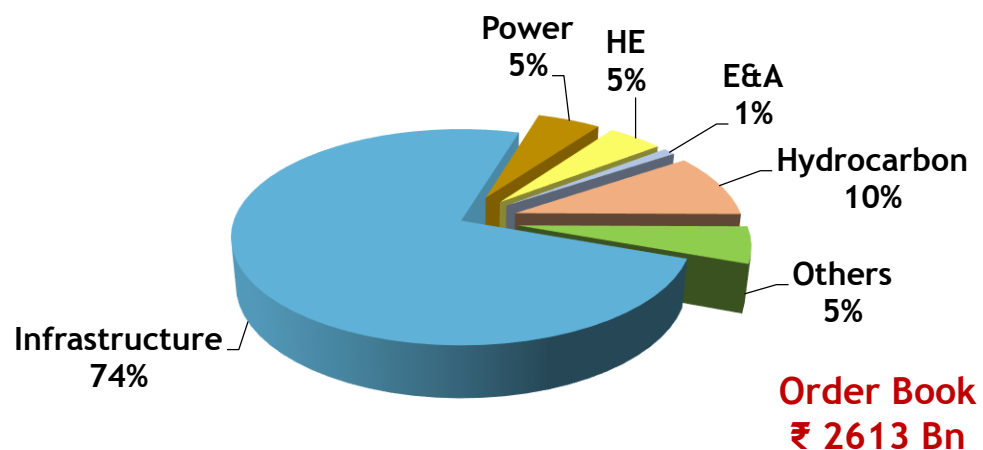
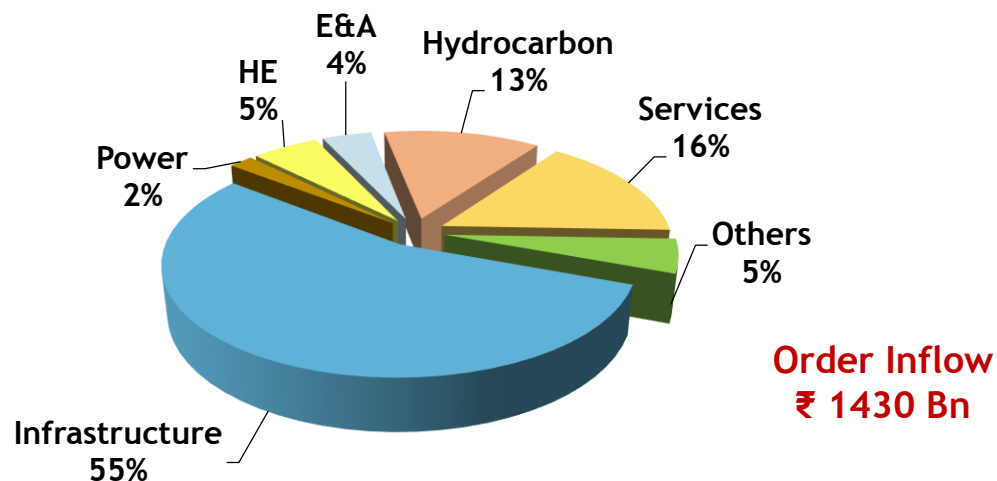
Segment Composition

 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		Defence & Aerospace	Metering & Protection
Water & Effluent Treatment (WET)	Thermal Power Plant Construction	Piping Centre	Control & Automation
Power T&D	Electrostatic Precipitators		
Smart World & Communication			

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

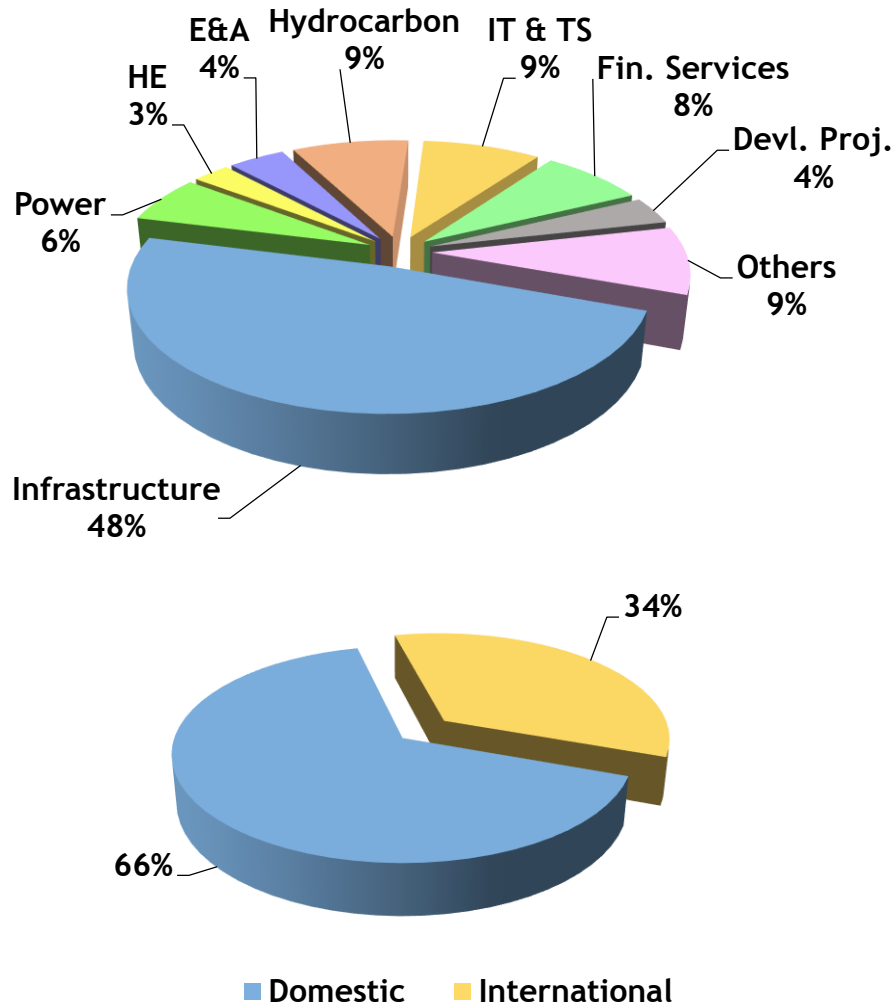
* Consolidated at PAT level

Order Inflow (FY17) / Order Book Break-up



- Order Inflow growth mainly contributed by Hydrocarbon and Heavy Engineering
- Growth in Services Business driven by IT & TS Segment and Financial Services

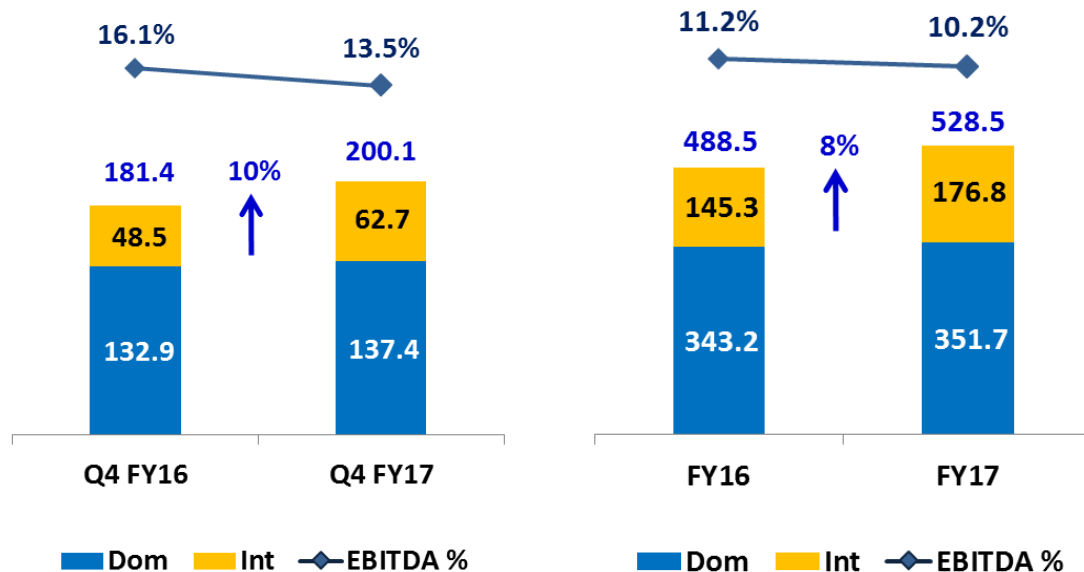
FY17 Revenue Break-up



- Infrastructure growth slowed down by multiple constraints (demonetisation, client liquidity, clearances and work front availability)

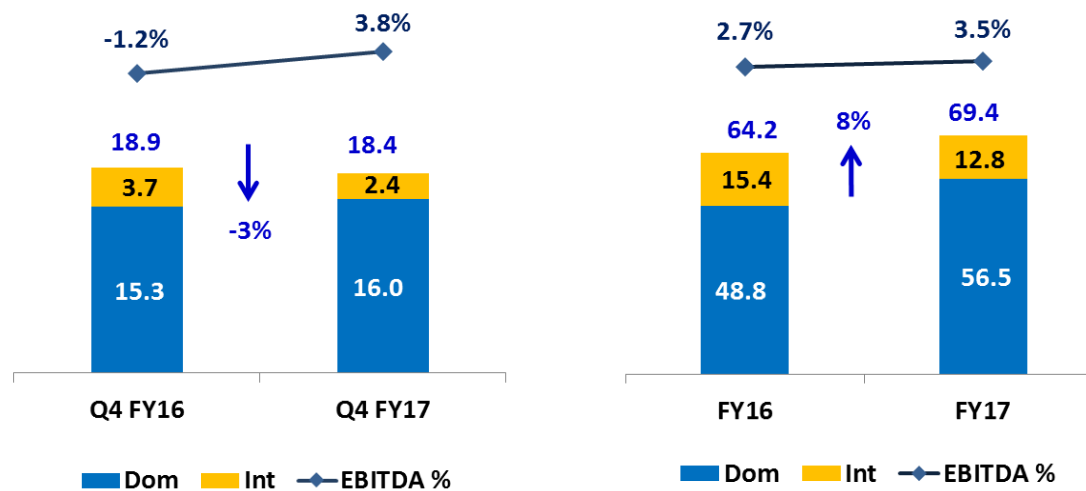
Amount in ₹bn

Net Revenues & Margin



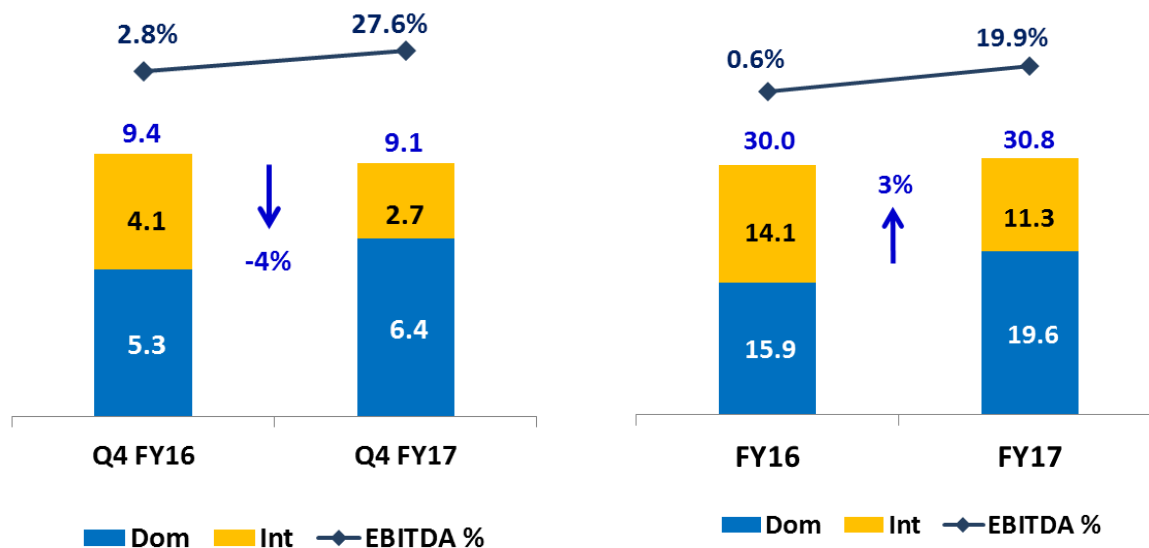
- Execution headwinds slow down revenue growth
- Transportation Infra, Heavy Civil and Water Businesses deliver higher growth
- Smart World Business Unit makes an encouraging start
- Margins impacted due to delayed execution and extended stay on some projects

Net Revenues & Margin



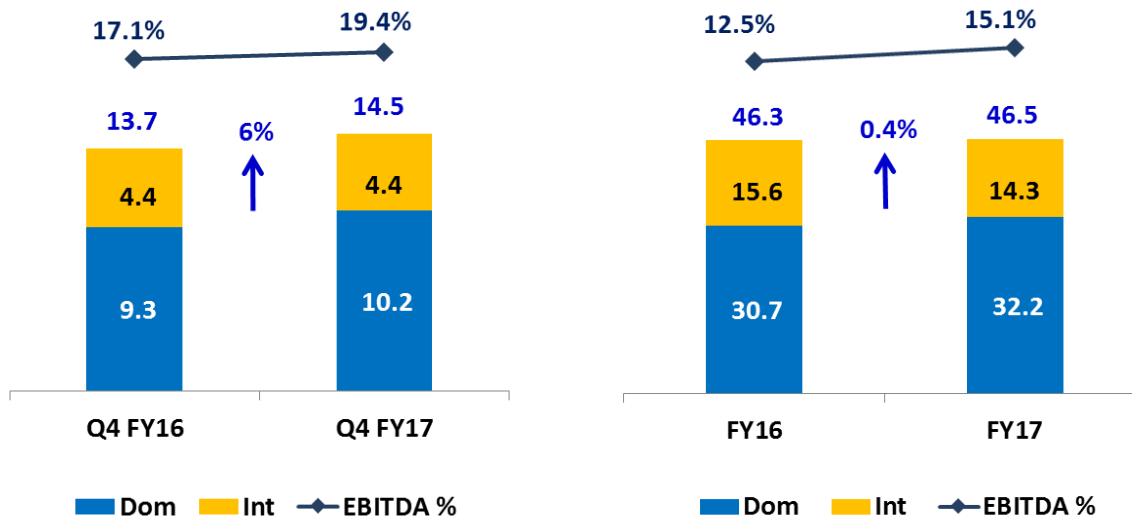
- International projects in completion phase
- Margin improvement on better execution progress and job mix
- Improved performance by MHPS JVs not reflected in reported EBITDA - consolidated at PAT level under Ind AS

Net Revenues & Margin



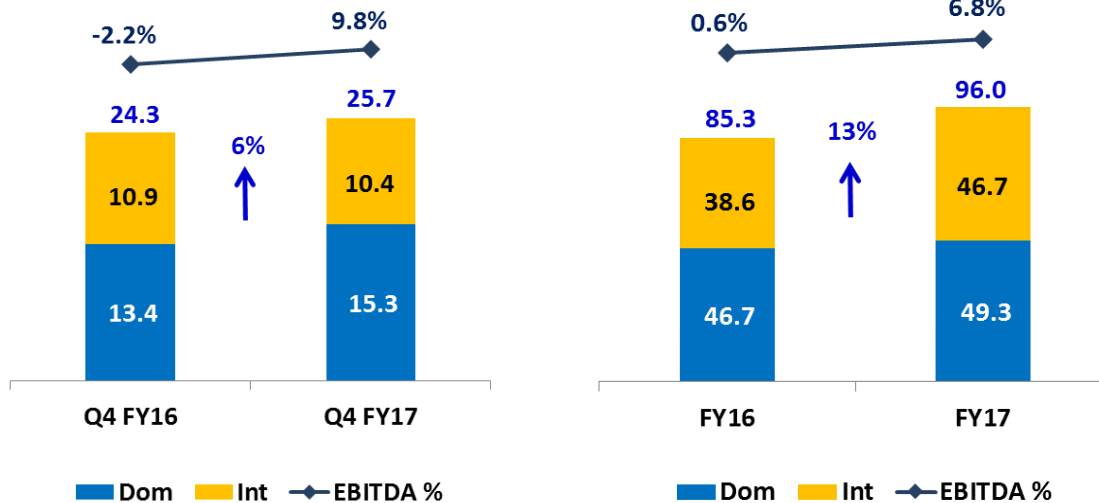
- Subdued revenue growth on delay in awards and slow progress of jobs
- Defence business holds promise
- PY margins impacted by cost overruns and delayed deliveries. FY17 reflects turnaround in profitability

Net Revenues & Margin



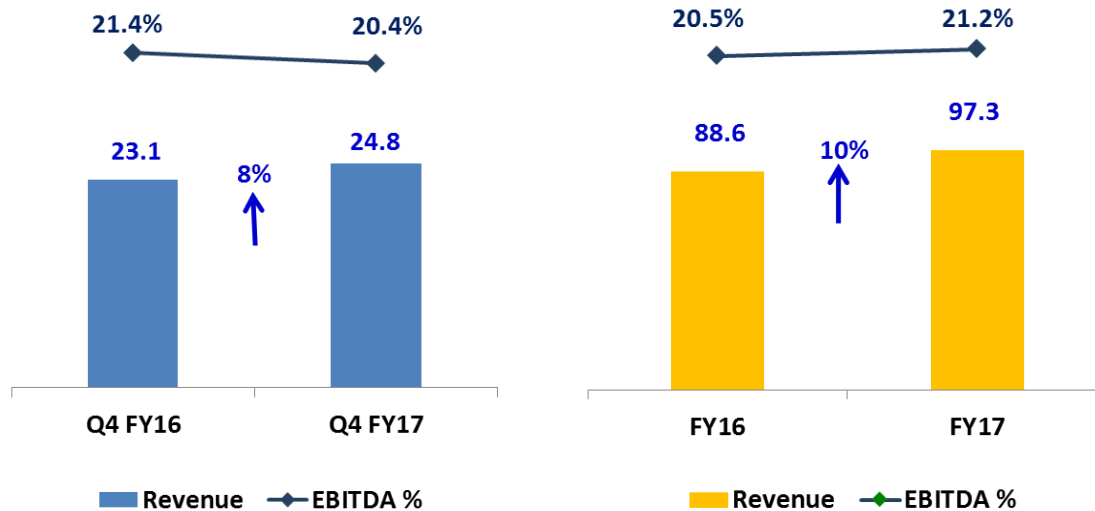
- Low-key revenue growth in FY17 mainly due to lower industrial demand
- Margin expansion obtained from favourable sales composition and operational efficiencies

Net Revenues & Margin



- Significant order wins in FY17 strengthens revenue visibility
- Execution of international jobs propels revenue growth
- Close out of challenging legacy jobs, cost optimisation and operational efficiencies drives business turnaround
- Strong focus on working capital leads to reduction in capital employed

Net Revenues & Margin

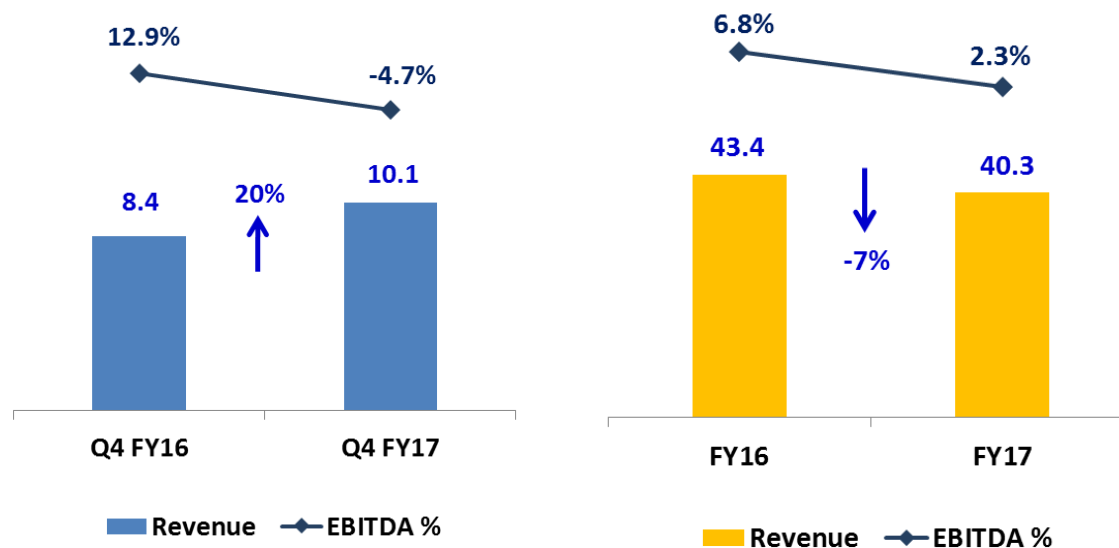


- Revenue growth driven by Insurance, Auto Aero & Others for IT business; Transportation & Industrial Products verticals for Tech services business
- Stable margins achieved through manpower utilisation and delivery optimisation

Developmental Projects Segment

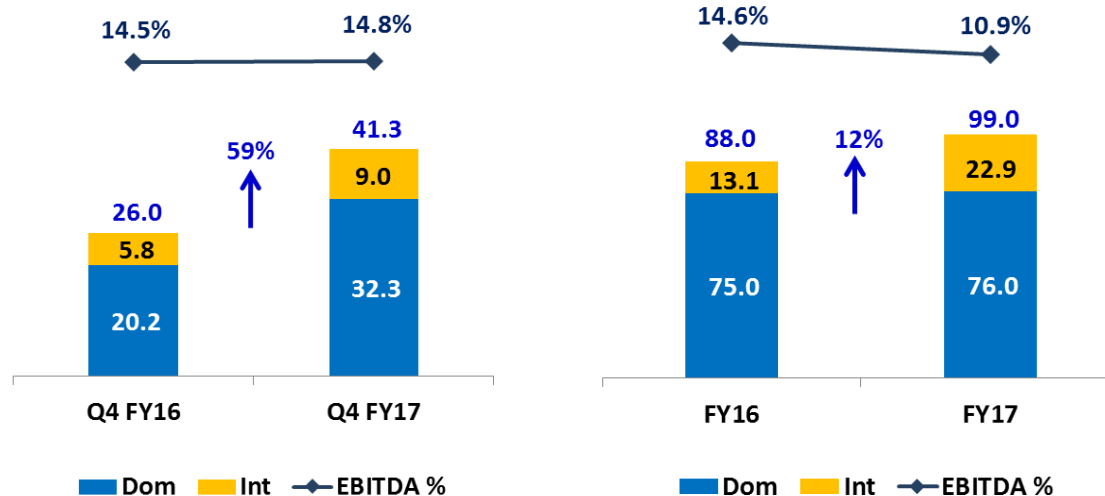
Amount in ₹bn

Net Revenues & Margin



- Segment includes Power Development, Hyderabad Metro and Kattupalli Port (currently under divestment process)
- IDPL (Roads & TL) consolidated at PAT level under Equity method
- Revenues impacted by lower construction progress in Hyd. Metro project
- Margin decline due to provisioning and non-accrual of disputed receivables (Nabha)

Net Revenues & Margin



- Revenue growth sustained thru strong execution by MMH
- Weak demand slows down construction equipment & industrial products business
- Demonetisation adversely affects Realty business; demand gradually improving
- Shipbuilding performance continues to be impacted by delay in defence ordering
- EBITDA margin reflects Shipbuilding inventory write-down

₹ Billion	FY16	FY17	% Change
Networth (Incl. Pref.Cap and Warrants)	84.09	91.07	8%
Consolidated Debt	516.16	598.11	16%
Loans and Advances	582.56	666.48	14%
Mutual Fund Average AUM	243.74	338.90	39%
Income from Operations	72.89	83.41	14%
Net NPA (%) - 120 DPD	3.82%	2.89%	
PAT	8.57	10.42	22%

- Emphasis on ROE improvement
- Efforts to reduce Cost to Income ratio
- Robust growth witnessed in focussed business and fee income



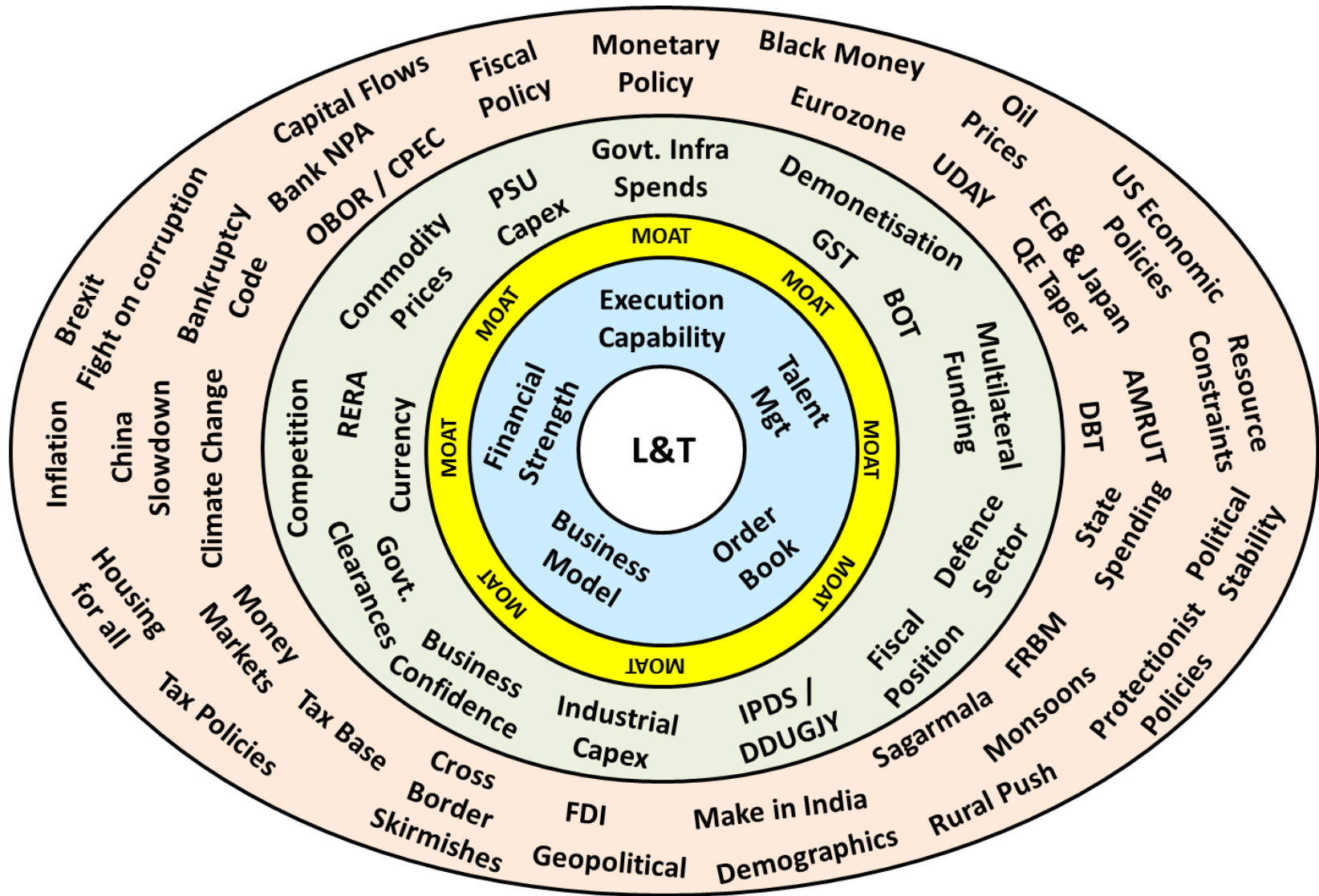
Group Performance Highlights

Group Performance Summary

Segment / Key Subsidiaries

The Environment & the Outlook

The Environment & the Outlook



Thank You

Annexures

Group Profit & Loss Extracts

₹ Billion	IT & TS	Fin. Services *	Devl. Projects	L&T & Others (Incl. Eliminations)	L&T Group		
					FY17	FY16	% Var
Income from Operations	97.31	85.45	40.27	877.07	1,100.11	1,019.75	8%
EBITDA	20.19	5.92	0.61	84.03	110.75	104.63	6%
Other Income	0.44	2.73	0.30	10.55	14.01	9.04	55%
Interest Expenses	(0.05)	(0.01)	(0.71)	(12.63)	(13.40)	(16.55)	-19%
Depreciation	(2.37)	(0.79)	(0.59)	(19.95)	(23.70)	(17.87)	33%
Provision for Taxes	(4.37)	(0.11)	(0.00)	(15.59)	(20.07)	(24.85)	-19%
Share in profit/(loss) of JVs / Associates	-	0.06	(3.45)	(0.57)	(3.95)	(9.90)	
Adjustments for non -controlling interest in Subs., etc.	(1.30)	(2.76)	0.66	(1.04)	(4.44)	(3.12)	
Net PAT	12.53	5.04	(3.18)	46.02	60.41	42.33	43%

* Includes Insurance Business

₹ Billion	Mar-17	Mar-16	Incr / (Decr)
Equity & Reserve	502	442	60
Non Controlling Interest	36	29	7
Borrowings - Financial Services	631	546	85
Development Projects	150	142	8
Others	159	193	(34)
Sources of Funds	1,478	1,352	125
Fixed Assets (Tangible / Intangible / Goodwill)	169	189	(20)
Loans towards Financing Activities	625	568	58
Development Projects	160	143	17
Finance lease receivable	95	98	(3)
Other Non-Current Assets (Incl. S&A / JV Investment)	99	77	22
Current Investments	136	75	61
Working Capital	194	203	(9)
Application of Funds	1,478	1,352	125

Q4 FY16	FY16	₹ Billion	Q4 FY17	FY17
44.6	108.6	Operating Profit	44.2	113.8
7.3	0.8	Changes in Working Capital	37.6	39.8
(9.7)	(32.1)	Direct Taxes paid	(9.2)	(32.0)
42.2	77.2	Net Cash from Operations (A)	72.6	121.6
(7.5)	(41.2)	Investments in Fixed Assets (Net)	(4.9)	(28.2)
(2.6)	(14.0)	Net Purchase of Long Term & Curr. Inv.	(23.0)	(80.8)
(0.3)	(2.4)	Loans/Deposits made with JV/Associate Cos.	(19.1)	(22.2)
2.2	5.8	Interest & Dividend Received & Others	5.2	11.5
1.0	1.8	Divestment Proceeds (Incl. Advances)	0.3	20.5
(7.1)	(50.0)	Net Cash from/(used in) Invest. Act. (B)	(41.6)	(99.2)
0.6	10.4	Issue of Share Capital / Minority	0.6	21.1
0.9	105.2	Net Borrowings	7.0	50.7
(25.3)	(105.8)	Disbursements towards financing activities*	(26.3)	(57.4)
(5.7)	(43.0)	Interest & Dividend paid	(3.7)	(36.6)
(29.4)	(33.3)	Net Cash from Financing Activities (C)	(22.4)	(22.2)
5.7	(6.1)	Net (Dec) / Inc in Cash & Bank (A+B+C)	8.6	0.2

* included under Net Cash from operations under statutory financial statements

₹ Billion	FY17	FY16
MHPS JVs	1.12	0.54
IDPL & Subs.	(3.45)	(8.19)
Others	(1.62)	(2.25)
Total	(3.95)	(9.90)

Other Comprehensive Income (OCI)

₹ Billion	FY17	FY16
Changes arising out of re-measurement of defined benefit plans for employees	(0.25)	(0.10)
MTM of investment in Debt instruments	(0.06)	(0.03)
Changes in Foreign Currency Translation Reserve	(1.31)	0.69
MTM of Off-Balance Sheet Hedges	3.40	1.03
Total	1.78	1.59

- 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

Reconciliation of Net PAT (FY2015-16)

Adjustments	₹ Billion	
Net Profit After Tax as per previous IGAAP		50.91
Provision for Expected Credit Loss	0.14	
Gain/loss on divestment of stake in subsidiary	(2.64)	
Provision for Employee Benefits based on constructive obligations	(0.37)	
Impact of fair valuation of investments	(1.47)	
Increase in borrowing cost pursuant to application of Effective Interest Rate method	(0.88)	
Reclassification of net actuarial (gain)/loss on Employee Defined Benefit Obligations to OCI	0.14	
Increase in borrowing cost due to initial fair valuation of long term financial liabilities	(3.05)	
Others	0.11	
Deferred and current taxes	(0.08)	
Additional Tax on dividend distributed by subsidiaries	(0.46)	(8.58)
Net Profit After Tax as per IND AS		42.33

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
(Mar 2017): ₹ 15 Bn

Equity Invested
(Mar 2017): ₹ 89 Bn

Total Project Cost
(Mar 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