

SEC/PAM/2016

August 27, 2016

The Secretary BSE Limited Phiroze Jeejeebhoy 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,

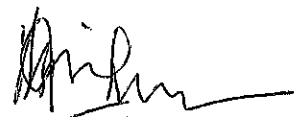
Sub.: Investor Presentation – Q1 FY17

Pursuant to Regulation 46(2) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, we enclose herewith a copy of Investor Presentation for the first quarter of Financial Year 2017, 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**



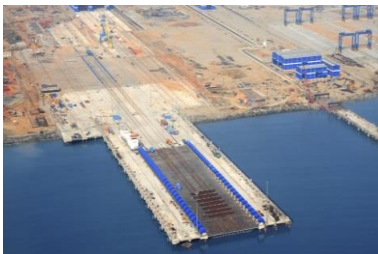
N. HARIHARAN
COMPANY SECRETARY
(ACS 3471)

Encl : as above

Larsen & Toubro

Investor Presentation - Q1 FY17

July 29, 2016



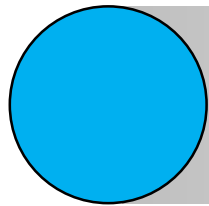
Disclaimer

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.

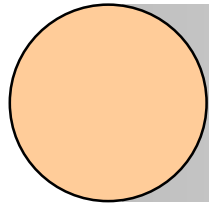
The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, competition (both domestic and international), economic growth in India and the target countries for exports, ability to 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.

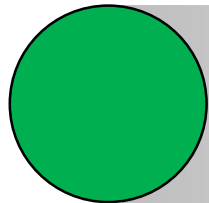
Presentation Outline



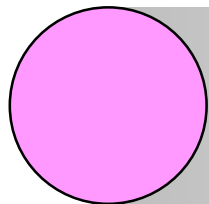
L&T Overview



Business Overview

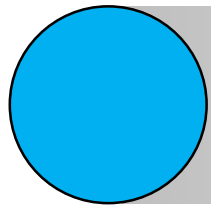


Group Performance



**Sectoral opportunities &
Outlook**

Presentation Outline



L&T Overview



Business Overview



Group Performance



Sectoral Opportunities &
Outlook

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:
₹1026 Bn
(approx.
US\$ 16 Bn)**



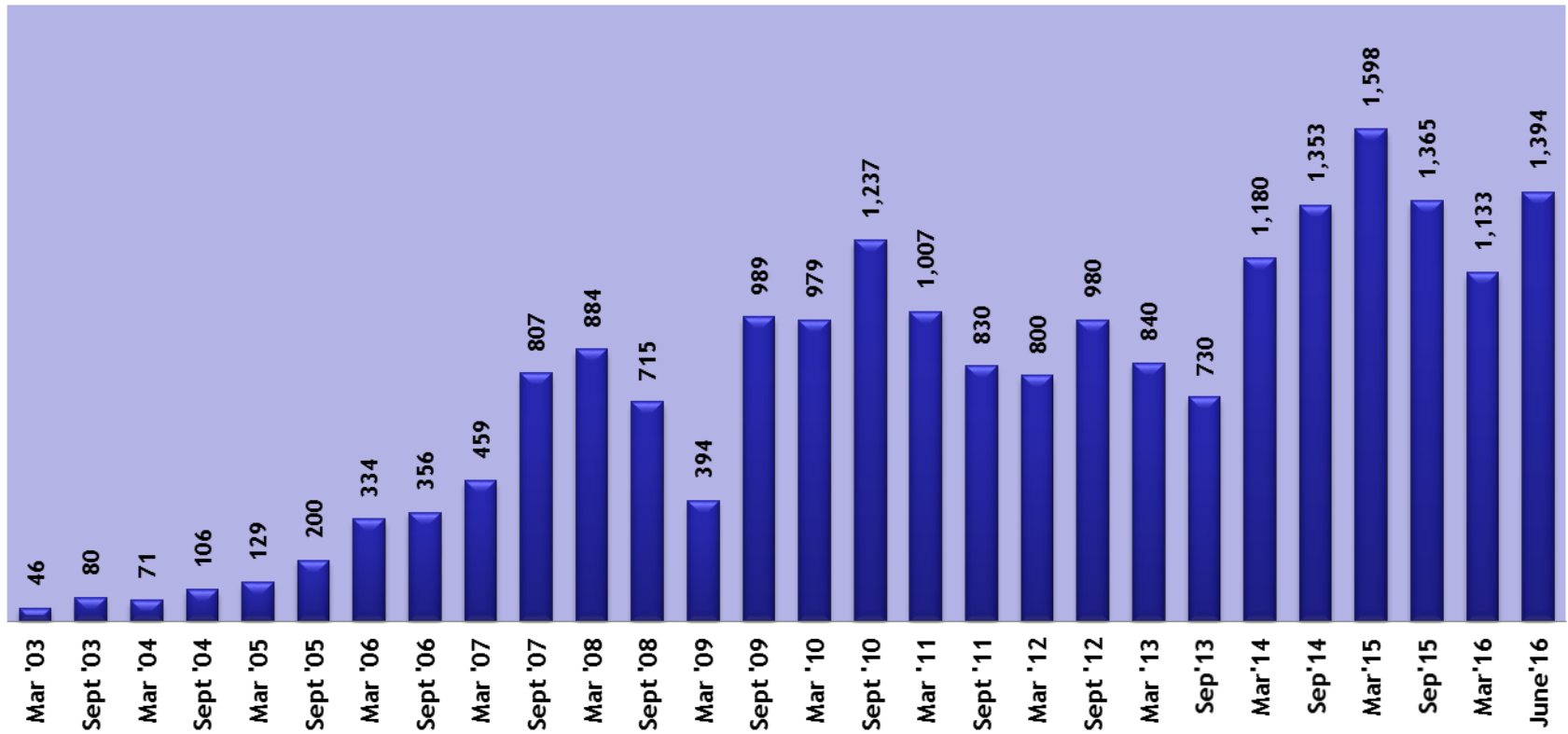
**Market Cap
(29th July '16):
₹1452 Bn
(approx.
US\$ 22 Bn)**



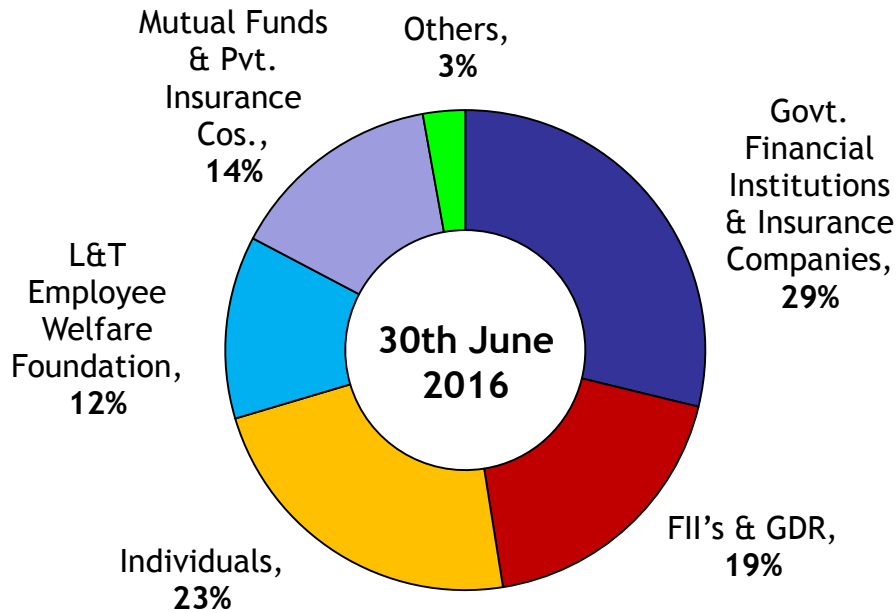
**Credit Ratings
CRISIL:
AAA/Stable
ICRA:
AAA(Stable)**

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	8.2%
HDFC Mutual Fund	2.3%
General Insurance Corp. of India	1.8%
ICICI Prudential Life Insurance	1.6%
Government of Singapore	1.5%
ICICI Prudential 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 Recommended 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

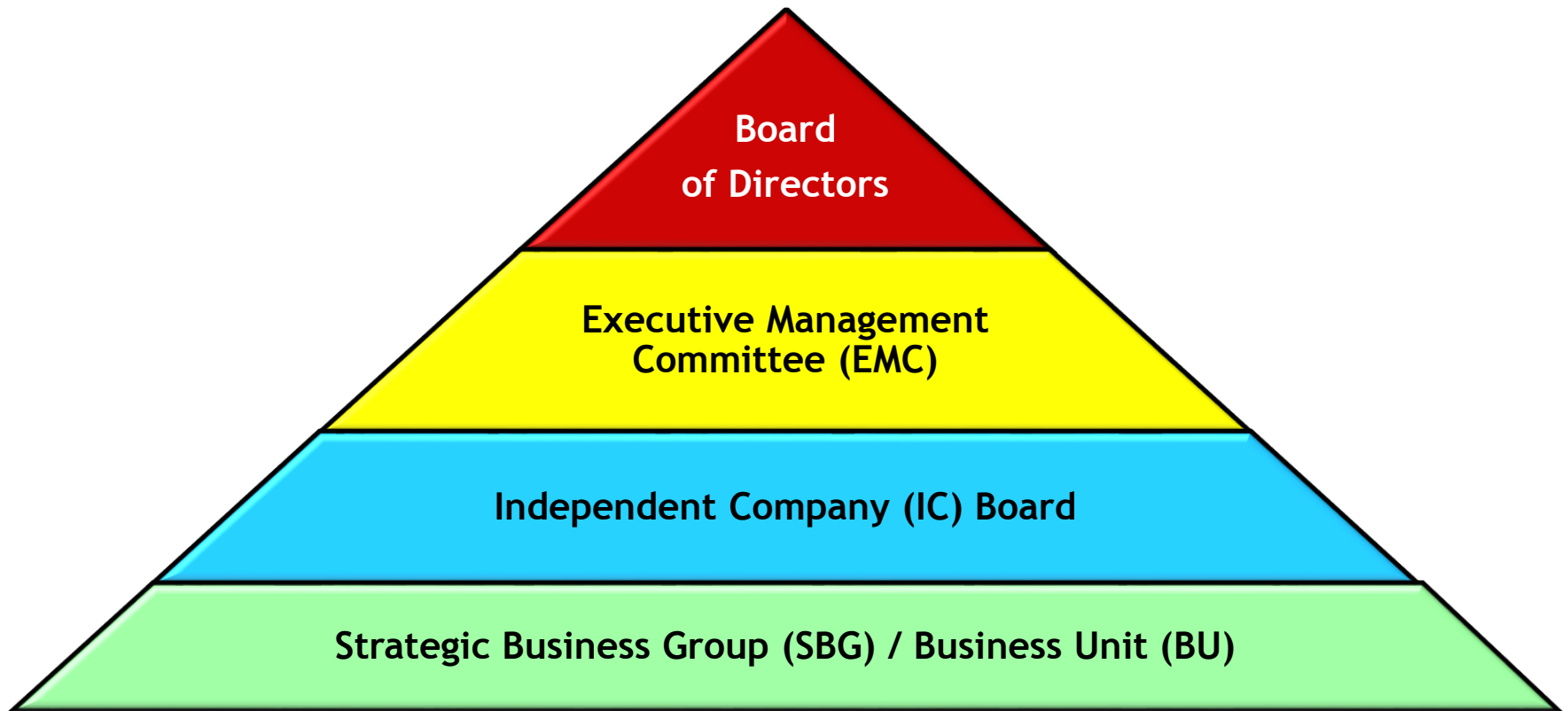
- B.Tech (Chem.), M.Tech - IIT, Mumbai
- Joined L&T Group in 2015

- 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



L&T's Sustainability Programme

Sustainability Report 2015 is a 'GRI Checked', Externally Assured, and In Accordance- Comprehensive, highest level of disclosures in public domain

Sustainability Thrust Areas

Climate Change
Carbon footprint mapping



Energy Conservation



Water Conservation



Material Management



Safety



Community



Accolades

2013 vs 2014 Rankings

Rank	Company (2014)	Rank	Company (2013)
1	M&M	1	Tata Steel
2	Tata Power Co	2	Tata Chemicals
3	Tata Steel	3	M&M
4	Larsen & Toubro	4	Maruti Suzuki India
5	Tata Chemicals	5	Tata Motors
6	Tata Motors	6	Siemens
7	GAIL (India)	7	Larsen & Toubro
8	BPCL	8	Coca-Cola India
9	Infosys	9	SAIL
10	Jubilant Life	10	Infosys

L&T Ranks among Top 5 Companies for CSR by The Economic Times



Being featured in Carbon Disclosure Leadership Index since 2009. L&T Scored 98 out of 100 in 2015 on Carbon disclosure index



Only company from India to feature in Capital goods segment of Dow Jones Sustainability - Emerging Market Index. Company's sustainability performance improved by 35 % as compared to 2014.



United nations conference on climate change
COP21/CMP11

Company's efforts to establish energy efficiency have been showcased in the form of case story in COP 21, United Nations Conference on Climate Change held in Paris in Dec 2015.

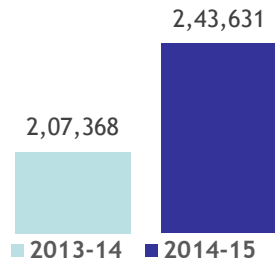
Sustainability - Environment & Social



Green Buildings

L&T's own - 2.1 million sq. ft.
 Constructed for Clients - 43.7 million sq. ft.
 Under certification- 21.9 Million Sq. ft

Energy Conservation (GJ)



Renewable power contributes 11 % of indirect energy

Food waste processing plants for treatment of organic waste



All 28 L&T Campuses are zero wastewater discharge
 8 Campuses are water positive

Parameter	Values
Direct Energy Consumption (GJ/Employee)	100.68
Direct GHG Emissions (Tons/Employee)	5.63
Water Consumption (m3/employee)	153.6

Aligned with

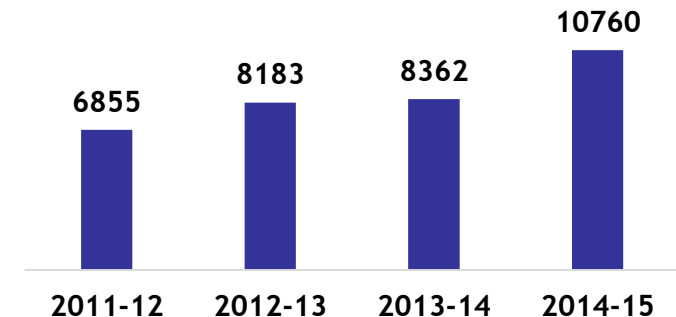
- National Action Plan on Climate Change
- UN Millennium Development Goals
- United Nations Global Compact



New CSR Theme: Building India's Social Infrastructure

- To pursue holistic & integrated social development programs at identified locations which are most needy
- Achieved through interventions in water & sanitation, education, health and skill development

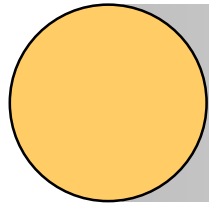
Green Product Portfolio (Cr.) (18.16% of overall sales) in 2014-15



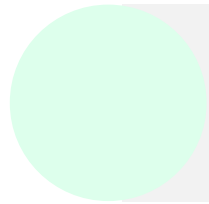
Presentation Outline



L&T Overview



Business Overview



Group Performance



Sectoral Opportunities &
Outlook

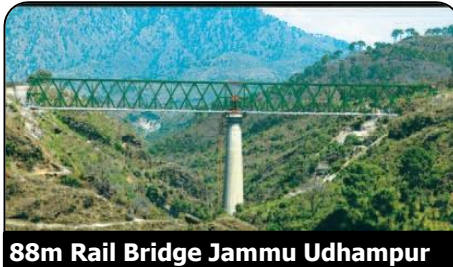
Builders to the nation



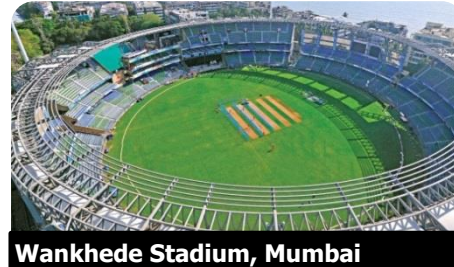
Vizag Steel Plant



Turbine Rotor, Gujarat



88m Rail Bridge Jammu Udhampur



Wankhede Stadium, Mumbai



Baha'i Temple, Delhi



Mumbai International Airport



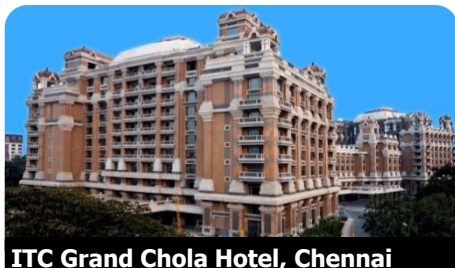
Oil & Gas Equipment



Vivekanand Bridge, Kolkata



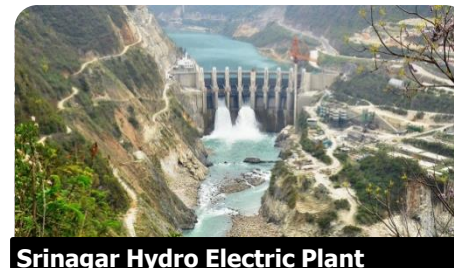
Kakrapar Nuclear Power Plant, Guj



ITC Grand Chola Hotel, Chennai



Sri Sathya sai Whitefield Hospital



Srinagar Hydro Electric Plant



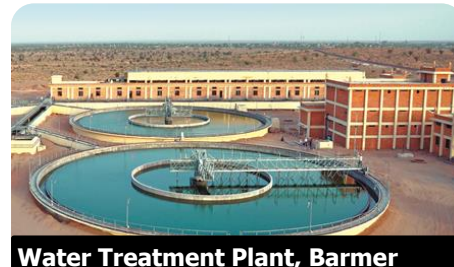
Vacuum Column, Paradip Refinery



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



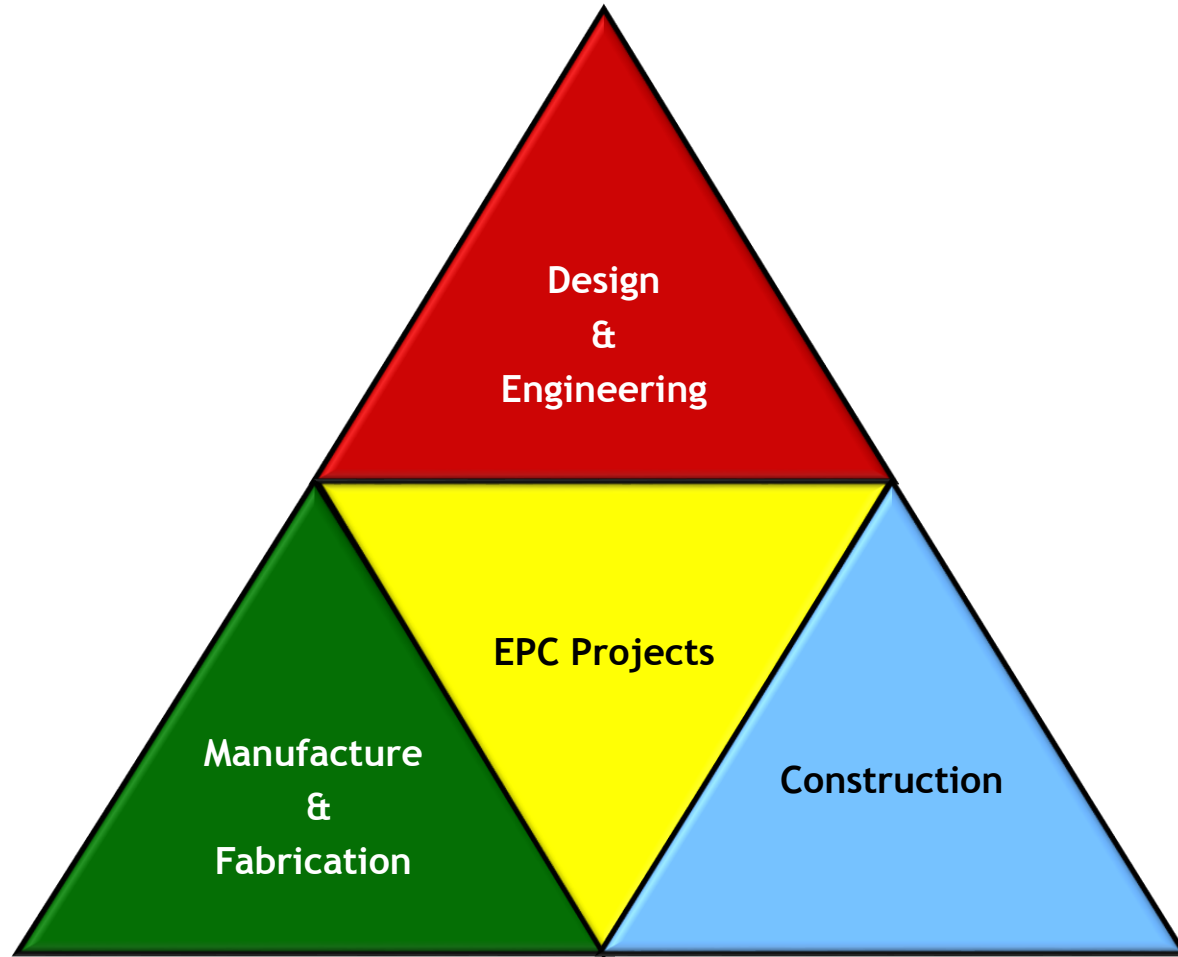
Bi-metallic Urea Stripper for Saudi



MV Switchgear Factory, Malaysia

E&C Delivery Platform

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



Single point responsibility for turnkey solutions

Quality Customer Mix



Multiple Alliances & Joint Ventures

Alliances



Pre qualifications

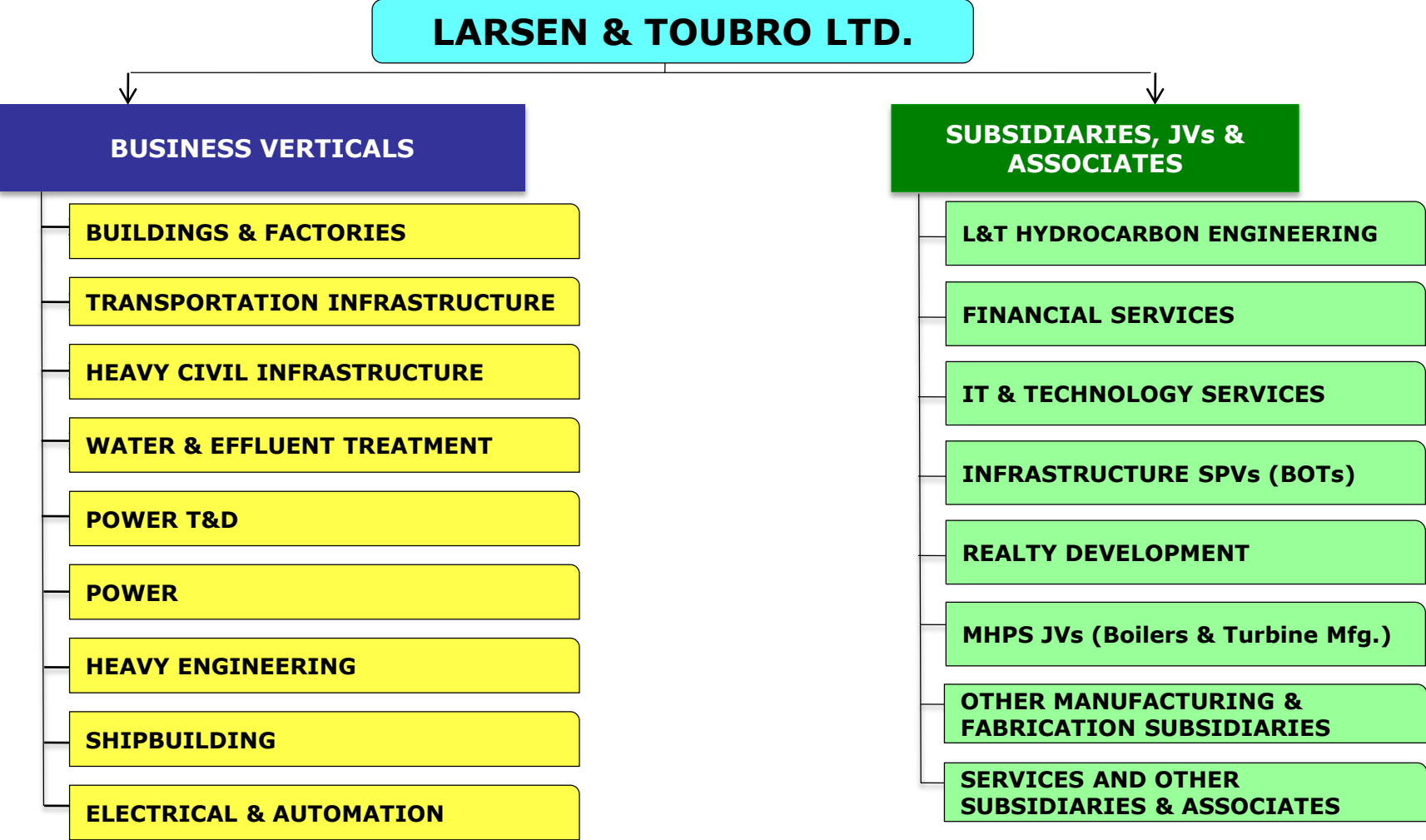


Joint Ventures



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

L&T's Business Structure



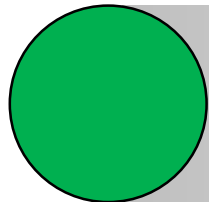
Presentation Outline



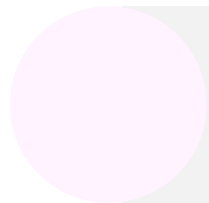
L&T Overview



Business Overview

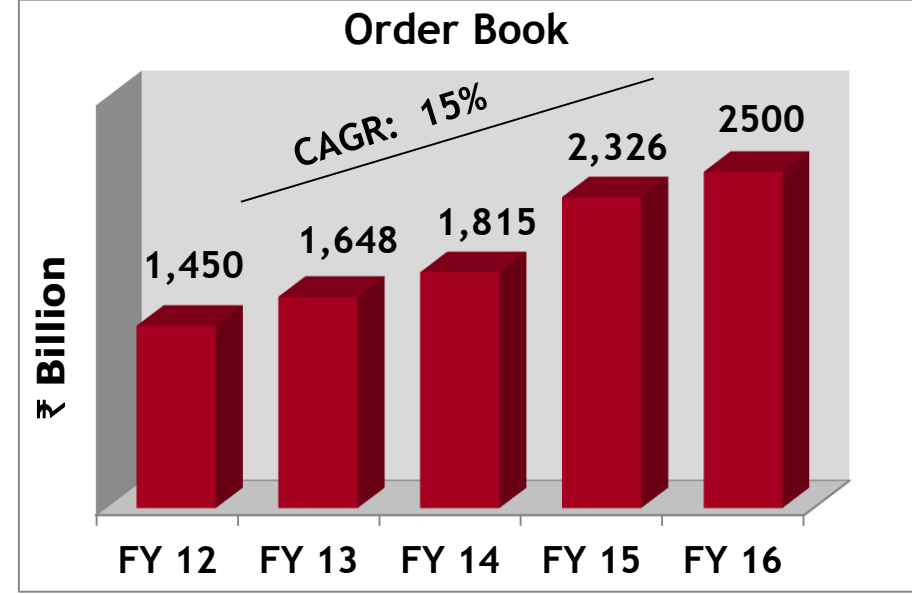
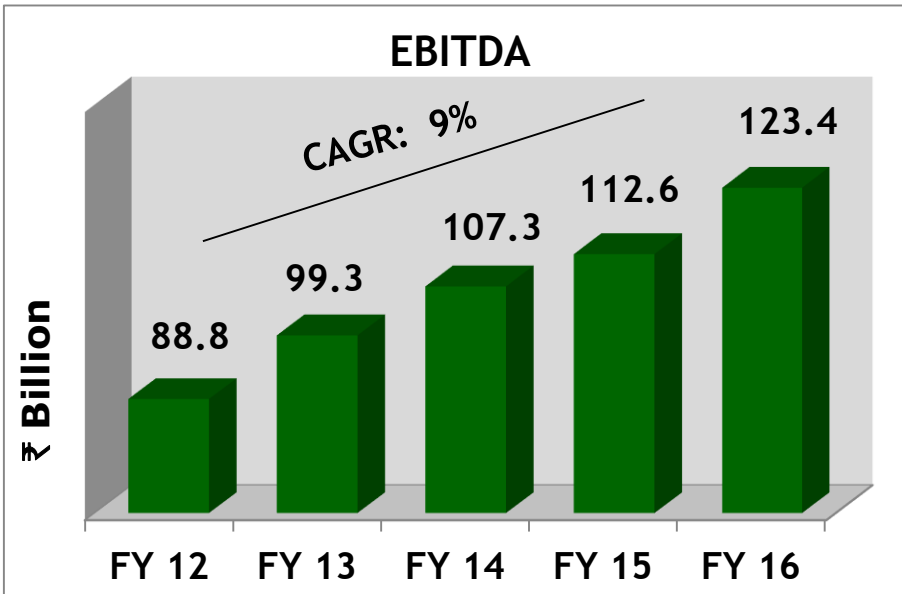
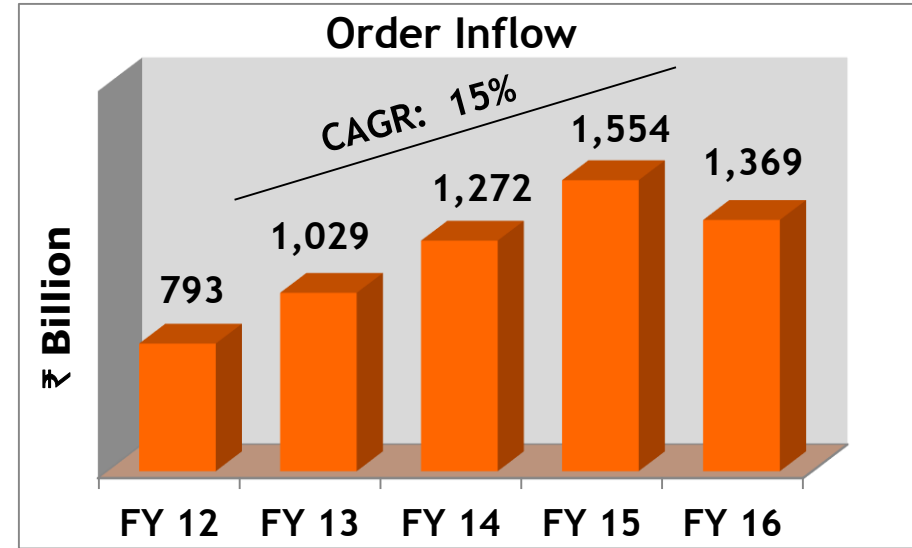
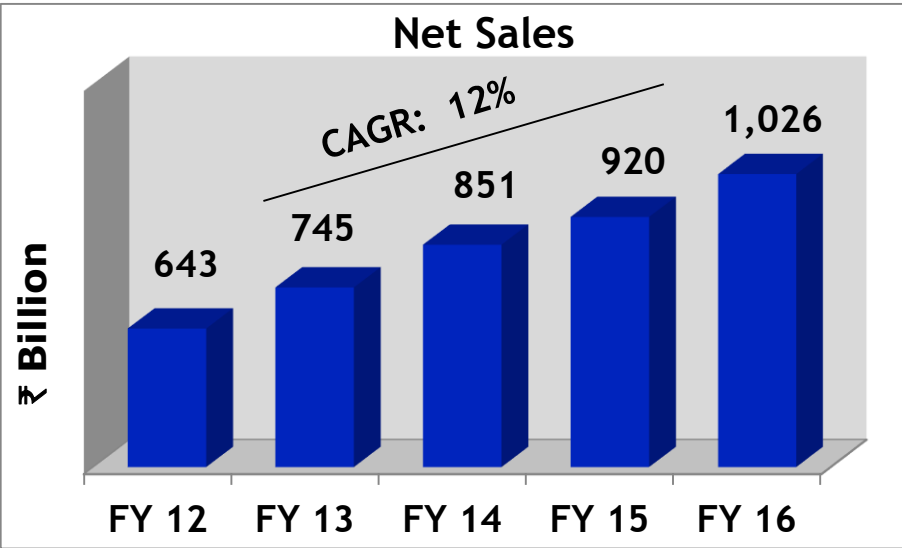


Group Performance

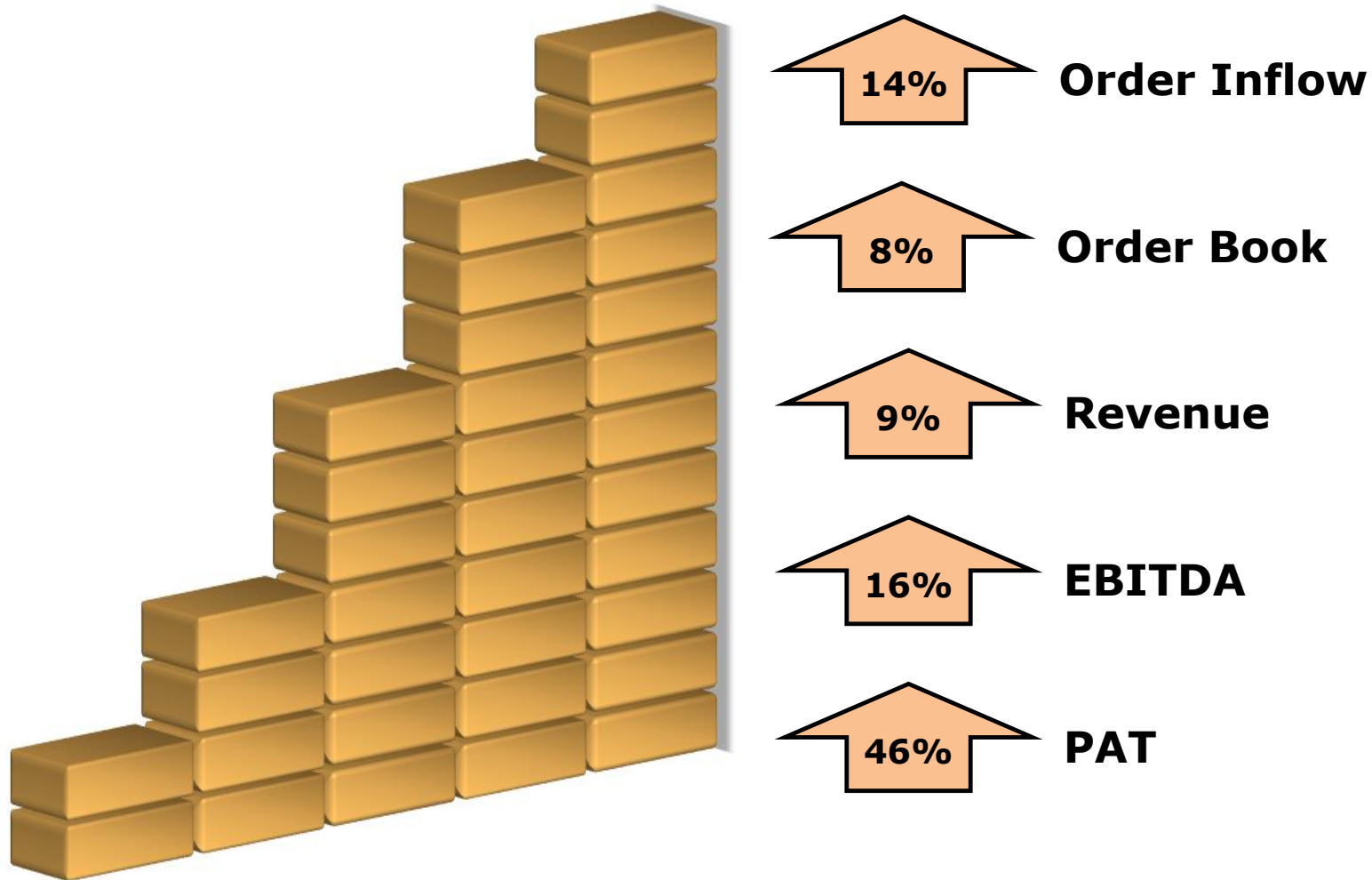


Sectoral Opportunities &
Outlook

Five Year Performance



Performance Highlights

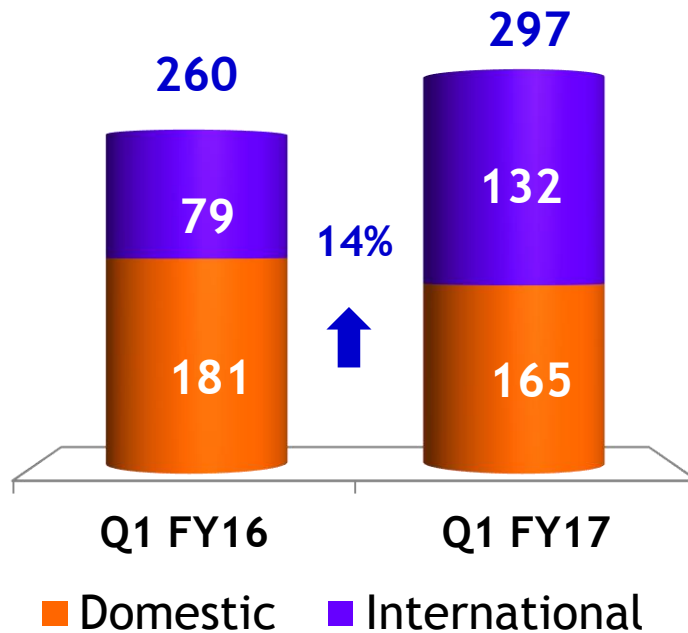


Financial Statements prepared in accordance with new Accounting Standards (IND AS)

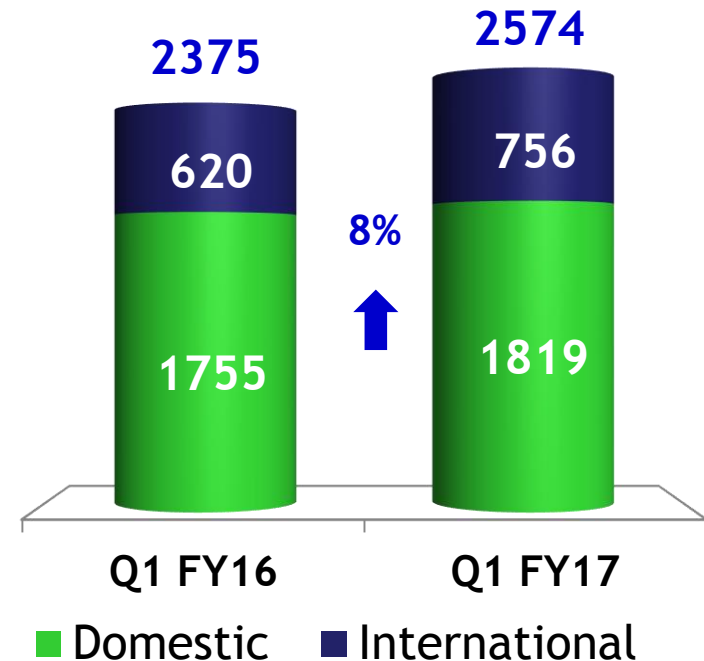
Group level Order Inflow & Order Book

Amount in ₹ Bn

Order Inflow



Order Book



- Order Inflow growth mainly from Hydrocarbon, Water, and Heavy Civil verticals
- International Order Inflow growth from Hydrocarbon
- Domestic Capex still muted
- Large Order Book provides multi-year Revenue visibility

Group Performance - Sales & Costs

₹ Billion	Q1 FY16	Q1 FY17	% Change
Revenue from Operations	200.48	218.74	9%
<i>International Revenue</i>	64.49	76.22	18%
<i>% of Revenue</i>	32%	35%	3%
Mfg, Cons. & Opex (MCO)	127.10	136.53	7%
Finance Cost of Fin. Services and Fin. Lease Activities	11.91	13.22	11%
Staff Costs	31.49	34.20	9%
Sales & Admin. Expense (SGA)	13.57	15.74	16%
Total Opex	184.07	199.69	8%

- Revenue growth driven by Infra, Power, and Services
- MCO charge in line with level of operations
- Staff Cost increase due to manpower augmentation and international operations
- Increase in SGA expense due to provisioning for NPAs/other recoverables

Group Performance Summary - Profitability

₹ Billion	Q1 FY16	Q1 FY17	% Change
EBITDA	16.41	19.05	16%
EBITDA Margin	8.2%	8.7%	0.5%
Interest Expenses	(3.89)	(3.37)	-13%
Depreciation	(4.66)	(4.65)	0%
Other Income	2.83	3.02	7%
Provision for Taxes	(4.28)	(5.49)	28%
Share in profit / (loss) of JVs / Associates	(1.96)	(1.74)	
Adj. for Non-controlling Interest in Subsidiaries	(0.26)	(0.73)	
Net PAT	4.19	6.10	46%

- Margin improvement due to soft commodity prices and resource optimization
- Interest expense in line with level of borrowings and prevalent credit costs
- Growth in Other Income contributed by Treasury operations

Reconciliation of Net PAT Q1 FY 2015-16

Adjustments	₹ Billion	₹ Billion
Net Profit After Tax as per previous IGAAP		6.06
Provision for Expected Credit Loss	(1.69)	
Provision for Employee Benefits based on constructive obligations	(0.99)	
Gain on fair valuation of investments	0.62	
Increase in borrowing cost pursuant to application of Effective Interest Rate method	(0.12)	
Reclassification of net actuarial gain on Employee Defined Benefit Obligations to OCI	(0.20)	
Increase in borrowing cost due to initial fair valuation of long term financial liabilities	(0.39)	
Deferred and current taxes in respect of above adjustments	0.75	
Others	0.14	(1.87)
Net Profit After Tax as per IND AS		4.19

Components of Other Comprehensive Income (OCI)

₹ Billion	Q1FY16	Q1FY17
Changes arising out of re-measurement of defined benefit plans for employees	0.13	(0.02)
MTM of investment in Debt instruments	(0.52)	(0.15)
Changes in Foreign Currency Translation Reserve	0.44	0.05
MTM of Off-Balance Sheet Hedges	(0.12)	(1.03)
Total	(0.06)	(1.16)

- OCI represents changes in equity reflected in Balance Sheet reserves

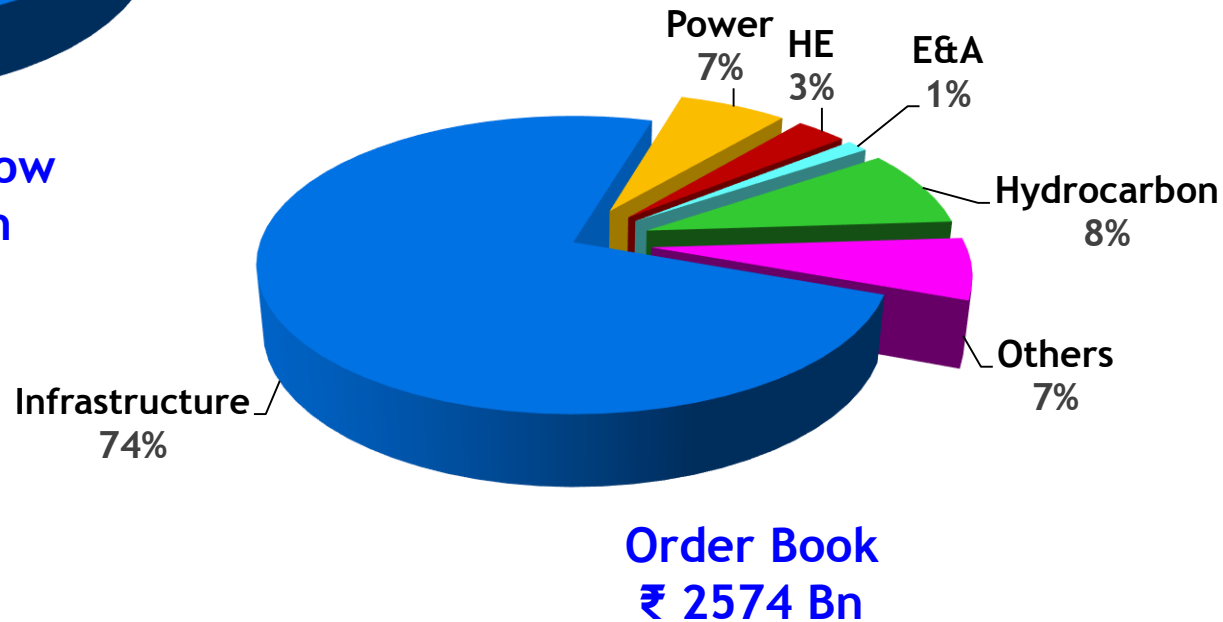
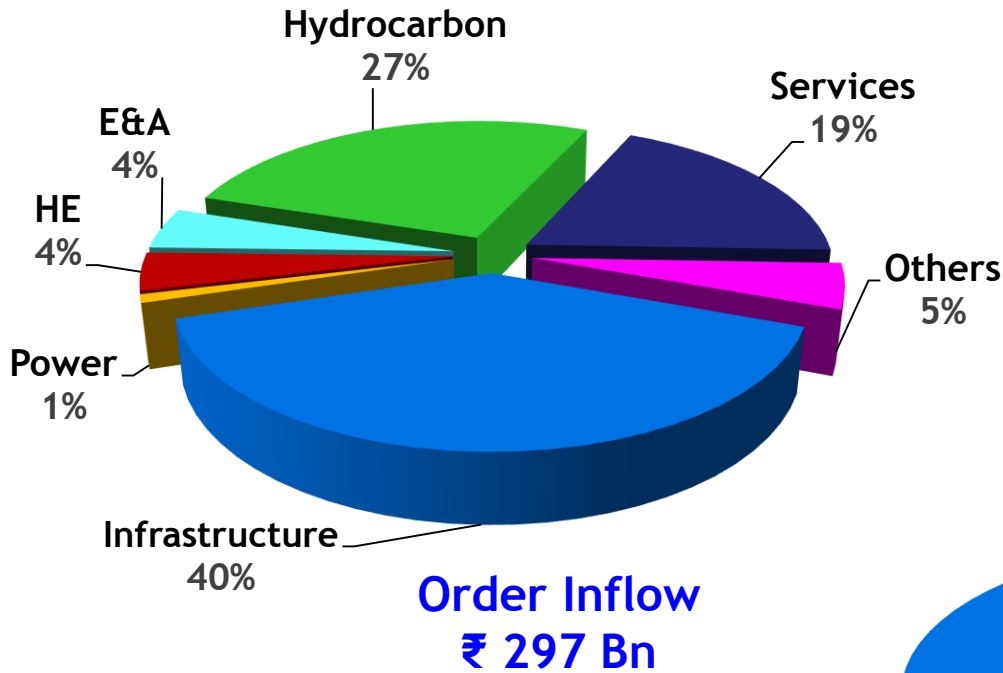
Segment Performance Analysis

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			

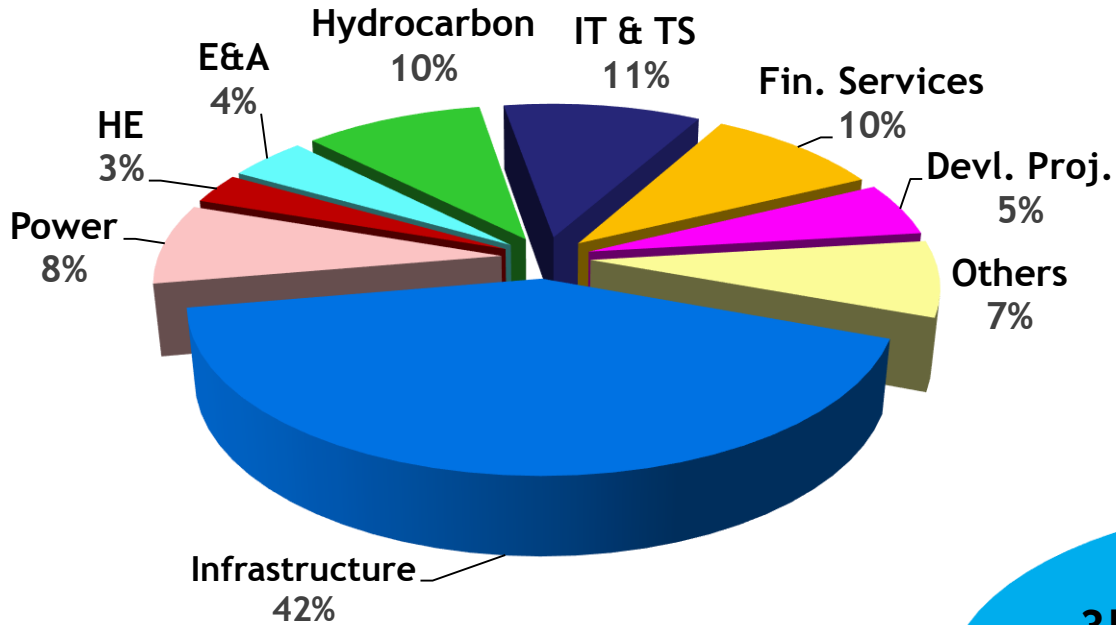
Hydrocarbon	Developmental Projects	IT & TS	Financial Services	Others
Upstream	Roads	Information Technology	Retail & Corporate	Shipbuilding
Mid & Downstream	Metros	Technology Services	Infrastructure	Realty
Construction & Pipelines	Ports		Mutual Fund Asset Management	Metallurgical & Material Handling
	Power		General Insurance	Construction & Mining Equipment
				Machinery & Industrial Products

Segmental Breakup of Orders - Q1 FY17

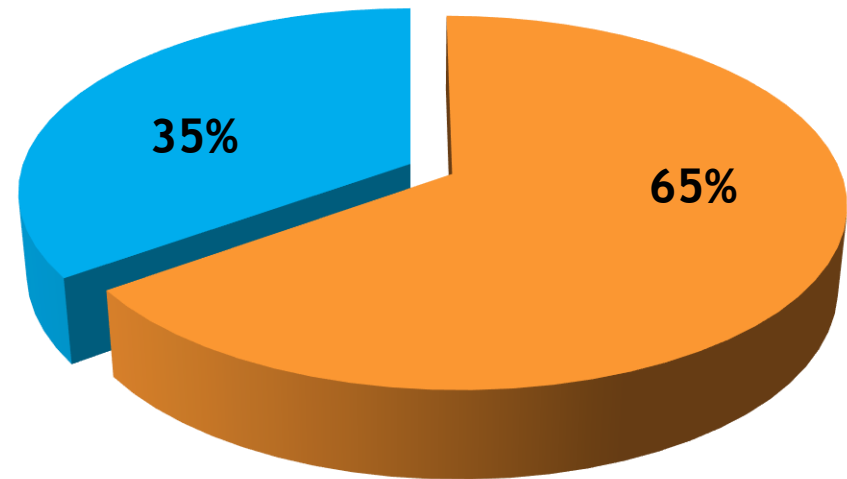


Revenue Breakup - Q1 FY17

Segmental Breakup



Geographical breakup

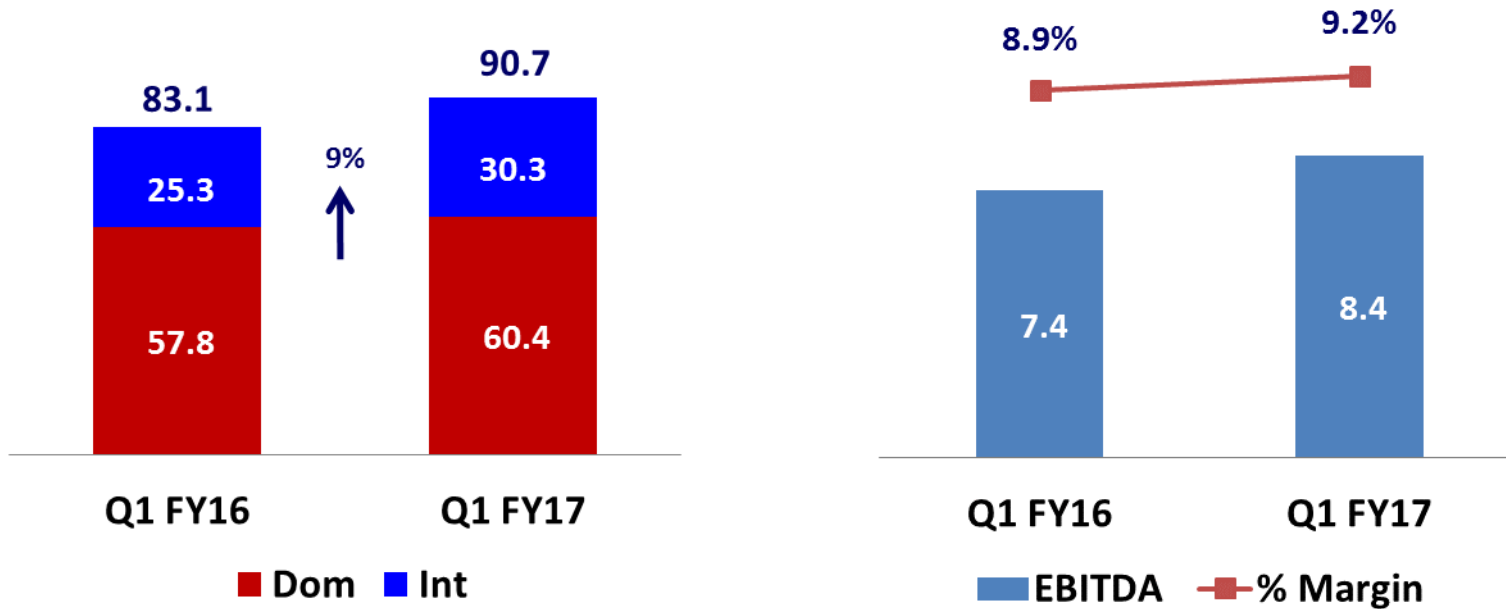


■ Domestic ■ International

Infrastructure Segment

Amount in ₹ Bn

Net Revenues & Margin

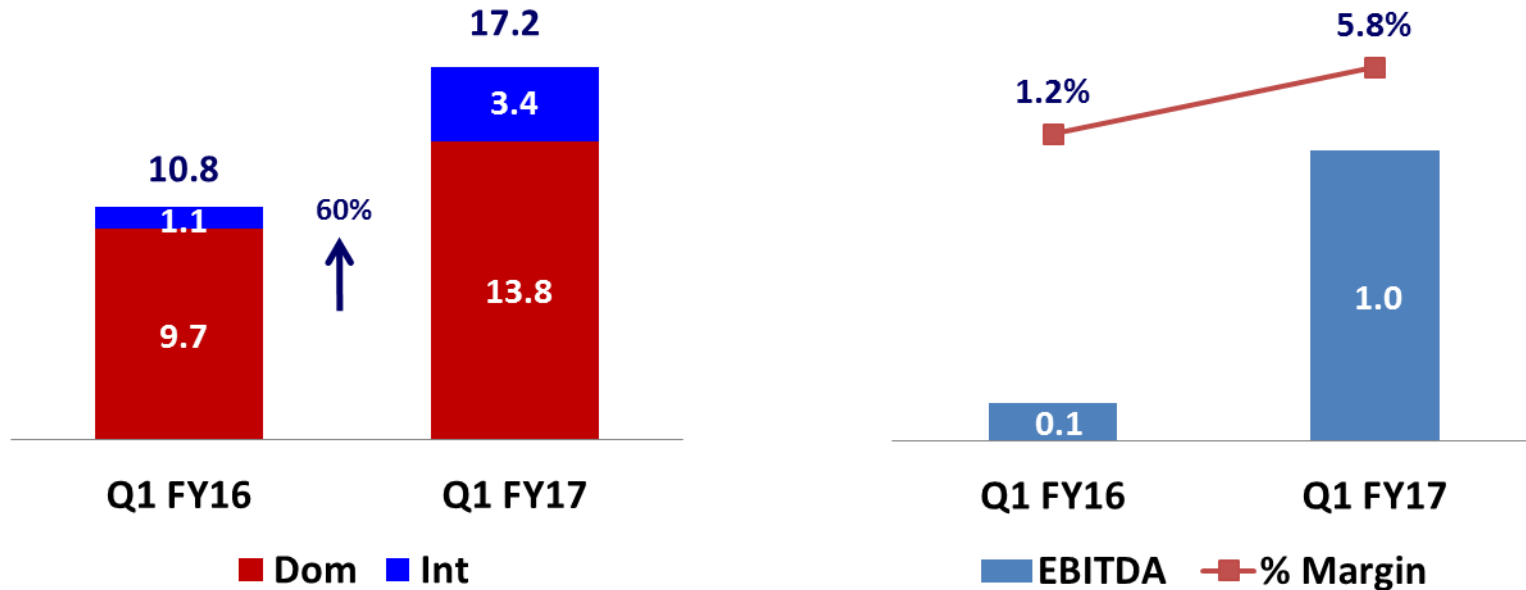


- Execution progress in International Business drives revenue growth
- Margin increase due to commodity prices and execution efficiency

Power Segment

Amount in ₹ Bn

Net Revenues & Margin

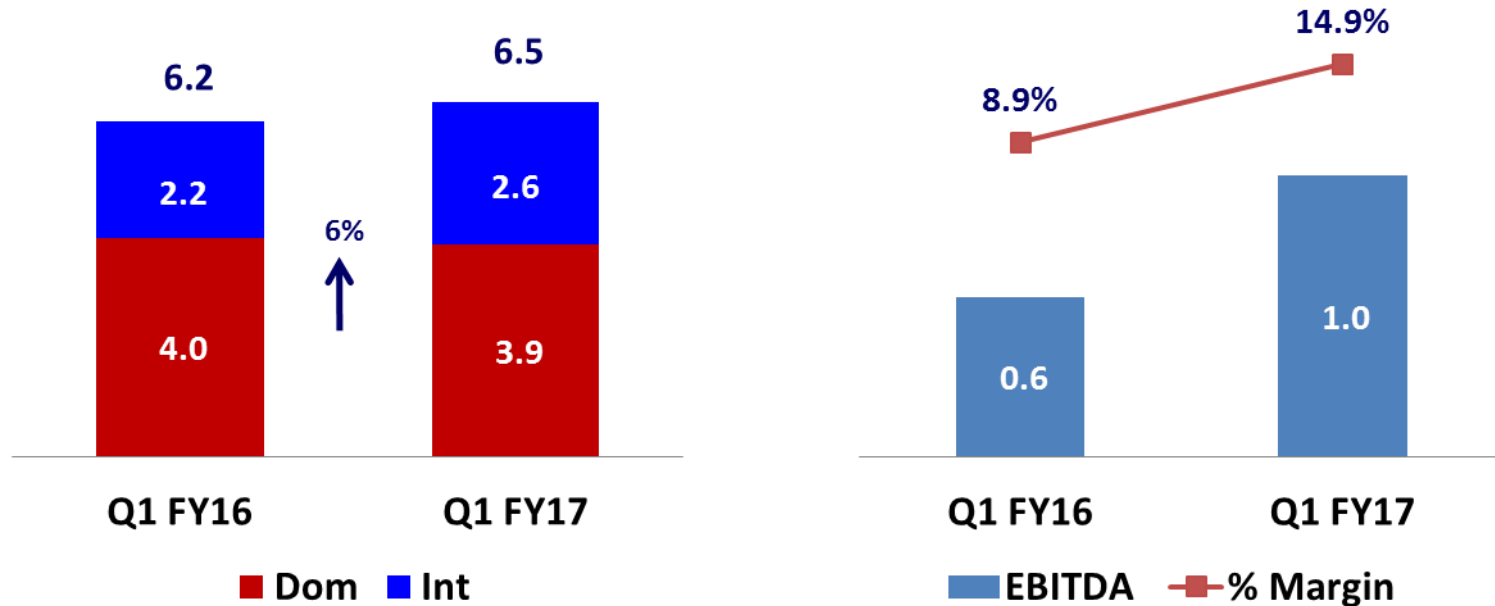


- Sharp growth in revenues resulting from greater execution progress in domestic and international jobs
- Margin improvement due to brisk execution

Heavy Engineering Segment

Amount in ₹ Bn

Net Revenues & Margin

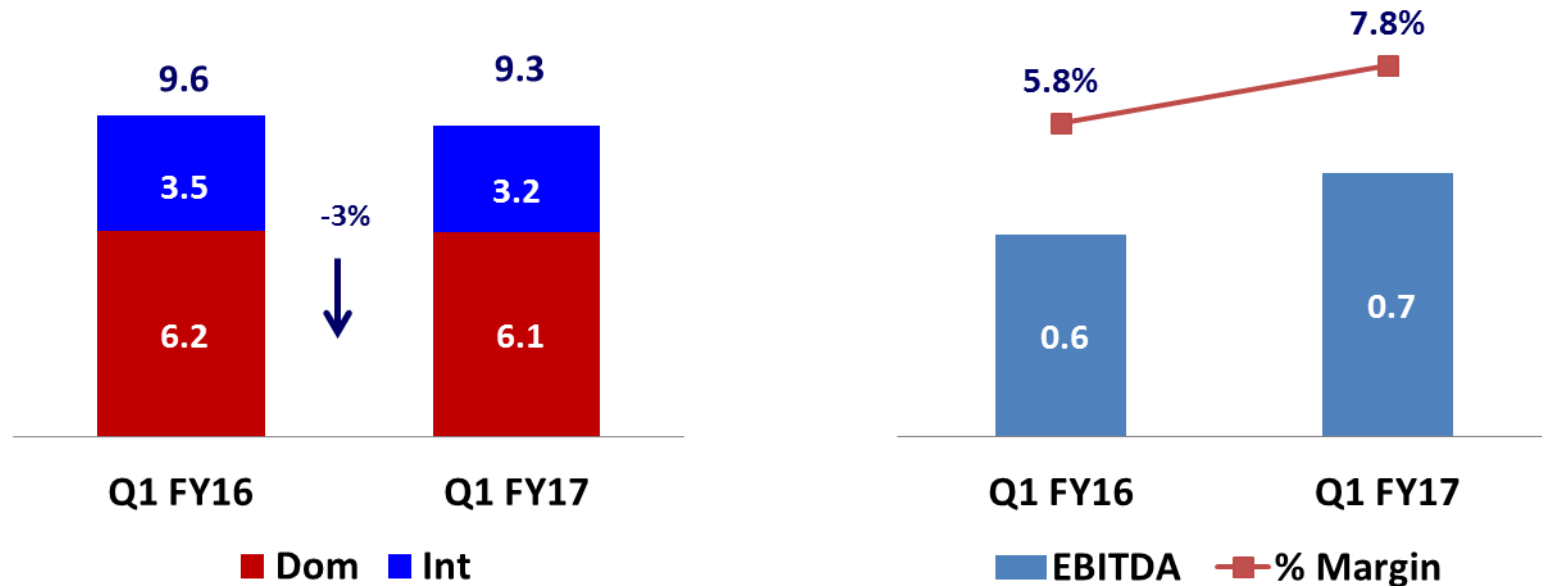


- Modest Revenue growth on low opening Order Book in PPN business
- Margins reflect profitable execution

Electrical & Automation (E&A) Segment

Amount in ₹ Bn

Net Revenues & Margin

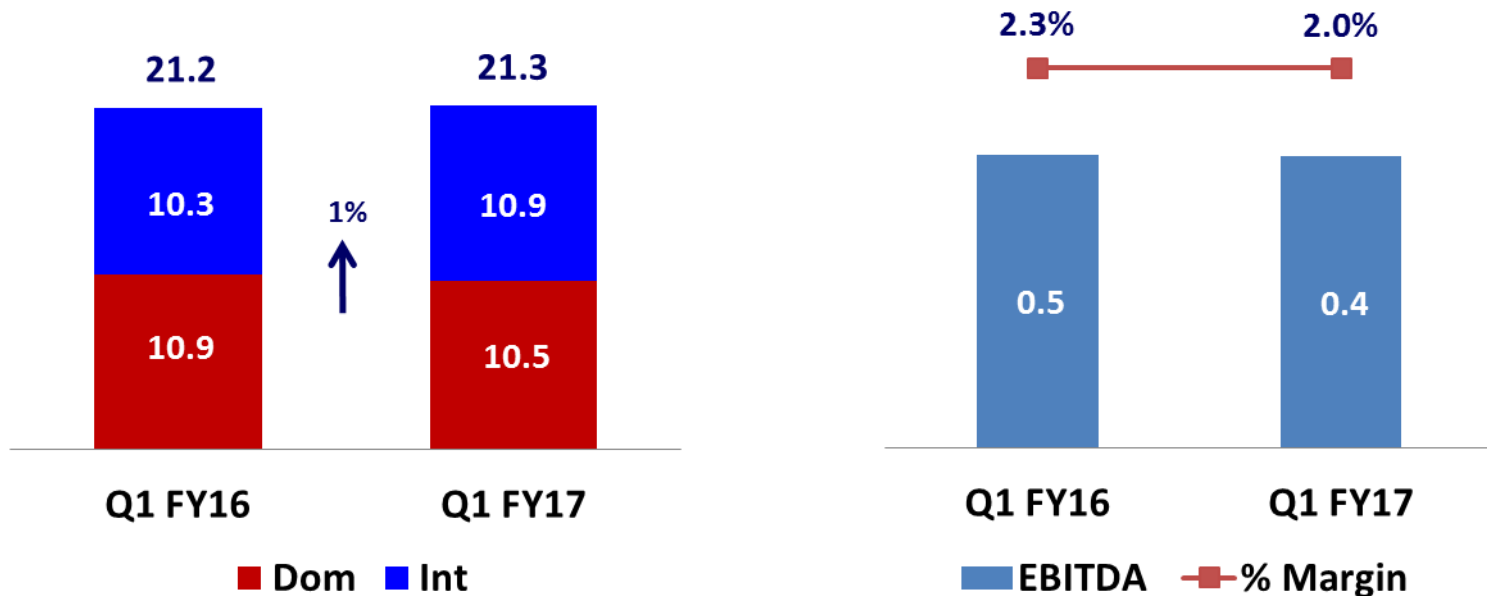


- Growth in Product Business offset by decline in Project Business
- Margin improvement due to improved performance by Standard Products and Medium Voltage Switchgear

Hydrocarbon Segment

Amount in ₹ Bn

Net Revenues & Margin

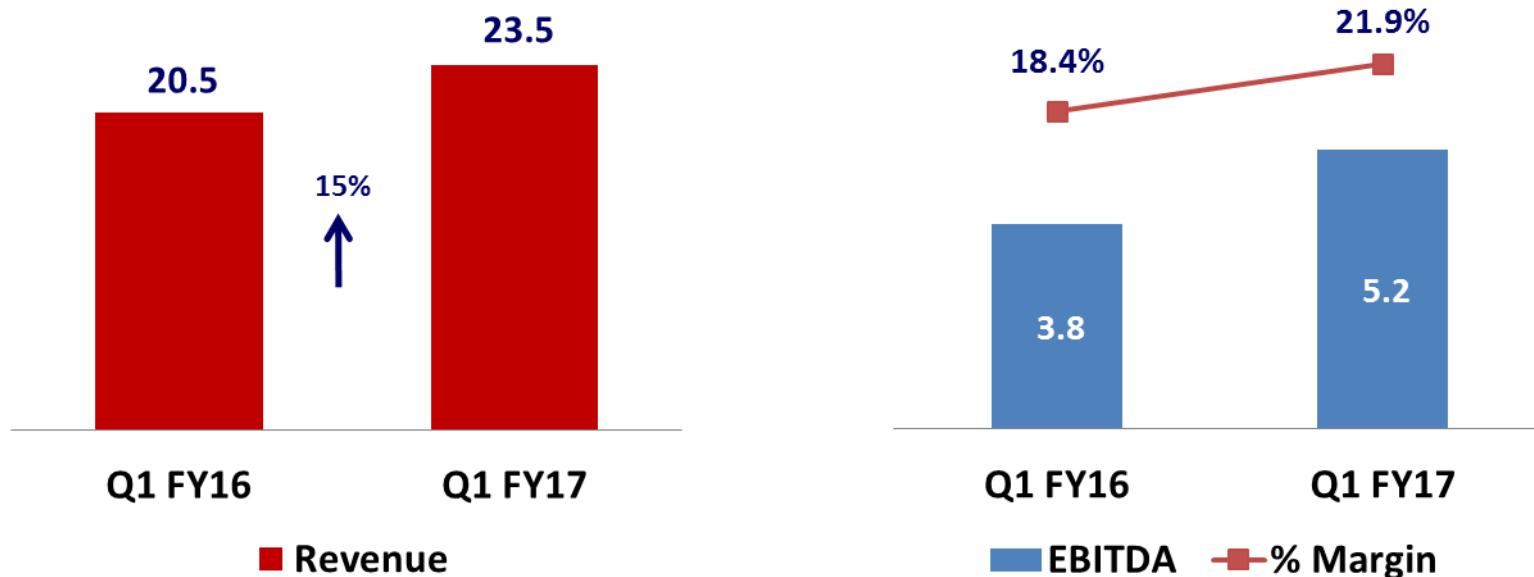


- Revenue level represents delayed replenishment of Order Book
- Close out of last of legacy projects impacting margins

IT & Technology Services Segment

Amount in ₹ Bn

Net Revenues & Margin

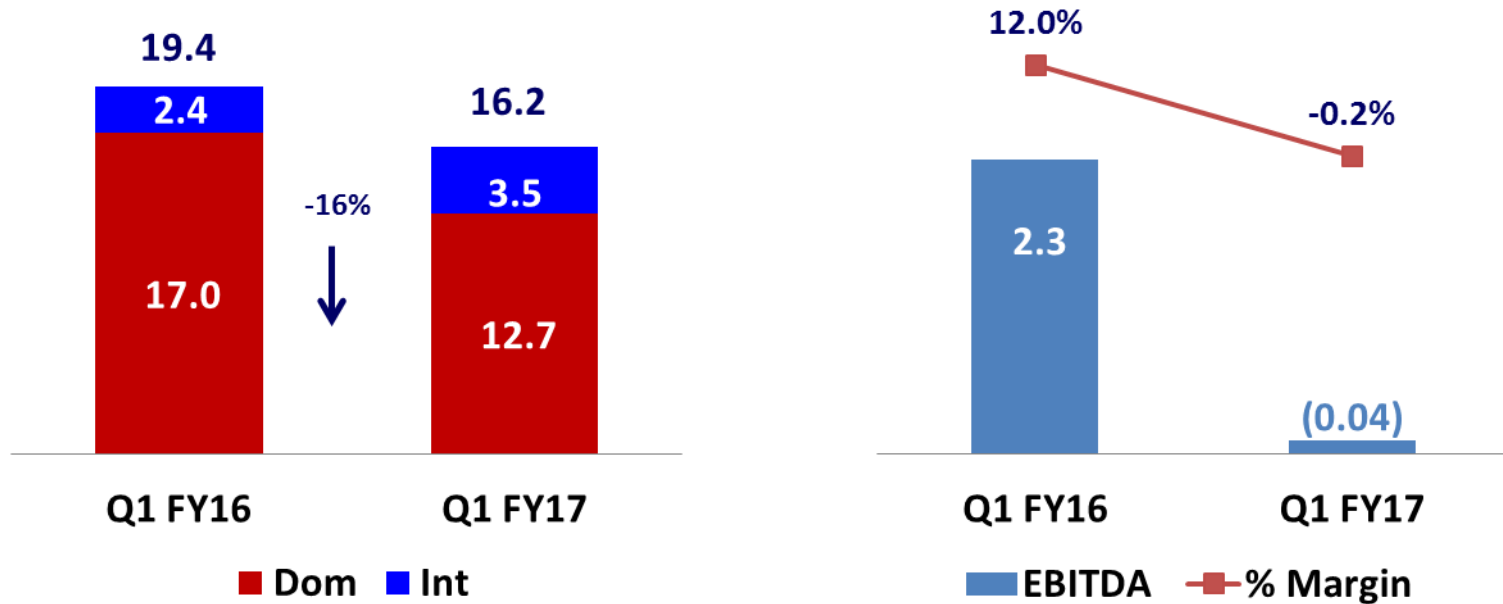


- Revenue growth contributed by Insurance, Auto & Aero, Transportation, and Industrial Products sectors
- Focus on client mining
- Margin improvement due to better manpower utilization, favourable currency movement, and operational excellence

Others Segment

Amount in ₹ Bn

Net Revenues & Margin

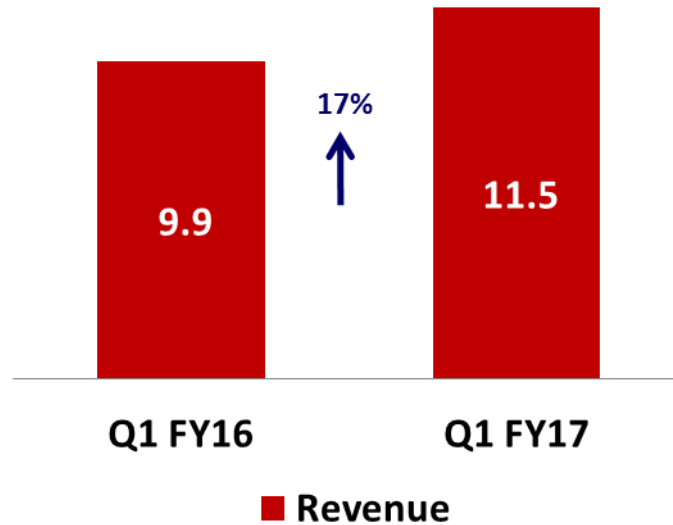


- Weak industrial demand and low capacity utilization impact revenues
- Tapering of Realty revenues on completion of current phase
- Margin impacted by inventory write down in Shipbuilding

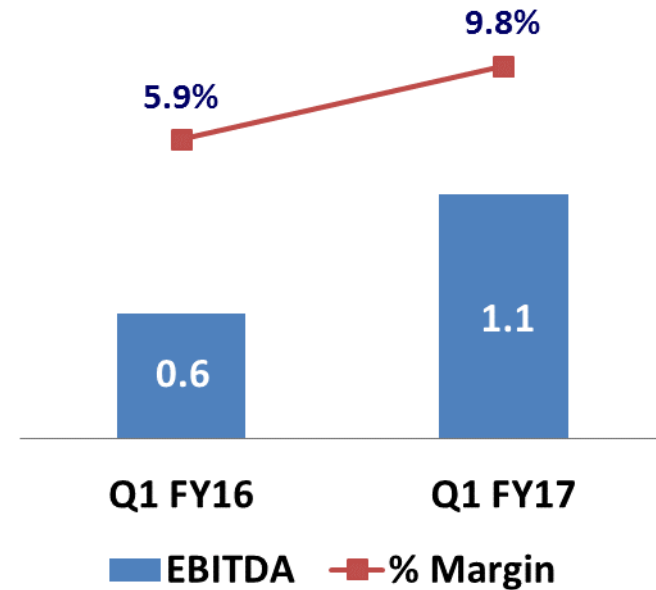
Developmental Projects Segment

Amount in ₹ Bn

Revenues



EBITDA



- Revenue growth mainly realised through higher PLF in Nabha Power Project
- Margin improvement largely arising from Kattupalli Port

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) - Under-implementation
Project Cost: ₹13.5 Bn

Total Project Cost (June 2016): ₹ 476 Bn

Equity Invested (June 2016): ₹ 97 Bn

Balance Equity Commitment (June 2016): ₹ 19 Bn

39

L&T Finance Holdings (I-GAAP)

₹ Billion	Q1 FY16	Q1 FY17	% Change
Networth (Incl. Pref.Cap and Warrants)	85.28	86.17	1%
Borrowings	441.37	532.01	21%
Loans and Advances	492.18	577.36	17%
Mutual Fund Average AUM	222.13	284.04	28%
Gross NPA (%) - 120 DPD	5.45%	4.58%	-0.87%
Net NPA (%) - 120 DPD	4.43%	3.13%	-1.30%
PAT	1.92	2.07	8%

- Calibrated growth in Focused Businesses - Rural, Housing and Wholesale
- Growth in Investment Management AUM led by equity flows
- Focus on ROE improvement, business portfolio rationalisation and building Centres of Excellence

Presentation Outline



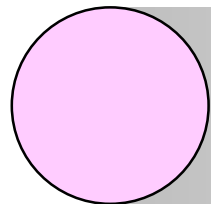
L&T Overview



Business Overview



Group Performance



Sectoral opportunities & Outlook

Outlook



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
- International Port construction and expansion

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: Share in Profit/(Loss) of JVs/Associates

₹ Billion	Jun-15	Jun-16
MHPS JVs	(0.12)	0.26
IDPL & Subs.	(1.09)	(1.60)
Others	(0.75)	(0.40)
Total	(1.96)	(1.74)