LARSEN & TOUBRO

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SEC/PAM/2016

January 29, 2016

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

Dear Sir,

Sub.: **Analyst Presentation – 31st December 2015** .

Pursuant to Regulation 46(2) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, we enclose herewith a copy of the presentation to be made to the Analysts.

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

ISO 9001 REGISTERED
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RvA C 024
DNV Certification B.V., The Netherlands

CIN : L99999MH1946PLC004768












Larsen & Toubro

Analyst Presentation - 9M FY16

January 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.

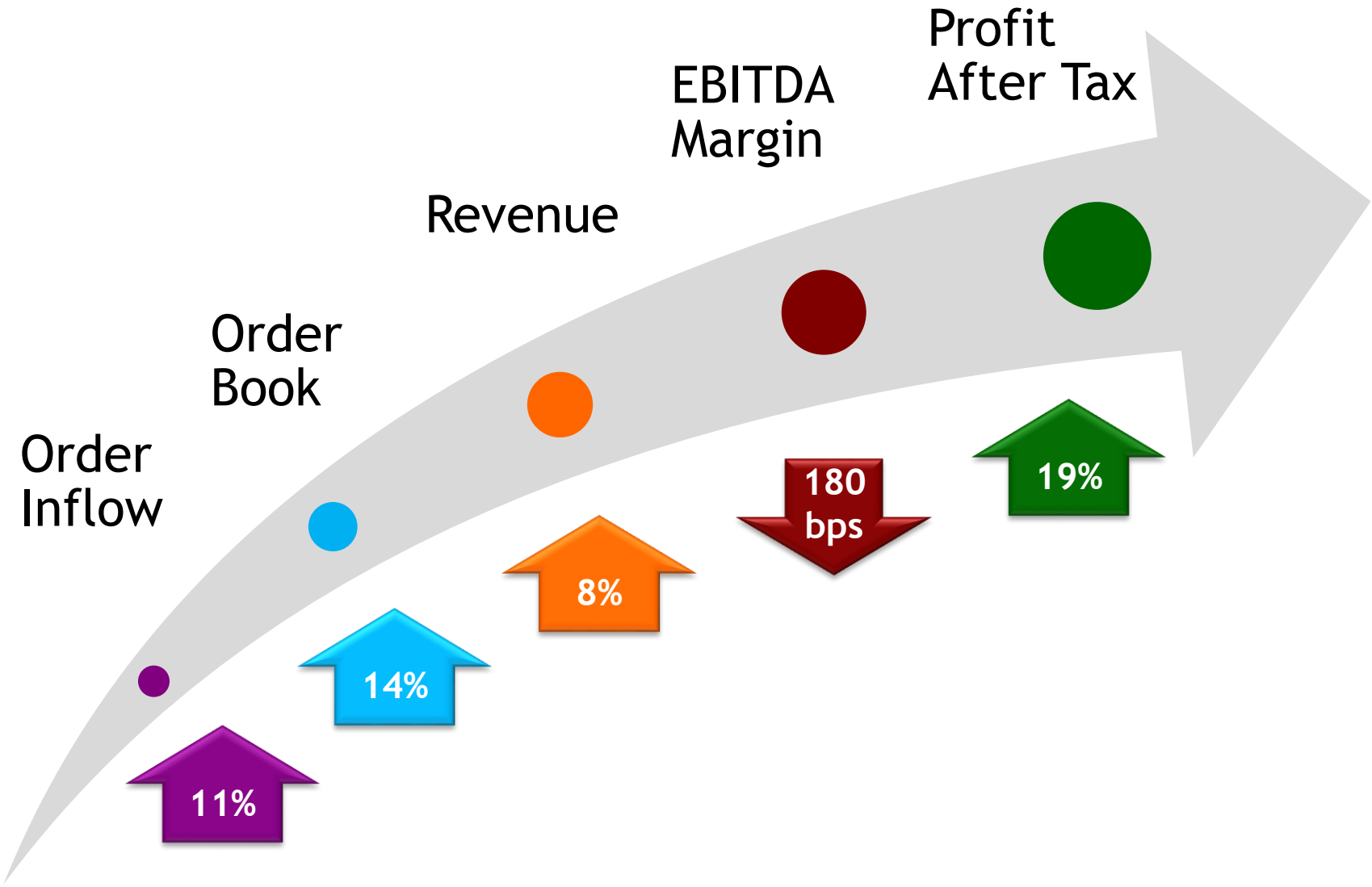
Presentation Outline

- Group Performance Highlights
- Group Performance Summary
- Segment / Key Subsidiaries
- Outlook

Presentation Outline

- **Group Performance Highlights**
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Performance Highlights – Q3 FY16



Presentation Outline

Group Performance Highlights

Group Performance Summary

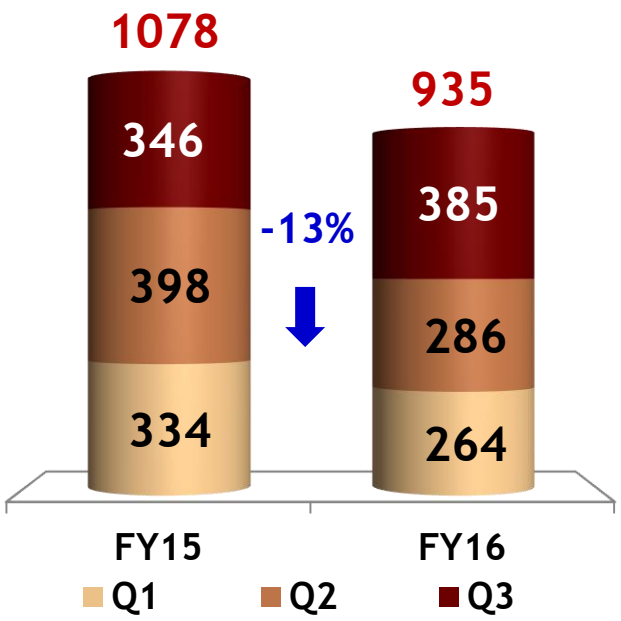
Segment / Key Subsidiaries

Outlook

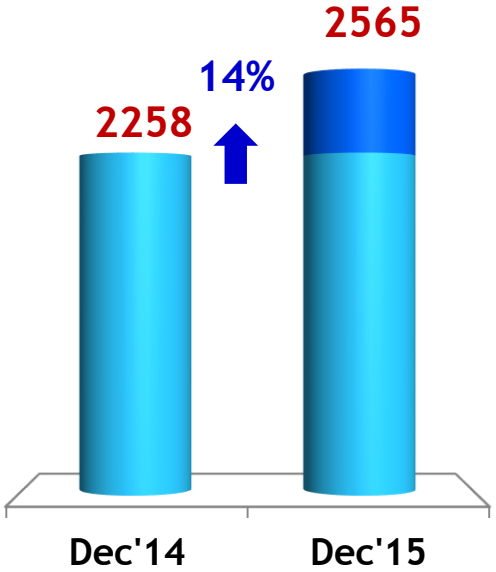
Group level Order Inflow & Order Book

Amount in ₹ Bn

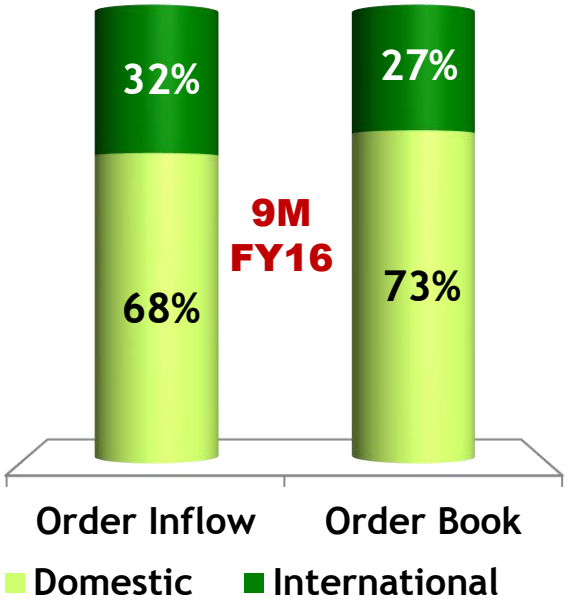
Order Inflow



Order Book



Geographical Breakup



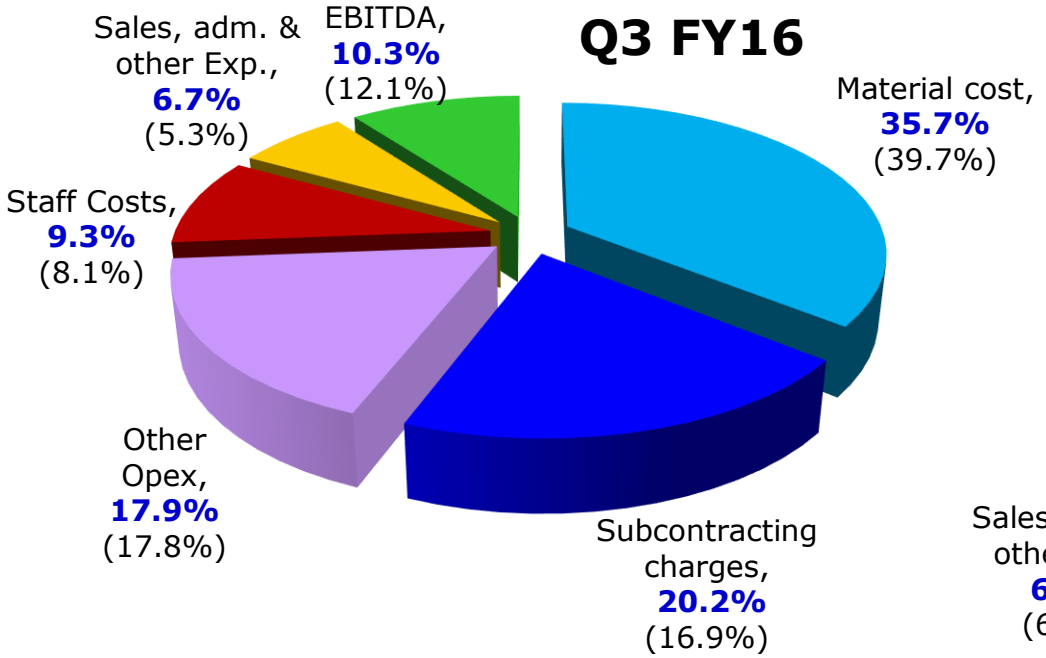
- Q3 Order Inflow growth led by Transportation Infra, PT&D, and Water Businesses
- Middle East continues to witness tendering activity for basic infrastructure even in the face of oil price drop
- Private sector capex yet to pick up

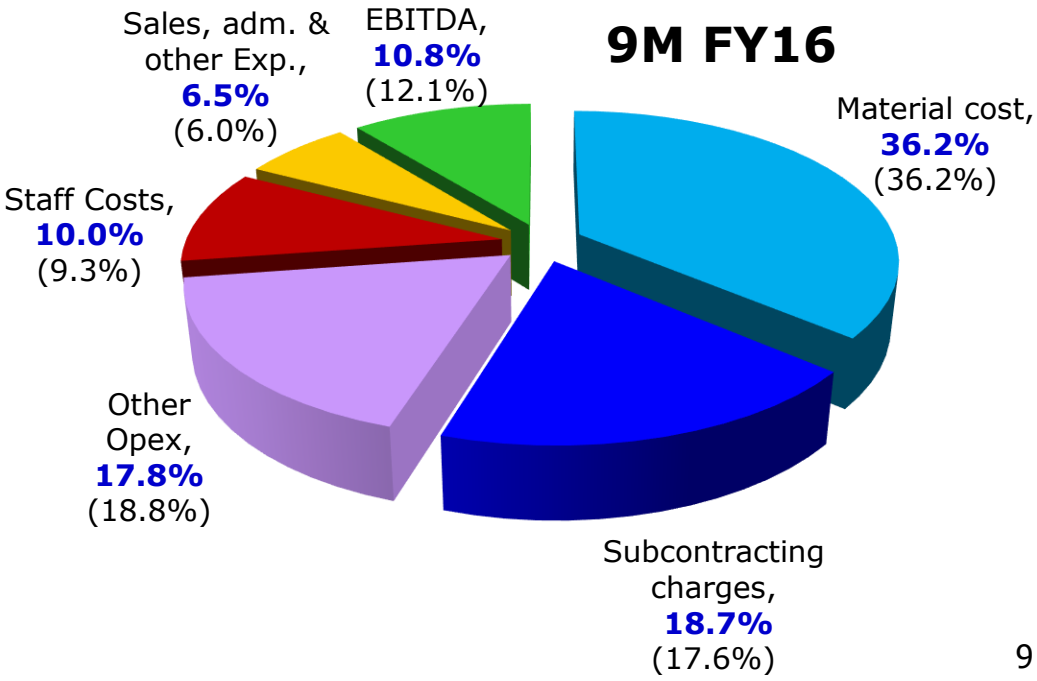
Group Performance – Sales & Costs

Q3 FY15	Q3 FY16	% Change	₹ Billion	9M FY15	9M FY16	% Change	FY15
238.48	**258.29**	**8%**	**Net Sales / Revenue from Operations**	**639.82**	**694.75**	**9%**	**920.05**
65.33	*90.66*	*39%*	----International Sales	*178.04*	*233.32*	*31%*	259.26
27%	*35%*	*8%*	% of Sales	*28%*	*34%*	*6%*	28%
177.63	190.49	7%	Mfg, Cons. & Opex (MCO)	464.58	504.99	9%	672.37
19.29	24.11	25%	Staff Costs	59.49	69.37	17%	79.88
12.71	17.19	35%	Sales, adm. & other Exp. (SGA)	38.49	45.08	17%	54.46
209.62	**231.79**	**11%**	**Total Opex**	**562.55**	**619.43**	**10%**	**806.71**

- Domestic execution environment continues to be challenging
- Scheduled progress in execution of International projects
- Increase in Staff Costs due to larger international operations
- Rise in SGA expenses mainly on account of Provisions

Performance Summary – Operational Costs & Profitability





Figures in brackets indicate corresponding period of the Previous Year

Group Performance Summary Extracts

Q3 FY15	Q3 FY16	% Change	₹ Billion	9M FY15	9M FY16	% Change	FY15
28.86	26.50	-8%	EBITDA	77.27	75.31	-3%	113.33
12.1%	**10.3%**	**-1.8%**	**EBITDA Margin**	**12.1%**	**10.8%**	**-1.2%**	**12.3%**
(9.18)	(7.45)	-19%	Interest Expenses	(23.79)	(22.79)	-4%	(28.51)
(6.79)	(6.20)	-9%	Depreciation	(20.35)	(19.36)	-5%	(26.23)
2.37	4.52	91%	Other Income	7.28	9.29	27%	10.09
(5.69)	(5.56)	-2%	Provision for Taxes	(14.87)	(15.95)	7%	(22.53)
8.67	**10.35**	**19%**	**PAT after Minority Interest**	**26.95**	**26.37**	**-2%**	**47.65**

- Seasonality of margins due to job-mix
- Lower interest charge on debt retirals and loan refinancing
- Increase in Other Income aided by Treasury gains

Group Balance Sheet

₹ Billion	Dec-15	Mar-15	Incr / (Decr)
Net Worth	432.51	409.09	23.42
Minority	75.94	49.99	25.95
Borrowings (Fin. Serv.)	497.79	430.10	67.69
Other Non-Current Liabilities	478.20	406.76	71.43
Other Current Liabilities	716.47	642.08	74.40
Total Sources	**2,200.91**	**1,938.02**	**262.89**
Net Fixed Assets	585.49	475.16	110.33
Goodwill on consolidation	21.39	22.15	(0.76)
Loans & Advances (Fin. Serv.)	535.14	454.26	80.87
Other Non- Current Assets	165.49	156.31	9.17
Cash and Cash Equivalents	144.27	138.21	6.06
Other Current Assets	749.14	691.93	57.21
Total Applications	**2,200.91**	**1,938.02**	**262.89**

- Gross D/E: 2.32
- Net Working Capital (excl. Fin. Serv.) : 24% of Sales

Group Cash Flow (Summarised)

₹ Billion	Q3 FY16	9M FY16	Q3 FY15	9M FY15
Operating Profit	29.15	80.46	30.08	77.68
Direct Taxes (Paid) / Refund - Net	(8.87)	(22.80)	(7.22)	(20.97)
Changes in Working Capital	(3.09)	(19.68)	(3.43)	(25.46)
Net Cash from Operations (A)	**17.20**	**37.98**	**19.43**	**31.24**
Investments in Fixed Assets (Net)	(11.82)	(36.03)	(17.72)	(51.27)
Net Purchase of Long Term & Curr. Inv.	13.74	(7.37)	(5.70)	(10.87)
Loans/Deposits made with Associate Cos.	(0.04)	(0.03)	(0.74)	5.78
Interest & Div. Received and Others	(0.83)	3.75	0.41	2.43
Net Cash from/(used in) Invest. Act. (B)	**1.05**	**(39.68)**	**(23.74)**	**(53.94)**
Issue of Share Capital / Minority	14.06	26.04	9.70	16.61
Net Borrowings	28.75	99.77	31.19	94.15
Disbursements towards financing activities*	(44.30)	(80.87)	(25.29)	(47.87)
Interest & Dividend paid	(11.28)	(44.98)	(9.79)	(39.22)
Net Cash from Financing Activities (C)	**(12.77)**	**(0.05)**	**5.82**	**23.68**
Net (Dec) / Inc in Cash & Bank (A+B+C)	**5.48**	**(1.75)**	**1.51**	**0.98**

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

Presentation Outline

Group Performance Highlights

Group Performance Summary

Segment / Key Subsidiaries

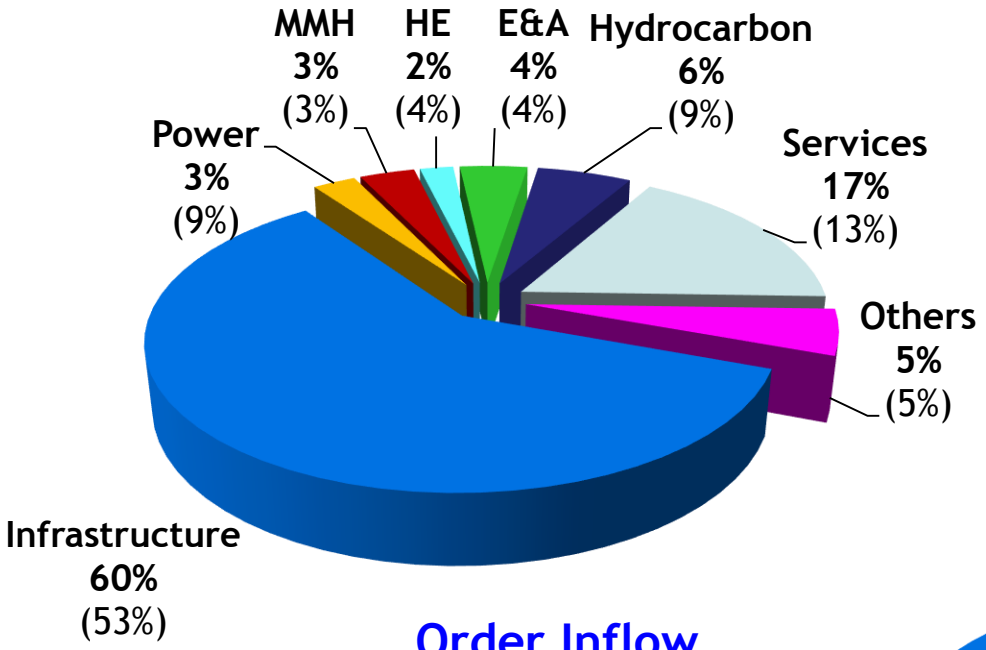
Outlook

Segment Composition

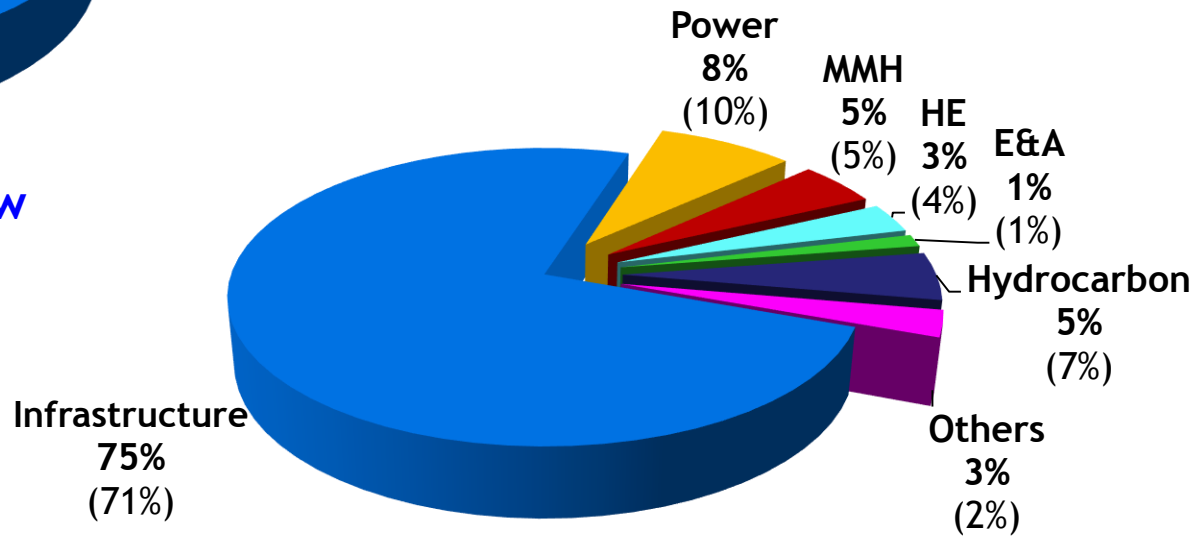
Infrastructure	Power	Metallurgical & Material Handling	Heavy Engineering	Electrical & Automation
Building & Factories	EPC - Coal & Gas	Ferrous	Process Plant Equipment	Electrical Standard Products
Transportation Infra	Thermal Power Plant Construction	Non Ferrous	Nuclear Power Plant Equipment	Electrical Systems & Equipment
Heavy Civil Infra		Bulk Material Handling	Defence & Aerospace	Metering & Protection
Water, Smart World & Communications	Electrostatic Precipitators			Control & Automation
Power T&D			Piping Centre	

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

Segmental Breakup of Orders – 9M FY16



Order Inflow
Rs 935 Bn

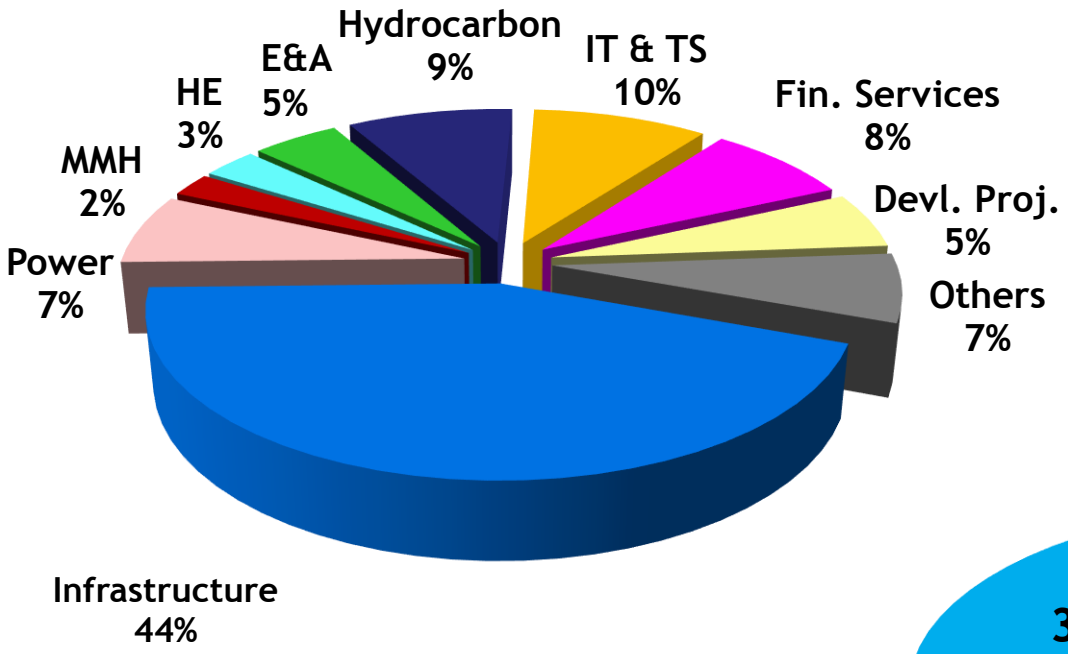


Order Book
Rs 2565 Bn

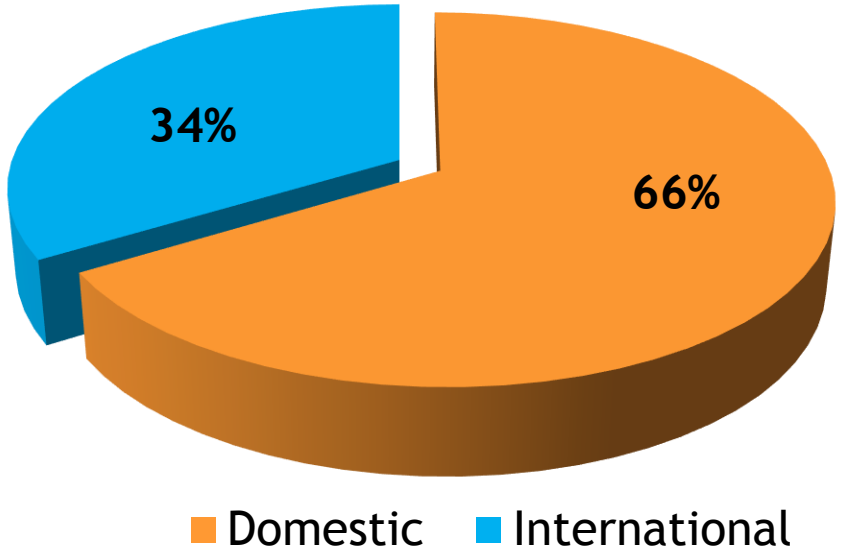
Figures in brackets indicate corresponding period of the Previous Year

Revenue Breakup – 9M FY16

Segmental Breakup



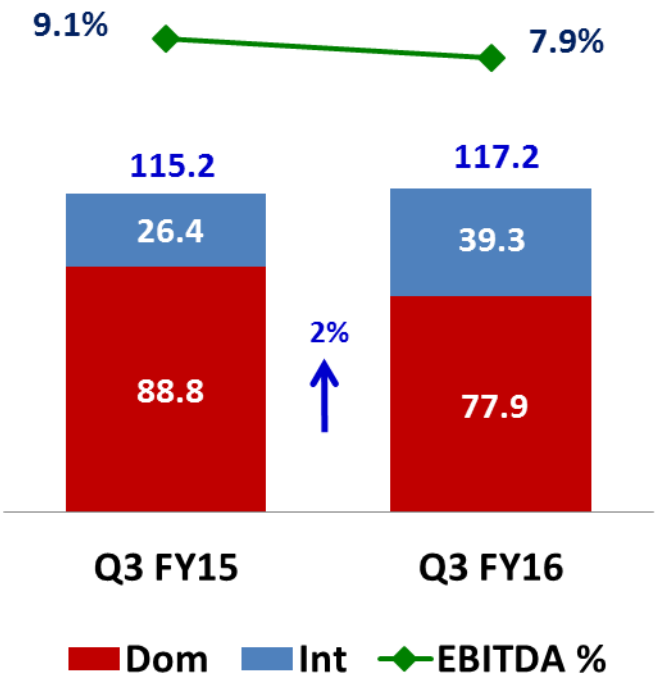
Geographical breakup

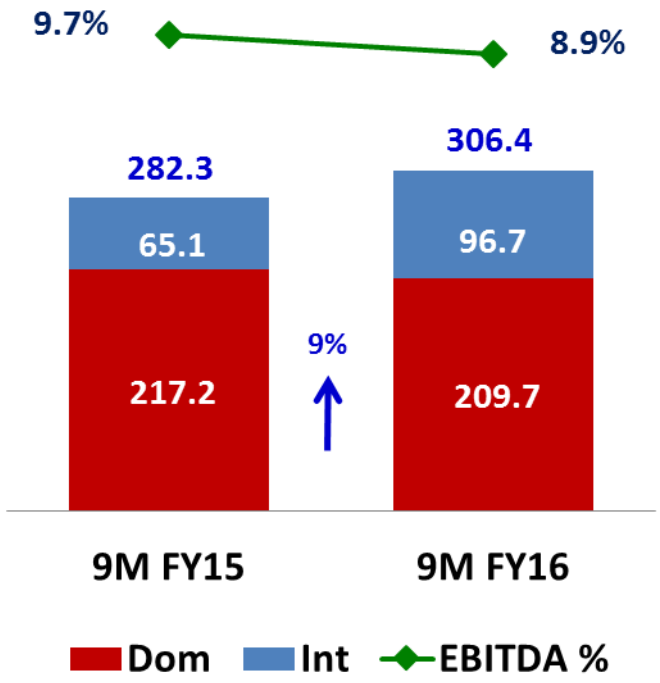


Infrastructure Segment

Amount in ₹ Bn

Revenues & Margin



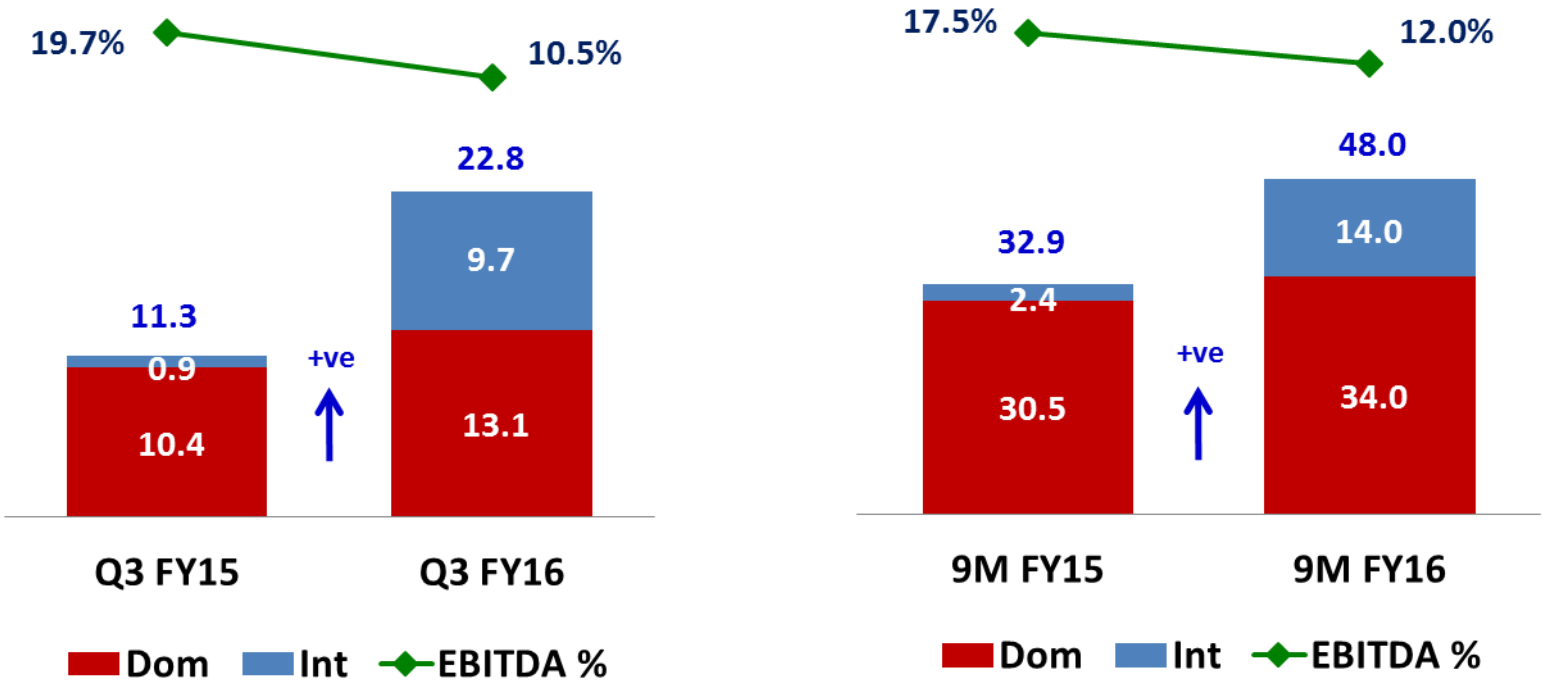


- Revenue growth affected by slow payments and delayed clearances
- EBITDA movement due to non-linear nature of margin accrual

Power Segment

Amount in ₹ Bn

Revenues & Margin

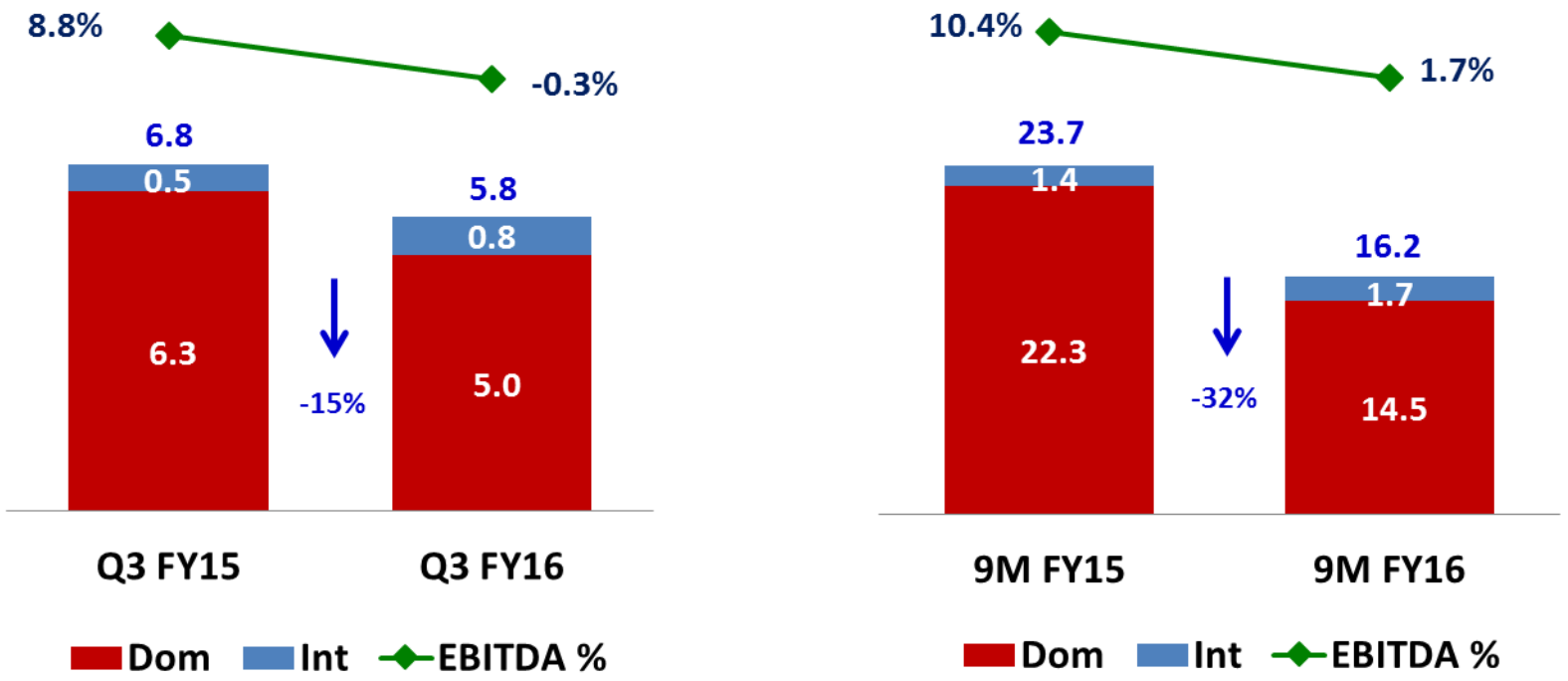


- Revenue growth reflects execution progress of large projects won in previous years
- Some large domestic projects yet to reach margin threshold

Metallurgical & Material Handling (MMH) Segment

Amount in ₹ Bn

Revenues & Margin

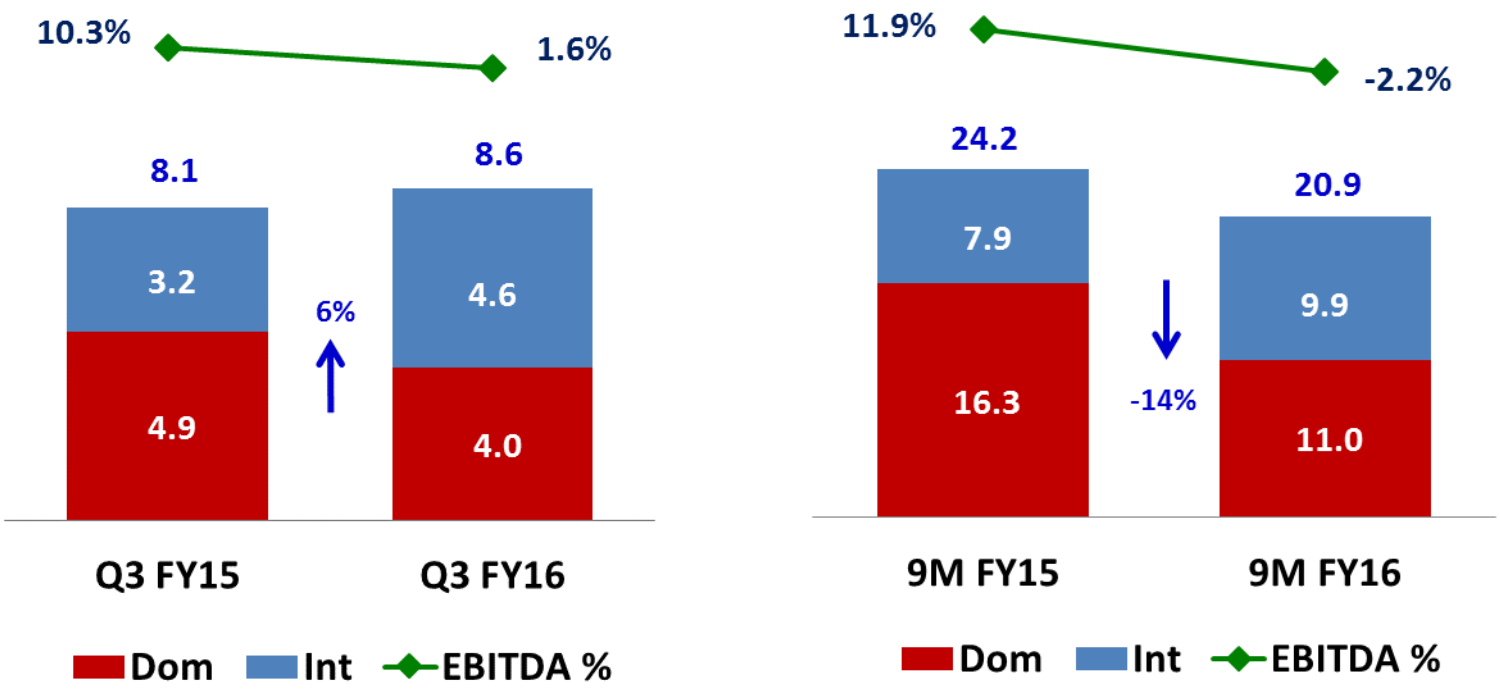


- Revenue declines due to slow replenishment of Order Book
- Under-recoveries affecting Margins

Heavy Engineering Segment

Amount in ₹ Bn

Revenues & Margin

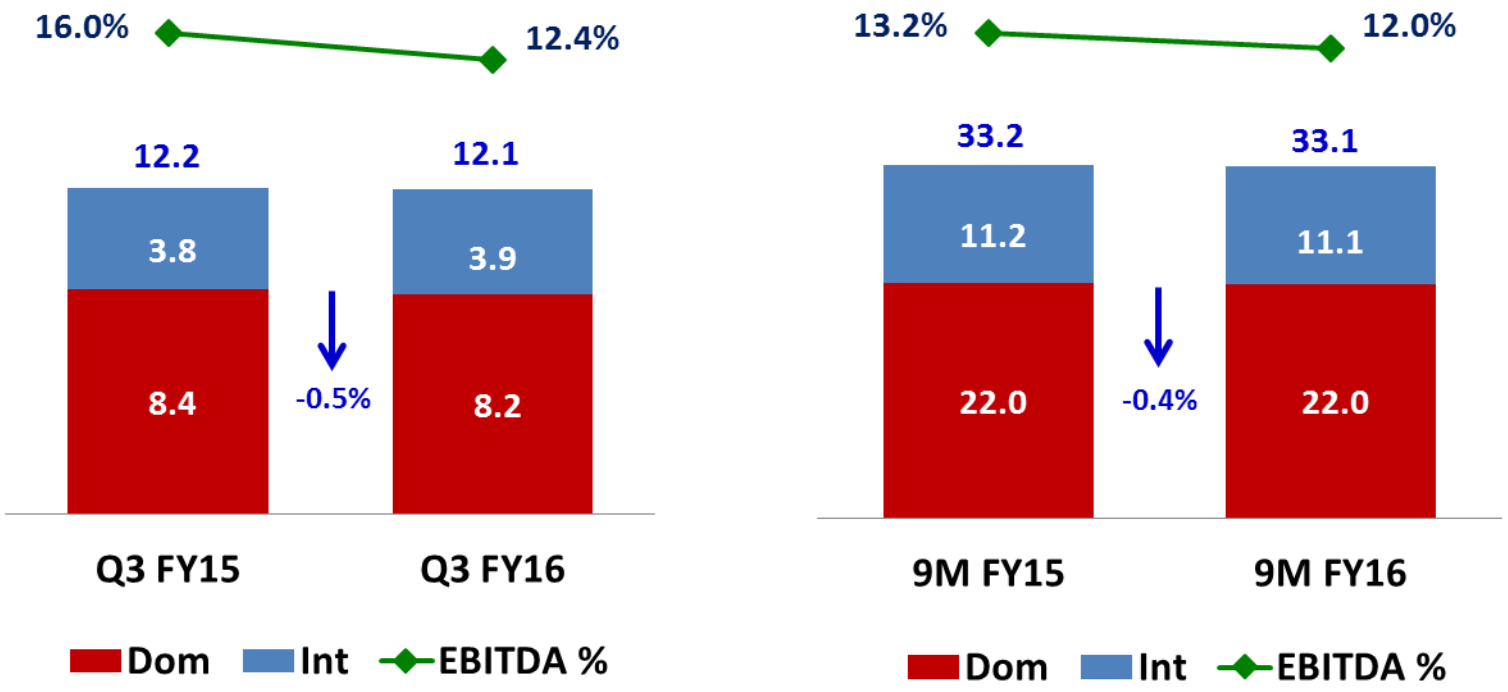


- Muted revenue growth reflecting depleted Order Book in PPN Business
- Margins impacted by under-recoveries and cost provisions

Electrical & Automation (E&A) Segment

Amount in ₹ Bn

Revenues & Margin

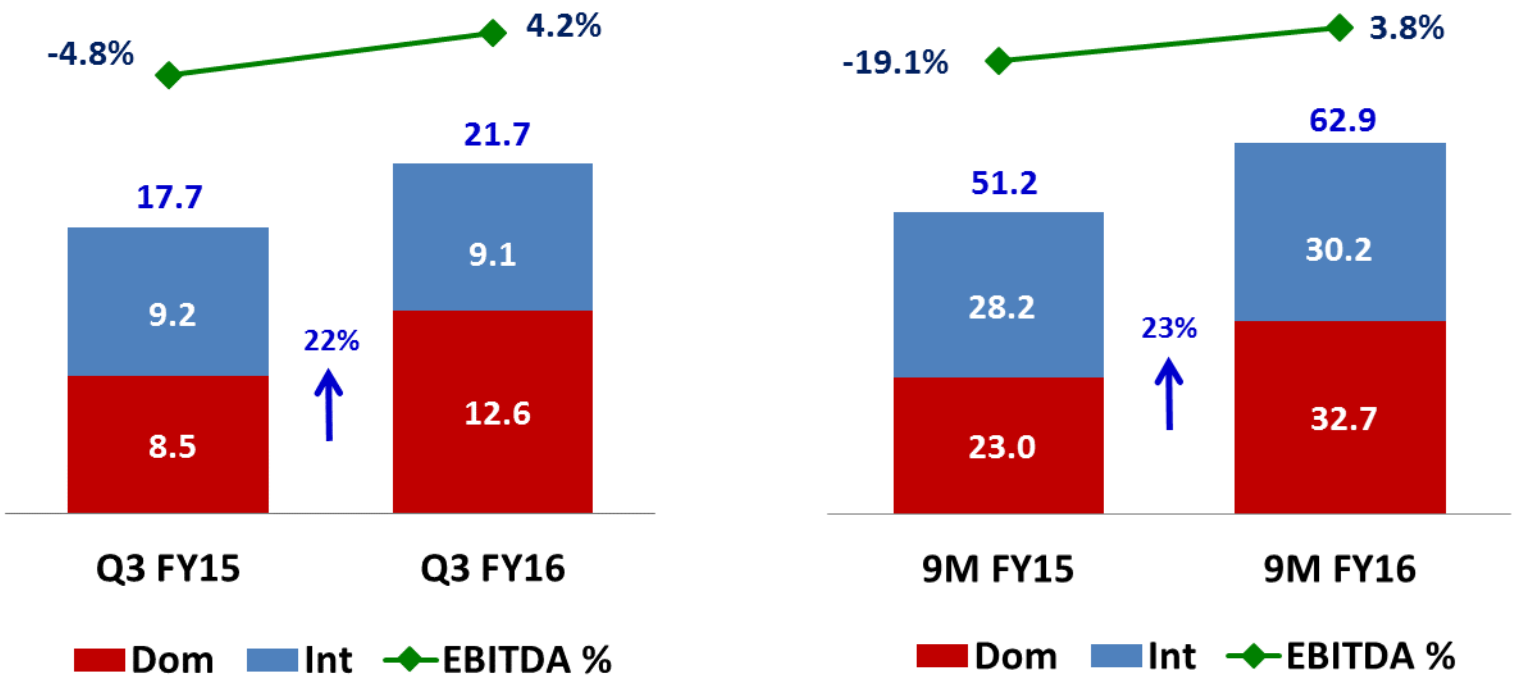


- Flat Revenues reflect low offtake from industrial and agriculture sectors
- Margin variation due to change in Project / Product sales mix & new product introductions

Hydrocarbon Segment

Amount in ₹ Bn

Revenues & Margin

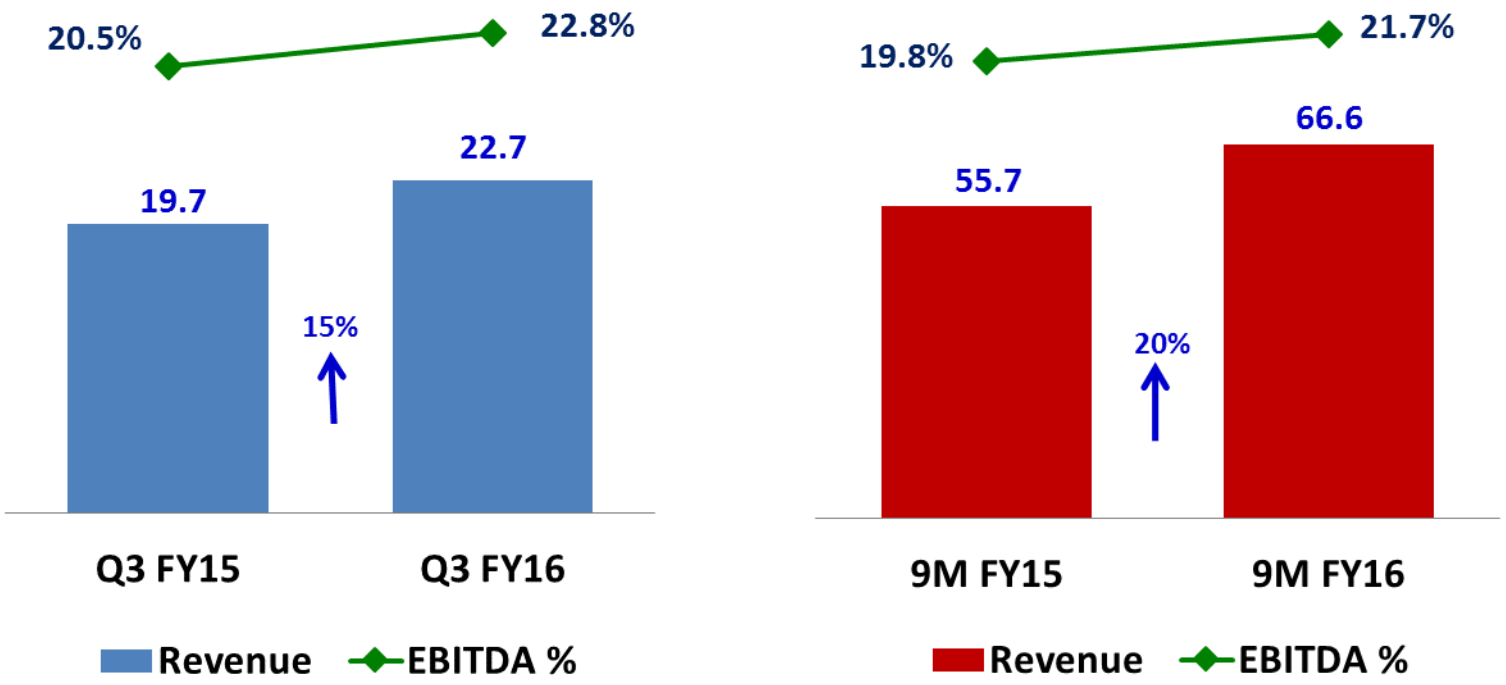


- Legacy projects in Middle East nearing completion
- Margin improvement on loss minimisation of International projects in current year

IT & Technology Services Segment

Amount in ₹ Bn

Revenues & Margin

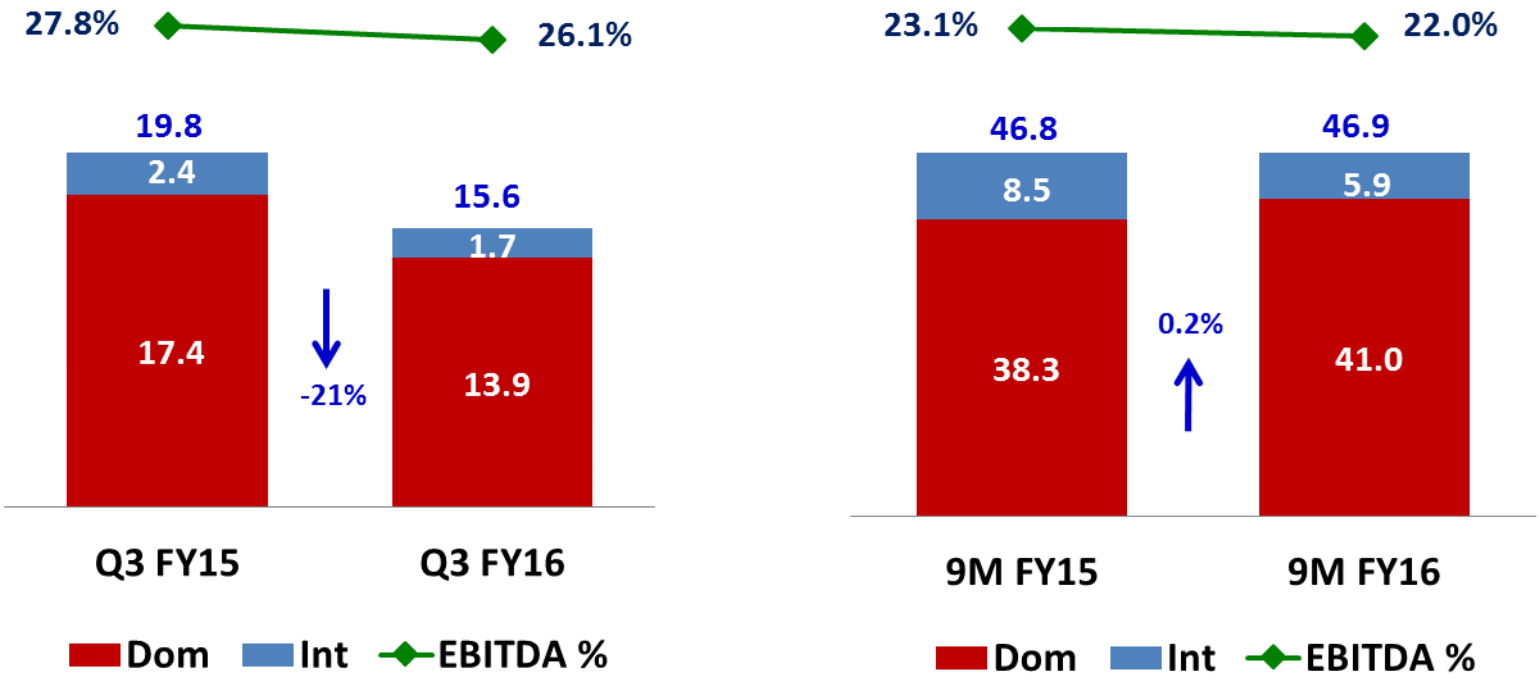


- Revenue growth contributed by most sectors (except Energy)
- Focus on Client Mining
- EBITDA improvement due to operational efficiencies

Others Segment

Amount in ₹ Bn

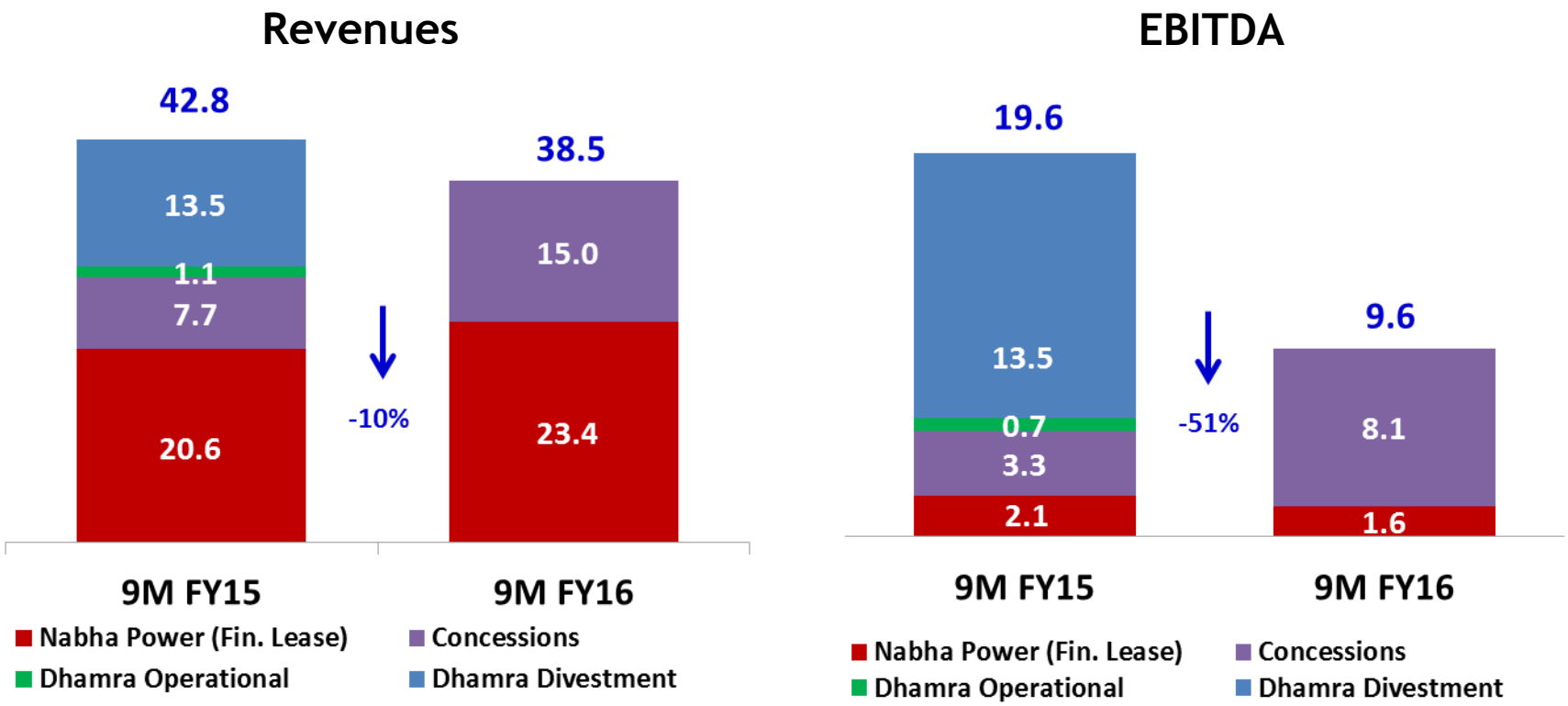
Revenues & Margin



- Q3 revenue variance mainly due to slowdown in Realty business and delayed receipt of orders
- Margin variation caused by accumulated margin recognition in Q3 FY15, largely compensated by divestment of Chandigarh Mall

Developmental Projects Segment

Amount in ₹ Bn



- Concession revenue increase due to commissioning of new roads and increase in traffic of GSRDC roads
- Lower offtake from PSPCL affecting Nabha PLF / Heat Rate
- EBITDA variation due to PY divestment gains

Concessions Business Portfolio – 25 SPVs



Roads and Bridges:
Portfolio: 16 projects (1721 Km); 14 Operational
Project Cost: ₹178 Bn

Power:
Portfolio: 5 projects (2270 MW); 1 Operational
Project Cost: ₹178 Bn





Ports:
Portfolio: 2 projects (18 MTPA) - Operational
Project Cost: ₹21 Bn

Metros:
Portfolio: 1 project (71.16 Km) – Under-implementation
Project Cost: ₹170 Bn





Transmission Lines:
Portfolio: 1 project (482 Km) – Under-implementation
Project Cost: ₹14 Bn

Total Project Cost (Dec 2015): ₹ 561 Bn

Equity Invested (Dec 2015): ₹ 96 Bn

Balance Equity Commitment (Dec 2015): ₹ 37 Bn

L&T Finance Holdings

Q3 FY15	Q3 FY16	% Change	₹ Billion	9M FY15	9M FY16	% Change	FY15
78.18	92.38	18%	Networth (Incl. Pref.Cap and Warrants)	78.18	92.38	18%	77.40
395.84	488.30	23%	Borrowings	395.84	488.30	23%	420.91
452.25	556.94	23%	Loans and Advances	452.25	556.94	23%	472.32
213.36	250.59	17%	Mutual Fund Average AUM	213.36	250.59	17%	224.97
4.48%	3.33%	-1.2%	Gross NPA (%) - 150 DPD	4.48%	3.33%	-1.2%	3.08%
3.42%	2.23%	-1.2%	Net NPA (%) - 150 DPD	3.42%	2.23%	-1.2%	2.10%
1.82	2.12	17%	PAT (before exceptionals)	5.30	6.20	17%	7.36

- Consistent growth in loan assets led by healthy growth in disbursements
- Strategic shift towards B2C in retail lending and operational projects / renewables in wholesale lending
- GNPAs remain stable despite elevated stress in farm segment
- Focus on Asset quality and sustainable NIMs

Presentation Outline

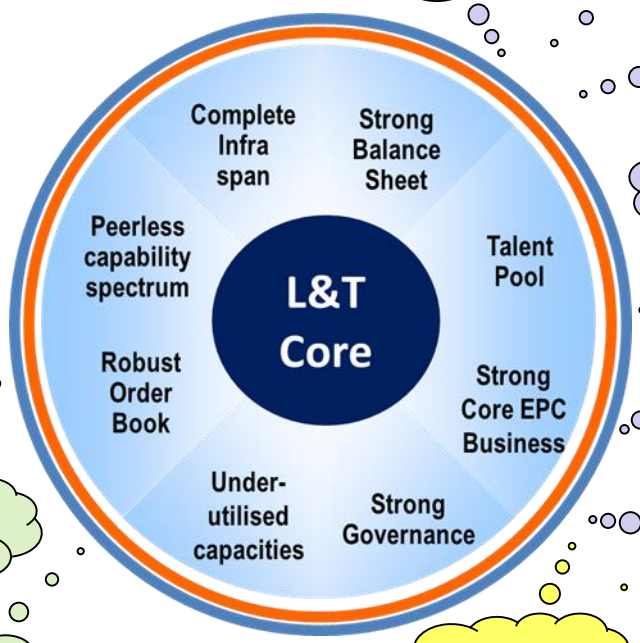
Group Performance Highlights

Group Performance Summary

Segment / Key Subsidiaries

Outlook

Where do we go from here?



Tight liquidity
Overleveraged developers
Volatile Markets – Sensex & Nifty at 2-Yr lows
Higher Infra Allocation
Improved fiscal position
2 years of weak monsoon
Two path inflation
Financialisation of savings
Pickup in a few sectors
PSU-led Capex
Lacklustre Pvt. Sector capex
Robust GDP growth
Stalled reforms
Mining – early signs of revival
Less maneuverability for policy makers (depleted fiscal buffers)
Excess industrial capacity
Supportive multilateral funding
Defence – signs of systemic change
Bearish Global Equity Markets
Railways – large capex plans
EM Currency depreciation
Sluggish Execution Conditions
Subsidy reduction
FII flight to safety
FDI push
Make in India
Agri & rural power reforms
E-enabling of Govt depts
Tax base widening
Smart Cities
Middle East spending cuts
Oil Price drop
Highway Dev. Program
AMRUT (Urban Transformation)
Tax Admin simplification
Namami Ganga
New economy focus
China slowdown
Commodity price fall
Aadhar (DBT)
Power Sector reforms / UDAY
Coal & Spectrum auctions
State level land reforms
Global growth concerns
Climate change
Ageing population

Thank You

Annexure-1: Group Profit & Loss

₹ Billion	IT & TS	Fin. Services *	Devl. Projects	L&T & Others (Incl. Eliminations)	L&T Group		
					9M FY16	9M FY15	% Change
Revenue from Operations	**66.61**	**55.44**	**38.38**	**534.32**	**694.75**	**639.82**	**9%**
EBITDA	14.39	8.06	9.59	43.28	75.31	77.27	-3%
Interest Expenses	(0.07)	(0.11)	(10.27)	(12.34)	(22.79)	(23.79)	-4%
Depreciation	(1.77)	(0.87)	(4.78)	(11.94)	(19.36)	(20.35)	-5%
Other Income	0.12	1.55	0.05	7.57	9.29	7.28	27%
Exceptional Items	-	-	-	3.10	3.10	2.49	
Provision for Taxes	(2.51)	(3.02)	(0.52)	(9.90)	(15.95)	(14.87)	7%
PAT from Ordinary Activites	10.15	5.61	(5.93)	19.77	29.60	28.03	6%
Share in profit of Associates	-	0.02	0.00	(0.03)	(0.01)	0.04	
Adjustments for Minority Interest	(0.00)	(2.89)	0.39	(0.72)	(3.22)	(1.12)	
Profit After Tax	**10.15**	**2.74**	**(5.54)**	**19.01**	**26.37**	**26.95**	-2%

** Includes Insurance Business*

Annexure 2: Group Balance Sheet

₹ Billion	IT & TS	Fin. Services *	Devl. Projects	L&T & Others (Incl. Eliminations)	L&T Group		
					Dec-15	Mar-15	Inc / (Dec)
Net Worth (Excl. Pref. Cap.)	24.7	36.9	63.6	307.4	432.6	409.1	23.5
Minority Interest	1.0	46.9	20.5	7.6	75.9	50.0	26.0
Borrowings	5.8	497.8^	293.7^	205.4	1,002.7	905.7	97.0
Deferred Payment Liabilities	-	-	110.4	0.0	110.4	30.3	80.1
Other Current & Non-Current Liab.	18.2	30.6	35.7	494.8	579.3	543.0	36.4
Total Sources	**49.7**	**612.1**	**523.8**	**1,015.2**	**2,200.9**	**1,938.0**	**262.9**
Net Segment Assets	49.7	612.1	523.8	1,015.2	2,200.9	1,938.0	262.9
Total Applications	**49.7**	**612.1**	**523.8**	**1,015.2**	**2,200.9**	**1,938.0**	**262.9**

** Includes Insurance Business*

^ Partly netted off from Capital Employed in Reported Segment