LARSEN & TOUBRO

Larsen & Toubro Limited
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Fax: +91 22 6752 5893
www.Larsentoubro.com

SEC/PAM/2016

May 27, 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.: **Investor Presentation**

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

We request you to take note of the same.

Thanking you,

Yours faithfully,
for LARSEN & TOUBRO LIMITED

N. HARIHARAN
COMPANY SECRETARY
(ACS 3471)

Encl : as above

ISO 9001 REGISTERED
DNV
MGMT. SYS.
RvA C024
DNV Certification B.V., The Netherlands

CIN : L99999MH1946PLC004768

Larsen & Toubro

Investor Presentation - FY16

May 26, 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

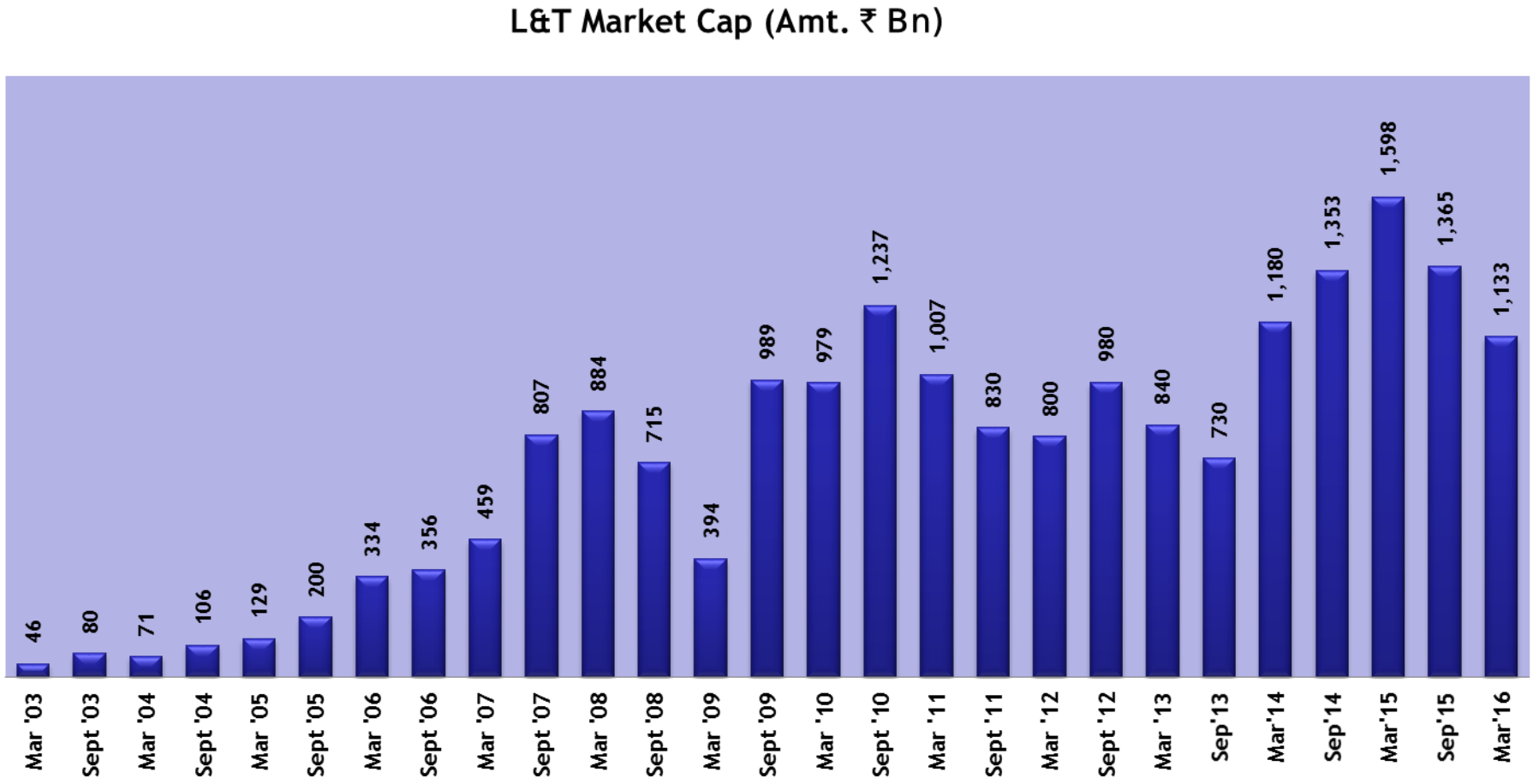
Professionally Managed Company

FY 16 Group Revenues: ₹1026 Bn (approx. US$ 15 Bn)

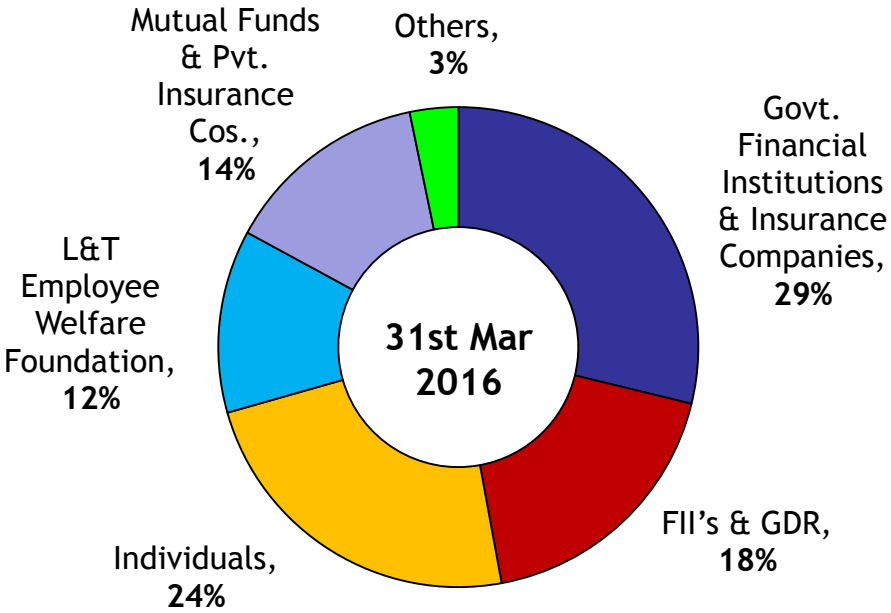
Market Cap (26th May'16): ₹1372 Bn (approx. US$ 21 Bn)

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

L&T - At a Glance



L&T – Shareholding Pattern



Major Institutional Shareholders	% Shares
Life Insurance Corporation of India	16.5%
Administrator of the SUUTI	8.2%
HDFC Mutual Fund	2.2%
General Insurance Corp. of India	1.8%
ICICI Prudential Mutual Fund	1.6%
ICICI Prudential Life Insurance	1.5%
Government of Singapore	1.5%

- 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

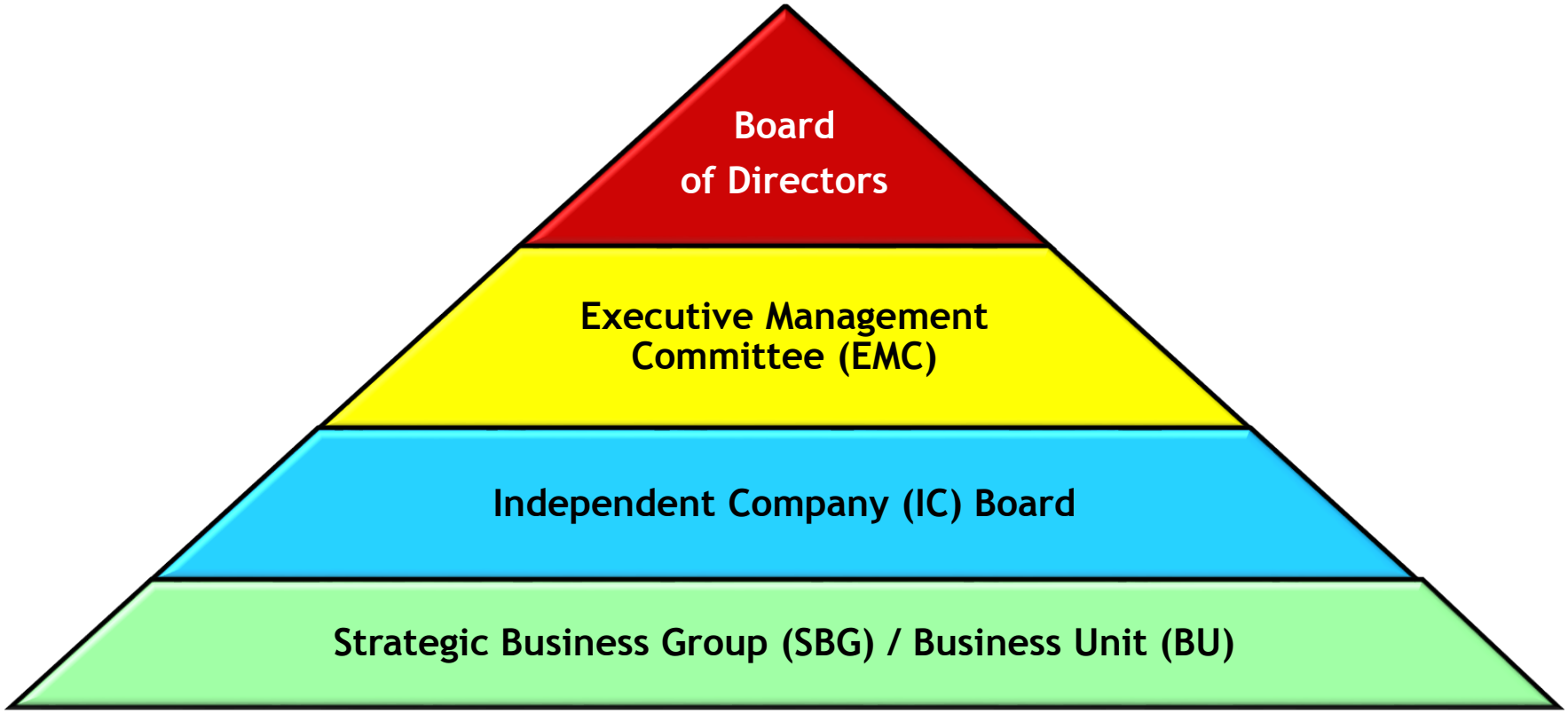
M. V. Satish
Whole-time Director & Sr. Executive Vice President (Building, Minerals & Metals)
- BE (Civil)
- Joined L&T in 1980
- Vast experience in Construction, Business Development, Contracts Management and Property Development in India and GCC region

Subramanian Sarma
Non-Executive Director
- B.Tech (Chem.), M.Tech – IIT, Mumbai
- Joined L&T 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



Journey Towards Excellence

The Beginnings (1938-60)

- 1938: Formed as a partnership
- 1952: Listed on BSE
- Commenced trading & making dairy equipment, fabrication serv., war-time ship repair
- Entered construction business through acquisition of ECC
- Started switchgear business

Seeds of Growth (1960-90)

- Emerged as leading & acclaimed engineering contractors
- Commenced production of tractor undercarriages, valves, welding components, earth-moving equipment and cement
- Established fabrication facility and yard on the waterfront at Hazira for Hydrocarbon business

Expansion & Consolidation (1990-2000)

- Entered into IT, Financial services and Infrastructure Concessions business
- Entered into Engineering JVs with technology majors
- Emerged as India's largest integrated E&C company
- Expansion through internationalisation
- Developed road map for portfolio restructuring

Restructuring for Value Creation (2000-15)

- Divested non - core business (Cement, Tractor, Glass, RMC, PDP, Medical)
- Capacity expansion & TAMCO acquisition
- Entry into new ventures (MHI JVs, Shipbuilding, Forging)
- Tie-up with tech majors in defence and nuclear power
- Foray into power generation
- Listing of Financial Services
- Significant ramp up of Concessions Business
- Expansion of IT & Engg. Services business
- Reorganisation into ICs
- Acquisition of 100% ownership in Audco / L&T Komatsu / EWAC Alloys
- Demerged Hydrocarbon & Integrated Engg. Service businesses into separate wholly owned subsidiaries

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 (2014)	Company	Rank (2013)	Company
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

CDP
DRIVING SUSTAINABLE ECONOMIES

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

MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM

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

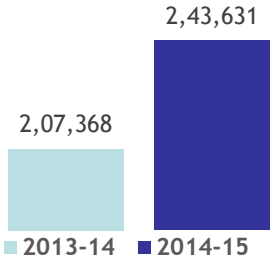
All 28 L&T Campuses are zero wastewater discharge

8 Campuses are water positive

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

Energy Conservation (GJ)



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

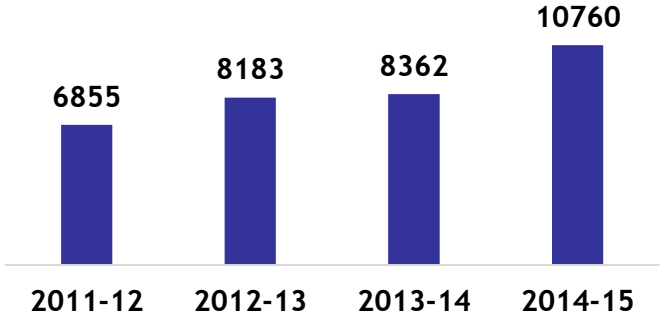
Renewable power contributes 11 % of indirect energy

Food waste processing plants for treatment of organic waste

Aligned with

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

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



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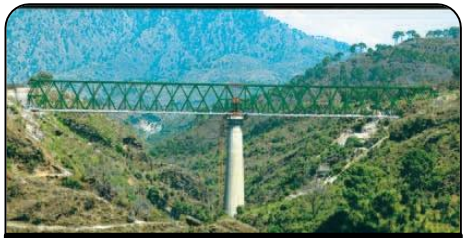
Group Performance

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

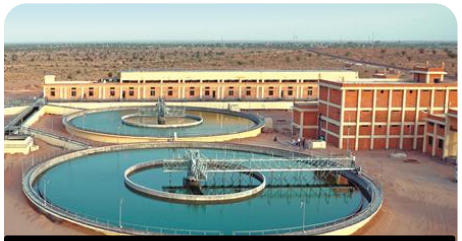
Sri Sathya sai Whitefield Hospital

Srinagar Hydro Electric Plant

K9 Vajra –Tracked Artillery Gun

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, Uzbeckistan

World's Longest Conveyer, Bangladesh

Bulk Cement Terminal, Colombo

Fabrication Facility, Oman

Punatsangchhu HEP, Bhutan

Sheikh Khalifa Interchange, UAE

Coal Gasifier for China

Transmission Lines, Fujirah, Dhaid

Water Treatment Plant, Doha

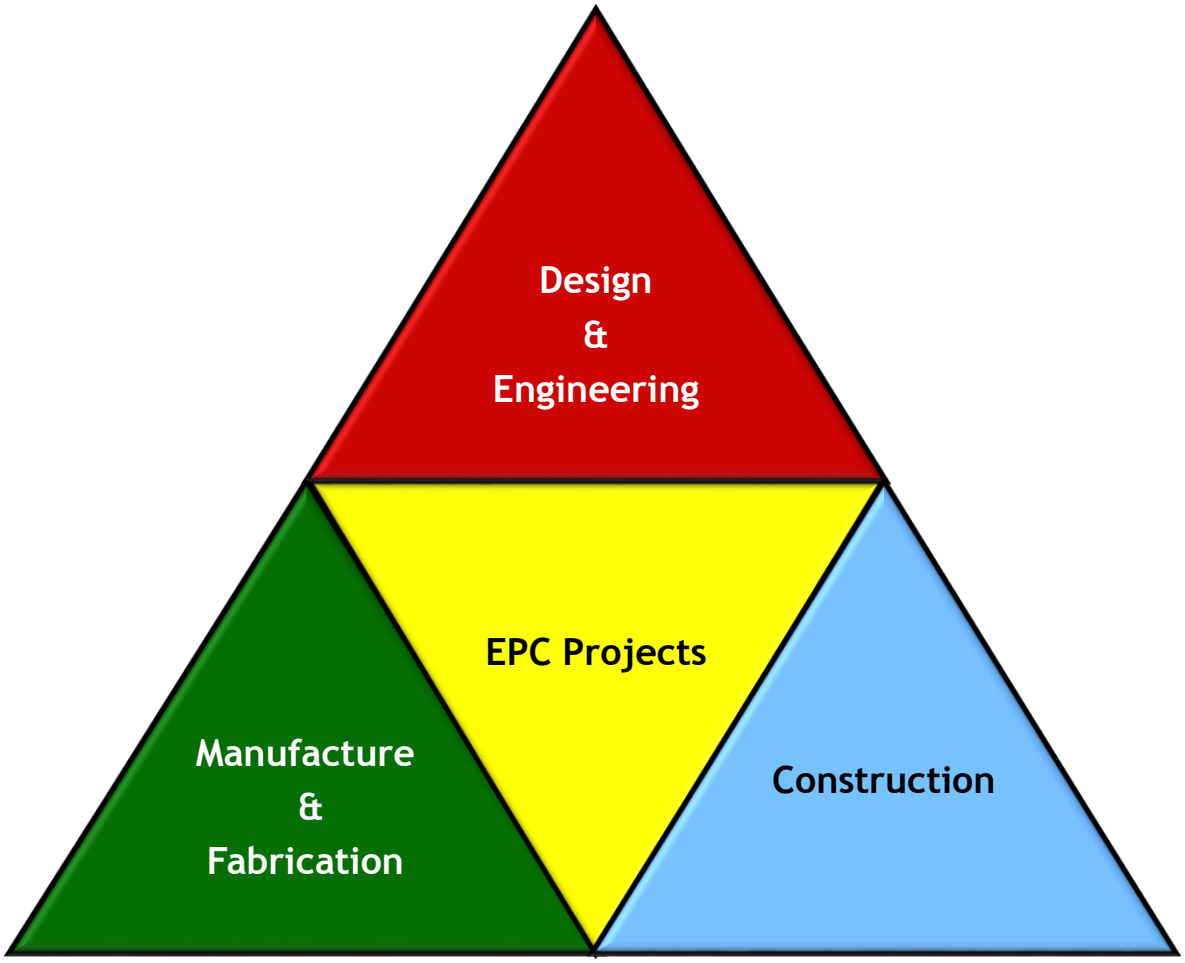
Petronas Refinery, Malaysia

Bi-metallic Urea Stripper for Saudi

MV Switchgear Factory, Malaysia

E&C Delivery Platform

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



Single point responsibility for turnkey solutions

Quality Customer Mix

ONGC
TATA STEEL
डेडीकेटेड फ्रेट कोरीडोर
NHAI
MMRDA
Mumbai Metropolitan Region Development Authority
www.mmrdamumbai.org
MAHAGENCO
Maharashtra State Power Generation Co. Ltd.
Indian Coastguard
nhpc
दिल्ली मेट्रो रेल कॉरपोरेशन लिमिटेड
DELHI METRO RAIL CORPORATION LTD.
GSPC group
DIAL
NTPC National Thermal Power Corporation
GMR
सेल SAIL
HYDERABAD METRO RAIL
MIAL
पावरग्रिड
RVUNL

ChevronTexaco
ارامكو السعودية
Saudi Aramco
PETROBRAS
SFCCL
KAHRAMAA
MAERSK
STATOIL
QATARGAS
TAKREER
شركة أبوظبي لتكرير النفط
ADNOC
QAFCO
هيئة كهرباء و مياه دبي
DUBAI ELECTRICITY & WATER AUTHORITY
GASCO
Abu Dhabi Water & Electricity Authority
KNPC
Sinopec
中国石油化工股份有限公司
CHINA PETROLEUM & CHEMICAL CORPORATION
ArRiyadh Development Authority
PETRONAS MALAYSIA
Qatar Petroleum

Multiple Alliances & Joint Ventures

Alliances

PAUL WURTH
Westinghouse
Technip
AECL
Rolls-Royce
HITACHI
HALDOR TOPSOE
J. RAY McDERMOTT
HOCHTIEF
ATOMSTROYEXPORT
SAMSUNG
SAMSUNG ENGINEERING & CONSTRUCTIO
CLYDE BERGEMANN
BOEING
Shaw
AKER KVÆRNER
Outotec
VOITH SIEMENS
HYDRO POWER GENERATION
TOYO ENGINEERING CORPORATION
MBDA
MISSILE SYSTEMS

Pre qualifications

AREVA
ORTLOFF Engineers, LTD
Eni Snamprogetti
Shell
BECHTEL
Axens
IFP Group Technologies
Lurgi
Stamicarbon
uop
PARSONS
KBR

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

Joint Ventures

CASSIDIAN
AN EADS COMPANY
Sargent & Lundy LLC
CHIYODA
MITSUBISHI HEAVY INDUSTRIES, LTD.
SapuraCrest Petroleum
Howden
GULF INTERSTATE ENGINEERING
مؤسسة الزبير
The Zubair Corporation
Befula Investments
KOBE STEEL, LTD.

L&T's Business Structure

LARSEN & TOUBRO LTD.

BUSINESS VERTICALS

- BUILDINGS & FACTORIES
- TRANSPORTATION INFRASTRUCTURE
- HEAVY CIVIL INFRASTRUCTURE
- WATER & EFFLUENT TREATMENT
- POWER T&D
- METALLURGICAL & MATERIAL HANDLING
- POWER
- HEAVY ENGINEERING
- SHIPBUILDING
- ELECTRICAL & AUTOMATION

SUBSIDIARIES & ASSOCIATES

- L&T HYDROCARBON ENGINEERING
- FINANCIAL SERVICES
- IT & TECHNOLOGY SERVICES
- INFRASTRUCTURE SPVs (BOTs)
- MHPS JVs (Boilers & Turbine Mfg.)
- OTHER MANUFACTURING & FABRICATION SUBSIDIARIES
- SERVICES AND OTHER SUBSIDIARIES & ASSOCIATES

Presentation Outline

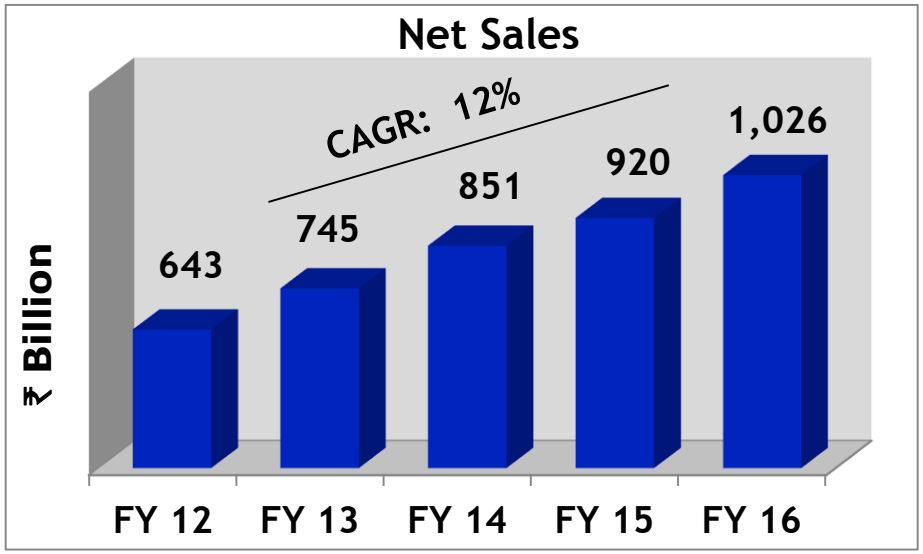
L&T Overview

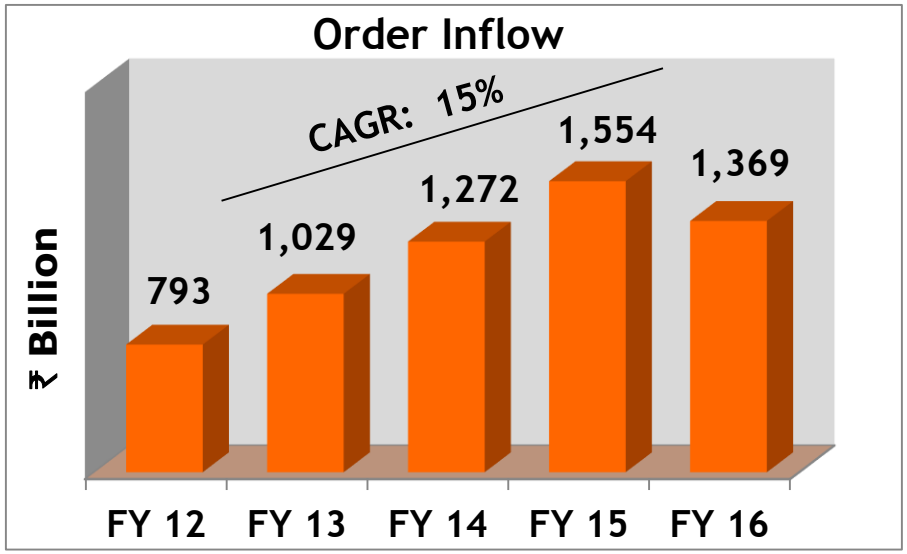
Business Overview

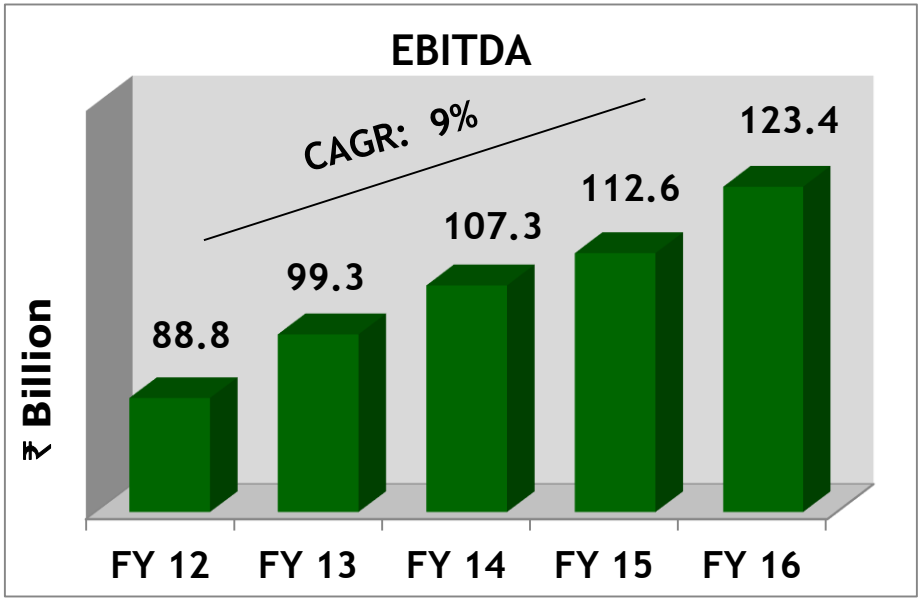
Group Performance

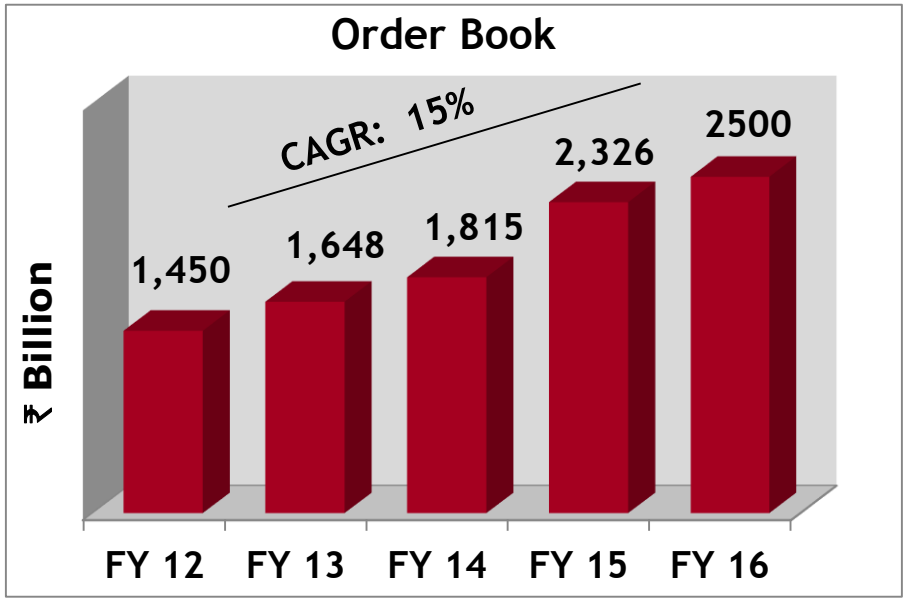
Sectoral Opportunities & Outlook

Five Year Performance









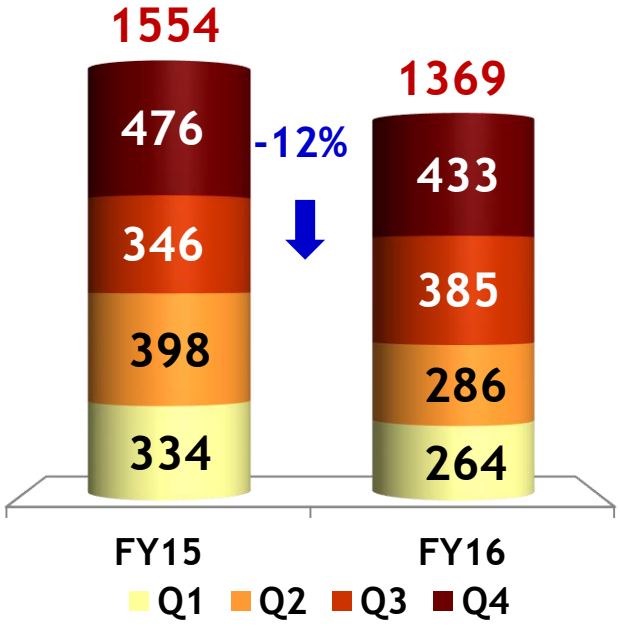
Performance Highlights

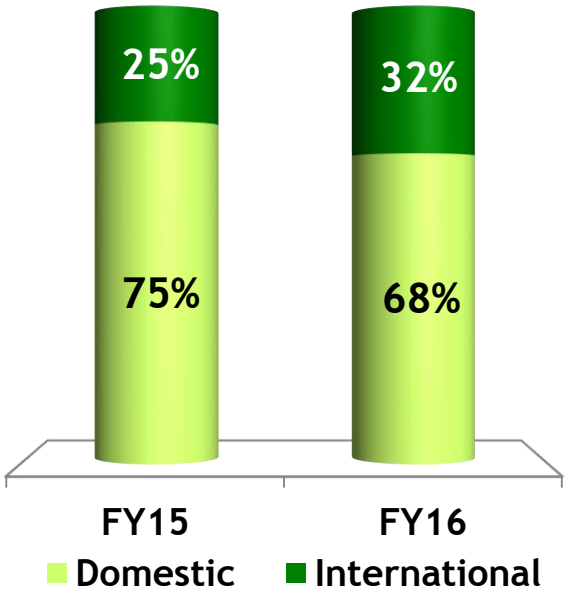
	YoY	
	Q4	FY
Revenues	18%	12%
EBITDA	35%	10%
Profit after Tax	19%	7%
Order Inflows	9%	12%
Order Book	7%	7%

Group level Order Inflow & Order Book

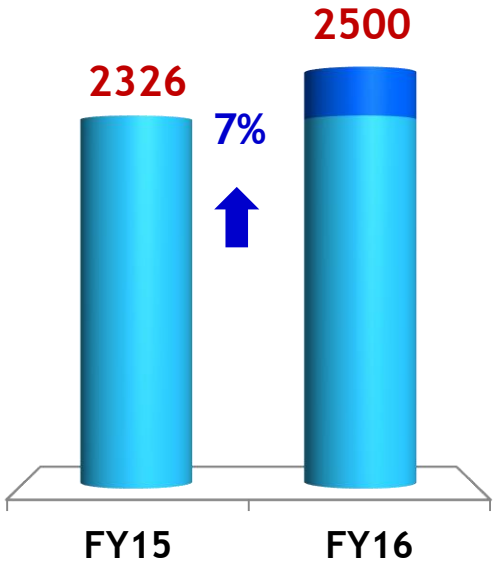
Amount in ₹ Bn

Order Inflows





Order Book



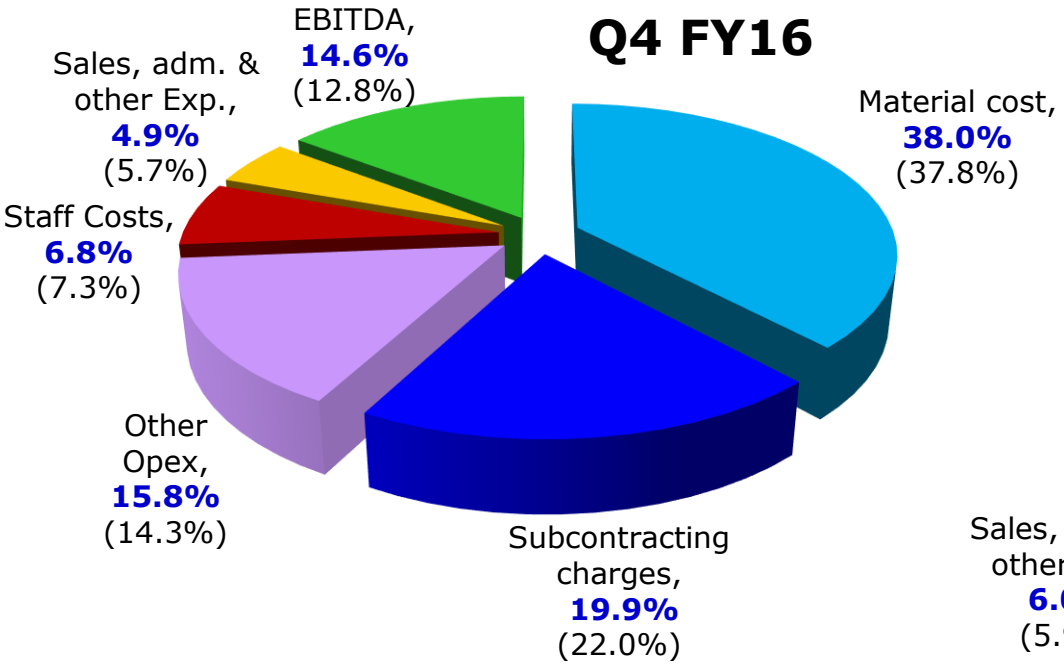
- Order inflows impacted by loss of bids in Power and continued slow down in Metals and Heavy Engineering
- Healthy traction witnessed in international markets across infrastructure sectors
- Order Book provides strong forward revenue visibility
- 28% of Order Book from International markets (PY 26%)

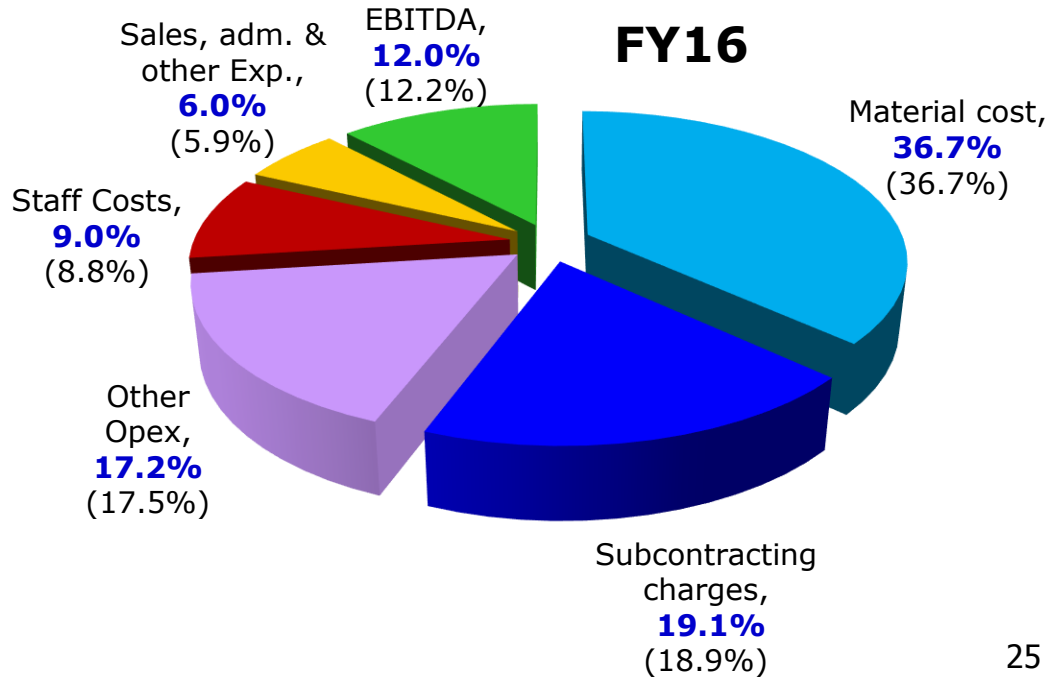
Group Performance – Sales & Costs

Q4 FY15	Q4 FY16	% Change	₹ Billion	FY15	FY16	% Change
280.23	**331.57**	**18%**	**Net Revenue from Operations**	**920.05**	**1,026.32**	**12%**
81.22	*99.70*	*23%*	*International Revenue*	*259.26*	*333.02*	*28%*
29%	*30%*	*1%*	*% of Net Revenue*	*28%*	*32%*	*4%*
207.83	244.35	18%	Mfg, Cons. & Opex (MCO)	672.40	749.46	11%
20.49	22.42	9%	Staff Costs	80.60	92.05	14%
15.95	16.20	2%	Sales & Admin. Expense (SGA)	54.46	61.38	13%
244.27	**282.98**	**16%**	**Total Opex**	**807.47**	**902.89**	**12%**

- Execution pickup in Q4 in line with expectations
- Strong Order Book currently driving international revenue growth
- MCO charge in line with level of operations
- Staff cost increase due to increased level of international operations
- Rise in Sales & Admin (SGA) expenses mainly on account of Provisions

Performance Summary – Operational Costs & Profitability





Figures represent % to Revenue

Figures in brackets indicate corresponding period of the Previous Year

Group Performance Summary Extracts

Q4 FY15	Q4 FY16	% Change	₹ Billion	FY15	FY16	% Change
35.95	48.59	35%	EBITDA	112.58	123.43	10%
12.8%	**14.7%**	**1.8%**	**EBITDA Margin**	**12.2%**	**12.0%**	**-0.2%**
(4.69)	(7.74)	65%	Interest Expenses	(28.40)	(30.41)	7%
(5.88)	(8.20)	40%	Depreciation	(26.23)	(27.56)	5%
2.90	2.18	-25%	Other Income	10.75	11.83	10%
(7.66)	(9.54)	25%	Provision for Taxes	(22.54)	(25.49)	13%
20.70	**24.54**	**19%**	**PAT after Minority Interest**	**47.65**	**50.91**	**7%**

- EBITDA improvement driven by job mix, lower commodity prices and rationalisation of cost estimates
- Rise in Q4 interest expenses due to commissioning of developmental assets
- Increase in depreciation charge due to toll road impairment and commissioning of developmental assets
- Other Income mainly comprises Treasury gains

Group Balance Sheet

₹ Billion	Mar-16	Mar-15	Incr / (Decr)
Net Worth	439.92	409.09	30.83
Minority	67.69	49.99	17.70
Borrowings (Fin. Serv.)	526.92	430.10	96.82
Other Non-Current Liabilities	497.79	408.53	89.26
Other Current Liabilities	742.94	640.35	102.59
Total Sources	**2,275.25**	**1,938.06**	**337.20**
Net Fixed Assets	586.00	475.16	110.84
Goodwill on consolidation	21.72	22.15	(0.43)
Loans & Advances (Fin. Serv.)	556.58	454.26	102.32
Other Non- Current Assets	175.62	159.12	16.51
Cash and Cash Equivalents	141.09	138.21	2.88
Other Current Assets	794.24	689.17	105.08
Total Applications	**2,275.25**	**1,938.06**	**337.20**

- Gross D/E: 2.30 (FY15: 2.21)
- Net Working Capital (excl. Fin. Serv.): 24% of Sales (FY15: 25%)

Group Cash Flow (Summarised)

₹ Billion	Q4 FY16	Q4 FY15	FY16	FY15
Operating Profit	57.26	35.79	128.63	113.46
Direct Taxes (Paid) / Refund - Net	(10.38)	(8.82)	(33.18)	(29.79)
Changes in Working Capital	(10.95)	9.46	(21.65)	(16.00)
Net Cash from Operations (A)	**35.93**	**36.43**	**73.80**	**67.67**
Investments in Fixed Assets (Net)	(14.55)	(9.68)	(50.58)	(60.95)
Net Purchase of Long Term & Curr. Inv.	6.13	1.22	(1.24)	(9.66)
Loans/Deposits made with Associate Cos.	0.02	0.02	(0.01)	5.80
Interest & Div. Received and Others	2.88	3.11	6.74	5.54
Net Cash from/(used in) Invest. Act. (B)	**(5.52)**	**(5.33)**	**(45.09)**	**(59.27)**
Issue of Share Capital / Minority	(9.51)	3.09	16.53	19.70
Net Borrowings (Excl. Fin. Services)	(14.87)	(7.69)	17.03	48.43
Net Disbursements towards financing activities*	7.57	6.18	(5.44)	(3.65)
Interest & Dividend paid	(10.58)	(16.07)	(55.56)	(55.29)
Net Cash from Financing Activities (C)	**(27.39)**	**(14.49)**	**(27.44)**	**9.19**
Net (Dec) / Inc in Cash & Bank (A+B+C)	**3.02**	**16.61**	**1.28**	**17.59**

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

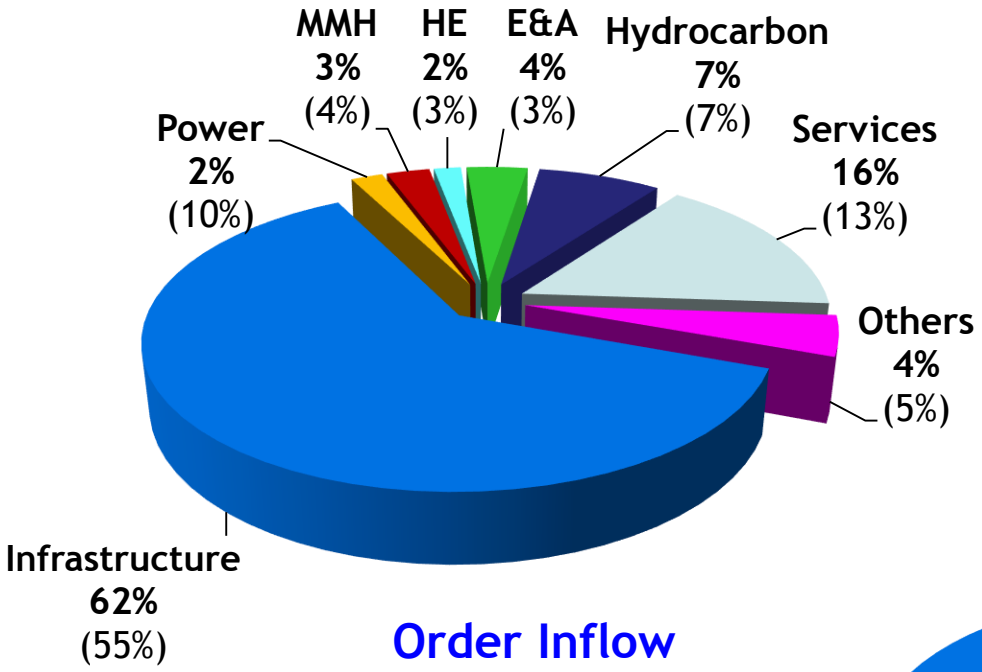
Segment Performance Analysis

Segment Composition

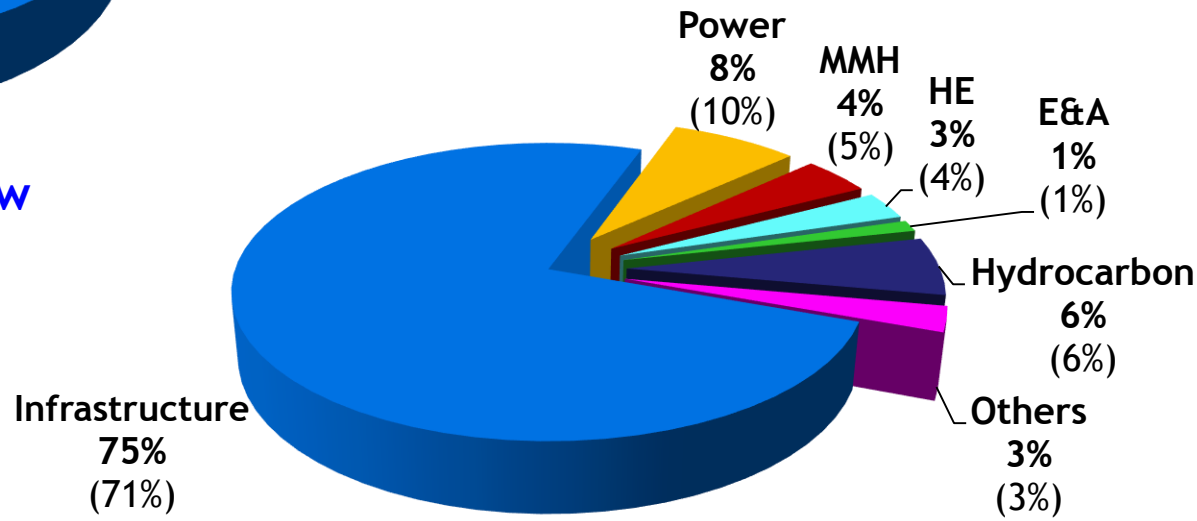
Infrastructure	Power	Metallurgical & Material Handling	Heavy Engineering	Electrical & Automation
Buildings & Factories	EPC - Coal & Gas	Ferrous	Process Plant Equipment	Electrical Standard Products
Transportation Infra	Thermal Power Plant Construction	Non Ferrous	Nuclear Power Plant Equipment	Electrical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

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	Construction & Mining Equipment
	Power		General Insurance	Machinery & Industrial Products

Segmental Breakup of Orders – FY16



Order Inflow
₹ 1369 Bn

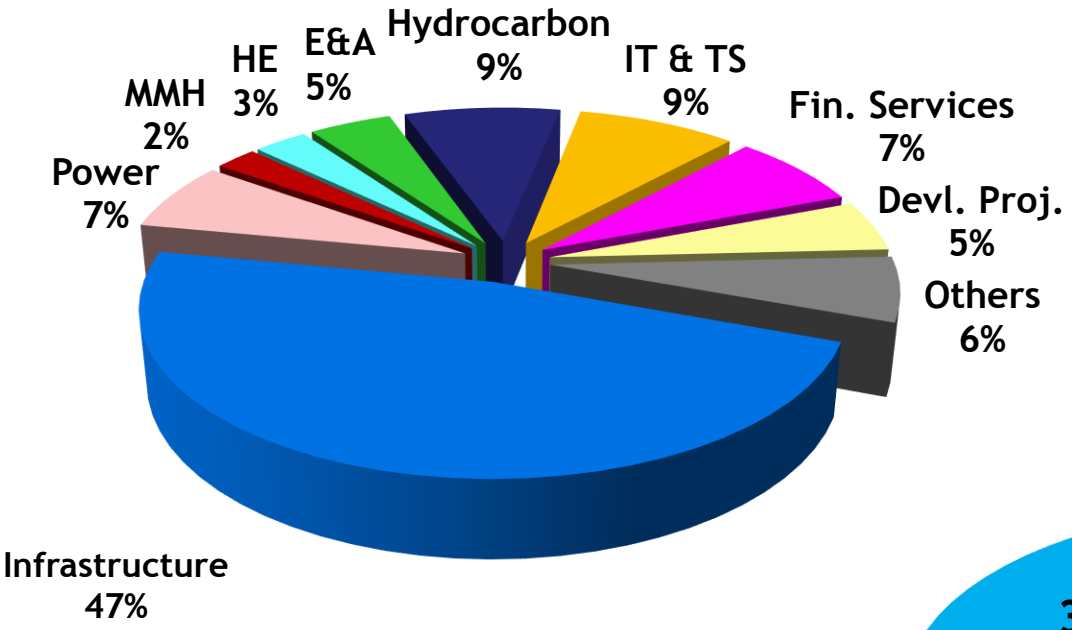


Order Book
₹ 2500 Bn

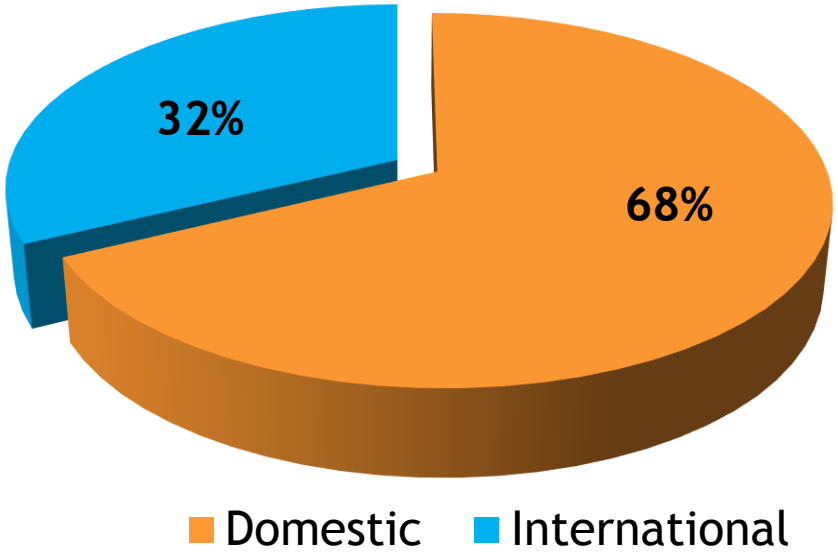
Figures in brackets indicate corresponding period of the Previous Year

Revenue Breakup – FY16

Segmental Breakup



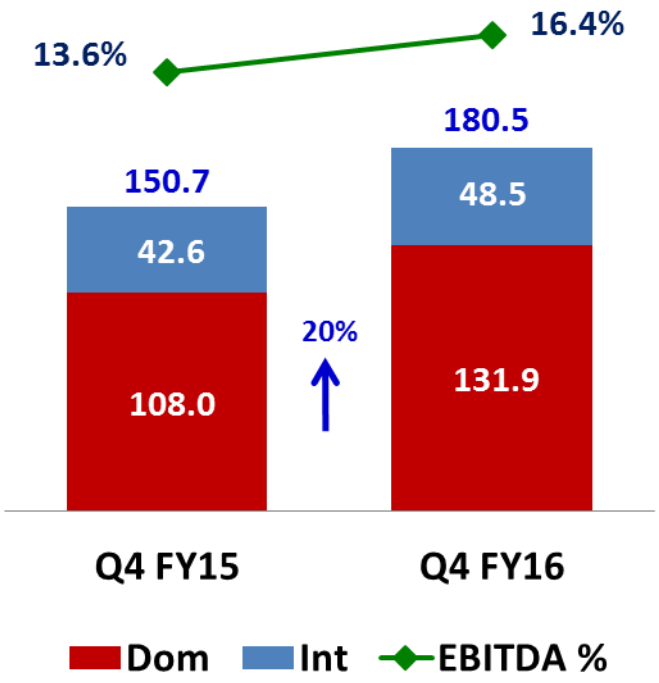
Geographical breakup

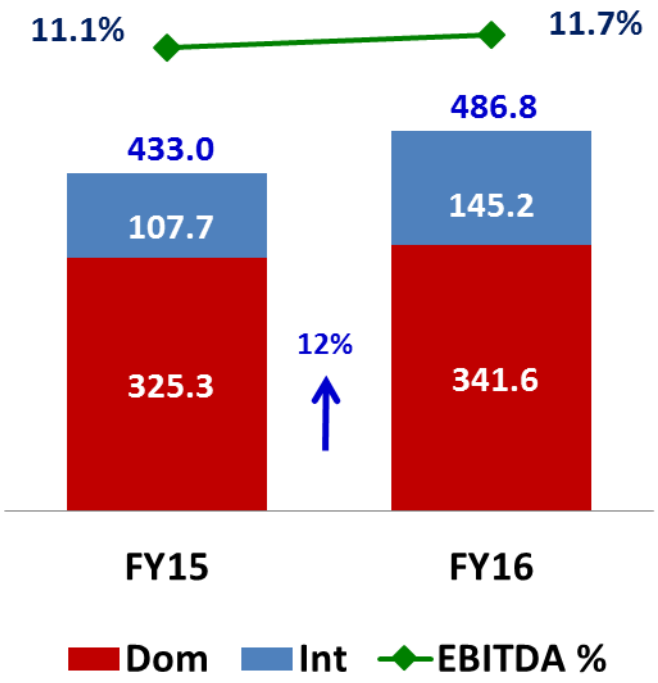


Infrastructure Segment

Amount in ₹ Bn

Net Revenues & Margin



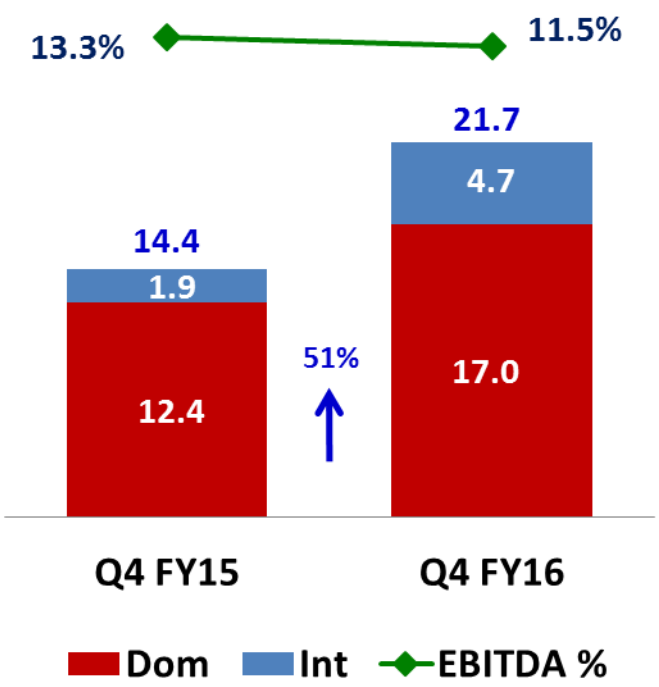


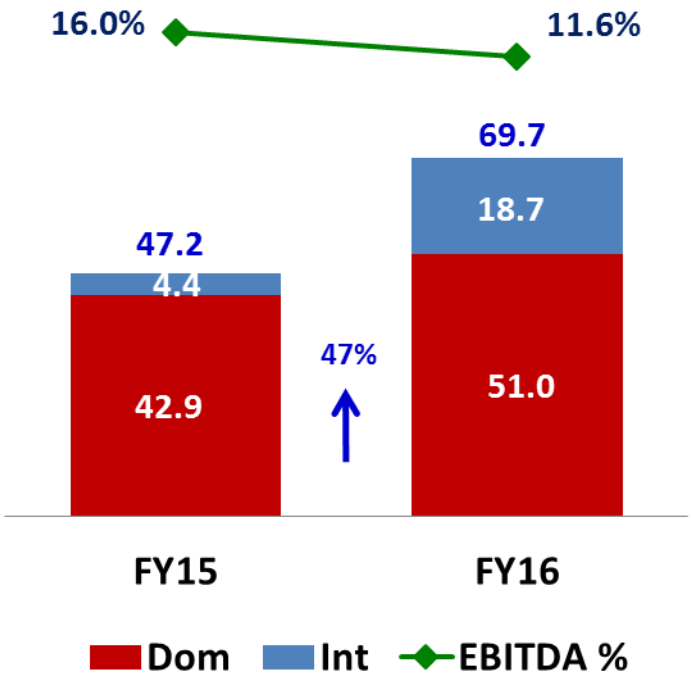
- Revenue growth driven by Transportation Infra, Heavy Civil and Water businesses
- Increase in margins led by execution progress and favourable input costs

Power Segment

Amount in ₹ Bn

Net Revenues & Margin



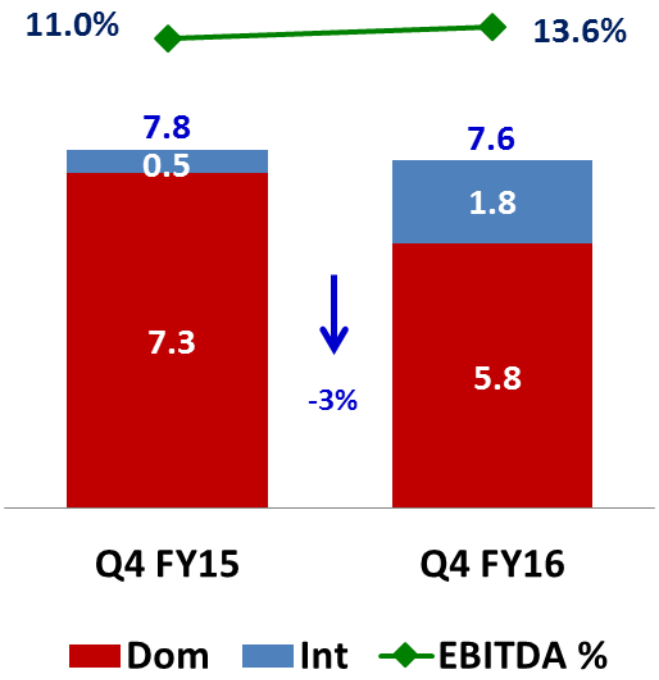


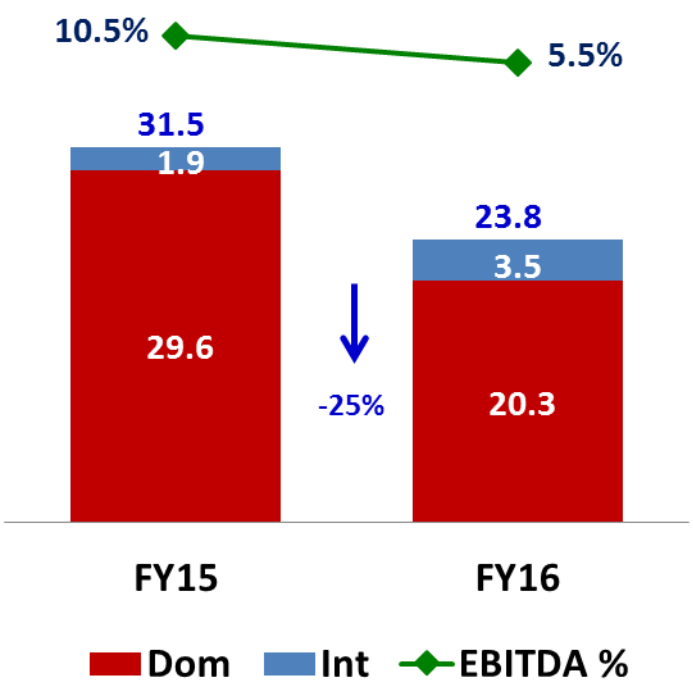
- Surge in revenues reflects execution progress of Coal and Gas projects received in previous years
- Some large projects yet to reach margin threshold

Metallurgical & Material Handling (MMH) Segment

Amount in ₹ Bn

Net Revenues & Margin



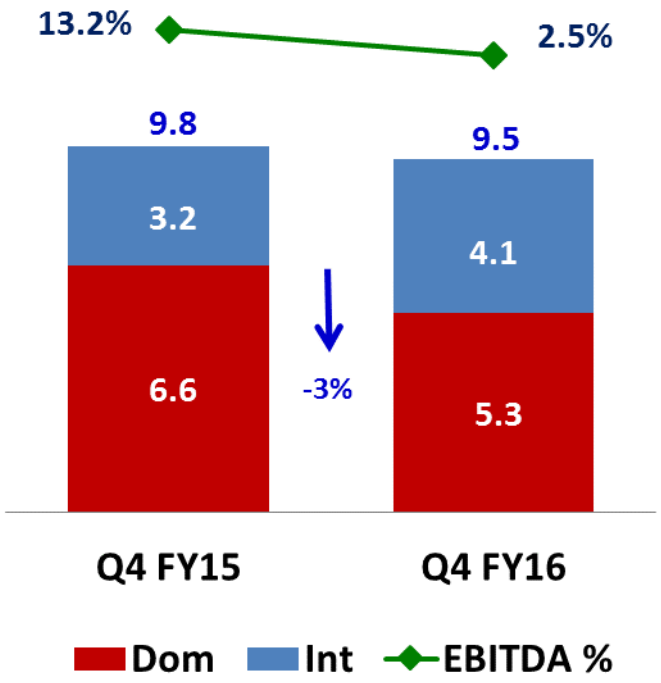


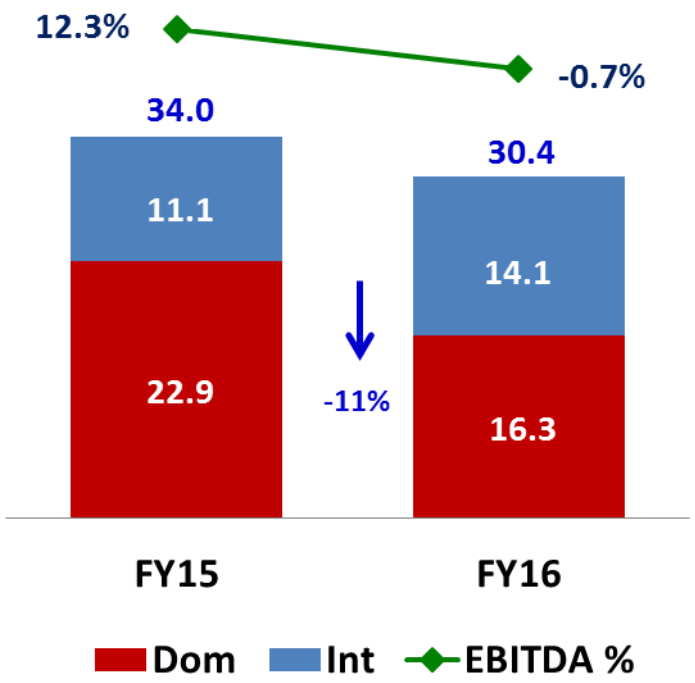
- Revenue decline due to slow replenishment of Order Book in a stressed sector (Metals)
- Under-recoveries affecting Margins

Heavy Engineering Segment

Amount in ₹ Bn

Net Revenues & Margin



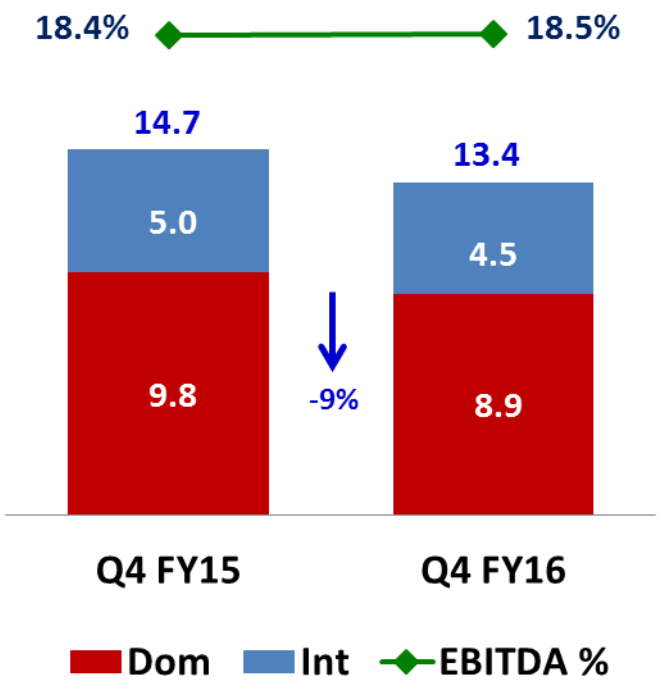


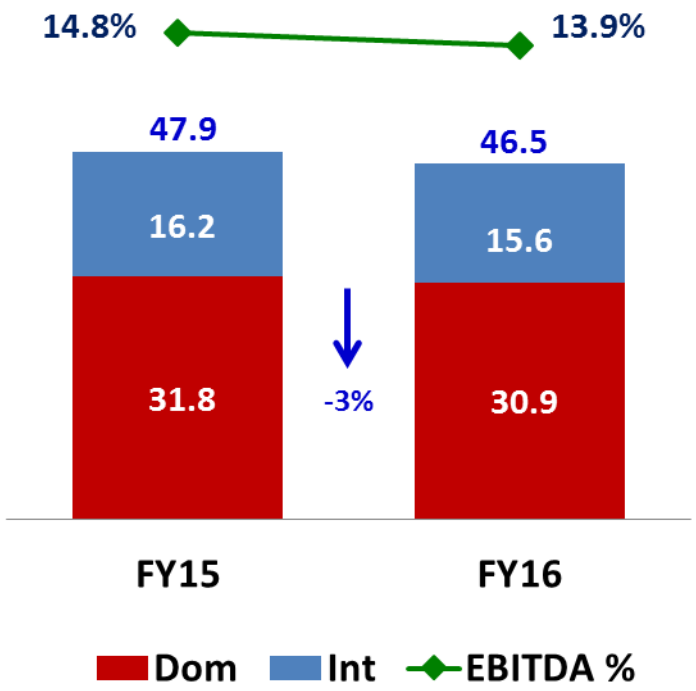
- Declining revenues reflecting depleted Order Book in PPN Business
- Margins impacted by cost provisions and under-recoveries

Electrical & Automation (E&A) Segment

Amount in ₹ Bn

Net Revenues & Margin



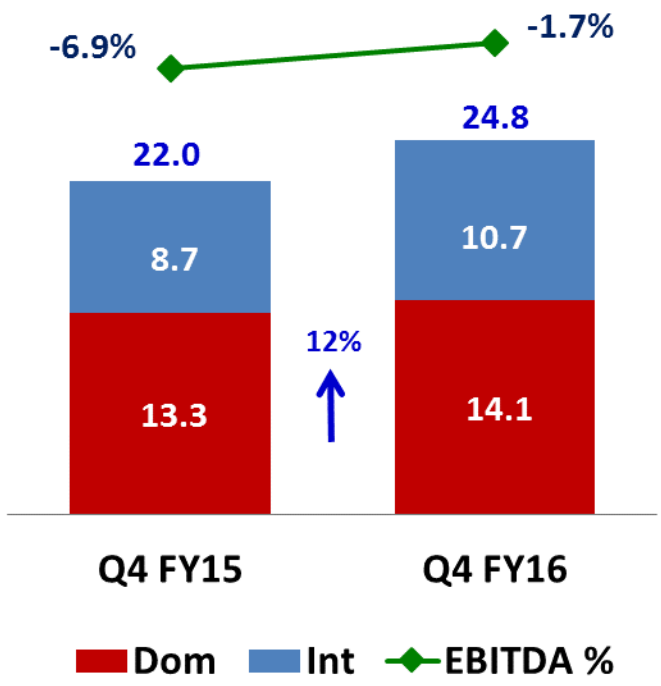


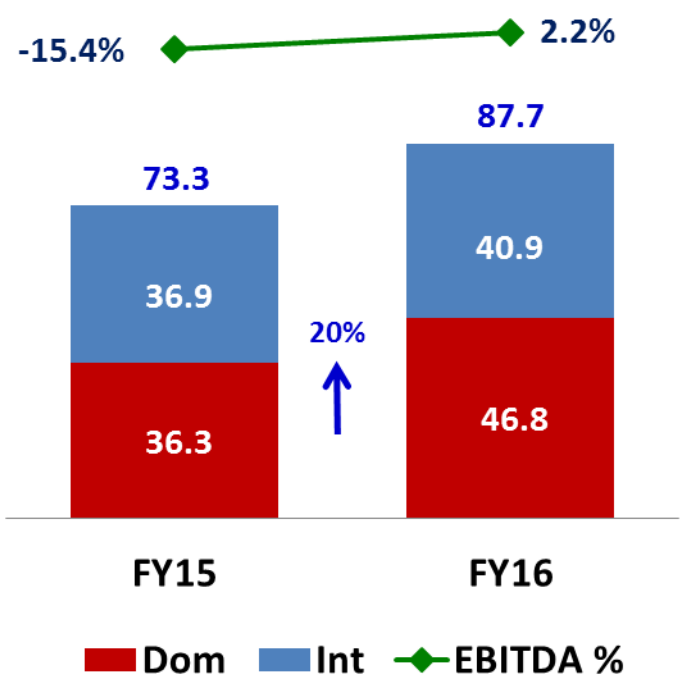
- Sluggish industrial and agricultural demand, delayed customer clearances, and tight liquidity conditions affecting revenues
- Price realizations and competition affecting margins

Hydrocarbon Segment

Amount in ₹ Bn

Net Revenues & Margin



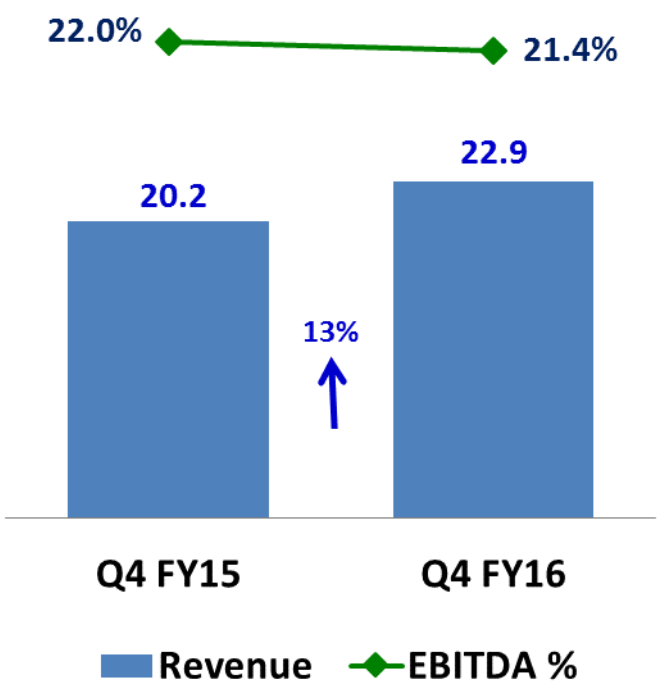


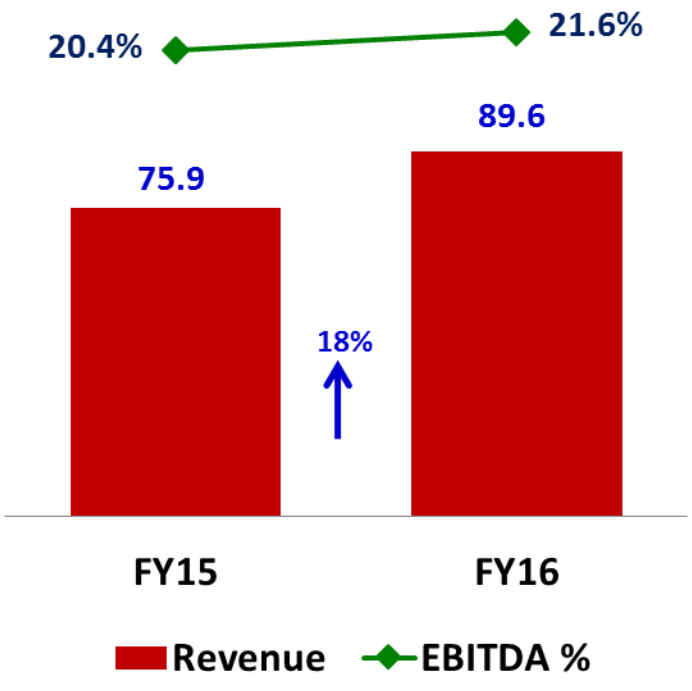
- Close out of legacy projects in Middle East nearly complete
- Margin improvement achieved through loss minimisation of international projects
- Action initiated to reduce under-recoveries and improve profitability

IT & Technology Services Segment

Amount in ₹ Bn

Net Revenues & Margin



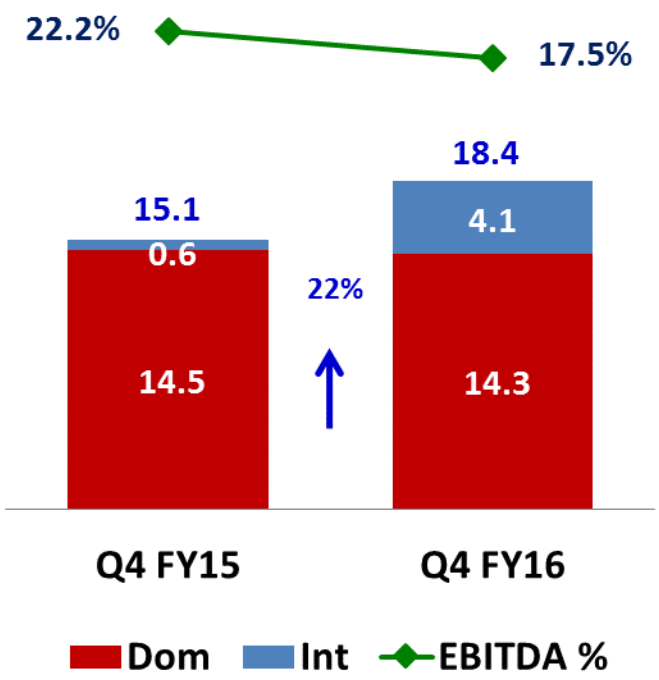


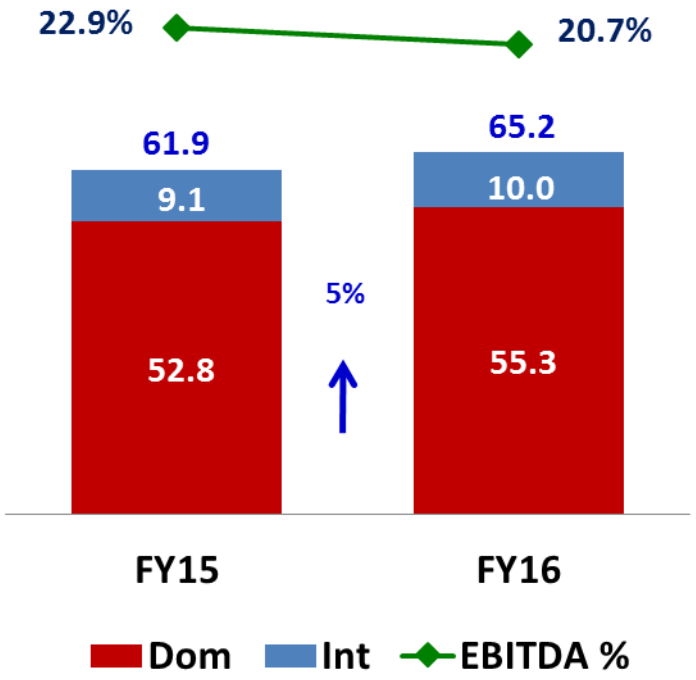
- Revenue growth contributed mainly by BFSI, Autos, Industrial Products and Process Engineering sectors
- Focus on Client Mining
- EBITDA improvement due to operational efficiencies

Others Segment

Amount in ₹ Bn

Net Revenues & Margin

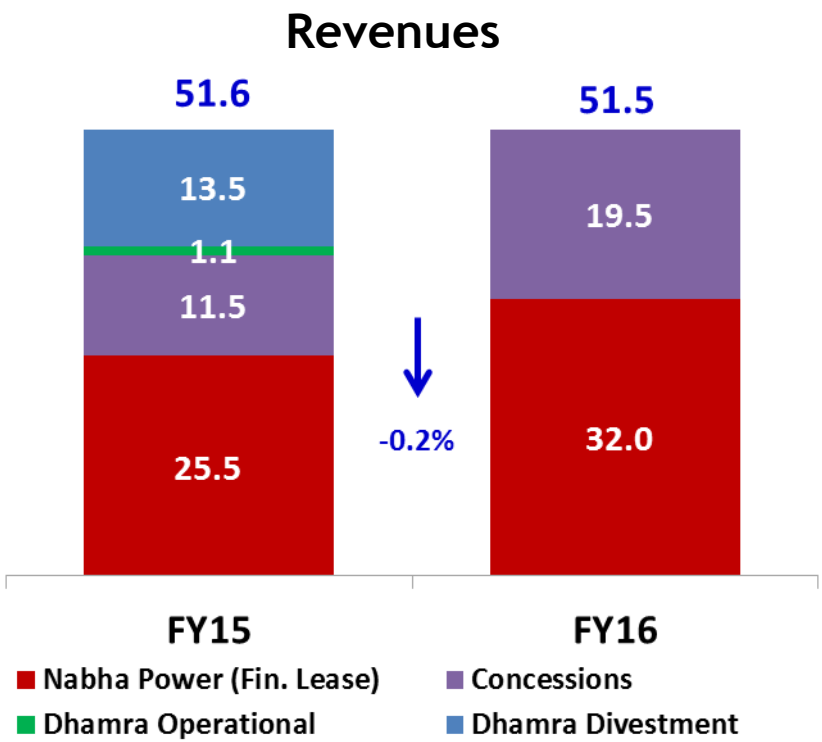


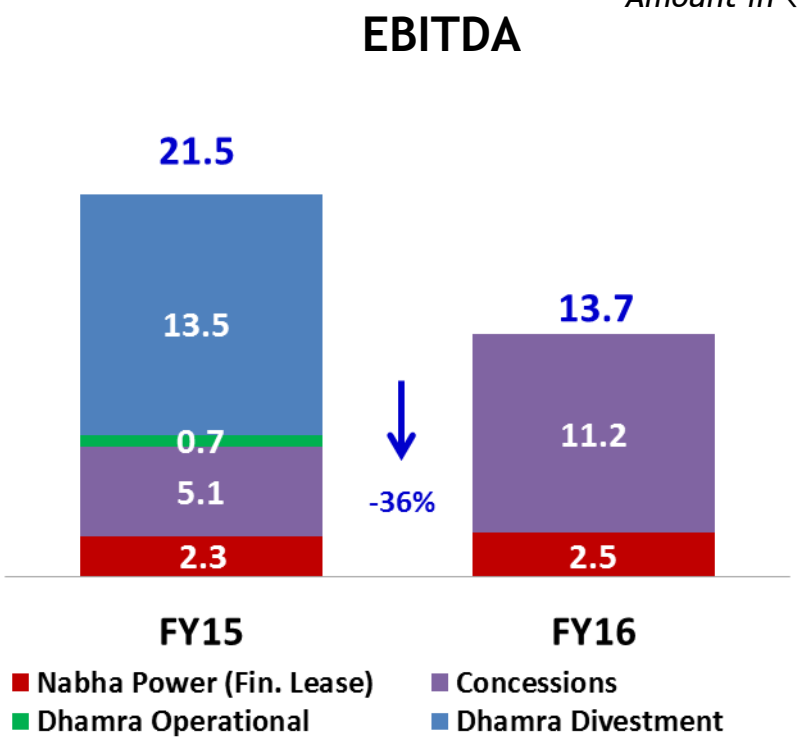


- Revenue growth contributed by Construction and Mining, Valves and Realty Businesses
- Margin decline due to lower realisations in Construction and Mining Business and cost provisions due to delayed deliveries in Shipbuilding
- Arbitration in progress for cancelled Shipbuilding orders

Developmental Projects Segment

Amount in ₹ Bn





- Like-to-like revenue growth due to commissioning of new road concessions, increase in road traffic and higher PLF in Nabha
- EBITDA variation due to PY divestment gains
- Like-to-like EBITDA expansion mainly due to operationalization of new roads SPVs and traffic growth

Concessions Business Portfolio – 24 SPVs

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

Power:
Portfolio: 5 projects (2270 MW); 1 Operational
Project Cost: ₹179 Bn

Ports:
Portfolio: 2 projects (18 MTPA) - Operational
Project Cost: ₹20 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 (Mar 2016): ₹ 544 Bn

Equity Invested (Mar 2016): ₹ 98 Bn

Balance Equity Commitment (Mar 2016): ₹ 34 Bn

L&T Finance Holdings

Q4 FY15	Q4 FY16	% Change	₹ Billion	FY15	FY16	% Change
77.40	84.09	9%	Networth (Incl. Pref.Cap and Warrants)	77.40	84.09	9%
420.91	516.16	23%	Borrowings	420.91	516.16	23%
472.32	578.31	22%	Loans and Advances	472.32	578.31	22%
224.97	259.45	15%	Mutual Fund Average AUM	224.97	259.45	15%
3.08%	3.05%	-0.03%	Gross NPA (%) - 150 DPD	3.08%	3.05%	-0.03%
2.10%	2.05%	-0.05%	Net NPA (%) - 150 DPD	2.10%	2.05%	-0.05%
2.06	2.37	15%	PAT (before exceptionals)	7.36	8.57	16%

- Strong growth in Loan Book led by B2C in Retail Finance segment, and thrust on operational projects in Wholesale Finance segment
- Growth in Investment Management AUM led by equity inflows
- Focus on asset quality, ROE improvement and business portfolio rationalisation

Presentation Outline

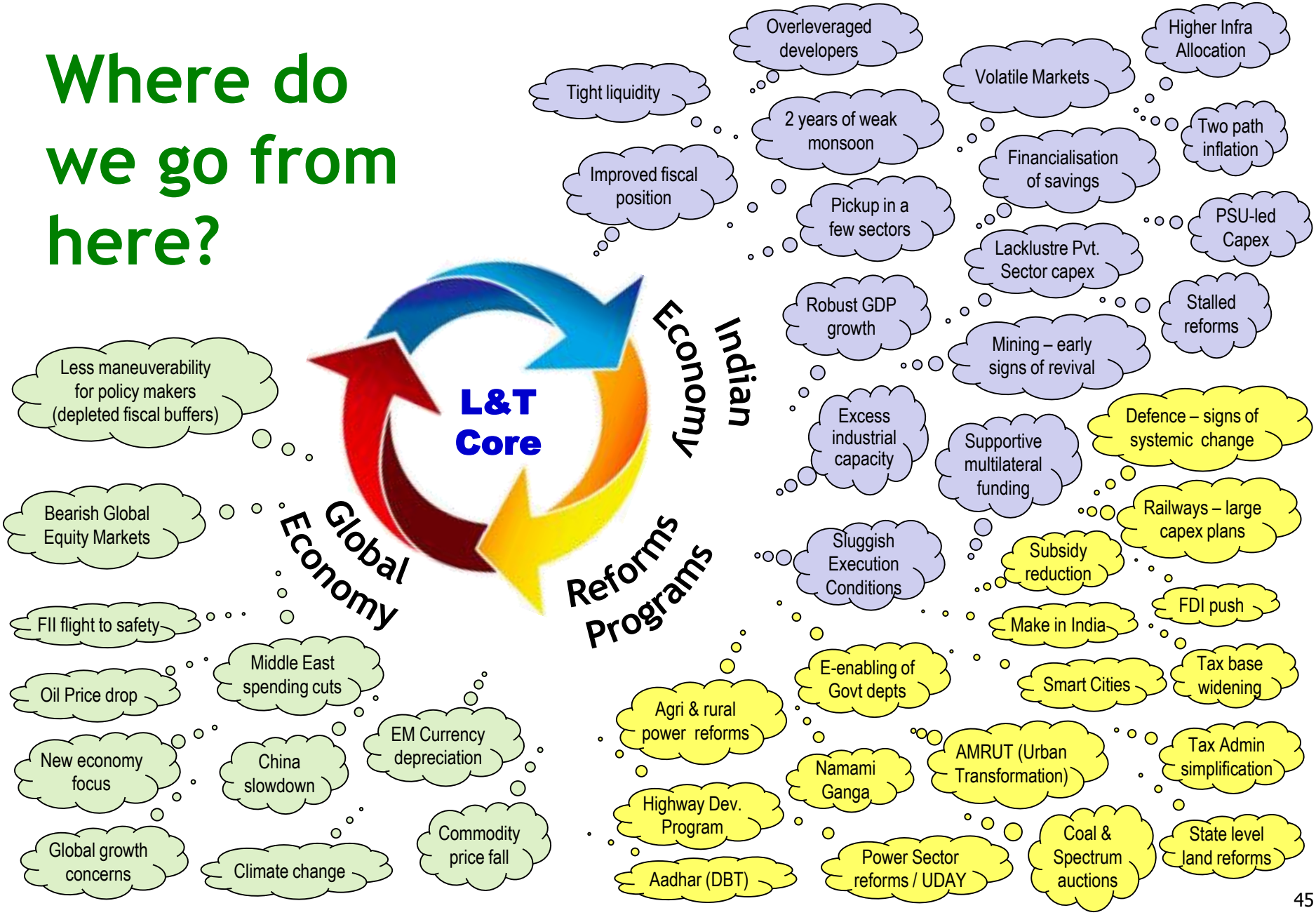
L&T Overview

Business Overview

Group Performance

Sectoral opportunities & Outlook

Where do we go from here?



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 by Private developers and Mass housing projects by Urban Authorities
- Office space build-out by IT majors
- Government and Pvt. Corporate HQ 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 (J&K, Arunachal, Himachal) 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
- Namami Gange 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 post-Fukushima and consequent 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 Mid & Downstream
- Opportunities from ONGC Capex – Upstream / Mid & Downstream
- Opportunities for Fertilizer EPC
- Clean Fuel projects, Refinery Expansion and upgrade
- Regasification terminals, Pipelines

Challenges:

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

Thank You

Annexure-1: Group Profit & Loss

₹ Billion	IT & TS	Fin. Services *	Devl. Projects	L&T & Others (Incl. Eliminations)	L&T Group		
					FY16	FY15	% Change
Revenue from Operations	89.56	75.40	51.37	809.99	1,026.32	920.05	12%
EBITDA	19.30	10.14	13.57	80.42	123.43	112.58	10%
Interest Expenses	(0.07)	(0.01)	(13.54)	(16.80)	(30.41)	(28.40)	7%
Depreciation	(2.40)	(1.14)	(7.45)	(16.57)	(27.56)	(26.23)	5%
Other Income	0.12	2.01	0.13	9.56	11.83	10.75	10%
Exceptional Items	-	-	-	3.58	3.58	3.48	
Provision for Taxes	(3.41)	(4.00)	(0.60)	(17.48)	(25.49)	(22.53)	13%
PAT from Ordinary Activites	13.55	7.00	(7.89)	42.71	55.38	49.64	12%
Share in profit of Associates	-	0.01	(0.00)	(0.03)	(0.03)	0.02	
Adjustments for Minority Interest	(0.11)	(3.84)	0.96	(1.47)	(4.45)	(2.01)	
Profit After Tax	**13.45**	**3.17**	**(6.93)**	**41.21**	**50.91**	**47.65**	**7%**

** Includes Insurance Business*

Annexure 2: Group Balance Sheet

₹ Billion	IT & TS	Fin. Services *	Devl. Projects	L&T & Others (Incl. Eliminations)	L&T Group		
					Mar-16	Mar-15	Inc / (Dec)
Net Worth (Excl. Pref. Cap.)	24.5	36.7	70.2	308.6	439.9	409.1	30.8
Minority Interest	1.0	38.5	19.9	8.2	67.7	50.0	17.7
Borrowings	5.9	526.9^	293.1^	187.2	1,013.1	905.7	107.4
Deferred Payment Liabilities	-	-	110.5	-	110.5	30.6	79.9
Other Current & Non-Current Liab.	17.8	31.6	36.0	558.6	644.1	542.7	101.4
Total Sources	**49.3**	**633.7**	**529.7**	**1,062.6**	**2,275.2**	**1,938.1**	**337.2**
Net Segment Assets	49.3	633.7	529.7	1,062.6	2,275.2	1,938.1	337.2
Total Applications	**49.3**	**633.7**	**529.7**	**1,062.6**	**2,275.2**	**1,938.1**	**337.2**

** Includes Insurance Business*

^ Partly netted off from Capital Employed in Reported Segment