LARSEN & TOUBRO

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SEC/PAM/2016

August 26, 2016

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

Dear Sir,

Sub: **L&T Targets Rs. 2 Lakh Crore Revenue by 2021**
**Mr. A.M. Naik's speech at the 71st AGM**
**Mumbai, Aug 26, 2016**

We send herewith a copy of Press Release that is being issued by the Company, today, in connection with the above.

We request you to take note of the same.

Thanking you

Yours faithfully,
**for LARSEN & TOUBRO LIMITED**

**N. HARIHARAN**
**EXECUTIVE VICE PRESIDENT &**
**COMPANY SECRETARY**
**(ACS 3471)**

Encl. as above



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# L&T Press Release

Issued by Corporate Brand Management & Communications

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Tel: 91 22 6752 5656 / 836
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## L&T Targets Rs. 2 Lakh Crore Revenue by 2021

### Mr. A.M. Naik's speech at the 71st AGM

**Mumbai, Aug 26, 2016**

Ladies & Gentlemen,

It gives me great pleasure to welcome you to the 71st Annual General Meeting of your Company.

You have all received a copy of the Annual Report. The Chairman's Statement details your Company's performance in 2015-16, and I take it as read.

I would like to take this opportunity to share my vision of the L&T of tomorrow. Building on our inherent strengths of engineering excellence, professionalism and financial prudence, a new L&T is emerging - one that is innovation driven, agile, asset-light and delivers superior value to all stakeholders.

Our goal is to achieve a revenue of Rs 2 lakh crores (USD 30 Bn at current exchange rates) by 2021 - without compromising on our margins and achieving an order inflow in excess of Rs 2.5 lakh crores per annum.

We believe that the economic conditions are now starting to turn in favour of your Company. Combined with the right strategy and on-ground execution, our target, though ambitious, is achievable.

India is at the cusp of a turnaround. All indicators are positive. With a projected GDP growth rate of 7.4% in 2016 -17, India is the fastest growing large economy in the world. The Government's thrust on Infrastructure and its 'Make in India' initiatives provide a range of opportunities for your Company.

The opening up of the Defence sector will lead to business opportunities worth Rs 13 lakh crores over the next 10 years. With the resolution of issues relating to fuel supply and a clearer understanding on nuclear liability issues, the Nuclear Power sector is expected to grow significantly in the years ahead. The estimated opportunity from this sector over the next 10 years is up to Rs 50,000 crores.

India has launched satellites, orbited the moon and Mars, and is now all set to become one of the world's preferred commercial satellite launch service providers.

Our Prime Minister has announced an ambitious plan to make a 100 cities in India into Smart Cities. Each of these cities will be endowed with a combination of smart infrastructure and IT-led operations. The outlay for a proposal of this nature is expected to be very large.

It is estimated that by 2022, over 110 million homes will require to be built in urban as well as rural areas to house India's rapidly growing population. The Government is bullish on real estate, and has passed numerous policy reforms in the sector.

And finally, in infrastructure - roads, ports, airports, railway corridors - there are over a thousand projects in the pipeline with an estimated total value of over Rs 14 lakh crores.

Your Company has both the expertise and the track record to make the most of each of these opportunities. Over the years, we have set benchmarks, only to surpass them ourselves.

Whether it is the longest, tallest, heaviest, first, largest - your Company has made it. And you will find reference to these, as well as the Company's capabilities, in our Annual Review and in our Annual Report.

I will now focus on how we are building on our existing capabilities to capitalise on the opportunities before us.

As you know, your Company has always been aligned with the nation's priorities, developing capabilities to meet India's needs. As the country surges forward, with a focus on technology-led initiatives, your Company is future ready.

The theme of 'Technology Leadership', reflected on the cover of this year's Annual Report, is more than a statement of intent. It is at the heart of the new L&T. Our mission is profitable growth through technology leadership - year after year.

Since 2000, your Company has developed and rigorously implemented a five-year Strategic Planning process. We are now in the fourth wave of this programme.

In this effort, we have partnered with two global strategic consultancy firms to obtain an 'outside-in' perspective of our businesses. I would like to share with you a few of the key focus areas that will help us achieve our target revenues of Rs 2 lakh crores by 2021.

The first, is a requirement to sharpen our business focus. We have identified select growth businesses in your Company's broad portfolio. These include IT, Technology Services, Defence, Smart World and Water Management. Our Strategic Plan involves re-allocation of resources - both talent and capital - to businesses with visible value creation potential. As most of these are also asset-light businesses, the initiative will be in line with our larger objective of building an asset- light organization.

One of the objectives of our Strategic Plan is the need to extend operational excellence across the Company. A major step in this direction has been the setting up of a separate Digital Group which will ideate and implement solutions across functions.

All of you must have experienced the transformative power of digital technologies in your daily lives. But I believe what we have seen so far is just the beginning - it is the Digital dawn.

In the coming years, digital levers on profitability and growth will extend deeper into the organization, alter processes and yield dramatically superior outcomes.

Our Group Companies, L&T Infotech and L&T Technology Services, will play a key role in this process. For our technology arms, these enterprise-wide initiatives will act as a ready-to-market showcase, enhancing client confidence in their capabilities.

Another focus area is leadership development. Your Company has a unique 7-step leadership programme designed to build a robust pipeline of future leaders. The stages include training by some of the world's leading business schools like IIM-A, Ross, INSEAD and Harvard and at the final stage, mentoring by me.

I have personally mentored over 50 future leaders and equipped them with the competencies and strength of character to steer your Company through the challenges of the future.

Other imperatives include managing portfolio risks and conducting a portfolio churn, so as to transform your company into an asset-light organisation.

As an Indian multinational, your Company is strengthening its operations in the Gulf, Africa and South East Asia. We are competing with the world's best in those markets and ensuring that our projects and services are truly globally benchmarked. Our manufactured products are exported globally and meet the highest international quality standards.

Your Company has always believed in making the things that make India proud - whether in the country or across the globe.

We build infrastructure. We are equally committed to building social infrastructure.

Your Company has been championing the cause of community and the environment, long before terms like CSR came into vogue. Over the last few years, we have sharpened our focus on conserving natural resources and enhancing social equity - including making over 50,000 youth employable every year through skill training. Our investment on social initiatives across healthcare, education, water and sanitation and skill building, will deliver rich social dividends in the years ahead.

Success is always a shared journey. I would therefore like to thank my fellow Board Members, L&T-ites and all other stakeholders, who collectively enable sustainable and profitable growth of your company.

L&T has been and is committed to be a partner in building a new, vibrant and resurgent India.

Thank you.

**A.M. Naik**
Group Executive Chairman

**Background:**
Larsen & Toubro is an Indian multinational engaged in technology, engineering, construction, manufacturing and financial services with USD 16 billion in revenue. It operates in over 30 countries worldwide. A strong, customer-focused approach and the constant quest for top-class quality have enabled L&T to attain and sustain leadership in its major lines of business for over seven decades.