LARSEN & TOUBRO

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LARSEN & TOUBRO LIMITED

Regd. Office : L&T House, Ballard Estate, Mumbai 400 001

NOTICE

NOTICE IS HEREBY GIVEN THAT the Sixty-fifth Annual General Meeting of **LARSEN & TOUBRO LIMITED** will be held at **Birla Matushri Sabhagar, 19, Marine Lines, Mumbai - 400 020 on Thursday, August 26, 2010 at 3:00 p.m.** to transact the following business :-

1) To consider and adopt the Balance Sheet as at March 31, 2010, the Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon;

2) To declare a dividend on equity shares;

3) To appoint a Director in place of Mrs. Bhagyam Ramani, who retires by rotation and is eligible for re-appointment;

4) To appoint a Director in place of Mr. Subodh Bhargava, who retires by rotation and is eligible for re-appointment;

5) To appoint a Director in place of Mr. J. P. Nayak, who retires by rotation and is eligible for re-appointment;

6) To appoint a Director in place of Mr. Y. M. Deosthalee, who retires by rotation and is eligible for re-appointment;

7) To appoint a Director in place of Mr. M. M. Chitale, who retires by rotation and is eligible for re-appointment;

8) To appoint a Director in place of Mr. N. Mohan Raj, who retires by rotation and is eligible for re-appointment;

9) To consider and, if thought fit, to pass with or without modification(s), as an **ORDINARY RESOLUTION** the following:

   "RESOLVED THAT pursuant to Section 269 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII of the said Act, approval be and is hereby granted to the re-appointment of Mr. Y. M. Deosthalee, as the Whole-time Director of the Company with effect from March 3, 2010 upto and including September 5, 2011.

   RESOLVED FURTHER THAT Mr. Y. M. Deosthalee, in his capacity as the Whole-time Director, be paid remuneration as may be fixed by the Board, from time to time, within the limits approved by the members as per the details given in the explanatory statement."

10) To consider and, if thought fit, to pass with or without modification(s), as an **ORDINARY RESOLUTION** the following:

   "RESOLVED THAT pursuant to Section 269 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII of the said Act, approval be and is hereby granted to the re-appointment of Mr. M. V. Kotwal, as the Whole-time Director of the Company for a period of five years with effect from August 27, 2010.

   RESOLVED FURTHER THAT Mr. M. V. Kotwal, in his capacity as the Whole-time Director, be paid remuneration as may be fixed by the Board, from time to time, within the limits approved by the members as per the details given in the explanatory statement."

11) To consider and, if thought fit, to pass with or without modification(s), as a **SPECIAL RESOLUTION** the following:

   "RESOLVED THAT subject to the provisions of Sections 198, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, the Non-Executive Directors of the Company be paid, in addition to the sitting fees for attending the meetings of the Board or Committees thereof, a commission of an amount not exceeding the limit of 1% of the net profits of the Company per annum in the aggregate as specified in the first proviso to Section 309(4) of the Companies Act, 1956, for a period of five years from the financial year 2010-2011.

   RESOLVED FURTHER THAT the quantum of commission payable to each of the Non-Executive Directors for each year may be decided by the Board as it may deem fit."

12) To consider and, if thought fit, to pass with or without modification(s), as a **SPECIAL RESOLUTION** the following:

   "RESOLVED THAT in supersession of all previous resolutions in this regard and in accordance with the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, Foreign Exchange Management Act, 1999, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ('SEBI Regulations'), Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed, enabling provisions in the Memorandum and Articles of Association of the Company as also provisions of any other applicable laws, rules and regulations (including any amendments thereto or re-enactments thereof for the time being in force) and subject to such approvals, consents, permissions and sanctions of the Securities and Exchange Board of India (SEBI), Government of India (GOI), Reserve Bank of India (RBI) and all other appropriate and/or concerned authorities, or bodies and subject to such conditions and modifications, as may be prescribed by any of them in granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company ('Board') (which term shall be deemed to include any Committee which the Board may have constituted or hereafter constitute for the time being exercising the powers conferred on the Board by this resolution), the Board be and is hereby authorized to offer , issue and allot in one or more tranches, to Investors whether Indian or Foreign, including Foreign Institutions, Non-Resident Indians, Corporate Bodies, Mutual Funds, Banks, Insurance Companies, Pensions Funds, Individuals or otherwise, whether shareholders of the Company or not, through a public issue and/or on a private placement basis, foreign currency convertible bonds and/ or equity shares through depository receipts and/or bonds with share warrants attached including by way of Qualified Institutions Placement ('QIP'), to Qualified Institutional

Buyers ('QIB') in terms of Chapter VIII of the SEBI Regulations, through one or more placements of Equity Shares/Fully Convertible Debentures (FCDs)/Partly Convertible Debentures (PCDs)/Non-Convertible Debentures (NCDs) with warrants or any securities (other than warrants) which are convertible into or exchangeable with equity shares at a later date (hereinafter collectively referred to as "Securities"), secured or unsecured so that the total amount raised through the Securities shall not exceed US$600 mn or INR 2700 crore, if higher (including green shoe option) as the Board may determine and where necessary in consultation with the Lead Managers, Underwriters, Merchant Bankers, Guarantors, Financial and/ or Legal Advisors, Rating Agencies/ Advisors, Depositories, Custodians, Principal Paying/Transfer/Conversion agents, Listing agents, Registrars, Trustees, Auditors, Stabilizing agents and all other Agencies/Advisors.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby also authorised to determine the form, terms and timing of the issue(s), including the class of investors to whom the Securities are to be allotted, number of Securities to be allotted in each tranche, issue price, face value, premium amount in issue/ conversion/ exercise/ redemption, rate of interest, redemption period, listings on one or more stock exchanges in India or abroad as the Board may in its absolute discretion deems fit and to make and accept any modifications in the proposals as may be required by the authorities involved in such issue(s) in India and/or abroad, to do all acts, deeds, matters and things and to settle any questions or difficulties that may arise in regard to the issue(s).

RESOLVED FURTHER THAT in case of QIP issue it shall be completed within 12 months from the date of this Annual General Meeting.

RESOLVED FURTHER THAT in case of QIP issue the relevant date for determination of the floor price of the Equity Shares to be issued shall be -

i) in case of allotment of equity shares, the date of meeting in which the Board decides to open the proposed issue.

ii) in case of allotment of eligible convertible securities, either the date of the meeting in which the Board decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the equity shares, as may be determined by the Board.

RESOLVED FURTHER THAT the Equity Shares so issued shall rank pari passu with the existing Equity Shares of the Company in all respects.

RESOLVED FURTHER THAT the Equity Shares to be offered and allotted shall be in dematerialized form.

RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of Securities the Board, be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in absolute discretion, deem necessary or desirable for such purpose, including without limitation, the determination of the terms thereof, for entering into arrangements for managing, underwriting, marketing, listing and trading, to issue placement/offer documents and to sign all deeds, documents and writings and to pay any fees, commissions, remuneration, expenses relating thereto and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to such offer(s) or issue(s) or allotment(s) as it may, in its absolute discretion, deem fit.

RESOLVED FURTHER THAT the Board be and is hereby authorised to appoint Lead Manager(s) in offerings of Securities and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memoranda, documents, etc. with Lead Manager(s).

RESOLVED FURTHER THAT the Company do apply for listing of the new Equity Shares as may be issued with the Bombay Stock Exchange Limited and National Stock Exchange of India Limited or any other Stock Exchange(s).

RESOLVED FURTHER THAT the Company do apply to the National Securities Depository Limited and/or Central Depository Services (India) Limited for admission of the above said Equity Shares.

RESOLVED FURTHER THAT the Board be and is hereby authorised to create necessary securities on such of the assets and properties (whether present or future) of the Company in respect of facilities obtained as above and to approve, accept, finalize and execute facilities, sanctions, undertakings, agreements, promissory notes, credit limits and any of the documents and papers in connection with availing of the above facilities.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred in such manner as they may deem fit."

13) To appoint Auditors and fix their remuneration and for that purpose to pass with or without modification(s), as a **SPECIAL RESOLUTION** the following:

"RESOLVED THAT the Company's Auditors, M/s Sharp & Tannan, Chartered Accountants (ICAI Registration No. 109982W), who retire but, being eligible, offer themselves for re-appointment, be and are hereby re-appointed as Auditors of the Company including all its branch offices for holding the office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting at a remuneration of Rs. 90,00,000/- (Rupees Ninety Lac Only) exclusive of service tax, traveling and other out of pocket expenses."

By order of the Board of Directors
For **LARSEN & TOUBRO LIMITED**

N. HARIHARAN
COMPANY SECRETARY

Mumbai, May 17, 2010

Registered Office:
L&T House, Ballard Estate,
Mumbai 400 001

Notes:

[a] The information required to be provided under the Listing Agreement entered into with various Stock Exchanges, regarding the Directors who are proposed to be appointed/re-appointed and the relative Explanatory Statement pursuant to Section 173[2] of the Companies Act, 1956 in respect of the business under items 9 to 13 set out above are annexed hereto.

[b] A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

[c] The Register of Members and Transfer Books of the Company will be closed from Thursday, August 19, 2010 to Thursday, August 26, 2010 (both days inclusive).

[d] Members are requested to furnish bank details, change of address etc. to Sharepro Services (India) Private Limited at Samhita Warehousing Complex, Bldg. No.13 A B, Gala No. 52 to 56, Near Sakinaka Telephone Exchange, Andheri - Kurla Road, Sakinaka, Mumbai - 400 072, who are the Company's Registrar and Share Transfer Agents so as to reach them latest by Wednesday, August 18, 2010, in order to take note of the same. In respect of members holding shares in electronic mode, the details as would be furnished by the Depositories as at the close of the aforesaid date will be considered by the Company. Hence, Members holding shares in demat mode should update their records at the earliest.

[e] All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company on all working days, except Saturdays, between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting.

[f] Members/Proxies should bring their attendance slips duly completed for attending the Meeting.

[g] Pursuant to Section 205A(5) of the Companies Act, 1956 the unpaid dividends that are due for transfer to the Investor Education and Protection Fund are as follows:

Dividend No.	Date of Declaration	For the year ended	Due for Transfer on
71	22.08.2003	31.03.2003	26.09.2010
72	23.09.2004	31.03.2004	29.10.2011
73 (Spl.)	25.10.2004	31.03.2005	01.12.2011
74	26.08.2005	31.03.2005	01.10.2012
75	25.08.2006	31.03.2006	30.09.2013
76 (Int.)	13.03.2007	31.03.2007	18.04.2014
77 (Spl.)	03.07.2007	31.03.2008	08.08.2014
78	24.08.2007	31.03.2007	29.09.2014
79	29.08.2008	31.03.2008	05.10.2015
80	28.08.2009	31.03.2009	04.10.2016

Members who have not encashed their dividend warrants pertaining to the aforesaid years may approach the Company/its Registrar, for obtaining payments thereof atleast 20 days before they are due for transfer to the said fund.

[h] **Investor Grievance Redressal:**

The Company has designated an exclusive e-mail id viz. **igrc@lth.ltindia.com** to enable Investors to register their complaints, if any.

EXPLANATORY STATEMENT

As required by Section 173(2) of the Companies Act, 1956, the following Explanatory Statement sets out material facts relating to the business under Item Nos. 9 to 13 of the accompanying Notice dated May 17, 2010.

Item No. 9 :

The Board of Directors of the Company at its Meeting held on February 26, 2010, re-appointed Mr. Y. M. Deosthalee, as a Whole-time Director of the Company with effect from March 3, 2010 upto and including September 5, 2011, subject to the approval of the members in the Annual General Meeting.

Mr. Y. M. Deosthalee is a qualified Chartered Accountant and holds a degree in law. He joined the Company in 1974 and has been with the Company since then. Through the years, he has held various offices all over the country till he became General Manager (Finance) in the year 1990. While handling the Finance portfolio, he was also in charge of Personnel & Human Resource Development (HRD). In March 1995, he was appointed on the Board of Directors of the Company as Senior Vice President (Finance). He is presently designated as the Chief Financial Officer of the Company.

Mr. Deosthalee was instrumental in setting up L&T Finance Limited, which is one of the leading NBFC's in the country today, engaged in asset backed lending. In the last few years, the Company has expanded its presence in the Financial Services sector. Under Mr. Deosthalee's leadership, the Company has started Infrastructure Project Finance, General Insurance and AMC businesses.

The Company has made a major foray into Infrastructure Project Development through its participation in the Government's Public Private Partnership programme. The Company today has concessions for many Roads, Ports and other assets. Mr. Deosthalee oversees the operations of this business.

Mr. Deosthalee plays an important role in providing strategic direction to Larsen & Toubro Infotech Limited, a subsidiary of the Company, offering software services to global customers. He continues to head the HRD function and was also instrumental in establishing Shared Services Centre in the Company.

Besides the above activities, Mr. Deosthalee is also on the Board of several Subsidiary and Associate companies of the Company.

He is a member of the Takeover Regulation Advisory Committee (TRAC) constituted by Securities and Exchange Board of India (SEBI) to review the SEBI (Substantial Acquisitions of Shares and Takeover) Regulations, 1997 (Takeover Regulations) and to suggest recommendations for amendment to the Takeover Regulations as it considers necessary. Mr. Deosthalee is also the Co-Chairman of FICCI's Committee on Corporate Finance.

Part III, of Schedule XIII of the Companies Act, 1956 provides that the appointment and remuneration of Managing Directors and Whole-time Directors in accordance with Part I and Part II of the Schedule shall be subject to approval by resolution of the shareholders in a General Meeting.

By a Special Resolution passed on September 23, 2004, and amended on August 25, 2006, the shareholders have fixed the maximum limits within which the Board was delegated authority to decide the remuneration of Whole-time Directors of the Company. Pursuant to this, the Board has fixed the remuneration payable to Mr. Y. M. Deosthalee during his tenure as Whole-time Director.

The agreement entered into by the Company with Mr. Y. M. Deosthalee, in respect of his re-appointment as Whole-time Director, contains terms and conditions of his re-appointment including remuneration.

As from March 3, 2010, during the period of this agreement and so long as the Whole-time Director performs his services as per the terms and conditions provided by this agreement, he shall be entitled to the following:

Salary : Rs.6,30,000 (Rupees Six Lakh Thirty Thousand only) per month in the scale of Rs.4,00,000 - Rs.25,000 - Rs.6,00,000 - Rs.30,000 - Rs.7,50,000, with the annual increment due on April 1 every year.

Commission : 0.125% of the profits after tax of the Company for and from the year 2009-10.

Perquisites : Upto Rs.15 lakh per annum including free furnished accommodation or upto Rs.12 lakh excluding free furnished accommodation.

Others : Company's contribution to retirement funds, official use of car / driver and communication facilities for Company's business.

The Resolution at Item No. 9 is proposed for approval of the members for re-appointment of Mr. Y. M. Deosthalee, as the Whole-time Director as contemplated by Part III of Schedule XIII of the Companies Act, 1956 and other applicable provisions, if any.

The Board recommends approval of the re-appointment of Mr. Y. M. Deosthalee, as Whole-time Director of the Company.

Mr. Y. M. Deosthalee, the Whole-time Director of the Company, being the appointee, is interested in the proposed Resolution.

The Agreement entered into with Mr. Y. M. Deosthalee will be open for inspection by members at the Registered Office of the Company on all working days [except Saturday] between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting.

This explanation together with the accompanying Notice is and should be treated as an abstract of the terms of re-appointment of Mr. Y. M. Deosthalee, as the Whole-time Director of the Company under Section 302 of the Companies Act, 1956.

Item No. 10 :

The Board of Directors of the Company at its Meeting held on May 17, 2010, re-appointed Mr. M. V. Kotwal, as a Whole-time Director of the Company for a period of five years with effect from August 27, 2010 upto and including August 26, 2015, subject to the approval of the members in the Annual General Meeting.

Mr. M. V. Kotwal is a graduate Mechanical Engineer from Sardar Patel College of Engineering, Mumbai. After graduation in Engineering in 1968, he joined the Company at Powai Works, Mumbai, as a junior engineer. After some years of training as a first-line supervisor in Light Fabrication Workshops at Powai, he was selected as part of a small group formed to execute orders for India's Nuclear Power Program. Mr. Kotwal was associated in various capacities with the manufacture of India's first Nuclear Power Reactor (235 MW) as well as all the critical reactor equipment. Starting with planning, he was later responsible for the entire manufacturing operations of Nuclear Power Equipment of the Company.

Mr. Kotwal's next major challenge was to manufacture Rocket Motor Casings for India's Space Research Program. He was given charge of the manufacture of casings for Satellite Launch Vehicles - SLV 3, ASLV as well as PSLV. He was part of a team

to select and order some special equipment after visiting a number of companies in the USA.

Mr. Kotwal underwent specialized training in the manufacture of critical Paper Machinery, at the works of M/s Voith-Germany and Cement Machinery at M/s F L Smidth - Denmark. A major expansion of the Company's manufacturing base was undertaken in Hazira. He was part of the team transferred in '86 to Hazira. He was associated with all activities including selection and installation of machinery, recruitment and training of manpower, transfer of manufacturing know-how from Powai and manufacturing activities in the workshops. Today, Hazira Works is recognized as one of the most advanced Heavy Fabrication facilities matching Global standards.

Currently, as a Member of the Board of L&T and Senior Executive Vice President heading the Heavy Engineering Division (HED), Mr. Kotwal is responsible for two Operating Companies - Heavy Equipment & Systems and Shipbuilding. The Heavy Equipment & Systems Operating Company comprises different Strategic Business Units dealing with Domestic as well as International business, covering Equipment & Systems for Refineries, Fertiliser & Chemical Process Plants, Power Plants, Nuclear Power, Defence and Aerospace industries. A number of Workshops & facilities located at Powai, Hazira, Baroda, Vizag, Bangalore, Coimbatore, Talegaon and Oman form part of the Operating Company. The Shipbuilding Operating Company includes an operating shipyard at Hazira and a large new shipyard under construction near Chennai.

Part III, of Schedule XIII of the Companies Act, 1956 provides that the appointment and remuneration of Managing Directors and Whole-time Directors in accordance with Part I and Part II of the Schedule, shall be subject to approval by resolution of the shareholders in a general meeting.

By a Special Resolution passed on September 23, 2004, and amended on August 25, 2006, the shareholders have fixed the maximum limits within which the Board was delegated authority to decide the remuneration of Whole-time Directors of the Company. Pursuant to this, the Board has fixed the remuneration payable to Mr. M. V. Kotwal during his tenure as Whole-time Director.

The agreement to be entered into by the Company with Mr. M. V. Kotwal, in respect of his re-appointment as Whole-time Director, would contain terms and conditions of his re-appointment including remuneration.

As from August 27, 2010, during the period of this agreement and so long as the Whole-time Director performs his services as per the terms and conditions provided by this agreement, he shall be entitled to the following:

Salary : Upto Rs.5,50,000 (Rupees Five Lakh Fifty Thousand only) per month in the scale of Rs.4,00,000 - Rs.25,000- Rs.6,00,000- Rs.30,000 - Rs.7,50,000 with annual increment due on April 1 every year.

Commission : 0.1% per annum on Profits After Tax of the Company for and from the year 2010-11.

Perquisites : Upto Rs.12 lakh per annum including free furnished accommodation or upto Rs.9 lakh excluding free furnished accommodation.

Others : Company's contribution to retirement funds, official use of car / driver and communication facilities for Company's business.

The Resolution at Item No. 10 is proposed for approval of the members for re-appointment of Mr. M. V. Kotwal, as the Whole-time Director as contemplated by Part III of Schedule XIII of the Companies Act, 1956 and other applicable provisions, if any.

The Board recommends approval of the re-appointment of Mr. M. V. Kotwal, as Whole-time Director of the Company.

Mr. M. V. Kotwal, the Whole-time Director of the Company, being the appointee, is interested in the proposed Resolution.

The Agreement to be entered into with Mr. M. V. Kotwal will be open for inspection by members at the Registered Office of the Company on all working days [except Saturday] between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting.

This explanation together with the accompanying Notice is and should be treated as an abstract of the terms of re-appointment of Mr. M. V. Kotwal, as the Whole-time Director of the Company under Section 302 of the Companies Act, 1956.

Item No. 11 :

Presently, the Non-Executive Directors are paid commission not exceeding Rs. 90 lac per annum in the aggregate in terms of the resolution passed by the shareholders at the Annual General Meeting held on August 26, 2005. The said approval was valid for a period of five years with effect from the financial year 2005-2006.

The roles and responsibilities of Non-Executive Directors have undergone significant changes under Corporate Governance norms and made it more onerous for them, demanding their greater involvement in the supervision of the Company.

The compensation payable to the Non-Executive Directors of companies should be adequate to attract independent professionals to take up these positions. This practice of payment of remuneration to Non-Executive Directors has been adopted by many leading companies in India.

The performance of the Company has also been very buoyant over the past few years.

The Company, as a part of its future growth strategy, intends to enlarge its business in the international markets. It would be in the interest of the Company to also have more expatriate expertise on its Board to build its brand in the international markets.

Hence, approval of the shareholders is sought to enable the Company to make payment of remuneration in the form of commission to Non-Executive Directors, commensurate with their enhanced role and involvement, in any case not exceeding the limit of 1% of the net profits of the Company per annum in the aggregate, as specified in the first proviso to Section 309(4) of the Companies Act, 1956. The quantum of remuneration payable to each of the Non-Executive Directors within the aforesaid limit will be decided by the Board of Directors from year to year. This Resolution will be effective for a period of five years from April 1, 2010.

The Directors recommend passing of the Resolution.

All the Non-Executive Directors are or deemed to be, interested in the Resolution.

Item No. 12 :

The Company, as a part of its future growth strategy aims to emerge as a focused and strong engineering and construction company. The Company would need to invest in expanding its facilities to support a growing order book. Growth in business would also require a larger level of long term working capital. In addition to growing its existing areas of business, the Company plans to enter into and expand its presence in other ventures including infrastructure development projects. The Company may also consider suitable opportunities for inorganic growth.

While it is expected that the internal generation of funds would partially finance this programme and debt raising would be

another source of funds, it is thought prudent for the Company to raise a part of the funding requirements for the said purposes as well as for such other corporate purposes as may be permitted under applicable laws through the issue of appropriate securities as defined in the resolution, in Indian or international markets.

It is, therefore, proposed to raise an amount not exceeding US$600 mn or INR 2700 crore, if higher in one or more tranches, on such terms, in such manner, at such price or prices and at such time as may be considered appropriate by the Board, from the various categories of investors in the Indian or international markets as set out in the resolution.

The fund raising programme may be through a mix of equity / equity-linked instruments, as may be appropriate. Members' approval is sought for the issue of securities linked to or convertible into Equity Shares of the Company. Section 81 of the Companies Act, 1956, provides, inter alia, that whenever it is proposed to increase the subscribed capital of a company by allotment of further shares, such further shares shall be offered to the persons who on the date of the offer are holders of the equity shares of the company in proportion to the capital paid-up on those shares at that date unless the shareholders in a general meeting decide otherwise. The Listing Agreement executed by the Company with the Stock Exchanges also provides that the Company shall, in the first instance, offer all Securities for subscription pro rata to the Shareholders unless the Shareholders in a general meeting decide otherwise. Members' approval is sought for issuing any such instrument as the Company may deem appropriate to parties other than the existing shareholders. Whilst no specific instrument has been identified at this stage, in the event the Company issues any equity linked instrument, the issue will be structured in a manner such that the additional share capital that may be issued would not be more than 5% of the paid-up capital of the Company (as at the date when the Board recommended passing of the Special Resolution). The equity shares, if any, allotted on issue, conversion of Securities or exercise of warrants shall rank in all respects pari passu with the existing Equity Shares of the Company.

The raising of the above resources would be well within the borrowing limit of Rs.2000 crore over and above the aggregate of paid up capital and free reserves of the Company as approved by the Members at the Annual General Meeting of the Company held on 21st August, 1989.

The Company may also opt for issue of securities through Qualified Institutions Placement. A Qualified Institutions Placement (QIP) of the shares of the Company would be less time consuming and more economical.

Accordingly, the Company may issue securities by way of a QIP in terms of Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ('SEBI Regulations'). These securities will be allotted only to Qualified Institutional Buyers (QIBs) as per the SEBI Regulations and there will be no issue to retail individual investors and existing retail shareholders. The resolution proposed is an enabling resolution and the exact price, proportion and timing of the issue of the securities will be decided by the Board based on an analysis of the specific requirements after consulting all concerned. Therefore, the proposal seeks to confer upon Board the absolute discretion to determine the terms of issue in consultation with the Lead Managers to the Issue.

As per Chapter VIII of the SEBI Regulations, an issue of securities on QIP basis shall be made at a price not less than the average of the weekly high and low of the closing prices of the related shares quoted on the stock exchange during the two weeks preceding the "relevant date".

The "relevant date" for the above purpose, shall be -

i) in case of allotment of equity shares, the date of meeting in which the Board decides to open the proposed issue

ii) in case of allotment of eligible convertible securities, either the date of the meeting in which the Board decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the equity shares, as may be determined by the Board.

The Stock Exchange for the same purpose is the Bombay Stock Exchange Limited / National Stock Exchange of India Limited.

In accordance with the SEBI Regulations, special resolution of shareholders under Section 81(1A) of the Companies Act, 1956 is required for a QIP Issue. In case of QIP Issuance the special resolution has a validity period of 12 months before which allotments under the authority of said resolution should be completed.

The Board of Directors recommend passing of the Special Resolution.

None of the Directors is in any way concerned or interested in the proposed resolution except to the extent of his/her holding of equity shares in the Company.

Item No. 13 :

Section 224A of the Companies Act, 1956 provides that in the case of a company in which not less than 25% of the subscribed share capital is held whether singly or in any combination, by:

a] a public financial institution or a Government company or Central Government or any State Government, **or**

b] any financial or other institution established by any Provincial or State Act in which a State Government holds not less than 51% of the subscribed share capital, **or**

c] a nationalized bank or an insurance company carrying on general insurance business;

the appointment or re-appointment at each Annual General Meeting of an Auditor or Auditors shall be made by a Special Resolution.

The total share capital held by public financial institutions, nationalized banks and nationalized insurance companies is over 25% of the subscribed share capital of the Company. It is therefore necessary that the re-appointment of Sharp & Tannan, Auditors should be made by a Special Resolution.

The Auditors, have informed us vide letter dated May 13, 2010, that their appointment if made would be within the limits prescribed u/s. 224(1B) of the Companies Act, 1956.

The Auditors have confirmed that they have subjected themselves to the peer review process of Institute of Chartered Accountants of India (ICAI) and hold valid certificate issued by the Peer Review Board of the ICAI.

The Directors recommend the Resolution for approval of the shareholders.

None of the Directors of the Company is concerned or interested in the Resolution.

By order of the Board of Directors
For **LARSEN & TOUBRO LIMITED**

N. HARIHARAN
COMPANY SECRETARY

Mumbai, May 17, 2010

Registered Office:
L&T House, Ballard Estate,
Mumbai 400 001

LARSEN & TOUBRO

It's all about Imagineering

(ANNEXURE TO NOTICE DATED MAY 17, 2010)

DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

(PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT)

Name of the Director	**Mr. J. P. Nayak**	**Mr. Y. M. Deosthalee**	**Mr. M. V. Kotwal**	**Mr. M. M. Chitale**
Date of Birth	November 13, 1943	September 6, 1946	October 10, 1948	November 16, 1949
Date of Appointment on the Board	March 3, 1995	March 3, 1995	August 27, 2005	July 6, 2004
Qualifications	Graduate in Mechanical Engineering and Post Graduate Diploma in Production Engineering	B. Com, L.L.B., A.C.A.	B. E. - Mech, University of Mumbai	B.Com, F.C.A.
Expertise	General Management and Manufacturing & Marketing of Construction/Industrial Equipment and Cement	Vast experience in the fields of Finance and Infotech Business; General Management	Vast experience in Heavy Engineering business including manufacture of critical equipment for Nuclear Power and Space Research Program	Vast experience in the field of Finance and Accounts
Directorships held in other public companies (excluding foreign and private companies)	1. Audco India Limited 2. L&T Plastics Machinery Limited 3. Tractor Engineers Limited 4. L&T Strategic Management Limited 5. Ewac Alloys Limited 6. L&T-Komatsu Limited 7.. NAC Infrastructure Equipment Limited 8. L&T Natural Resources Limited	1. L&T Finance Limited 2. L&T Power Development Limited 3. Larsen & Toubro Infotech Limited 4. L&T Infrastructure Finance Company Limited 5. L&T Infrastructure Development Projects Limited 6. L&T General Insurance Company Limited 7. The Dhamra Port Company Limited 8. L&T Capital Holdings Limited 9. L&T Mutual Fund Trustee Limited	-	1. ASREC (India) Limited 2. Ram Ratna Wires Limited 3. Shriram Transport Finance Company Limited 4. ONGC Mangalore Petrochemicals Limited 5. ONGC Petro Additions Limited 6. ITZ Cash Card Limited 7. Essel Propack Limited 8. Foseco India Limited
Chairmanships/ Memberships of committees across public companies	**Chairman** Audit Committee - 1. Tractor Engineers Limited 2. Audco India Limited 3. Ewac Alloys Limited 4. L&T-Komatsu Limited 5. L&T Plastics Machinery Limited **Member** Shareholders'Grievance Committee - 1. Larsen & Toubro Limited	**Chairman** Audit Committee - 1. L&T Finance Limited 2. Larsen & Toubro Infotech Limited 3. The Dhamra Port Company Limited 4. L&T Infrastructure Development Projects Limited 5. L&T Capital Holdings Limited **Member** Audit Committee - 1. L&T General Insurance Company Limited 2. L&T Mutual Fund Trustee Limited	-	**Chairman** Audit Committee - 1. Larsen & Toubro Limited 2. ITZ Cash Card Limited 3. Foseco India Limited **Member** Audit Committee - 1. ASREC (India) Limited 2. Ram Ratna Wires Limited 3. Shriram Transport Finance Company Limited 4. Essel Propack Limited Shareholders'/Investors' Grievance Committee - 1. Foseco India Limited
Shareholding of Non-Executive Directors	Not Applicable	Not Applicable	Not Applicable	550 Shares
Relationships between directors inter-se	Nil	Nil	Nil	Nil

(ANNEXURE TO NOTICE DATED MAY 17, 2010)

DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING (PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT)

Name of the Director	**Mr. N. Mohan Raj**	**Mr. Subodh Bhargava**	**Mrs. Bhagyam Ramani**
Date of Birth	November 29, 1953	March 30, 1942	January 9, 1952
Date of Appointment on the Board	May 29, 2007	July 3, 2007	July 19, 2007
Qualifications	M.A. (Economics)	Mechanical Engineering [University of Roorkee]	M.A. (Economics), Mumbai University
Expertise	Vast experience in the fields of Insurance, Marketing, Investment, Mutual Funds and Administration	Mr. Subodh Bhargava, a Mechanical Engineer is Chairman Emeritus of Eicher Group. He has held and continues to hold many important positions with various Government Committees and in the field of Education with close association in technical and management education in India	Has 30 years of experience in Investment Operations & presently Director and General Manager in charge of Investment & Accounts in GIC
Directorships held in other public companies (excluding foreign and private companies)	1. HEG Limited	1. Wartsila India Limited 2. Tata Communications Limited 3. Tata Steel Limited 4. Samtel Color Limited 5. TRF Limited 6. Carborundum Universal Limited 7. GlaxoSmithKline Consumer Healthcare Limited 8. Batliboi Limited 9. SRF Limited 10. Tata Motors Limited 11. Wireless - TT Info Services Limited	1. General Insurance Corporation of India 2. IDBI Trusteeship Services Limited 3. Agricultural Insurance Company Limited 4. National Stock Exchange of India Limited
Chairmanships /Memberships of committees across public companies	**Member** Audit Committee - 1. Larsen & Toubro Limited 2. HEG Limited	**Chairman** Audit Committee - 1. Samtel Color Limited 2. Carborundum Universal Limited 3. GlaxoSmithKline Consumer Healthcare Limited 4. Tata Steel Limited **Member** Audit Committee - 1. Tata Communications Limited 2. Wartsila India Limited 3. TRF Limited 4. SRF Limited 5. Batliboi Limited	**Member** Audit Committee - 1. Larsen & Toubro Limited Audit & Investment Committee - 1. IDBI Trusteeship Services Limited 2. Agricultural Insurance Company Limited
Shareholding of Non-Executive Directors	*200 Shares	500 Shares	**200 Shares
Relationships between directors inter-se	Nil	Nil	Nil

* held jointly with LIC

** held jointly with GIC

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VISION

L&T shall be a professionally-managed
Indian multinational,
committed to total customer satisfaction
and enhancing shareholder value.

L&T-ites shall be an innovative,
entrepreneurial and empowered team
constantly creating value
and attaining global benchmarks.

L&T shall foster a culture of caring,
trust and continuous learning
while meeting expectations of
employees, stakeholders and society.

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