



LARSEN & TOUBRO LIMITED

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

CIN: L99999MH1946PLC004768

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**Meeting of the Equity Shareholders of
Larsen & Toubro Limited Convened by the National Company Law Tribunal
to be held on Tuesday, March 14, 2017 at 11.00 A.M.
at Birla Matushri Sabhagar 19, New Marine Lines, Mumbai - 400 020.**

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BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH
FORM NO. CAA 2 [Pursuant to Section 230(3) and Rule 6]
COMPANY APPLICATION NO. 3 OF 2016

In the matter of:

The Companies Act, 2013;

And

In the matter of:

Sections 230 to 232 and other relevant provisions of the Companies Act, 2013;

And

In the matter of Scheme of Arrangement between Larsen & Toubro Limited (the Transferor Company/ Demerged Company) and L&T Valves Limited (the Transferee Company/ Resulting Company) and their respective Shareholders and Creditors

Larsen & Toubro Limited, a company incorporated)
under the provisions of the Companies Act, 1913 and)
having its Registered Office at L&T House, Ballard Estate,)
Mumbai – 400 001, Maharashtra) Applicant Company

NOTICE CONVENING MEETING OF THE EQUITY SHAREHOLDERS OF THE APPLICANT COMPANY

To,

The Equity Shareholders of Larsen & Toubro Limited ("**the Company**")

Notice is hereby given that by an order dated February 3, 2017, the Mumbai Bench of the National Company Law Tribunal ("Tribunal") has directed a meeting to be held of the equity shareholders of the Company for the purpose of considering, and if thought fit, approving with or without modification, the scheme of arrangement between Larsen & Toubro Limited ("**Transferor Company**" or "**Applicant Company**") and L&T Valves Limited ("**Transferee Company**") and their respective shareholders and creditors which, provides for transfer of the Coimbatore Undertaking of the Applicant Company as a going concern to the Transferee Company under Sections 230-232 of the Companies Act, 2013 (hereinafter referred to as the "**Scheme**")

In pursuance of the said order and as directed therein, further notice is hereby given that a meeting of the equity shareholders of the Company will be held at Birla Matushri Sabhagar, 19 New Marine Lines, Mumbai – 400020 on Tuesday, the 14th day of March 2017 at 11.00 A.M at which time and place the said members are requested to attend.

Copies of the aforesaid Scheme of Arrangement and of the statement under Section 230 of the Companies Act, 2013 can be obtained free of charge at the registered office of the Company. Persons entitled to attend and vote at the meeting may vote in person or by proxy, provided that all proxies in the prescribed form are deposited at the registered office of the Company at L&T House, N.M Marg, Ballard Estate, Mumbai – 400001 not later than 48 hours before the meeting.

The Form of proxy free of charge can be obtained from the registered office of the Company.

The Tribunal has appointed Mr. A. M. Naik, Group Executive Chairman of the Applicant Company, failing whom Mr. S.N. Subrahmanyam, Deputy Managing Director & President of the Applicant Company, failing whom Mr. R. Shankar Raman, Whole-time Director & Chief Financial Officer of the Applicant Company, as the Chairperson of the said meeting. The above mentioned Scheme of Arrangement, if approved at the meeting, will be subject to the subsequent approval of the Tribunal.

A. M. Naik

Dated this 3rd day of February, 2017

Chairman appointed for the meeting

Registered Office:

L&T House, Ballard Estate,
Mumbai – 400 001, Maharashtra.

Notes:

1. All alterations made in the Form of Proxy should be initialed.
2. Only registered equity shareholders of the Applicant Company may attend and vote [either in person or by proxy (a proxy need not be a shareholder of the Applicant Company) or in the case of a body corporate, by a representative authorised under Section 113 of the Companies Act, 2013] at the meeting of the equity shareholders of the Applicant Company. The authorised representative of a body corporate which is a registered equity shareholder of the Applicant Company may attend and vote at the meeting of the equity shareholders of the Applicant Company provided a certified true copy of the resolution of the board of directors or other governing body of the body corporate authorising such representative to attend and vote at the meeting of the equity shareholders of the Applicant Company is deposited at the registered office of the Applicant Company not later than 48 (forty eight) hours before the scheduled time of the commencement of the meeting of the equity shareholders of the Applicant Company. The Form of Proxy can be obtained free of charge at the registered office of the Applicant Company. A person can act as a proxy on behalf of not more than 50 (fifty) shareholders holding in aggregate, not more than 10% (ten percent) of the total share capital of the Applicant Company. Shareholders holding more than 10% (ten percent) of the total share capital of the Applicant Company may appoint a single person as proxy, who shall not act as a proxy for any other shareholder.
3. During the period beginning 24 (twenty four) hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a shareholder would be entitled to inspect the proxies lodged at any time during the business hours of the Applicant Company, provided that not less than 3 (three) days of notice in writing is given to the Applicant Company.
4. The Notice convening the meeting will be published through advertisement in Free Press Journal in the English language and translation thereof in Navshakti in the Marathi language (both Mumbai Editions).
5. The quorum of the meeting of the equity shareholders of the Applicant Company shall be 30 (Thirty) equity shareholders of the Applicant Company, present in person.
6. The businesses as set out in the Notice may be transacted through electronic voting system and the Company will provide a facility for voting by electronic means. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Standard 2 of the Secretarial Standards on General Meetings and Reg. 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer the facility of voting through electronic means, as an alternate, to all its Members to enable them to cast their votes electronically.
7. The facility of casting the votes by the members using the electronic voting system from a place other than venue of the Meeting (remote e-voting) will be provided by National Securities Depository Limited (NSDL). The facility for voting shall be made available at the meeting and the Members attending the Meeting who have not cast their vote through remote e-voting shall be able to exercise their right at the meeting. Please note that remote e-voting is optional for shareholders.
8. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date of Friday, January 27, 2017 shall be entitled to avail the facility of remote e-voting or voting at the Meeting. Persons who are not members as on the cut-off date should treat this notice for information purposes only.
9. The Notice will be displayed on the website of the Company www.larsentoubro.com and on the website of NSDL.
10. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
11. The remote e-voting period commences on Friday, March 10, 2017 at 9.00 A.M and ends on Monday, March 13, 2017 at 5.00 P.M. During this period members of the Company holding shares either in physical or dematerialised form, as on the cut-off date of January 27, 2017 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter.
12. Members are requested to follow the instructions below to cast their vote through e-voting:
 - A. In case a Member receives an e-mail from NSDL (for Members whose e-mail addresses are registered with the Company/Depository Participants):

- i. Open the e-mail and also open PDF file namely "L&T remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for remote e-voting. Please note that the password is an initial password.
 - ii. Open the internet browser and type the following URL: <https://www.evoting.nsdl.com>.
 - iii. Click on Shareholder — Login.
 - iv. If you are already registered with NSDL for e-voting then you can use your existing user ID and password. In case you don't remember your password, you can reset your password by using "Forgot User Details/ Password" option available on www.evoting.nsdl.com
 - v. If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password. Click Login.
 - vi. The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.
 - vii. Once the remote e-voting home page opens, click on remote e-voting> Active Voting Cycles.
 - viii. Select "EVEN" (E-Voting Event Number) of Larsen & Toubro Limited. Now you are ready for e-voting as Cast Vote page opens.
 - ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when, prompted.
 - x. Upon confirmation, the message "Vote cast successfully" will be displayed.
 - xi. Once the vote on the resolution is cast, the Member shall not be allowed to change it subsequently.
 - xii. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPEG format) of the relevant Board Resolution/ Authority letter etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to scrutinizer@snaco.net, with a copy marked to evoting@nsdl.co.in.
 - xiii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) - Shareholders and remote e-voting user manual - Shareholders, available at the downloads section of www.evoting.nsdl.com.
- B. In case a Member receives physical copy of the meeting (for Members whose email addresses are not registered with the Company/Depository Participants):
- i. Initial password, is provided as below, in the enclosed attendance slip:
- | EVEN (E-Voting Event Number) | User ID | Password |
|-------------------------------------|----------------|-----------------|
| | | |
- ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xiii) above, to cast vote.
13. A registered equity shareholder or his proxy, attending the meeting, is requested to bring the Attendance Slip duly completed and signed.
 14. Registered equity shareholders who holds shares in dematerialized form and who are attending the meeting are requested to bring their Client ID and DP ID for easy identification.
 15. Registered equity shareholders are informed that in case of joint holders attending the meeting, only such joint holder whose name stands first in the register of shareholders of the Applicant Company/ list of beneficial owners as received from NSDL in respect of such joint holding, will be entitled to vote.
 16. The Company has appointed Mr. S. N. Ananthasubramanian, Practicing Company Secretary, (Membership No. 4206) or failing him Mrs. Aparna Gadgil, Practicing Company Secretary, (Membership No. 14713), to act as the Scrutinizer for conducting the voting and remote e-voting process in a fair and transparent manner.
 17. The Scrutinizer shall after the conclusion of voting at the General Meeting, will first count the votes cast at the Meeting and unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make not later than three days of the conclusion of the meeting a Consolidated Scrutinizer's

Report of the total votes cast in favour or against and invalid votes if any, forward to the Chairman of the Meeting, who shall countersign the same and declare the result of the voting forthwith.

18. A Member can opt for only one mode of voting i.e. either through remote e-voting or at the Meeting. If a Member casts votes by both modes, then voting done through remote e-voting shall prevail.
19. The Scrutinizer will submit his report to the Chairman after completion of the scrutiny. The result of the voting on the Resolutions at the Meeting shall be announced by the Chairman immediately after the results are declared.
20. The results declared alongwith the Scrutinizer's report, will be posted on the website of the Company www.larsentoubro.com and on the website of NSDL and will be displayed on the Notice Board of the Company at its Registered Office as well as Corporate Office immediately after the declaration of the result by the Chairman and will be communicated to the Stock Exchanges.
21. The documents referred to in the accompanying Explanatory Statement shall be open for inspection by the equity shareholders at the registered office of the Applicant Company between 11.00 a.m. and 01.00 p.m. upto the date of the meeting on all days (except Saturdays, Sundays and public holidays).

Encl.: As above

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH
COMPANY APPLICATION NO. 3 OF 2016

In the matter of:

The Companies Act, 2013;

And

In the matter of:

Sections 230 to 232 and other relevant provisions of the Companies Act, 2013;

And

In the matter of Scheme of Arrangement between Larsen & Toubro Limited (the Transferor Company/ Demerged Company) and L&T Valves Limited (the Transferee Company/ Resulting Company) and their respective Shareholders and Creditors

Larsen & Toubro Limited, a company incorporated)
under the provisions of the Companies Act, 1913 and)
having its Registered Office at L&T House, Ballard Estate,)
Mumbai – 400 001, Maharashtra) Applicant Company

STATEMENT UNDER SECTION 230(3) OF THE COMPANIES ACT, 2013

1. In this statement Larsen & Toubro Limited is referred to as the “Transferor Company” and L&T Valves Limited is referred to as the “Transferee Company”. The other definitions contained in the Scheme of Arrangement between the Transferor Company and the Transferee Company and their respective shareholders and creditors (hereinafter referred to as the “**Scheme**”) will also apply to this statement under Section 230 of the Companies Act, 2013 (“**Explanatory Statement**”).
2. A copy of the Scheme between the Transferor Company and the Transferee Company setting out the terms and conditions of the Scheme is attached to this Explanatory Statement.
3. Pursuant to the Order dated the 3rd day of February, 2017 passed by the Hon’ble National Company Law Tribunal, Mumbai Bench in Company Application referred to above, a meeting is being convened on, Tuesday, the 14th day of March, 2017 at 11.00 A.M. at Birla Matushri Sabhagar 19, New Marine Lines, Mumbai - 400 020, of the Equity Shareholders of the Transferor Company for the purpose of considering and, if thought fit, approving, the Scheme between the Transferor Company and the Transferee Company and their respective shareholders and creditors.

OVERVIEW

4. The proposed Scheme envisages the transfer of the Coimbatore Undertaking (as defined under the Scheme) of the Transferor Company as a going concern to the Transferee Company and the consequent payment of cash consideration by the Transferee Company to the Transferor Company under Sections 230–232 and other applicable provisions of the Act with effect from April 1, 2016 (the “**Appointed Date**”).

BACKGROUND

5. The Transferor Company is a public limited company and was incorporated on February 7, 1946 under the Companies Act, 1913.
6. The registered office of the Transferor Company is at L&T House, Ballard Estate, Mumbai – 400 001, Maharashtra. The email address of the Transferor Company is igrc@larsentoubro.com
7. The equity shares of Larsen & Toubro Limited are listed on BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”).
8. The Corporate Identity Number of Larsen & Toubro Limited is L99999MH1946PLC004768. Larsen & Toubro Limited along with its nominees hold 100% of the paid-up equity share capital of L&T Valves Limited.
9. The Permanent Account Number of Larsen & Toubro Limited is AAACL0140P.

10. The objects for which the Transferor Company has been established are set out in its Memorandum of Association. The same are briefly set out hereunder:
- To acquire and take over as a going concern the business of engineers, manufactures, merchants and agents now carried on at Bombay and elsewhere in India under the Style of firm or Larsen & Toubro and all or any of the assets and liabilities of that business in connection therewith, and with a view thereto to enter into the agreement referred to in Clause 3 of the Company's Articles of Association, and to carry the same into effect with or without modification.
 - To carry on business as civil, mechanical, electrical, chemical and agricultural engineers, as manufacturers, and as importers and exporters, commission agents (and merchants and as agents for ship and ship-owners and as agents) for foreign manufactures and merchants.
 - To obtain exploit sole or other agencies for, and sell, buy and deal in all kind of machinery, tools, implements and equipment, tractors, bulldozers, engines, locomotives, wagons, rolling stock, motor and steam vehicles, conveyances, of all kinds, bicycles, refrigerating and air conditioning plants, and to repair and maintain the same, whether belonging to this Company or not.
 - To carry on business of punching and programming services termed 'software' by methods of system analysis or other similar methods and by the use and employment of computer and other electronic devices involving technical data compilation and processing and sale thereof in India or elsewhere.
 - To carry on in India or elsewhere anywhere any other engineering and/or contracting business, and in particular to arrange, procure, give on hire or loan for consideration or otherwise, the services of skilled and unskilled personnel for construction services.
11. The Transferor Company is primarily engaged in engineering, construction and manufacturing.
12. The capital structure of the Transferor Company as on March 31, 2016, was as set out below:

Particulars	Rupees
Authorized Share Capital	
1,625,000,000 Equity Shares of Rs. 2/- each	3,250,000,000
Total	3,250,000,000
Issued, Subscribed and Paid-up Share Capital	
931,478,845 Equity Shares of Rs. 2/- each	1,862,957,690
Total	1,862,957,690

The following changes have been made to the capital structure after March 31, 2016.

Issue of Equity Shares under Employee Stock Option Schemes-1,486,958 Equity Shares of Rs. 2 each aggregating to Rs. 2,973,916/-.

The present issued, subscribed and paid up share capital of the Company is 932,965,803 equity shares of Rs. 2 each.

13. The Transferor Company is a widely held public limited company and does not have any identifiable promoter.
14. Name and Address of the Directors of the Transferor Company:

SR. NO	NAME AND DESIGNATION OF THE DIRECTOR	ADDRESS
1.	Mr. Anilkumar Manibhai Naik (Group Executive Chairman)	High Trees, 54, Pali Hill, Bandra, Mumbai 400 050.
2.	Mr. Sekharipuram Narayanan Subrahmanyam (Deputy Managing Director & President)	E-116, 16th Cross Street, Besant Nagar, Chennai 600 090

SR. NO	NAME AND DESIGNATION OF THE DIRECTOR	ADDRESS
3.	Mr. Ramamurthi Shankar Raman (Whole-Time Director & Chief Financial Officer)	Flat No.123, 12th Flr, Kalpataru Royale CHS Ltd., Plot 110, Rd. No29, Sion (E) Mumbai 400022
4.	Mr. Shailendra Roy (Whole-Time Director & Senior Executive Vice President) (Power, Heavy Engg. & Defence)	603, Kalpana, Opp. Ramakrishna Mission Hospital, 11th Road, Khar West Mumbai 400 052
5.	Mr. Dip Kishore Sen (Whole-time Director & Sr. Executive President) (Infrastructure)	Flat No.10, Nirman, JVPD Scheme, Juhu, Mumbai 400 049
6.	Mr. Maddur Venkatarao Satish (Whole-time Director & Sr. Executive Vice President) (Buildings, Minerals & Metals)	C-142, Commanders Court, No.49, Ethiraj Salai, Egmore, Chennai 600008
7.	Mr. Mukund Manohar Chitale (Independent Director)	4/43, Vishnu Prasad, Co-op. Hsg. Soc., Shahaji Raje Marg Vile Parle(E), Mumbai –400057
8.	Mr. Subodh Kumar Bhargava (Independent Director)	A-15/1, DLF City Phase-I, GURGAON 122002, (HARYANA)
9.	Mr. Meleveetil Damodaran (Independent Director)	D- 8/3, D- Block, Vasant Vihar, New Delhi – 1100057
10.	Mr. Vikram Singh Mehta (Independent Director)	23 Friends Colony (West), New Delhi 110065
11.	Mr. Sushobhan Sarker (Nominee of LIC)	Kalpataru Sparkle, B Wing, Flat No.144, MIG Colony, Gandhinagar, Bandra East,Mumbai 400051
12.	Mr. Adil Siraj Zainulbhai (Independent Director)	The Imperial Apartment, Flat No. 4701, B.B. Nakashe Marg, Tardeo, Mumbai 400 034
13.	Mr. Akhilesh Krishna Gupta (Independent Director)	4403, South Tower, The Imperial, B.B Nakashe Marg, Tardeo Mumbai - 400 034
14.	Mrs. Sunita Sharma (Nominee of LIC)	D-5, Jeevan Jyot, Setalwad Lane, Napean Sea Road, Mumbai 400 006
15.	Mr. Thomas Mathew Thumpeparambil (Independent Director)	19A11, Bldg 19A, Kohinoor city, Kirol Road, Off LBS Marg, Kurla West, Mumbai- 400070.
16.	Mr. Ajay Shankar (Independent Director)	202, Tower 34, CWG Village, Delhi 110 092
17.	Mr. Subramanian Sarma (Non-Executive Director)	505, Marina Residence, Palm Jumeirah, Dubai, U.A.E.
18.	Mrs. Naina Lal Kidwai (Independent Director)	Mustail 29, Killa No.13, Opp. DIG Farm, Village Jaunpur, Mehrauli, New Delhi 110 047
19.	Mr. Sanjeev Aga (Independent Director)	1301, Kavita Kunj, CHS Ltd., Sanskar, Plot No.19, TPS IV, 3rd Road, Near Almeida Park, Bandra (West), Mumbai 400 050
20.	Mr. Narayanan Kumar (Independent Director)	No.1, George Avenue, Alwarpet, Chennai

15. The Transferee Company is a public limited company and was incorporated on November 23, 1961 under the provisions of the Companies Act, 1956 in the name of Audco India Limited. On April 18, 2013, the Transferee Company, with the approval of the Central Government, changed its name to L&T Valves Limited. The Corporate Identity Number of L&T Valves Limited is U74999MH1961PLC012188

16. The registered office of the Transferee Company is situated at L&T House, Ballard Estate, Mumbai – 400 001, Maharashtra. The email address of the Transferee Company is VNathan.S@Intvalves.com.
17. The Permanent Account Number of L&T Valves Ltd. is AAACA9647E.
18. The objects for which the Transferee Company has been established are set out in its Memorandum of Association. The same are briefly set out hereunder:
 - (a) To carry on all or any of the business of importers, exporters, manufacturers of and dealers in lubricated plug valves, plug cocks and all other types of valves and cocks and all other apparatus used in engineering including chemical and petroleum engineering;
 - (b) To carry on all or any of the business as electrical and mechanical engineers or consultants and manufacturers of machinery, tool-makers, pattern makers, iron-founders, metal-workers, valve manufacturers, cock-makers, mill wrights, machinists, iron and steel makers and converters, smiths metallurgists, water-supply engineers, gas-makers, carriers and merchants, and to buy, sell, manufacture and repair, convert, alter, let on hire, and deal in machinery, implements, apparatus and hardware of all kinds.
19. The Transferee Company is a wholly owned subsidiary of the Transferor Company and is, inter alia, engaged in the business of manufacturing and marketing mainly Gate, Globe & Check (GGC) Valves and Flow Control Valves. L&T Valves, earlier known as AUDCO India Limited, was a 50:50 Joint Venture between the Company and Flowserve Corporation, USA. In 2013, the Company had purchased the 50% stake of the JV Partner and consolidated the Company's Valves business, comprising the Valves Marketing and Manufacturing Units, in L&T Valves Limited. The Transferee has three modern manufacturing units, in Sriperumbudur, Coimbatore and Kancheepuram.
20. The capital structure of the Transferee Company as on March 31, 2016, was as set out below:

Particulars	Rupees
Authorized Share Capital	
75,00,000 Equity Shares of Rs. 100/- each	75,00,00,000
Total	75,00,00,000
Issued, Subscribed and Paid-up Share Capital	
18,00,000 Equity Shares of Rs. 100/- each	18,00,00,000
Total	18,00,00,000

The capital structure of the Transferee Company has not changed since March 31, 2016.

21. Name and Address of the Directors of the Transferee Company:

SR. NO	NAME AND DESIGNATION OF THE DIRECTOR	ADDRESS
1.	Mr. Pathik Rajmalbhai Kothari (Non-Executive Director)	Lohtse Co-op Hsg Society Flat 3A, Ruia Park, Juhu Mumbai 400049
2.	Mr. Subramanian Ramakrishnan Subramanian (Non-Executive Director)	4G, K G Srivatsava Gardens, 9, South Avenue Road, Srinagar Colony, S Aidapet Chennai 600015
3.	Mr. N.V. Venkatasubramanian (Non-Executive Director)	6D and E, KG Towers, 30 and 30A, 100 Feet Bypass Road, Velacherry Chennai 600042
4.	Mr. Nugahalli Krishna Ranganath (Independent Director)	Apt 5, Sreshtha Apartments, Old No:57 Subramaniya Street, Abhiramapuram Chennai 600018
5.	Ms. Siva Kameswari Vissa (Independent Director)	Old no.48 New No.53 Flat F Akshaya Homes 3rd Main Road Gandhi - Nagar Adyar Chennai 600020

RATIONALE AND BENEFITS

The demerger and vesting of the Coimbatore Undertaking of the Transferor Company to the Transferee Company pursuant to this Scheme shall, inter alia, result in following benefits:

- (a) in case of the Transferor Company, helping the Transferor Company in creation of value for the shareholders of the Transferor Company.
- (b) In case of the Transferee Company:
 - i. creating value by acquiring additional facilities; and
 - ii. availability of increased resources and assets which can be utilized to enhance and grow the business of the Transferee Company.

SALIENT FEATURES OF THE SCHEME

The salient features of the Scheme are, inter alia, as under:

- a. The Scheme provides for the transfer of the Coimbatore Undertaking (as defined under the Scheme) to a wholly owned subsidiary of the Company, L&T Valves Limited.
- b. The Appointed Date for the Scheme is fixed as the opening of business hours on 1st April, 2016
- c. The Effective Date for the Scheme will be the date of filing of the order of the Hon'ble Tribunal with the Registrar of Companies, Maharashtra, Mumbai.
- d. As a consideration of the transfer of the Coimbatore Undertaking, L&T Valves Limited will be required to pay to the Transferor/ Applicant Company a cash consideration of Rs. 43.79 crore (Rupees Forty Three Crore Seventy Nine Lakh only) based on the net asset value of the Coimbatore Undertaking.
- e. Neither L&T Valves Limited nor the Applicant Company shall issue any shares as part of the Scheme

N.B. – The shareholders are requested to read the entire text of the Scheme attached herewith to get better acquainted with the provisions thereof. What is stated hereinabove are brief salient features.

GENERAL

- 22. The Scheme would not be prejudicial to the interests of the creditors (secured and unsecured) of either of the companies. There is no likelihood that any secured or unsecured creditor of either of the companies would lose or be prejudiced as a result of the Scheme being passed nor are their rights sought to be modified in any manner. Hence, the transfer of the Coimbatore Undertaking of the Transferor Company to the Transferee Company pursuant to the Scheme will not cast any additional burden on the shareholders or creditors of the Transferor Company or the Transferee Company, nor will it affect the interest of any of the shareholders or creditors. As far as the rights of the unsecured creditors of the Transferor Company are concerned, they will not be affected adversely with the proposed Scheme of Arrangement as, post arrangement, the assets of the Transferor Company will be far in excess of the liabilities and sufficient to discharge the liabilities.
- 23. The total amount due to the unsecured creditors of the Transferor Company as on September 30, 2016 is Rs. 48,264.89 crore and the total amount due to the unsecured creditors of the Transferee Company as on September 30, 2016 is Rs. 446.58 crore.
- 24. The Board of Directors of the Transferor Company viz. Mr. A.M. Naik, Mr. S.N Subrahmanyam, Mr. R. Shankar Raman, Mr. Shailendra Roy, Mr. D.K Sen, Mr. M.V Satish, Mr. M.M Chitale, Mr. Subodh Bhargava, Mr. M. Damodaran, Mr. Vikram Singh Mehta, Mr. Sushobhan Sarker, Mr. Adil Zainulbhai, Mr. Akhilesh Krishna Gupta, Mrs. Sunita Sharma, Mr. Thomas Mathew T., Mr. Ajay Shankar, Mr. Subramanian Sarma, Mrs. Naina Lal Kidwai, Mr. Sanjeev Aga and Mr. Narayanan Kumar have at their meeting held on November 7, 2016 unanimously approved the Scheme. The Board of Directors of the Transferee Company viz. Mr. Pathik Kothari, Mr. S.R. Subramanian, Mr. N.V. Venkatasubramanian, Mr. N.K Ranganath and Mrs. S.K Vissa have at their meeting held on November 3, 2016 unanimously approved the Scheme.
- 25. The Transferor Company has obtained a report from an independent Chartered Accountant, Sharp & Tannan and a fairness opinion of an independent Merchant Banker, SBI Capital Markets Limited. The report and the fairness opinion were also placed before the Board of Directors and approved by them in its meeting held on November 7, 2016.

26. As there is no issue of shares pursuant to the Scheme of Arrangement, the Pre and Post arrangement shareholding would remain unchanged. The shareholding pattern of the Transferor Company as on December 31, 2016 is given below:-

Category code	Category of shareholder	Number of shareholders	Total number of shares	Percentage
(I)	(II)	(III)	(IV)	(V)
(A)	Promoter & Promoter Group			
(1)	Indian			
(a)	Individuals/ Hindu Undivided Family	-	-	-
(b)	Central Government/ State Government(s)	-	-	-
(c)	Bodies Corporate	-	-	-
(d)	Financial Institutions/ Banks	-	-	-
(e)	Any Other (specify)	-	-	-
	Sub-Total (A)(1)	-	-	-
(2)	Foreign			
	Sub-Total (A)(2)	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	-	-	-
(B)	Public Shareholding (Institutions, Non-Institutions and Shares held by Custodians and against which Depository Receipts have been issued)	9,57,306	93,26,76,944	100%
GRAND TOTAL (A)+(B)		9,57,306	93,26,76,944	100%

27. As there is no issue of shares pursuant to the Scheme of Arrangement, the Pre and Post arrangement shareholding would remain unchanged. The pre and post shareholding pattern of the Transferee Company as on December 31, 2016 is given below:-

Sr. No.	Name of Shareholder	No. of Shares	Percentage Holding
1.	Larsen & Toubro Limited	17,99,994	100%
2.	Balasubramaniam Ramakrishnan jointly with Larsen & Toubro limited	1	0.00%
3.	Narayanaswamy Hariharan jointly with Larsen & Toubro limited	1	0.00%
4.	Pathik Rajmalbhai Kothari jointly with Larsen & Toubro limited	1	0.00%
5.	Subramanian Ramakrishnan Subramanian jointly with Larsen & Toubro limited	1	0.00%
6.	Raju Vishwanathan Iyer jointly with Larsen & Toubro limited	1	0.00%
7.	Prasad Vishnu Shanbhag jointly with Larsen & Toubro limited	1	0.00%
	TOTAL	18,00,000	100%

28. Larsen & Toubro Limited has received in terms of Reg-37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Observation Letter from BSE and NSE conveying their no objection for filing the Scheme with the Hon'ble Tribunal on December 19, 2016.
29. No investigation proceedings have been instituted or are pending under Sections 235 to 251 of the Companies Act, 1956 or the corresponding provisions of the Companies Act, 2013 against the Transferee Company and against the Transferor Company.

30. There are no common Directors on the Board of Directors of the Transferor and Transferee Company.
31. The Directors of the Transferee Company and the Transferor Company may be deemed to be concerned and/or interested in the proposed Scheme to the extent of the shares that may be held by them or by the companies, firms, institutions, trusts of which they are Directors, Partners, Members or Trustees in the Transferee Company or the Transferor Company. None of the Directors and the Key Managerial Personnel and the Debenture Trustee, if any, of the Transferee Company and/or the Transferor Company have any material interest in the Scheme except as shareholders to the extent, which will appear from the Register of Director's Shareholding maintained by the Transferee Company and the Register of Directors maintained by the Transferor Company. Additionally the Scheme of Arrangement does not have any effect on the Directors/Key Managerial Personnel/Promoters/Non-promoter Members, if any/Creditors/Debenture holders, if any/Debenture Trustee, if any/Employees of the Transferor and Transferee Company. The shares held by the Directors of the Transferee Company and the Transferor Company, either individually or jointly are as follows:-

TRANSFEROR COMPANY

Directors	No. of Equity Shares held in the Transferor Company as of 27th January, 2017 of Rs. 2 each
Mr. A. M. Naik	1025000
Mr. S. N. Subrahmanyam	107056
Mr. R. Shankar Raman	189000
Mr. Shailendra Roy	65350
Mr. D. K. Sen	30703
Mr. M. V. Satish	42875
Mr. M. M. Chitale	1629
Mr. Subodh Bhargava	750
Mr. M. Damodaran	150
Mr. Vikram Singh Mehta	885
Mr. Sushobhan Sarker	150
Mr. Adil Zainulbhai	100
Mr. Akhilesh Krishna Gupta	200
Mrs. Sunita Sharma	100
Mr. Thomas Mathew T.	100
Mr. Ajay Shankar	100
Mr. Subramanian Sarma	100
Mrs. Naina Lal Kidwai	100
Mr. Sanjeev Aga	3000
Mr. Narayanan Kumar	1000

Transferee Company: - None of the Directors hold any shares other than in their capacity as nominees of Transferor Company, if any.

SUMMARY OF THE VALUATION REPORT AND FAIRNESS OPINION:

32. Pursuant to the SEBI Circular dated November 30, 2015 the Applicant Company has obtained a valuation report dated October 26, 2016 from Sharp & Tannan, Chartered Accountants and a fairness opinion from SBI Capital Markets Limited dated October 28, 2016.
33. The valuation report determines the Net Asset Value of the Coimbatore Undertaking at Coimbatore to Rs. 43.79 crore. The fairness opinion report also states that the transfer of the Coimbatore Undertaking at Net Asset Value is fair and reasonable to the holders of equity shares of the Transferor Company.
34. The Audit Committee of the Transferor Company had also recommended the Scheme based on the Valuation Report and the fairness opinion for favourable consideration by the Stock Exchange(s) and the SEBI.

APPROVALS AND SANCTIONS IN RELATION TO THE SCHEME:

35. BSE was appointed as the designated stock exchange by the Transferor Company for the purpose of coordinating with SEBI, pursuant to SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015. The Transferor Company has received observation letters regarding the Scheme of Arrangement from BSE and NSE dated December 19, 2016. BSE and NSE have conveyed their no adverse observations/no objections for filing the Scheme with the Hon'ble Tribunal, Mumbai Bench. Copy of the Observation letters received from BSE and NSE are attached.

INSPECTION

36. The following documents will be open for inspection at the Registered Office of the Transferor Company and the Transferee Company on any working day (except Saturdays, Sundays and Public Holidays (between 11.00 A.M. to 01.00 P.M.)) prior to the date of the meeting:
- (i) Certified copy of the order passed by the National Company Law Tribunal, Mumbai Bench in Company Application No. 3 of 2016, dated 3rd day of February 2017, inter alia, directing Larsen & Toubro Limited to convene the meeting of its equity shareholders and dispensing with the meetings of the secured and unsecured creditors;
 - (ii) Certified copy of the order passed by the National Company Law Tribunal of Mumbai Bench in Company Application No. 4 of 2016, dated 3rd day of February 2017, inter alia, directing L&T Valves Limited to convene the meeting of its equity shareholders and dispensing with the meetings of the secured and unsecured creditors;
 - (iii) Copies of the Memorandum and Articles of Association of Larsen & Toubro Limited and L&T Valves Limited, respectively;
 - (iv) Copies of the annual reports of Larsen & Toubro Limited and L&T Valves Limited for the last three financial years ended 31st March 2016, 31st March 2015 and 31st March 2014;
 - (v) Copies of the unaudited financial statements of Larsen & Toubro Limited and L&T Valves Limited for the nine months period ended 31st December 2016;
 - (vi) Statement showing assets and liabilities of the Coimbatore Undertaking of Larsen & Toubro Limited as on 31st March 2016 proposed to be demerged and transferred to L&T Valves Limited, respectively;
 - (vii) Register of Directors' Shareholding of Larsen & Toubro Limited;
 - (viii) Copy of the fairness opinion, dated 28th October 2016, issued by SBI Capital Markets Limited, to the Board of Directors of Larsen & Toubro Limited;
 - (ix) Copy of the complaints report, dated 29th November 2016, submitted by Larsen & Toubro Limited to BSE and NSE;
 - (x) Copy of the Audit Committee Report, dated 7th November 2016 of Larsen & Toubro Limited;
 - (xi) Copies of the resolutions, dated 7th November 2016 and 3rd November 2016, passed by the respective Board of Directors of Larsen & Toubro Limited and L&T Valves Limited, approving the Scheme;
 - (xii) Copy of the no adverse observations/no objection letter issued by BSE and NSE dated 19th December 2016 to Larsen & Toubro Limited;
 - (xiii) A copy of the certificate issued by Sharp & Tannan, Chartered Accountants for non-applicability of requirement prescribed in paragraph I(A)(9)(a) of Annexure 1 of SEBI Circular dated November 30, 2015;
 - (xiv) Copy of the Scheme; and
 - (xv) Copy of certificate from the auditors confirming that the accounting treatment provided in the Scheme is in compliance with Section 133 of the Companies Act, 2013.

A. M. Naik

Chairman appointed for the meeting

SCHEME OF ARRANGEMENT

BETWEEN

LARSEN & TOUBRO LIMITED
...The Transferor Company

AND

L&T VALVES LIMITED
...The Transferee Company

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

In respect of the transfer of the Coimbatore Undertaking of Larsen & Toubro Limited to L&T Valves Limited

PART I – GENERAL

1. GENERAL

- 1.1 Larsen & Toubro Limited (**Transferor Company**) is a listed public limited company incorporated under the provisions of the Companies Act, 1913, having its registered office at L&T House, Ballard Estate, Mumbai - 400 001.
- 1.2 The Transferor Company is primarily engaged in providing technology, engineering, construction, manufacturing and financial services. The equity shares of the Transferor Company are listed on the BSE Limited and the National Stock Exchange of India Limited. The Global Depository Receipts (GDRs) of the Transferor Company are listed on the Luxembourg Stock Exchange and the London Stock Exchange.
- 1.3 L&T Valves Limited (**Transferee Company**) is an unlisted public limited company incorporated under the provisions of the Companies Act, 1956, having its registered office at L&T House, Ballard Estate, Mumbai - 400001. The Transferee Company is a wholly owned subsidiary of the Transferor Company and is primarily engaged in manufacturing valves for key sectors of the economy such as oil & gas, power, petrochemicals, chemicals, fertilizers and pharmaceuticals.
- 1.4 The Transferor Company proposes to demerge the Coimbatore Undertaking (defined hereinafter) from the Transferor Company to the Transferee Company. This Scheme (defined hereinafter) is pursuant to a decision of the Board of Directors of the Transferor Company.
- 1.5 Therefore, with a view to achieve the above, the Transferor Company proposes that the Coimbatore Undertaking be transferred to and vested in the Transferee Company by way of demerger to be undertaken through this Scheme under the provisions of Sections 391 to 394 and other relevant provisions of the Act (defined hereinafter), for such consideration and in such manner as provided for in this Scheme.
- 1.6 Upon the sanction of the Scheme by the High Court (defined hereinafter), receipt of necessary approvals and the Scheme becoming effective on the Effective Date (defined hereinafter), the Coimbatore Undertaking shall stand transferred to, and be vested in, the Transferee Company on and from the Appointed Date (defined hereinafter) for all intents and purposes.
- 1.7 This Scheme also provides for various other matters consequential or related thereto and otherwise integrally connected therewith.

2. DEFINITIONS

- 2.1 In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meanings:
 - 2.1.1 **Act** means the Companies Act, 1956 and the Companies Act, 2013 (to the extent applicable).
 - 2.1.2 **Arrangement** means the term arrangement as referred to and understood under the provisions of Sections 391 to 394 of the Act.
 - 2.1.3 **Appointed Date** means opening of business hours on 1st April, 2016 or such other date as the High Court may direct or approve under the relevant provisions of the Act.
 - 2.1.4 **Board of Directors** in relation to each of the Transferee Company and the Transferor Company, as the case may be, shall, also include a committee of directors.
 - 2.1.5 **Coimbatore Undertaking** shall mean (a) Plant and Machinery located at Coimbatore Plant (as described in Schedule A) and (b) Immovable properties (as described in Schedule B).

Explanation: The term "Coimbatore Undertaking" shall include all leases, leasehold improvements, municipal permissions, regulatory permissions in connection with the operations of or relatable to the Coimbatore Undertaking, all statutory licenses and /or permissions issued, executed, to be issued or to be executed by the relevant government authority to carry on the operations of the Coimbatore Undertaking, right to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services in connection with or relating to the Coimbatore Undertaking.

Any question that may arise as to whether a specific asset pertains or does not pertain to the Coimbatore Undertaking shall be decided by mutual agreement between the Board of Directors

of the Transferor Company and the Transferee Company or committee(s) thereof authorized by the respective Board of Directors, or in such other manner as agreed between the Transferor Company and the Transferee Company.

- 2.1.6 Court or High Court means the High Court of Judicature at Bombay and/ or the National Company Law Tribunal, as the case may be, under the relevant provisions of the Act or authority as may be vested with any of the powers of a High Court under the Act.
- 2.1.7 Effective Date means the date on which the certified copy of the order of the High Court sanctioning this Scheme is filed with the Registrar of Companies, Mumbai.
- 2.1.8 Proceedings shall have the meaning ascribed to it in Clause 6 hereof.
- 2.1.9 Remaining Business means all the businesses, divisions, assets and liabilities of the Transferor Company other than the Coimbatore Undertaking as defined in Clause 2.1.5 of this Scheme.
- 2.1.10 Scheme or the Scheme or this Scheme means this Scheme of Arrangement in its present form submitted to the High Court or with any modification(s) made under Clause 14 of this Scheme or with such other modifications / amendments as the High Court may direct.

3. SHARE CAPITAL

- 3.1 The share capital structure of the Transferor Company as per its financial statements for the financial year ended 31 March 2016, being the latest audited financial statements of the Transferor Company, is as follows:

Particulars	Rupees
Authorized Capital	
1,62,50,00,000 equity shares of Rs. 2/- each	325,00,00,000
Issued, Subscribed and Paid-up Capital	
93,14,78,845 equity shares of Rs. 2/- each	186,30,00,000

Subsequent to the latest audited financial statements of the Transferor Company as on 31 March 2016, there has been an increase in the Issued, Subscribed and Paid-up Capital of the Transferor Company. Presently the Issued, Subscribed and Paid-up Capital of the Transferor Company is Rs. 186,46,68,444/- (93,23,34,222 equity shares of Rs. 2/- each).

- 3.2 The share capital structure of the Transferee Company as per its financial statements for the financial year ended 31 March 2016, being the latest audited financial statements of the Transferee Company, is as follows:

Particulars	Rupees
Authorized Capital	
75,00,000 equity shares of Rs. 100/- each	75,00,00,000
Issued, Subscribed and Paid-up Capital	
18,00,000 equity Shares of Rs.100/- each	18,00,00,000

Subsequent to the latest audited financial statements of the Transferee Company as on 31 March 2016, there has been no change in the share capital structure of the Transferee Company.

4. DATE OF TAKING EFFECT AND OPERATIVE DATE

- 4.1 This Scheme set out herein shall be effective from the Appointed Date but shall be operative from the Effective Date.
- 4.2 Any references in this Scheme to "upon the coming into effect of this Scheme" or effectiveness of the Scheme" or "upon the Scheme becoming effective" shall mean the Effective Date.

PART II – TRANSFER OF THE COIMBATORE UNDERTAKING

5. TRANSFER AND VESTING OF COIMBATORE UNDERTAKING

- 5.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme, the Coimbatore Undertaking shall, pursuant to the provisions of Sections 391 to 394 of the Companies Act, 1956 and other relevant provisions of the Act, without any further act, instrument or deed, be transferred to and vest in, or be deemed to be transferred to and vested in the Transferee Company so as to vest in the Transferee Company all the rights, properties, title and interest of the Coimbatore Undertaking therein subject to subsisting charges and pledges, if any.
- 5.2 Upon the coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme, the immovable properties relating to the Coimbatore Undertaking, and any documents of title/rights and easements in relation thereto shall be vested in and transferred to and/or be deemed to have been vested in and stand transferred to and shall belong to the Transferee Company. From the Appointed Date, the Transferee Company shall in relation to the properties of the Coimbatore Undertaking transferred to the Transferee Company under this Scheme, be liable for ground rent, municipal taxes and any other applicable cess, duties, levies, taxes and the like. The mutation of the title to the said immovable properties shall be made and duly recorded by the appropriate authorities pursuant to the Scheme, in accordance with the terms hereof without any further act or deed whatsoever, in favour of the Transferee Company.
- 5.3 All assets acquired by the Transferor Company after the Appointed Date and prior to the Effective Date pertaining to the Coimbatore Undertaking shall be deemed to have been acquired in trust for and on behalf of the Transferee Company, and shall also stand transferred to and vested in the Transferee Company upon the coming into effect of this Scheme.
- 5.4 In respect of the assets of the Coimbatore Undertaking, the same shall, without any further act, instrument or deed, be transferred to and vested in and/ or be deemed to be transferred to and vested in the Transferee Company on the Appointed Date, pursuant to the provisions of Sections 391 to 394 of the Companies Act, 1956, or other provisions of law as applicable.
- 5.5 In so far as the assets of the Coimbatore Undertaking are concerned, the security, existing charges, mortgages and encumbrances in respect of any of these assets or any part thereof, in relation to any loans or borrowings of the Remaining Business of the Transferor Company shall, without any further act, instrument or deed, be released and stand discharged from the same and shall no longer be available as security in relation to those liabilities of the Transferor Company which are not transferred to the Transferee Company.
- 5.6 In so far as the assets of the Remaining Business of the Transferor Company are concerned, the security over such assets, to the extent they relate to the Coimbatore Undertaking shall, without any further act, instrument or deed be released and discharged from such security that relate to the Coimbatore Undertaking. Without prejudice to the foregoing and with effect from the Effective Date, the Transferor Company and the Transferee Company shall execute any instruments or documents and do all the acts and deeds as may be required, including the filing of necessary particulars and/ or modification(s) of charge, with the Registrar of Companies, Mumbai, to give formal effect to these provisions, if required.
- 5.7 Upon the coming into effect of this Scheme and with effect from the Appointed Date, in so far as the security in respect of the liabilities of the Transferor Company as on the Appointed Date is concerned, it is hereby clarified that the Transferor Company and the Transferee Company shall, subject to confirmation by the concerned creditor(s), mutually agree upon and arrange for such security as may be considered necessary to secure such liabilities, and obtain such consents under law as may be prescribed.
- 5.8 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, in accordance with the provisions of relevant laws and the Act, all the permissions and/or licenses issued, executed, to be issued or to be executed by the relevant government authority in favour of the Transferor Company, and the rights and benefits under the same shall, insofar as they relate to the Coimbatore Undertaking be transferred to and vested in the Transferee Company.
- 5.9 From the Effective Date, the Transferee Company alone shall be liable to perform all obligations in respect of the liabilities of the Coimbatore Undertaking which have accrued subsequent to the Appointed Date as the

borrower/ issuer thereof, and the Transferor Company shall not have any obligations in respect of the said liabilities.

- 5.10 All loans raised and used and all liabilities and obligations incurred by the Transferor Company for the purpose of the Coimbatore Undertaking after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Transferee Company, and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to the Transferee Company and shall become the liabilities and obligations of the Transferee Company, which shall be liable to meet, discharge and satisfy the same.
- 5.11 It is hereby clarified that the rest of the assets and liabilities (other than those forming part of the Coimbatore Undertaking or otherwise specified in this Scheme), if any, of the Transferor Company shall continue to vest in the Transferor Company.
- 5.12 All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company pertaining to the Coimbatore Undertaking after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company. Similarly, the banker of the Transferee Company shall honour all cheques issued by the Transferor Company pertaining to the Coimbatore Undertaking for payment after the Effective Date. If required, the Transferor Company shall allow maintaining of bank accounts in its name by the Transferee Company for such time as may be determined to be necessary by the Transferor Company and the Transferee Company for presentation and deposition of cheques and pay orders that have been issued in the name of Transferor Company in connection with the Coimbatore Undertaking.

6. LEGAL PROCEEDINGS

- 6.1 All legal or other proceedings (including before any statutory or quasi-judicial authority or tribunal) (Proceedings) by or against the Transferor Company relating to the Coimbatore Undertaking under any statute, pending on the Appointed Date, shall be continued and enforced by or against the Transferor company. All legal or other proceedings which may be instituted any time after the Appointed date relating to the Coimbatore Undertaking, shall be continued and enforced by or against the Transferee Company, to the extent legally permissible. To the extent such Proceedings cannot be taken over by the Transferee Company, the Proceedings shall be pursued by the Transferor Company as per the instructions of and entirely at the costs and expenses of the Transferee Company.
- 6.2 Any Proceedings by or against the Transferor Company under any statute, whether pending on the Appointed Date or which may be instituted thereafter, whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Business (including those relating to any property, right, power, liability, obligation or duties of the Transferor Company in respect of the Remaining Business) shall be continued and enforced by or against the Transferor Company. The Transferee Company shall in no event be responsible or liable for or in relation to any such Proceeding by or against the Transferor Company.

7. CONTRACTS, LICENSES, APPROVALS AND PERMITS

- 7.1 With effect from the Effective Date and subject to the provisions of this Scheme, all Statutory licenses, permits, whether governmental or otherwise, in relation to the Coimbatore Undertaking to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on or against or in favour of, as the case may be, and shall with the approval of the concerned authority, vest in the Transferee Company, and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto.
- 7.2 Without prejudice to the other provisions of this Scheme and notwithstanding that the vesting of the Coimbatore Undertaking with the Transferee Company occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds, confirmations or other writings or tripartite arrangements with any party to any contract or arrangement, to which the Transferor Company is a party, or any writings as may be necessary, to be executed merely in order to give formal effect to the above provisions. The Transferor Company shall, if necessary, also be a party to the above. The Transferee Company shall, under

the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.

- 7.3 It is hereby clarified that if any statutory licenses and /or permissions in relation to the Coimbatore Undertaking to which the Transferor Company is a party to, cannot be transferred to the Transferee Company for any reason whatsoever, the Transferor Company shall hold such statutory licenses and /or permissions in trust for the benefit of the Transferee Company.
- 7.4 Any and all transactions between the Transferor Company and the Transferee Company between the Appointed Date and Effective Date which have the effect of being consummated only upon the Scheme coming into effect, shall accrue and will be given effect from the Effective Date and any and all compliances including but not limited to the Act and the Income-tax Act, 1961 with respect to such transactions shall be applicable and undertaken from the Effective Date.

8. SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the assets of the Coimbatore Undertaking as per this Scheme, and the continuance of the Proceedings by or against the Transferee Company under Clause 6 hereof shall not affect any transaction or proceedings already completed directly in relation to the Coimbatore Undertaking on or after the Appointed Date but before the Effective Date, to the end and intent that the Transferee Company accepts all acts, deeds and things done and executed by and/ or on behalf of the Transferor Company as acts, deeds and things done and executed by and on behalf of the Transferee Company.

9. CONDUCT OF BUSINESS TILL EFFECTIVE DATE

- 9.1 With effect from the Appointed Date and up to and including the Effective Date, the Transferor Company shall be deemed to have been carrying on all business and activities relating to the Coimbatore Undertaking for and on account of and in trust for the Transferee Company.
- 9.2 All profits accruing to the Transferor Company or losses including tax losses, arising or incurred by the Transferor Company in relation to the Coimbatore Undertaking for the period commencing from the Appointed Date to the Effective Date shall, for all purposes, be treated as the profits or losses, as the case may be, of the Transferee Company.
- 9.3 The Transferor Company hereby confirms that it has and shall continue up to the Effective Date, to preserve the Coimbatore Undertaking with due diligence and prudence, and that it will not, without prior consultation with the Transferee Company, alienate, charge or otherwise deal with or dispose of the Coimbatore Undertaking or any part thereof or undertake substantial expansion of the Coimbatore Undertaking, other than expansions which have already commenced prior to the Appointed Date.

10. CONSIDERATION

Subject to Clause 15 below, in consideration of the transfer of the Coimbatore Undertaking by the Transferor Company to the Transferee Company in terms of this Scheme, the Transferee Company shall pay to the Transferor Company an aggregate all-inclusive lump sum cash consideration of Rs. 43,78,92,425 (Rupees Forty Three Crores Seventy Eight Lakhs Ninety Two Thousand and Four Hundred and Twenty Five only) without values being assigned to individual assets and liabilities.

11. TREATMENT OF TAXES

- 11.1 All taxes (including, without limitation to, income tax, sales tax, excise duty, customs duty, service tax, Local Body Tax (LBT), Value Added Tax (VAT), octroi duty, land revenue taxes, etc.) paid or payable by the Transferor Company, in respect of the operations and/ or the profits of the Coimbatore Undertaking before the Appointed Date, shall be on account of the Transferor Company, and insofar as it relates to the tax payment (including, without limitation to, sales tax, excise duty, customs duty, income tax, service tax, LBT, VAT, octroi duty, land revenue taxes, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the Coimbatore Undertaking after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company, and shall, in all proceedings, be dealt with accordingly.

- 11.2 Without prejudice to the generality of the foregoing on and from the Appointed Date, if any certificate for tax deducted at source or any other tax credit certificate relating to the Coimbatore Undertaking is received in the name of the Transferor Company, it shall be deemed to have been received by the Transferee Company which alone shall be entitled to claim credit for such tax deducted or paid.
- 11.3 Upon the coming into effect of this Scheme, the Transferor Company and the Transferee Company are expressly permitted to revise their respective tax returns and related withholding tax certificates, including withholding tax certificates relating to transactions between the Transferor Company and the Transferee Company, to the extent required and to claim refunds, advance tax and withholding tax credits, and benefit of credit for minimum alternate tax, or any other tax related compliances or filings of forms.
- 11.4 The service tax paid by the Transferor Company under the Finance Act, 1994 in respect of services provided by the Coimbatore Undertaking for the period commencing from the Appointed Date shall be deemed to be the service tax paid by the Transferee Company, and credit for such service tax shall be allowed to the Transferee Company notwithstanding that challans for service tax payments are in the name of the Transferor Company and not in the name of the Transferee Company.

It is clarified that CENVAT credit balance will not be transferred to the Transferee Company.

12. ACCOUNTING TREATMENT

12.1 Treatment in the books of Transferor Company:

Upon the coming into effect of this Scheme, the difference between the amount of consideration stated hereinabove and the net book value of assets of the Coimbatore Undertaking, if any, shall be recognized as profit or loss, as the case maybe, in the books of the Transferor Company.

12.2 Treatment in the books of the Transferee Company:

With effect from the Appointed Date, the Transferee Company shall record the assets of the Coimbatore Undertaking vested in it in accordance with this Scheme, at the values arrived at by apportioning the amount of consideration in the ratio of their respective values, as appearing in the books of accounts of the Transferor Company at the close of the business of the day immediately preceding the Appointed Date.

12.3 It is hereby clarified that all transactions during the period between the Appointed Date and Effective Date relating to the Coimbatore Undertaking would be duly reflected in the financial statements of the Transferee Company at their respective transaction value upon this Scheme coming into effect, as may be decided by the Board of Directors (including committee(s) thereof) of the Transferee Company.

13. APPLICATIONS TO THE HIGH COURT

The Transferor Company and the Transferee Company shall, with all reasonable dispatch, make applications to the High Court, for sanctioning this Scheme under Sections 391 to 394 of the Companies Act, 1956 and other relevant provisions of the Act, for an order or orders thereof for carrying this Scheme into effect.

14. MODIFICATIONS/ AMENDMENTS TO THIS SCHEME

- 14.1 The Transferor Company and the Transferee Company, by their respective Board of Directors, or such other person or persons as the respective Board of Directors may authorize, including any committee or sub-committee thereof, may make and/ or consent to any modifications/ amendments to this Scheme or to any conditions or limitations that the High Court or any other authority may deem fit to direct or impose, or which may otherwise be considered necessary, desirable or appropriate by them, provided that any such modifications/ amendments to this Scheme after the approval of this Scheme by the High Court shall be subject to the prior approval of the High Court. The Transferor Company and the Transferee Company, by their respective Board of Directors, or such other person or persons as the respective Board of Directors may authorize, including any committee or sub-committee thereof, shall be authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of this Scheme and/ or any matter concerned or connected therewith.
- 14.2 For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the delegate(s) of the Transferee Company may give and is hereby authorized to determine and

give all such directions as are necessary, including directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

15. SCHEME CONDITIONAL ON APPROVALS/ SANCTIONS

This Scheme is conditional upon and subject to:

- (i) Approval of this Scheme by the concerned regulatory and/or governmental authorities, as applicable;
- (ii) Approval of this Scheme by the shareholders and/or creditors of the Transferor Company and the Transferee Company as may be directed by the High Court;
- (iii) The certified copies of the High Court's orders sanctioning this Scheme being filed with the Registrar of Companies, Mumbai; and
- (iv) All other sanctions and approvals as may be required by law in respect of this Scheme.

16. COSTS

All costs, charges and expenses including stamp duty and registration fee of any deed, document, instrument or High Court's order including this Scheme or in relation to or in connection with negotiations leading up to this Scheme and of carrying out and implementing the terms and provisions of this Scheme and incidental to the completion of arrangement in pursuance of this Scheme shall be borne and paid by the Transferor Company.

17. REVOCATION OF THIS SCHEME

In the event of any of the said sanctions and approvals referred to in Clause 15 above not being obtained and/ or complied with and/ or satisfied and/ or this Scheme not being sanctioned by the High Court and/ or order or orders not being passed as aforesaid , this Scheme shall stand revoked, cancelled and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred inter se between the Transferor Company and the Transferee Company or their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto, as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case, each party shall bear its own costs unless otherwise mutually agreed.

Schedule A
Description of Plant and Machinery located at Coimbatore undertaking

Asset No	Particulars of Assets	Book Value (Rs.)
CB2008PW3003293	Himalaya Plate Blending Machine	1
CB2008PW3003326	Amada Turret Punch Press	1
CBEBG2513100416	Hauser Jig Grinding Machine (CTL)	58,062
CBEBG2513100521	Agie Classic V2 Wirecut CNC EDM Machine	14,16,875
CBEBG2513100960	Chiller Unit for Agie Classic V2 WEDM	43,610
CBEBG2513100601	Mannford Make Milling M/c Model SP-150VS (ETS-Coim) (actual 520 vs)	1,45,015
CBEBG2513100542	Mannford Make Milling M/c Model SP-150VS-ETS (Coim)	95,238
CBEBG2513100381	Bridgeport-CNC Milling Machine	1
	TOTAL	17,58,803

Schedule B

Description and location of the immovable properties:

The land along with buildings and structures thereon, situated in Coimbatore Registration District, Madhuknai Sub Registration District, in Coimbatore South Taluka, in Malumichampatti Village, admeasuring 24.66 Acres as per the details provided below:

Asset No	Asset Class	SF No.	FULL/PART	In Acres	In Sqm	Bookvalue
400048388	Land	644/1	644/1	0.74	3000	2,68,756
400048389	Land	645/2	645/2	5.88	23787	21,35,522
400048390	Land	646/1	646/1	3.01	12200	10,93,184
400048391	Land	650/2	650/2	4.72	19084	17,14,228
400048392	Land	650/3	650/3	0.08	313	29,055
400048393	Land	651/4B	651/4B	0.08	319	29,055
400048396	Land	607/3B	607/3B	0.08	337	29,055
400048401	Land	643/2B	643/2B	0.90	3649	3,26,866
400048404	Land	644/4	644/4	0.47	1900	1,70,696
800288	Land	651/2B	651/2B	0.50	2025	1,91,079
800288	Land	650/1	650/1	0.75	3050	2,86,617
800288	Land	644/2	644/2	1.19	4800	4,54,766
800288	Land	644/3	644/3	2.80	11350	10,70,039
800198	Land	650/4	650/4	0.08	334	1,13,686
800198	Land	646/2	646/2	1.74	7025	24,72,670
800198	Land	649/2A1	649/2A1	0.00	0	-
800198	Land	647/1A1F	647/1A1F	0.00	0	-
800302	Land	607/1B	607/1B	0.97	3931	7,91,844
800303	Land	645/1A	645/1A	0.67	2689	5,46,944
SUB-TOTAL (A)				24.66	99,793	1,17,24,062

Asset No.	Asset Class	Particulars of Assets	Book Value
	A. BUILDINGS AND STRUCTURES ERECTED THEREON TOGETHER WITH THE OPEN SPACES AND APPURTENANCES AT COIMBATORE:		
400040204	Buildings (Factory)	Construction Of Module 3 & Ancilliary Bldg Ccm	16,04,62,076
400020651	Leased Out Buildings	Various Structural Work At Vmu Unit Coimbatore	5,26,202
400020652	Leased Out Buildings	Mezzanine Office Of Size 3.6 M X 22 M At Vmu Cbe	12,19,783
400020653	Leased Out Buildings	Gate Fabrication & Erection Charges-Fcpc Site	18,963
400020654	Leased Out Buildings	Building Factroy Purchased From Aud-co India	23,23,33,144
400040202	Roads - non RCC Carpeted	Road For Module 3 & Ancilliary Building	63,74,832
400020655	Electrical Installations - General	Electrical Installations- Prodn Bld 2	21,43,226

Asset No.	Asset Class	Particulars of Assets	Book Value
400020656	Electrical Installations - General	Advanced Lighting Protection System Mkiv Intercept	29,422
400020693	Electrical Installations - General	Electrical Installation	51,06,555
400040203	Electrical Installations - General	Electrical Install For Mod 3 & Ancilliary Bldg Ccm	1,60,36,921
400020657	Plant and Machinery	Air Exit 24 Exhaust Fan Wd Frb 24 Base & Bottom	4,401
400020658	Plant and Machinery	Air Exit 24 Exhaust Fan Wd Frb 24 Base & Bottom	4,401
400020659	Plant and Machinery	Air Exit 24 Exhaust Fan Wd Frb 24 Base & Bottom	4,401
400020660	Plant and Machinery	Air Exit 24 Exhaust Fan Wd Frb 24 Base & Bottom	4,401
400020661	Plant and Machinery	Air Exit 24 Exhaust Fan Wd Frb 24 Base & Bottom	4,401
400020662	Plant and Machinery	Air Exit 24 Exhaust Fan Wd Frb 24 Base & Bottom	4,401
400020663	Plant and Machinery	Air Exit 24 Exhaust Fan Wd Frb 24 Base & Bottom	4,401
400020664	Plant and Machinery	Air Exit 24 Exhaust Fan Wd Frb 24 Base & Bottom	4,401
400020665	Plant and Machinery	Air Exit 24 Exhaust Fan Wd Frb 24 Base & Bottom	4,401
400020666	Plant and Machinery	Air Exit 24 Exhaust Fan Wd Frb 24 Base & Bottom	4,401
400020667	Plant and Machinery	Air Exit 24 Exhaust Fan Wd Frb 24 Base & Bottom	4,401
400020668	Plant and Machinery	Air Exit 24 Exhaust Fan Wd Frb 24 Base & Bottom	4,401
400020669	Plant and Machinery	Air Exit 24 Exhaust Fan Wd Frb 24 Base & Bottom	4,401
400020670	Plant and Machinery	Air Exit 24 Exhaust Fan Wd Frb 24 Base & Bottom	4,401
400020671	Plant and Machinery	Air Exit 24 Exhaust Fan Wd Frb 24 Base & Bottom	4,401
400020672	Plant and Machinery	Air Exit 24 Exhaust Fan Wd Frb 24 Base & Bottom	4,401
400020673	Plant and Machinery	Air Exit 24 Exhaust Fan Wd Frb 24 Base & Bottom	4,401
400020674	Plant and Machinery	Air Exit 24 Exhaust Fan Wd Frb 24 Base & Bottom	4,401
400020675	Plant and Machinery	Air Exit 24 Exhaust Fan Wd Frb 24 Base & Bottom	4,401
400020676	Plant and Machinery	Air Exit 24 Exhaust Fan Wd Frb 24 Base & Bottom	4,401

Asset No.	Asset Class	Particulars of Assets	Book Value
400020677	Plant and Machinery	Air Exit 24 Exhaust Fan Wd Frb 24 Base & Bottom	4,401
400020678	Plant and Machinery	Air Exit 24 Exhaust Fan Wd Frb 24 Base & Bottom	4,401
400020679	Plant and Machinery	Air Exit 24 Exhaust Fan Wd Frb 24 Base & Bottom	4,401
400020680	Plant and Machinery	Air Exit 24 Exhaust Fan Wd Frb 24 Base & Bottom	4,401
400020681	Plant and Machinery	Air Exit 24 Exhaust Fan Wd Frb 24 Base & Bottom	4,401
400020682	Plant and Machinery	Air Exit 24 Exhaust Fan Wd Frb 24 Base & Bottom	4,401
400020683	Plant and Machinery	Air Exit 24 Exhaust Fan Wd Frb 24 Base & Bottom	4,401
400020684	Plant and Machinery	Air Exit 24 Exhaust Fan Wd Frb 24 Base & Bottom	4,401
400020685	Plant and Machinery	Air Exit 24 Exhaust Fan Wd Frb 24 Base & Bottom	4,401
400020686	Plant and Machinery	Air Exit 24 Exhaust Fan Wd Frb 24 Base & Bottom	4,401
400020687	Plant and Machinery	Air Exit 24 Exhaust Fan Wd Frb 24 Base & Bottom	4,401
400020688	Plant and Machinery	Air Exit 24 Exhaust Fan Wd Frb 24 Base & Bottom	4,401
400020689	Plant and Machinery	Air Exit 24 Exhaust Fan Wd Frb 24 Base & Bottom	4,401
400020690	Plant and Machinery	Air Exit 24 Exhaust Fan Wd Frb 24 Base & Bottom	4,401
400020691	Plant and Machinery	Air Exit 24 Exhaust Fan Wd Frb 24 Base & Bottom	4,401
400020692	Plant and Machinery	Air Exit 24 Exhaust Fan Wd Frb 24 Base & Bottom	4,401
	SUB-TOTAL (B)		42,44,09,560
	TOTAL VALUE (A+B)		43,61,33,622

Larsen & Toubro Limited

Fairness Opinion Report on the certification of Net Asset Value of Valves
Undertaking of the company located at Coimbatore provided by Sharp &
Tannan

October 28, 2016

Advisor



SBI Capital Markets Limited
202, Maker Tower 'E'
Cuffe Parade, Mumbai – 400 005

Disclaimer

This fairness opinion certificate ("**Certificate**" or "**This certificate**" or "**this certificate**") contains proprietary and confidential information regarding Larsen & Toubro Limited ("the Company"). This certificate is issued for the exclusive use and benefit of the Company as per the Engagement letter dated October 24, 2016. This certificate has been issued by SBI Capital Markets Limited ("SBICAP"), on the basis of the information available in the public domain and sources believed to be reliable and the information provided by the Company, Valuers (as defined hereinafter) and for the sole purpose to facilitate the Company to comply with the requirements under SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015 ("SEBI Circular") and it shall not be valid for any other purpose or as at any other date. This Certificate is issued by SBICAP in the capacity of an Independent merchant banker, on the valuation of an undertaking of the Company done by M/s. Sharp & Tannan (the "Valuers").

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1 Background

1.1 About Larsen & Toubro Limited

Larsen & Toubro Limited ("L&T") is primarily engaged in providing technology, engineering, construction, manufacturing and financial services. The equity shares of L&T are listed on the BSE Limited and the National Stock Exchange of India Limited. The Global Depository Receipts (GDRs) of L&T are listed on the Luxembourg Stock Exchange and the London Stock Exchange.

1.2 About L&T Valves Limited

L&T Valves Limited, a wholly owned subsidiary of L&T, is engaged in manufacturing valves for key sectors such as oil & gas, power, petrochemicals, chemicals, fertilizers and pharmaceuticals.

1.3 Transaction Overview

L&T is considering a proposal of a demerger wherein Valves undertaking primarily consisting of certain land, buildings and Plant & Machinery situated at Village Malumichampatti, Sub-registration District Madukkarai, Madukkarai Taluk, Coimbatore District, Tamil Nadu - 641 050 ("Undertaking") will be transferred to one of its wholly owned subsidiaries, L&T Valves Limited.

For the purpose of the transfer of the Undertaking there is a proposed "Scheme of Arrangement" under Section 391 read with Section 394 of the Companies Act, 1956 between L&T and L&T Valves Limited and their respective shareholders and creditors which is effective from the appointed date i.e. April 1, 2016. As per the Scheme, as consideration for the transfer of the said Undertaking, L&T Valves shall pay a lump-sum cash consideration of Rs. 43,78,92,425/- to L&T, which is equivalent to the Net Asset Value of the said Undertaking as on March 31, 2016. The certification of Net Asset Value calculation as on March 31, 2016 has been undertaken by Sharp & Tannan vide their report dated October 26, 2016

1.4 Role of SBI Capital Markets

Through Engagement letter dated October 24, 2016 SBI Capital Markets Limited (SBICAP) was appointed by L&T to issue a fairness opinion certificate as per the requirement under SEBI Circular. SBICAP has issued a fairness opinion dated October 28, 2016 based on the valuation report submitted by Sharp & Tannan dated October 26, 2016.

1.5 Sources of information

- Auditors' certificate providing the Net Asset Value as at March 31, 2016
- Draft of the Proposed "Scheme of Arrangement" under Section 391 read with Section 394 of the Companies Act, 1956 between L&T and L&T Valves Limited and their respective shareholders and creditors which is effective from the appointed date i.e. April 1, 2016
- Correspondence with the management of L&T



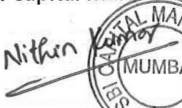
2 SBICAP view on the fairness of the transaction

Based on the facts, information and explanations given to us, we are of the opinion that the proposed transfer of the Undertaking from L&T to L&T Valves Limited, its wholly owned subsidiary, at Net Asset Value, is fair and reasonable to the holders of equity shares of L&T.

The Net Asset Value of the said Undertaking as on March 31, 2016, is based on the certification by Sharp & Tannan through their valuation report dated October 26, 2016.

Yours Sincerely

For SBI Capital Markets Limited

K. Nithin 
Name: NITHIN KANUGANTI

Designation: AVP



DCS/AMAL/ST/IP/641/2016-17
December 19, 2016

The Company Secretary
LARSEN & TOUBRO LTD.
L & T House, Ballard Estate, Narottam Morarjee Marg,
Mumbai, Maharashtra, 400001

Sir/Madam,

Sub: Observation letter regarding the Draft Scheme of Demerger of Larsen and Toubros Coimbatore Undertaking to L&T Valves Limited.

We are in receipt of the Draft Scheme of Demerger of Larsen and Toubros Coimbatore Undertaking to L&T Valves Limited. As required under SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015; SEBI vide its letter dated December 15, 2016 has inter alia given the following comment(s) on the draft scheme of arrangement:

- ***“Company shall duly comply with various provisions of the Circulars.”***

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble High Court.

Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble High Court, the listed company shall submit to the stock exchange the following:

- Copy of the High Court approved Scheme;
- Result of voting by shareholders for approving the Scheme;
- Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
- Copy of the observation letter issued by all the Stock Exchanges where Company is listed.
- Status of compliance with the Observation Letter/s of the stock exchanges;
- The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- Complaints Report as per Annexure II of this Circular.
- Any other document/disclosure as informed by the Exchange.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,

S.T

Nitin Pujari
Manager

Ref: NSE/LIST/97658

December 19, 2016

The Company Secretary
Larsen & Toubro Limited
L&T House, Ballard Estate
Narottam Morarjee Marg
Mumbai – 400 001

Kind Attn.: Mr. N. Hariharan

Dear Sir,

Sub: Observation Letter for Draft Scheme of Arrangement between Larsen & Toubro Limited and L& T Valves Limited under Sections 391 to 394 of the Companies Act, 1956

This has reference to draft scheme of arrangement between Larsen & Toubro Limited and L& T Valves Limited and their respective shareholders and creditors under sections 391 to 394 of the Companies Act, 1956 submitted to NSE vide your letter dated November 08, 2016.

Based on our letter reference no Ref: NSE/LIST/89056 submitted to SEBI and pursuant to SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015, SEBI vide letter dated December 15, 2016, has commented that “The Company shall duly comply with various provisions of the Circular.”

We hereby convey our ‘No-objection’ with limited reference to those matters having a bearing on listing/ delisting/ continuous listing requirements within the provisions of the Listing Agreement, so as to enable the Companies to file the Scheme with Hon’ble High Court.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines / Regulations issued by statutory authorities.

The validity of this “Observation Letter” shall be six months from December 19, 2016, within which the Scheme shall be submitted to the Hon’ble High Court. Further pursuant to the above cited SEBI circulars upon sanction of the Scheme by the Hon’ble High Court, you shall submit to NSE the following:

1.



- a. Copy of Scheme as approved by the High Court;
- b. Result of voting by shareholders for approving the Scheme;
- c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme.
- d. Status of compliance with the Observation Letter/s of the stock exchanges
- e. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- f. Complaints Report as per Annexure III of SEBI Circular No.CIR/CFD/CMD/16/2015 dated November 30, 2015.

Yours faithfully,
For **National Stock Exchange of India Limited**

Divya Poojari
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL
http://www.nseindia.com/corporates/content/further_issues.htm

This Document is Digitally Signed

2.



Signer : Divya Babu Poojari
Date: Mon, Dec 19, 2016 18:55:33 GMT+05:30
Location: NSE

COMPLAINTS REPORT FOR THE PERIOD 08-11-2016 to 28-11-2016:

PART A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchange	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved	Nil
5.	Number of complaints pending	Nil

PART B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	-	-	-
2.	-	-	-
3.	-	-	-

For LARSEN & TOUBRO LIMITED


(N. HARIHARAN)
EXECUTIVE VICE PRESIDENT &
COMPANY SECRETARY
(M.No – A3471)

Date: November 29, 2016

Place: Mumbai

CIN : L99999MH1946PLC004768



**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH
COMPANY APPLICATION NO. 3 OF 2016**

In the matter of:

The Companies Act, 2013;

And

In the matter of:

Sections 230 to 232 and other relevant provisions of the Companies Act, 2013;

And

In the matter of Scheme of Arrangement between Larsen & Toubro Limited (the Transferor Company/ Demerged Company) and L&T Valves Limited (the Transferee Company/ Resulting Company) and their respective Shareholders and Creditors

Larsen & Toubro Limited, a company incorporated)
under the provisions of the Companies Act, 1913 and)
having its Registered Office at L&T House, Ballard Estate,)
Mumbai – 400 001, Maharashtra) Applicant Company

**FORM OF PROXY
LARSEN & TOUBRO LIMITED**

(Registered Office: L&T House, Ballard Estate, Mumbai – 400 001, Maharashtra) CIN: L99999MH1946PLC004768;
Tel No: 022 – 67525656 Fax No: 022 – 67525893; Email: igrc@larsentoubro.com; Website: www.larsentoubro.com

Name of the member(s)	
Registered Address	
Email ID	
Folio No./Client ID	

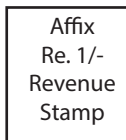
I/We, being the holder(s) of _____ share(s) of Larsen & Toubro Limited, hereby appoint,

- 1) _____ of _____ having e-mail id _____ or failing him
2) _____ of _____ having e-mail id _____ or failing him
3) _____ of _____ having e-mail id _____ or failing him

And whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Meeting of the Equity Shareholders of the Company to be held at Birla Matushri Sabhagar, 19, Marine Lines, Mumbai – 400020 on Tuesday, March 14, 2017 at 11.00 A.M and at any adjournment thereof in respect of the proposal as indicated below:

Proposal
Approval of Scheme of arrangement between Larsen & Toubro Limited (“ Transferor Company ” or “ Applicant Company ”) and L&T Valves Limited (“ Transferee Company ”) and their respective shareholders and creditors which, provides for transfer of the Coimbatore Undertaking of the Applicant Company as a going concern to the Transferee Company under Sections 230-232 of the Companies Act, 2013.

Signed this day of.....2017



Signature of Proxy Holder(s)

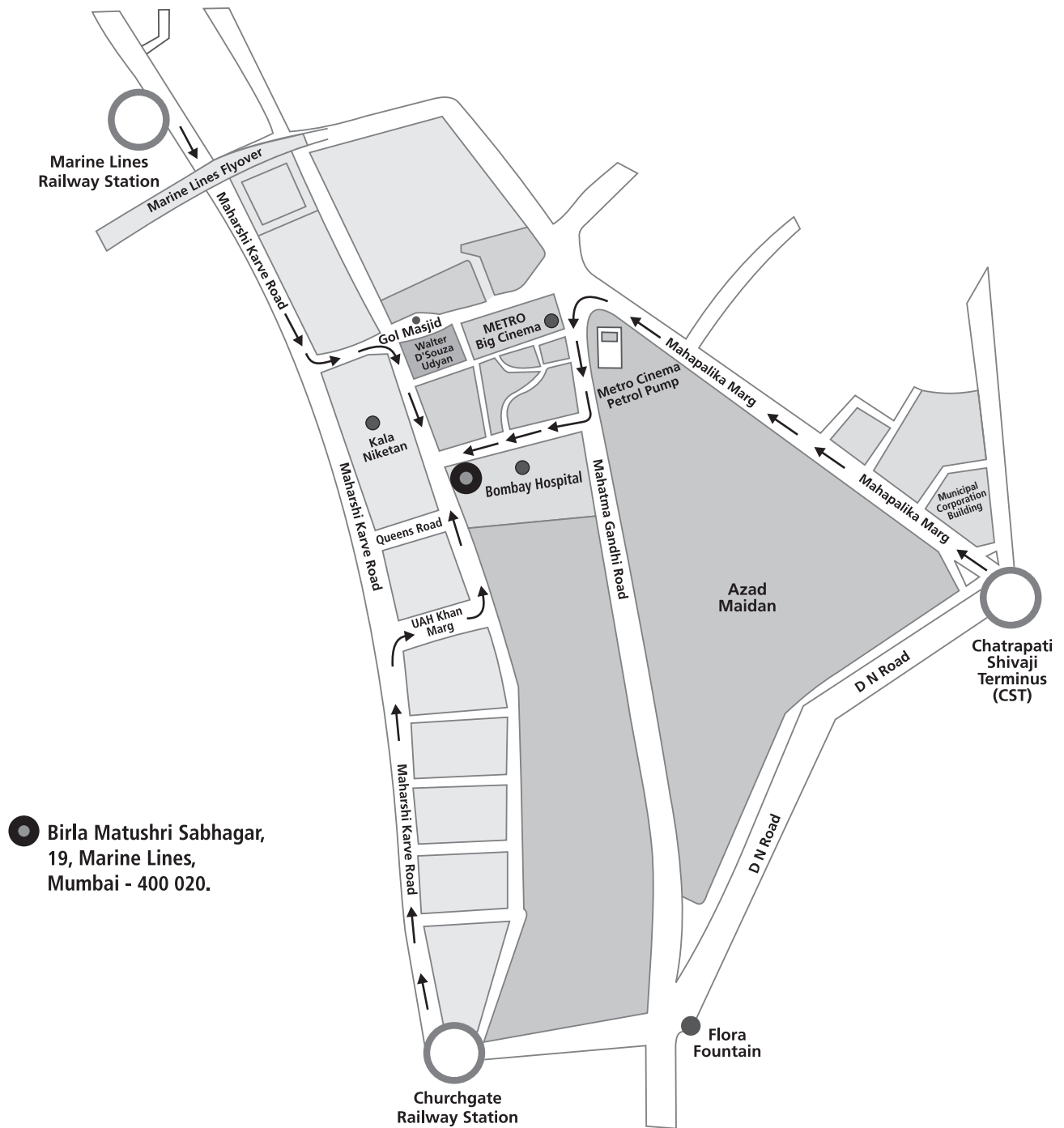
Signature of Shareholder

P.T.O.

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting
2. A proxy need not be a member of the Company.
3. Alterations, if any made in the Form of Proxy should be initialled.
4. A person can act as a proxy on behalf of members not exceeding fifty and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he/she so wishes.
6. In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

Route Map to the Meeting Venue



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