

**MINUTES OF THE SIXTY-SIXTH ANNUAL GENERAL MEETING
OF LARSEN & TOUBRO LIMITED HELD AT BIRLA MATUSHRI
SABHAGAR, 19,MARINE LINES, MUMBAI 400 020 ON FRIDAY,
AUGUST 26, 2011 AT 3.00 P.M**

Present:

MR. A.M. NAIK DIRECTOR	CHAIRMAN & MANAGING
MR. Y.M. DEOSTHALEE	WHOLE-TIME DIRECTOR
MR.K. VENKATARAMANAN	WHOLE-TIME DIRECTOR
MR. V.K. MAGAPU	WHOLE-TIME DIRECTOR
MR. M.V. KOTWAL	WHOLE-TIME DIRECTOR
MR. RAVI UPPAL	WHOLE-TIME DIRECTOR
MR. S.N. SUBRAHMANYAN	WHOLE-TIME DIRECTOR
MR. S. RAJGOPAL	DIRECTOR
MR. S.N. TALWAR	DIRECTOR
MR. M.M. CHITALE	DIRECTOR
MR. THOMAS MATHEW T.	DIRECTOR
MR. N. MOHAN RAJ	DIRECTOR
MR. SUBODH BHARGAVA	DIRECTOR
MRS. BHAGYAM RAMANI	DIRECTOR
MR. A.K.JAIN	DIRECTOR
MR. J.S. BINDRA	DIRECTOR

SHAREHOLDERS .. 1381

(INCLUDING AUTHORISED REPRESENTATIVES)

SHAREHOLDERS REPRESENTED BY PROXIES .. 430

Mr. A.M. Naik, Chairman & Managing Director, took the Chair and welcomed the shareholders.

The Chairman commenced the proceedings by introducing other Board Members sharing the dais with him.

The Chairman thereafter stated that the requisite quorum was present and 469 proxies representing 5,95,20,316 shares representing 9.74% of the paid-up equity capital of the Company were registered with the Company and proxies and other statutory registers as required by law were available for inspection of the members, if they so desired.

The Chairman stated that the Annual Report and the Notice convening the meeting were already in the hands of the shareholders and, with the permission of the shareholders, the Notice convening the meeting was taken as read. Thereafter, at the request of the

Chairman, Mr. N. Hariharan, Company Secretary, read out the Auditors' Report.

The Chairman, thereafter, addressed the shareholders briefly as follows:

In the year under review, the macro business environment was characterized by uncertainty and volatility. Although, the Company experienced extended prospect-to-award timelines, the execution schedule of the existing orders remained largely on track and the Company continued to gain significantly through its focus on competency, quality assurance and delivery.

1) Performance Overview

The Company had registered impressive performance on all important parameters during FY11.

Order Inflows for the year, though volatile from quarter to quarter, recorded a growth of 15%.

The closing Order Book position at the end of FY11 recorded an impressive Rs 130,217 Crore which is in excess of two years of backlog.

Revenues, driven by a robust Order Book position in the beginning of the year, registered a 19% growth for the year which was commendable considering the challenging execution environment that all sectors witnessed throughout the fiscal.

EBITDA Margins, by and large, held up to FY10 levels despite higher input prices which were mitigated through timely and cost efficient execution of orders on hand.

Profit after Tax at Rs. 3,676 Crore excluding exceptional and extraordinary items, grew 15% during the year. Robust operating cash flows contributed to the healthy financial condition of the Company.

The performance of the Subsidiary & Associate companies during the year was also encouraging. The Group total income for the year reached Rs.52,089 Crore while the Group Profit after Tax excluding Exceptional and Extraordinary items, recorded an impressive Rs 4,238 Crore, an increase of 12% year on year.

The Board had recommended an enhanced dividend of Rs. 14.50 per equity share on a face value of Rs. 2 per share for the year.

2) Gearing for growth

The Company had taken a slew of measures during the year under review to ensure that it accelerates its growth momentum going forward. Some of these major steps included:

a) Restructuring

A 5-year strategic plan for the Company's businesses was completed in FY11 after extensive consultations and its portfolio and organization structure were reviewed in detail. This plan had led to an organizational remodeling which would facilitate growth through greater levels of empowerment and delegation while sharpening accountability. The Company had accordingly been restructured into multiple Independent Companies (ICs) within the Parent Company. Although not legal entities, Independent Companies were vertically integrated business segments with their own internal boards which included a number of independent directors and a representative director from the parent company on each IC Board. This would allow greater independence in functioning and provide external and broader business perspectives to the IC management. The new structure had been rolled out and was beginning to function.

b) Business Integration

The Company was today the largest vertically integrated EPC player in the domestic infrastructure space. This had been achieved over the years through successful efforts to encompass all value creating and critical activities in each core business that it operates in. In Hydrocarbon, the Company straddled the design-fabrication-installation value chain. In Power, the facilities for manufacture of supercritical boilers turbines, and critical piping which had been commissioned, had plugged a vital gap in its EPC Power offerings to customers. In addition, all the power auxiliaries like Electrostatic Precipitators, Axial Fans and Heaters were approaching completion. Along with other essential existing facilities, the Company was capable of offering comprehensive Balance of Plant solutions to Power Generation customers. In the infrastructure space, the Company was one of the largest developer-cum-EPC players with a diverse portfolio of strategic concessions in the areas of Roads, Ports, Power Generation, Metro Rail and Urban Infrastructure.

c) Capacity Expansion

The Company had added capacities in different businesses to capture the next growth wave. In addition to commissioning of the manufacturing facilities for Boilers, Turbines and other Power auxiliaries, the Company had also expanded its facilities in Hazira and created a Knowledge City in Vadodara

thus integrating the total capabilities of EPC and Manufacturing. The manufacturing of heavy forgings and castings at Hazira is nearing completion. At Oman, in addition to the Modular Fabrication Facility for Oil & Gas structures, the new Heavy Engineering facilities are now operational. In Kattupalli, the Shipbuilding facility, the container port and the Oil & Gas fabrication facility were getting ready shortly.

d) Technology

The ability to understand, develop and successfully apply new technologies was a key differentiator of the Company. This had contributed to the dominant position in the sectors that the Company operated in, viz, Infrastructure, Power, Hydrocarbons, Process and Switchgear. The Company actively scouted for technology partners in areas where offerings to customers could be enhanced. Engagement with these technology majors were in the form of Joint Ventures or technology alliances or Process Qualifications from Process Licensors. Relationships with all existing partners had been productive and rewarding.

d) Talent Management

The Company recognized that talent management was a constantly evolving discipline in a dynamic environment. Built on an entrenched set of core principles, the Company's HR policies were designed to ensure that it remains the employer of choice. Compensation packages have been revised to ensure that superior resources are sufficiently incentivized to join and stay with the company. The Company also offers an unmatched canvas of professional opportunity for growth and development.

e) Information Technology in Business

The Company believed in IT as a business enabler which could add a cutting edge difference to its capabilities. The Company was constantly enhancing decision support systems that could offer businesses further advantages in the marketplace.

3) Economic Scenario

Briefing the members present about the economic scenario and its impact on the Company's businesses, it was stated that the economic situation worldwide had been volatile. The more than envisaged European debt crisis, the high US debt situation resulting into downgrade coupled with the deteriorating domestic economic situation was causing some slowdown in the decision making process across sectors. This posed further near term challenges to the Company in securing business in the remaining part of the current year.

It was further mentioned that in the previous year, the Indian economy and factors impacting key sectors like Infrastructure, Power and Hydrocarbon experienced macro headwinds during the year. Difficulty in land acquisition, slow pace of environmental clearances, non-allocation of fresh coal blocks for mining, unexpected shortage of gas production, governance issues at the political and bureaucratic level, high inflation led by food, commodity, oil prices and increasing interest rates all combined to slow down the pace of project award decisions. Consequently, institutional investors, both domestic and foreign, turned bearish on the India infrastructure theme.

International business for the Company had come down since the global slowdown 2 years ago. Since then, the countries where the Company was focusing on had shown signs of recovery and the Company was seeing increased business from those countries, notably in Hydrocarbon and Power Transmission & Distribution projects in the Middle East. Till date, the Company had bagged around Rs 7,000 Crores of orders from international markets compared to Rs 2,100 Crores in the corresponding period in the previous year and was expected to end the current year with a healthy Order Book position from international projects.

4) Corporate Social Responsibility

The Company had active and vibrant initiatives that focus on efforts to uplift different sections of society such as Mother and Child healthcare and Education through health camps, education camps and supply of necessary material. The Company also ran Construction Skills Training Institutes that train school dropouts, mainly from rural areas, with employment skills relevant to the construction industry. Over 4 Lakh people were benefited through the Company's social interventions in 2010-11.

5) Sustainable Development

Sustainable development was the key to an organization to survive and thrive. Accordingly, the Company had set out on a multi-year journey to achieve world class sustainable development through conservation of natural resources, environment protection, employee engagement and welfare measures that affected different parts of society. The Company had published annual Sustainability Reports and had won many accolades in its journey towards global sustainability standards.

6) Outlook

Briefing the members about the business outlook, it was further stated that in spite of the challenging environment, the Company believed that it would be able to add to its Order Book position by the end of the current year and still saw some opportunities in the areas that it operated in viz. Infrastructure And Construction

(Transportation Infrastructure, Water, Urban Building Infrastructure, Mining, Metals & Material Handling), Heavy Engineering (Heavy Industrial Equipment, Nuclear Power, Defence), Thermal Power (Coal-based, Gas-based), Power Transmission & Distribution, Hydrocarbons, Financial Services Business and Developmental Project Business. The various initiatives taken with regard to Electrical & Electronics Business, Machinery & Industrial Products Business, Information Technology Business, were also explained in detail.

The Chairman thanked all the employees for the unstinting and whole-hearted efforts which helped the Company reach greater heights and expressed his gratitude to his colleagues on the Board who had jointly steered the Company during an uncertain period in FY11 and all other stakeholders like shareholders, Financial Institutions, members of our supply chain and regulators for their resolute support. The Chairman pledged commitment to the pursuit of value creation through profitable growth of its businesses and re-affirmed its commitment to uphold highest standards of governance.

ITEM NO.1 – ADOPTION OF ACCOUNTS:

The Chairman thereafter moved the following Resolution for the adoption of Balance Sheet as at March 31, 2011 and Profit & Loss Account for the year ended on that date, as an **ORDINARY RESOLUTION**:

“RESOLVED THAT the audited Balance Sheet as at March 31, 2011 and the Profit & Loss Account for the year ended March 31, 2011, together with the Directors’ Report and Auditors’ Report thereon submitted to this meeting, be and are hereby considered and adopted.”

Mr. R.K. Grover seconded the resolution.

The Chairman thereafter invited questions from the shareholders concerning the Directors' Report and the Audited Accounts before putting the resolution to vote. He requested the speakers to announce their names before they speak and to restrict their comments to the points arising from Accounts, to be brief by restricting their speech to a maximum of 3 minutes, not to repeat questions already asked by earlier speakers to facilitate a wider participation by members and to maintain decorum so that proceedings of the meeting could go on smoothly.

The following shareholders addressed the meeting, expressing their observations, making suggestions and seeking clarifications on the Agenda items placed before the meeting:

- i. Mr. T.M. Davar
- ii. Mr. Harshad Kesharuwala
- iii. Mr. Adil P Irani
- iv. Mr. Bimal R Bhatt
- v. Mr. Dinesh Lakhani
- vi. Mr. B.C. Dalal
- vii. Mr. Jayprakash N Desai
- viii. Mr. Adi K Nalladaru
- ix. Mr. H. Patel
- x. Mr. S.P. Mahadevia
- xi. Mr. Prabhakar Kuvalekar
- xii. Mr. Rajnikant K Kothari
- xiii. Mr. Benjamin Isaac Ezekiel
- xiv. Mr. Ankush Mistry
- xv. Mr. Vinit Kumar Parikh
- xvi. Mr. Rajinder Kumar Grover
- xvii. Mrs. Shobhana Mehta
- xviii. Mr. Seshan Krishnamoorthy
- xix. Mrs. Ashalata Maheshwari
- xx. Mr. Jinoo K Dupetawalla
- xxi. Mr. Aloysius Mascarenhas
- xxii. Mr. Kirti J shah
- xxiii. Mr. Dinesh Bhatia
- xxiv. Mr. Aspi Bhesania
- xxv. Mr. Hiren Vyas
- xxvi. Mrs. Mascarenhas

Following were some of the interesting observations and noteworthy suggestions/comments made by the shareholders:

- (a) Appreciated
 - the Company's performance which was good in the backdrop of underperforming Global and Indian economy
 - the Company for giving good returns to all stakeholders
 - the subsidiary companies for contributing to group profits
- (b) Unanimously thanked Mr.Y.M.Deosthalee for his immense contributions to the Company and wished well for his new assignment as Chairman and Managing Director of L&T Finance Holdings Limited;
- (c) Complimented i
 - The well-presented and exhaustive Annual Report -2010-11 ;
 - The Chairman and Managing Director, the Board of Directors and the services rendered by the staff of Secretarial Department/Registrar & Transfer Agents, and the employees of the Company for their good performance.

Several questions were raised by the Shareholders and clarifications sought for the following:

- Performance of the Company in 2011-12;
- Reasons for increase in other income, staff cost;
- No. of women employees;
- Talent management
- Leadership succession plans
- Fall in L&T Finance Holdings Limited Share price
- Reasons for not declaring bonus despite high reserves;
- Structure of the Independent Companies
- Brand Valuation
- Remuneration of Non-Executive Directors
- Reasons for Subsidiary companies not declaring dividends;
- Status of loan given to L&T Welfare Foundation
- Performance of Power Independent Company;
- Circulation of Annual Reports electronically.

The Chairman thanked the speakers for their useful suggestions and valuable comments and, replying to queries, stated as follows:-

- The Company is expected to maintain good performance in 2011-12, although the world and Indian economy may not clock expected progress;
- The Company's temporary cash surplus, (expected to be invested in various projects shortly) which was invested in safe investments, fetched good returns, which was reflected in increase in other income;
- The Company has added about 5000 (net) employees (3000 in the Company and 2000 in the subsidiary/associate companies). As a percentage of sales, staff cost was more or less unchanged as compared to last year;
- The Company has taken steps to control attrition. At senior levels, the attrition is very low. The Company is very vigilant with regard to attrition, constantly benchmarking with other companies. It brings in talent at various levels and takes care of employees adequately.
- The Company is working on Succession Planning and is hopeful of announcing a new leadership structure by April 2012.
- The Company's Shares have been performing well. Shareholders have benefited because of increasing market capitalization. Issue of bonus shares would result in increase of number of shares which brings in the issue of servicing through more dividends;

- The Company has been organized as 9 Independent Companies (not legal entities) [ICs], to give more autonomy to these ICs so that they can grow more profitably resulting in higher shareholder value.
- Most of the subsidiaries have been formed for specific projects and were in growth phase. These Special Purpose companies needed to conserve their resources for potential growth and therefore it is not advisable to declare dividends;
- The Power IC has been growing well and is expected to take advantage of the growth in the economy and industry;
- The Company had sent Annual reports electronically to around 30% of shareholders, keeping in sync with the green initiatives of the Government of India. The contents of the Annual report of 2010-11 were printed on paper manufactured from recycled paper fibre;
- The Company is presently reviewing the remuneration of the non-executive directors, taking into account the need to attract talented people on the Board;
- Considering the stock market conditions and state of the Indian economy, the L&T Finance Holdings Limited Issue performed well and there was a good response, especially, from retail shareholders.

The Resolution was then put to vote by the Chairman and on show of hands he declared that the same was carried out unanimously.

ITEM NO 2 – DECLARATION OF DIVIDEND

Mr. Y.M. Deosthalee proposed the following Resolution as an ORDINARY RESOLUTION:

“RESOLVED THAT the final dividend at the rate of Rs.14.50 Paise per share on 61,11,61,097 shares of Rs.2/- each be paid for the year ended March 31, 2011 to the members whose names appeared in the Register of Members of the Company as on August 26, 2011 and in the Register of beneficial owners maintained by the depositories as on August 18, 2011.

Mr. Dinesh Bhatia seconded the Resolution.

Thereafter, the Chairman put the Resolution under Item No. 2 to vote and, on show of hands, declared that the same was carried unanimously.

ITEM NO 3 - RE-APPOINTMENT OF MR.K. VENKATARAMANAN AS DIRECTOR:

Mr. Aspi Bhesania proposed the following Resolution as an ORDINARY RESOLUTION:

RESOLVED THAT Mr. K.Venkatramanan, who retires by rotation from the Board of Directors in accordance with the Article 108 of the Company's Articles of Association, but being eligible for re-appointment, be and is hereby re-appointed.

Mr.Vinit Kumar Parikh seconded the Resolution.

The Resolution was then put to vote by the Chairman and on show of hands, he declared that the same was carried out unanimously.

ITEM NO 4 – RE-APPOINTMENT OF MR. S. RAJGOPAL AS A DIRECTOR:

Mrs.Ashalata Maheshwari proposed the following Resolution as an ORDINARY RESOLUTION:

RESOLVED THAT Mr. S. Rajgopal, who retires by rotation from the Board of Directors in accordance with the Article 108 of the Company's Articles of Association, but being eligible for re-appointment, be and is hereby re-appointed.

Mrs. Mascarenhas seconded the Resolution.

The Resolution was then put to vote by the Chairman and on show of hands, he declared that the same was carried out unanimously.

ITEM NO 5 – RE-APPOINTMENT OF MR.A.K. JAIN AS A DIRECTOR:

Mr. Rajnikant K Kothari proposed the following Resolution as an ORDINARY RESOLUTION:

RESOLVED THAT Mr. A.K. Jain, who retires by rotation from the Board of Directors in accordance with Article 108 of the Company's Articles of Association, but being eligible for re-appointment, be and is hereby re-appointed."

Mr. Vinit Kumar Parikh seconded the Resolution.

The Resolution was then put to vote by the Chairman and on show of hands, he declared that the same was carried out unanimously.

ITEM NO 6 – RE-APPOINTMENT OF MR.S.N. TALWAR AS A DIRECTOR:

Mrs. Shobana Mehta proposed the following Resolution as an ORDINARY RESOLUTION:

RESOLVED THAT Mr. S.N. Talwar, who retires by rotation from the Board of Directors, in accordance with the Article 108 of the Company's Articles of Association, but being eligible for re-appointment, be and is hereby re-appointed.

Mr. S.P. Mahadevia seconded the Resolution.

The Resolution was then put to vote by the Chairman and on show of hands, he declared that the same was carried out unanimously.

ITEM NO 7 –APPOINTMENT OF MR.S.N. SUBRAHMANYAN AS A DIRECTOR:

Mr. Kirti J Shah proposed the following Resolution as an ORDINARY RESOLUTION:

RESOLVED THAT Mr. S.N. Subrahmanyam be and is hereby appointed as a Director retiring by rotation

Mr. Mascarenhas seconded the Resolution.

The Resolution was then put to vote by the Chairman and on show of hands, he declared that the same was carried out unanimously.

ITEM NO 8 - RE-APPOINTMENT OF MR. RAVI UPPAL AS WHOLE-TIME DIRECTOR:

Mr. Rajnikant K Kothari proposed the following Resolution as an ORDINARY RESOLUTION:

RESOLVED THAT pursuant to the provisions of 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 appointment of Mr. Ravi Uppal, as the Whole-time Director of the Company with effect from November 1, 2010 upto and including October 31, 2015.

RESOLVED FURTHER THAT Mr.Ravi Uppal, 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.

Mr. Adi K Nalladaru seconded the Resolution.

The Resolution was then put to vote by the Chairman and on show of hands, he declared that the same was carried out unanimously.

ITEM NO 9 - RE-APPOINTMENT OF MR. S.N. SUBRAHMANYAN AS WHOLE-TIME DIRECTOR:

Mrs. Ashalata Maheshwari proposed the following Resolution as an ORDINARY RESOLUTION:

RESOLVED THAT pursuant to the provisions of 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 appointment of Mr. S.N. Subrahmanyam, as the Whole-time Director of the Company with effect from July 1, 2011 upto and including June 30, 2016.

RESOLVED FURTHER THAT Mr. S.N. Subrahmanyam, 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.

Mr. Prabhakar Kuvalekar seconded the Resolution.

The Resolution was then put to vote by the Chairman and on show of hands, he declared that the same was carried out unanimously.

ITEM NO 10 – REMUNERATION PAYABLE TO CHAIRMAN AND MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR/DEPUTY MANAGING DIRECTOR/ WHOLE-TIME DIRECTORS

Mr. R.K.Grover proposed the following Resolution as a ORDINARY RESOLUTION:

“RESOLVED THAT subject to the provisions of Sections 198, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule XIII of the said Act, approval be and is hereby accorded to the Board of Directors (hereinafter referred to as the Board) which term shall be deemed to include any committee thereof) to pay to

the Chairman and Managing Director/Chief Executive Officer and Managing Director, if any, Deputy Managing Director, if any and the Whole-time Directors of the Company with effect from October 1, 2011, such remuneration comprising of salary, commission, perquisites and allowances, as may be determined by the Board from time to time within the maximum limits as mentioned in the Explanatory Statement and the consent of the Company be and is hereby also accorded to holding an office or place of profit or continue to hold an office or place of profit as Directors, nominated or as may be nominated by the Company, from time to time, on the Boards of its subsidiary/associate companies.

Mr.Adi K Nalladaru seconded the Resolution.

The Resolution was then put to vote by the Chairman and on show of hands, he declared that the same was carried out unanimously.

ITEM NO.11 - RE-APPOINTMENT OF AUDITORS & FIXATION OF THEIR REMUNERATION

Mr.Hiren Vyas proposed the following Resolution as a SPECIAL RESOLUTION

"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 Lakh Only) exclusive of service tax, travelling and other out of pocket expenses."

Mr. R.K.Grover seconded the Resolution.

The Resolution was then put to vote by the Chairman and on show of hands, he declared that the same was carried out unanimously.

Mrs.Ashalata Maheshwari proposed a vote of thanks to the Chair.

The Chairman thereafter declared the Meeting as closed.

Date: September 6, 2011

SD/-
CHAIRMAN
