



LARSEN & TOUBRO LIMITED

SECRETARIAL DEPARTMENT

Regd. Off.: L&T House, Ballard Estate, P. O. Box 278, Mumbai 400 001 • Phone : 67525656 • Fax : 91-22-67525893
Website : www.larsentoubro.com

E-Mail :

Ref.:

SEC/PAM/POSTAL BALLOT/2011

April 18, 2011

National Stock Exchange Of India Limited
Exchange Plaza, 5th Floor
Plot No.C/1, G Block
Bandra-Kurla Complex
Bandra (E), Mumbai - 400 051

STOCK CODE: LT

Dear Sir,

Sub : Transfer of Electrical & Automation Independent Company

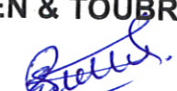
The Board of Directors at its meeting held on 6th April 2011 has approved, seeking of shareholders approval for transfer of the Electrical & Automation (E&A) Business of the Company to a Subsidiary and/or Associate Company or to any other entity as a going concern or otherwise in accordance with requirement under Section 293(1)(a) of the Companies Act, 1956, read with the Rule 4(f) of the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001.

Pursuant to Clause 31 of the Listing Agreement, we enclose six copies each of the Notice and the Resolution proposed to be passed through Postal Ballot alongwith the Postal Ballot Form contents of which are self-explanatory.

This is for your information and necessary action.

Thanking you,

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


N. HARIHARAN
COMPANY SECRETARY

Encl. as



LARSEN & TOUBRO LIMITED

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

NOTICE

Dear Shareholders,

Notice pursuant to Section 192A(2) of the Companies Act, 1956.

Pursuant to the provisions of Section 293(1)(a) of the Companies Act, 1956 any proposal to sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the company, or where the company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking, shall be approved by the shareholders.

The Company, which is predominantly into project and construction business, as a part of its business restructuring exercise, proposes to transfer the Electrical & Automation ("E&A") Business of the Company, which is largely a product business, to a subsidiary and/or associate company or to any other entity as a going concern or otherwise.

Further, pursuant to Section 192A of the Companies Act, 1956, read with the Rule 4(f) of the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 the approval of the shareholders has to be obtained by passing shareholders' resolution through Postal Ballot.

The proposed ordinary resolution and explanatory statement stating the material facts and the reasons for the proposal is appended below and a Postal Ballot form is enclosed for your consideration.

The Company has appointed Mr. S. N. Ananthasubramanian, Practising Company Secretary, as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.

Please read carefully the instructions printed on the Postal Ballot form and return the form duly completed in all respects in the enclosed self-addressed pre-paid postage envelope so as to reach the Scrutinizer on or before the close of working hours on Monday, May 23, 2011.

The Scrutinizer will submit his report to the Chairman after completion of the scrutiny and the result of the voting by Postal Ballot will be announced on or before Wednesday, May 25, 2011 through Notice Board, website and press advertisements.

ORDINARY RESOLUTION

1. To consider and if deemed fit, to pass through Postal Ballot, the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, and the Memorandum and Articles of Association of the Company, and subject to other permissions and approvals as may be required, consent is hereby accorded to the Board of Directors of the Company, to transfer the Electrical & Automation (“E&A”) Business of the Company to a subsidiary company and/or associate company or to any other entity as may be approved by the Board of Directors (including any committee), as a going concern or otherwise, at such value and on such terms and conditions as may be decided by the Board of Directors with the power to the Board of Directors to finalise and execute necessary documents including agreements, deeds of assignment/conveyance and other documents and to do all such other acts, deeds, matters and things as may be deemed necessary and expedient in their discretion for completion of transfer of the said undertaking.

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

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

Place: Mumbai
Date: April 6, 2011

(N. HARIHARAN)
COMPANY SECRETARY

EXPLANATORY STATEMENT

[Pursuant to the provisions of Section 173(2) of the Companies Act, 1956]

OVERVIEW

The Company had initiated the process of developing its strategic plan for the period 2010-15 (Lakshya 2015) in September, 2009. The process identified the strategy and strategic initiatives for each Business Unit and carried out a detailed assessment of its Portfolio, Organisation Structure and Capital Structure.

The assessment revealed significant opportunities across all our business segments and the need to refine the organizational model – one which would facilitate growth through greater levels of empowerment and delegation while retaining accountability. This is even more critical as the Company's plans involve growing aggressively on a large revenue base. Considering this, Management decided to restructure the Company into various Independent Companies (ICs).

Each IC, while not being a legal entity, will have its own board consisting of representatives from L&T Board, Executives from the IC and external members to bring a greater degree of accountability and governance in operations. The external members will typically be Industry Experts, Practicing Professionals, Administrators, Academicians, etc, identified in line with the needs of an IC.

Each IC would be encouraged to establish its organization structure and processes on par with a market listed entity. ICs will have greater freedom in defining their HR policies. Certain key processes / policies will continue to be driven at the Corporate Level.

PROPOSAL

The current proposal is to transfer the Electrical & Automation IC (EAIC) excluding the Medical Equipment business into a subsidiary and/or associate company or to any other entity as a going concern or otherwise. This restructuring of the business is required so that it is able to realize its full growth potential and participate comprehensively in the growth of the industry.

EAIC offers products and solutions in the electrical distribution and Industry automation space. EAIC has a legacy of over 50 years and is the leader in low voltage switchgear market in India. Over the years, EAIC has extended the portfolio to become an integrated solutions provider for its customers.

The division which employs approximately 5328 persons comprises of four Strategic Business Units:

Electrical Standard Products (ESP):

ESP is the largest manufacturer of low voltage products in India. The portfolio includes complete range of Powergear, Controlgear, Motor Starters, Energy Meters & systems, Busbar Trunking, Industrial Automation products, Wiring Accessories and Building Automation solutions. ESP has the largest distribution network in India with over 600 stockists and over 100 service centres.

Metering & Protection System (MPS):

MPS manufactures and markets electronic energy meters for single and three phase applications and numerical protection relays for utilities, industries and commercial establishments.

Electrical System & Equipments (ESE):

ESE manufactures custom-built low and medium voltage switchboards with conventional as well as intelligent protection, control and communication to meet the power distribution and motor control needs of industries. The system includes Power Control Centres (PCC), Motor Control Centres (MCC), Distribution Boards and Control Panels. It also offers special switchboards, starters and control systems for application onboard Naval Ships as well as commercial ships.

ESE caters to international market like GCC and North Africa which contributes more than 30% of ESE's business.

Control & Automation (C&A):

C&A is the largest System Integrator in India providing turnkey automation systems to the industry verticals like Oil & Gas, Water, Power, Cement, Metal and Infrastructure. The solutions are based on best of breed technology like SCADA, DCS, PLC and Drives from international partners.

FINANCIALS

The Gross sales for the year 2009-10 was ₹ 3675 crore with Profit before Interest & Tax (PBIT) of ₹ 390 crore and Return on Capital Employed (ROCE) of 25.4%. The Corresponding numbers for the year 2008-09 were Gross sales of ₹ 3199 crore, PBIT of ₹ 326 crore and ROCE of 19.4%.

CHALLENGES FOR GROWTH

The E&A Business, as stated earlier, is largely a product business. Considering the challenges of operating the E&A business as a part of the business portfolio of a predominantly project & construction company, it is proposed to restructure the business by transferring it to a subsidiary company and/or associate company or to any other entity as may be approved by the Board of Directors (including any committee), as a going concern or otherwise.

The Board of Directors recommend passing of the Resolution.

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

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

Place: Mumbai
Date: April 6, 2011

(N. HARIHARAN)
COMPANY SECRETARY



LARSEN & TOUBRO LIMITED

Registered Office :

L&T HOUSE, BALLARD ESTATE, MUMBAI 400 001

POSTAL BALLOT FORM

(Please read the instructions printed overleaf carefully before completing this form)

POSTAL BALLOT NO.

- (1) Name(s) of Member(s)
- (2) Registered Address of the Sole/First named Member
- (3) Name(s) of the Joint-Holder(s), if any
- (4) DP ID No. / Client ID No./ Registered Folio No.
- (5) No. of Shares held
- (6) I/We hereby exercise my/our vote in respect of the Ordinary Resolution to be passed through Postal Ballot for the business stated in the Notice dated 6th April, 2011 of the Company by sending my/our assent or dissent to the said Resolution by placing the tick mark (✓) at the appropriate column below:

Description	No. of Shares	I/We assent to the resolution (FOR)	I/We dissent to the resolution (AGAINST)
Ordinary Resolution under Section 293(1) (a) of the Companies Act, 1956, for transfer of Electrical & Automation Business of the Company to a Subsidiary and / or Associate Company or to any other entity.			

Signature of the Member

Place :

Date :

Note : Last date for Receipt of Postal Ballot Form by the Scrutinizer : 23rd May, 2011

P. T. O.



1. A Member desiring to exercise vote by Postal Ballot may complete this Postal Ballot Form and send it to the Scrutinizer in the enclosed postage pre-paid self-addressed envelope. Postage will be borne and paid by the Company. Envelopes containing Postal Ballots, if sent by courier at the expense of the Member will also be accepted.
2. This Form should be completed and signed by the Member (as per the specimen signature registered with the Company/Depository Participants). In case of joint holding, this Form should be completed and signed by the first named Member and in his absence, by the next named Member.
3. In case of shares held by companies, trusts, societies etc., the duly completed Postal Ballot Form should be accompanied by a certified true copy of Board Resolution/Authority. Where the form has been signed by a representative of the President of India or of the Governor of a State, a certified copy of the nomination should accompany the Postal Ballot Form.
4. The consent must be accorded by recording the assent in the Column 'FOR' and dissent in the column 'AGAINST' by placing a tick mark (✓) in the appropriate column.
5. Unsigned Postal Ballot Forms will be rejected.
6. A Member need not use all the votes nor needs to cast all the votes in the same way.
7. Duly completed Postal Ballot Form should reach the Scrutinizer not later than the close of working hours on **Monday, May 23, 2011**. All Postal Ballot Forms received after this date will be treated as if reply from such Member has not been received.
8. A Member may request for a duplicate Postal Ballot Form, if so required. However, the duly filled in duplicate Postal Ballot Form should reach the Scrutinizer not later than the date specified at item No. 7 above.
9. Members are requested not to send any other paper along with the Postal Ballot Form in the enclosed postage prepaid self-addressed envelope.
10. Voting rights shall be reckoned on the paid up value of the shares registered in the name of the Members on the **last date of despatch of the Notice**.
11. The Scrutinizer's decision on the validity of a Postal Ballot Form will be final.
12. The results of the Postal Ballot will be declared at the Registered Office of the Company as specified in the Notice. The results will thereafter be published in newspaper(s), for the information of Members.

Note : Last date for Receipt of Postal Ballot Form by the Scrutinizer : 23rd May, 2011
