PROSPECTUS
Dated August 3, 2011
(Please read Section 60 of the Companies Act, 1956)
100% Book Building Issue

L&T Finance Holdings

L&T FINANCE HOLDINGS LIMITED

Our Company was originally incorporated as L&T Capital Holdings Limited in Mumbai under the Companies Act, 1956, as amended, on May 1, 2008 as a public limited company. For further details regarding changes made to the name of our Company, please refer to the section titled "*History and Certain Corporate Matters*" on page 211 of this Prospectus.

Registered Office: L&T House, Ballard Estate, Mumbai – 400 001.
Tel: (91 22) 6752 5656; **Fax**: (91 22) 6752 5858
Corporate Office: 'The Metropolitan', 8th Floor, C-26/27, E-Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051.
Tel: (91 22) 6737 2951; **Fax**: (91 22) 6737 2900
Website: www.ltfinanceholdings.com
Promoter of our Company: Larsen & Toubro Limited
Company Secretary and Compliance Officer: Mr. N. Suryanarayanan; **Tel**: (91 22) 4060 5433; **Fax**: (91 22) 4060 5353; **Email**: ltfh-ipo@ltfinance.com

PUBLIC ISSUE OF 237,705,361 EQUITY SHARES OF ₹ 10 EACH ("EQUITY SHARES") FOR CASH BY L&T FINANCE HOLDINGS LIMITED (THE "COMPANY" OR THE "ISSUER") AT A PRICE OF ₹ 52 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ 42 PER EQUITY SHARE) FOR INVESTORS OTHER THAN ANCHOR INVESTORS AND AT A PRICE OF ₹ 56 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ 46 PER EQUITY SHARE) FOR ANCHOR INVESTORS AGGREGATING UP TO ₹ 12,450 MILLION (THE "ISSUE") INCLUDING A RESERVATION OF 10,000,000 EQUITY SHARES FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES FOR CASH AT A PRICE OF ₹ 50 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ 40 PER EQUITY SHARE) AGGREGATING UP TO ₹ 500 MILLION (THE "EMPLOYEE RESERVATION PORTION") AND A RESERVATION OF 23,076,923 EQUITY SHARES FOR SUBSCRIPTION BY L&T SHAREHOLDERS FOR CASH AT A PRICE OF ₹ 52 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ 42 PER EQUITY SHARE) AGGREGATING UP TO ₹ 1,200 MILLION (THE "L&T SHAREHOLDERS RESERVATION PORTION"). THE ISSUE WILL CONSTITUTE APPROXIMATELY 13.86 % OF THE POST- ISSUE SHARE CAPITAL OF OUR COMPANY AND THE NET ISSUE WILL CONSTITUTE APPROXIMATELY 11.93 % OF THE POST-ISSUE SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10 EACH AND THE ISSUE PRICE IS 5.2 TIMES THE FACE VALUE (FOR ANCHOR INVESTORS THE ISSUE PRICE IS ₹ 56 PER EQUITY SHARE, WHICH IS 5.6 TIMES THE FACE VALUE). OUR COMPANY IN CONSULTATION WITH THE LEAD MANAGERS HAS OFFERED A DISCOUNT OF ₹ 2 TO THE ISSUE PRICE TO THE ELIGIBLE EMPLOYEES ("ELIGIBLE EMPLOYEE DISCOUNT").

In case of revision in the Price Band, the Bidding / Issue Period will be extended for at least three additional Working Days after such revision of the Price Band subject to the Bidding/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bidding/Issue Period, if applicable, will be widely disseminated by notification to the National Stock Exchange of India Limited (the "**NSE**") and the Bombay Stock Exchange Limited (the "**BSE**"), by issuing a press release, and also by indicating the change on the website of the Joint Global Coordinators and Book Running Lead Managers ("**JGCBRLMs**"), of the Book Running Lead Managers ("**BRLMs**") and the Co-Book Running Lead Manager ("**CBRLM**" and together with the JGCBRLMs and the BRLMs, the "**Lead Managers**") and at the terminals of the Syndicate Members.

In terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "**SCRR**"), and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "**SEBI ICDR Regulations**"), this is an issue for less than 25% of the post-Issue capital, subject to the Net Issue being at least 10% of the post Issue capital. Pursuant to Regulations 43(2) read with Regulation 26(2) of the SEBI ICDR Regulations at least 50% of the Net Issue shall be allotted on a proportionate basis to Qualified Institutional Buyers ("**QIBs**"), provided that our Company may allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis out of which one-third shall be reserved for domestic Mutual Funds only. In the event of under subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders subject to valid Bids being received at or above the Issue Price. If at least 50% of the Net Issue cannot be Allotted to QIBs, then the entire application money shall be refunded forthwith. All potential investors (except Anchor Investors) may participate in this Issue through the Application Supported by Blocked Amount ("**ASBA**") process by providing details about the bank accounts in which corresponding Payment Amount may be blocked by the Self Certified Syndicate Banks ("**SCSBs**"). However, it is mandatory for all QIBs (except Anchor Investors), Non-Institutional Bidders and L&T Shareholders Bidding under the L&T Shareholders Reservation Portion for a Payment Amount of above ₹ 200,000 to participate in this Issue through the ASBA process. For details, please refer to the section titled "*Issue Procedure*" on page 417 of this Prospectus.

RISKS IN RELATION TO FIRST ISSUE

This being the first public issue of the Equity Shares, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10 each and the Issue Price is 5.2 times the face value. The Issue Price (as determined and justified by our Company and the Lead Managers as stated in the section titled "*Basis for Issue Price*" on page 113 of this Prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of this Prospectus. Specific attention of the investors is invited to the section titled "*Risk Factors*" on page 18 of this Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to our Company and the Issue that is material in the context of the Issue, that the information contained in this Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.

IPO GRADING

This Issue has been graded by Credit Analysis & Research Limited and ICRA Limited by way of their letters dated June 17, 2011 and June 27, 2011, respectively, and has been assigned "**CARE IPO Grade 5**" indicating "**Strong Fundamentals**" and "**IPO Grade 5**" indicating "**Strong Fundamentals**", respectively. The IPO grading is assigned on a five point scale from 1 to 5 with "IPO Grade 5" indicating strong fundamentals and "IPO Grade 1" indicating poor fundamentals. For more information on the IPO grading, please refer to the section titled "*General Information*" on page 83 of this Prospectus.

LISTING

The Equity Shares offered through the Prospectus are proposed to be listed on the NSE and the BSE. Our Company has received the in-principle approvals from the NSE and the BSE for the listing of the Equity Shares pursuant to letters dated April 20, 2011 and April 21, 2011 respectively. For the purposes of this Issue, the NSE shall be the Designated Stock Exchange.

JOINT GLOBAL COORDINATORS AND BOOK RUNNING LEAD MANAGERS		
JM FINANCIAL	citi	HSBC
JM Financial Consultants Private Limited 141 Maker Chambers III Nariman Point Mumbai – 400 021, India Tel: (91 22) 6630 3030 Fax: (91 22) 2204 7185 Email: ltf.ipo@jmfinancial.in Investor Grievance Email: grievance.ibd@jmfinancial.in Website: www.jmfinancial.in Contact Person: Ms. Lakshmi Lakshmanan SEBI Registration No.: INM000010361	**Citigroup Global Markets India Private Limited 12th Floor, Bakhtawar Nariman Point Mumbai – 400 021, India Tel: (91 22) 6631 9999 Fax: (91 22) 3919 7845 E-mail: ltfinance.ipo@citi.com Investor Grievance Email: investors.cgmib@citi.com Website: http://www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm Contact Person: Mr. Varun Chokhani SEBI Registration No. INM000010718**	**HSBC Securities and Capital Markets (India) Private Limited 52/60 Mahatma Gandhi Road Fort, Mumbai – 400 001, India Tel: (91 22) 2268 1285 Fax: (91 22) 2263 1984 Email: ltfinance@hsbc.co.in Investor Grievance Email: investorgrievance@hsbc.co.in Website: http://www.hsbc.co.in/1/2/corporate/equities-global-investment-banking Contact Person: Mr. Sumit Roy SEBI Registration No.: INM000010353**

BOOK RUNNING LEAD MANAGERS		CO-BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE ISSUE
BARCLAYS	CREDIT SUISSE	Equirus	
Barclays Securities (India) Private Limited 208 Ceejay House Shivsagar Estate Dr. A. Besant Road, Worli Mumbai – 400 018, India Tel: (91 22) 6719 6075 Fax: (91 22) 6719 6275 Email: ltf.ipo@barclayscapital.com Investor Grievance Email: BSIPL.Concerns@barclayscapital.com Website: http://www.barcap.in/bsiplofferingdocuments Contact Person: Mr. Vishal Bohra SEBI Registration No.: INM000011195	**Credit Suisse Securities (India) Private Limited 9th floor, Ceejay House Shivsagar Estate Dr. A Besant Road, Worli Mumbai – 400 018, India Tel: (91 22) 6777 3777 Fax: (91 22) 6777 3820 Email: list.project-gn1@credit-suisse.com Investor Grievance Email: list.igcellmer-bnkg@credit-suisse.com Website: https://www.credit-suisse.com/in/ipo/ Contact person: Ms. Deepa Jadhav SEBI Registration number: INM000011161**	**Equirus Capital Private Limited 4th Floor, A Wing, Fortune 2000, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051, India Tel: (91 22) 2653 0600 Fax: (91 22) 2653 0601 Email: ltf.ipo@equirus.com Investor Grievance Email: investorsgrievance@equirus.com Website : www.equirus.com Contact Person : Mr. Munish Aggarwal SEBI Registration No. : INM000011286**	**Sharepro Services (India) Private Limited 13 A B, Samhita Warehousing Complex 2nd floor, Sakinaka Telephone Exchange Lane Andheri - Kurla Road, Sakinaka, Andheri (E), Mumbai – 400 072 Tel: +91 22 6191 5400/412 Fax: +91 22 6191 5444 Email: prakashk@shareproservices.com Investor Grievance Email: ipoltfh@shareproservices.com Website: www.shareproservices.com Contact Person: Mr. Prakash A Khare Compliance Officer: Mr. Prakash A Khare SEBI Registration No.: INR000001476**

ISSUE PROGRAMME*	
BID/ISSUE OPENED ON JULY 27, 2011	**BID/ ISSUE CLOSED ON JULY 29, 2011**

The Anchor Investor Bidding Date was one day prior to the Bid/Issue Opening Date i.e. July 26, 2011.

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise implies or requires, the terms and abbreviations stated hereunder shall have the meanings as assigned therewith. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments and modifications notified thereto.

Conventional and general terms

Term	Description
"Act" or "Companies Act"	The Companies Act, 1956, as amended.
ALM Guidelines	Guidelines for Asset Liability Management System in relation to NBFCs prescribed by the RBI.
Depositories Act	Depositories Act, 1996, as amended.
Depository	A depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 1996, as amended.
DP/Depository Participant	A depository participant as defined under the Depositories Act.
ESOP Guidelines	Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended.
FDI Policy	The foreign direct investment policy prescribed by the Department of Industrial Policy and Promotion, Government of India.
FEMA Regulations	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended, notified by the RBI, in exercise of its power under the FEMA.
Five Year Plan	The five year plans issued by the Planning Commission, Government of India.
Indian GAAP	Generally accepted accounting principles in India.
IT Act/Income Tax Act	The Income Tax Act, 1961, as amended.
PMLA	The Prevention of Money Laundering Act, 2002, as amended.
PML Rules	The Prevention of Money-laundering (Maintenance of Records of the Nature and Value of Transactions, the Procedure and Manner of Maintaining and Time for Furnishing Information and Verification and Maintenance of Records of the Identity of the Clients of the Banking Companies, Financial Institutions and Intermediaries) Rules, 2005, as amended, issued by the Government of India under PMLA.
Prudential Norms Directions	The Non Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, as amended, issued by RBI.
Regulation S	Regulation S under the Securities Act.
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended.
SEBI Act	Securities and Exchange Board of India Act 1992, as amended.
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended.
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.
Securities Act/U.S. Securities Act	The United States Securities Act of 1933, as amended.
SICA	The Sick Industrial Companies (Special Provisions) Act, 1985, as amended.

Term	Description
US/USA/United States	United States of America including its territories and possessions, any state of the United States of America and the District of Columbia.
US GAAP	Generally accepted accounting principles in the USA.
VCFs	Venture capital funds as registered with SEBI under the SEBI (Venture Capital Funds) Regulations, 1996, as amended.
1993 Regulations	The SEBI (Mutual Funds) Regulations, 1993, as amended.
2002 Act	The UTI (Transfer of Undertaking and Repeal) Act, 2002, as amended.

Issue related terms

Term	Description
Allotment/Allot/Allotted	The allotment of the Equity Shares to the successful Bidders pursuant to the Issue.
Allottee	The successful Bidder to whom the Equity Shares are Allotted.
Anchor Investor	A Qualified Institutional Buyer who applies under the Anchor Investor Portion with a minimum Bid of ₹ 100 million.
Anchor Investor Bid	Bid made by the Anchor Investor.
Anchor Investor Bidding Date	July 26, 2011, the date one day prior to the Bid/Issue Opening Date, prior to and after which the Syndicate did not accept any Bids from Anchor Investors. Anchor Investors are not permitted to withdraw their Bids after the Anchor Investor Bidding Date.
Anchor Investor Confirmation of Allocation Note	Note or advice or intimation of allocation of Equity Shares (including any revision thereof) sent to Anchor Investors who have been allocated Equity Shares on the Anchor Investor Bidding Date.
Anchor Investor Issue Price	The price at which the Equity Shares are allotted to the Anchor Investors under the Anchor Investor Portion in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price but not higher than the Cap Price. The Anchor Investor Issue Price of ₹56 per Equity Share has been determined by our Company, in consultation with the Lead Managers.
Anchor Investor Portion	Up to 30% of the QIB Portion, equal to a maximum of 30,694,266 Equity Shares which may be allocated by our Company to Anchor Investors on a discretionary basis, and out of which one third was reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is made to other Anchor Investors.
ASBA/Application Supported by Blocked Amount	An application, whether physical or electronic, used by all ASBA Bidders to make a Bid and which authorizes an SCSB to block the Payment Amount in a specified bank account maintained with such SCSB.
ASBA Account	A bank account maintained with an SCSB wherein a Payment Amount is blocked pursuant to submission of an ASBA Bid cum Application Form by an ASBA Bidder.
ASBA Bidder	Any Bidder (except an Anchor Investor) applying through ASBA by way of the ASBA BCAF in accordance with the terms of the Red Herring Prospectus. All QIBs (except Anchor Investors), Non-Institutional Bidders and L&T Shareholders Bidding under the L&T Shareholders Reservation Portion for a Payment Amount of above ₹ 200,000 shall mandatorily participate in the Issue through the ASBA Process.
ASBA Bid cum Application Form/ASBA BCAF	The application form, whether physical or electronic, used by an ASBA Bidder to make a Bid, which will be considered as the application for

Term	Description
	Allotment for the purposes of the Red Herring Prospectus and the Prospectus.
ASBA Revision Form	The form used by the ASBA Bidders to modify the number of Equity Shares or the Payment Amount in their ASBA Bid cum Application Forms or any prior ASBA Revision Form(s).
Barclays	Barclays Securities (India) Private Limited.
Basis of Allotment	The basis on which the Equity Shares will be Allotted to Bidders under the Issue and which is described in "*Issue Procedure – Basis of Allotment*" on page 448 of this Prospectus.
Bid	An indication to make an offer during the Bidding/Issue Period by a Bidder, or on the Anchor Investor Bidding Date by an Anchor Investor, pursuant to submission of a Bid cum Application Form to subscribe to the Equity Shares at a price within the Price Band, including all revisions and modifications thereto.
Bid/Issue Closing Date	The date after which the Syndicate and the SCSBs, did not accept any Bids for the Issue, *i.e.* July 29, 2011, which was notified in all editions of Indian Express (a widely circulated English national newspaper), all editions of Jansatta (a widely circulated Hindi national newspaper) and Loksatta (a Marathi newspaper of wide circulation in the place where the Registered Office is situated).
Bid/Issue Opening Date	Except in relation to Anchor Investors, the date on which the Syndicate and the SCSBs started accepting Bids for the Issue, *i.e.* July 27, 2011, which was the date notified in all editions of Indian Express (a widely circulated English national newspaper), all editions of Jansatta (a widely circulated Hindi national newspaper) and Loksatta (a Marathi newspaper of wide circulation in the place where the Registered Office is situated).
Bid Amount	In relation to each Bid, shall mean the value of the Bid multiplied by the number of Equity Shares bid for by a Bidder and indicated in the Bid cum Application Form or the ASBA Bid cum Application Form and, in the case of Retail Individual Bidders, Eligible Employees Bidding in the Employee Reservation Portion and L&T Shareholders Bidding in the L&T Shareholders Reservation Portion (subject to the Payment Amount being up to ₹ 200,000) Bidding at Cut-off Price, the Cut-off Price multiplied by the number of Equity Shares Bid for by such Bidder and mentioned in the ASBA Bid cum Application Form or the Bid cum Application Form.
Bid cum Application Form	The form used by a Bidder including the ASBA BCAF, where the context so requires, to make a Bid and which will be considered as an application for Allotment for the purposes of the Red Herring Prospectus and the Prospectus.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus.
Bidding/Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date (inclusive of both days) and during which prospective Bidders (excluding Anchor Investors) can submit their Bids, including any revisions thereof.
Bidding Centre	Centre established by the Escrow Collection Banks for acceptance of the Bid cum Application Form.
Book Building Process/Method	Book building process as provided in Schedule XI of the SEBI ICDR Regulations.
BRLMs/Book Running Lead Managers	The book running lead managers to the Issue, being Barclays and Credit Suisse.

Term	Description
Cap Price	The higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue Price have not been finalised and above which no Bids was accepted.
CBRLM / Co-Book Running Lead Manager	The co-book running lead manager to the Issue, being Equirus.
Citi	Citigroup Global Markets India Private Limited.
Confirmation of Allotment Notice/CAN	Notice of Allotment of Equity Shares sent to the Bidders who have been Allotted Equity Shares after discovery of the Issue Price in accordance with the Book Building Process, and in the case of Anchor Investors, shall mean the notice of Allotment of Equity Shares sent to the Anchor Investors who have been Allotted Equity Shares at the Anchor Investor Issue Price.
Controlling Branches	Such branches of the SCSBs which coordinate Bids under this Issue by the ASBA Bidders with the Lead Managers, the Registrar to the Issue and the Stock Exchanges and a list of which is available at http://www.sebi.gov.in/pmd/scsb.html
Credit Suisse	Credit Suisse Securities (India) Private Limited.
Cut-off Price	The Issue Price finalised by our Company in consultation with the Lead Managers which shall be any price within the Price Band. Only Retail Individual Bidders, Eligible Employees Bidding in the Employee Reservation Portion and L&T Shareholders Bidding in the L&T Shareholders Reservation Portion (subject to the Payment Amount being up to ₹ 200,000) are entitled to Bid at the Cut-off Price.
Demographic Details	The demographic details including address, Bidders bank account details, MICR code and occupation that will be obtained by the Registrar to the Issue from the Depository on the basis of the Depository Participant's identification number, client identification number and PAN provided by them in the Bid cum Application Form.
Designated Branches	Branches of the SCSBs which can collect ASBA Bid cum Application Forms from the ASBA Bidders, a list of which is available at http://www.sebi.gov.in.
Designated Date	The date on which funds are transferred from the Escrow Accounts to the Public Issue Account or the Refund Account, as appropriate, or the amount blocked by the SCSB is transferred from the bank account of the ASBA Bidders to the Public Issue Accounts, as the case may be.
Designated Stock Exchange	NSE.
Draft Red Herring Prospectus	The Draft Red Herring Prospectus dated March 29, 2011 filed with SEBI and which does not contain complete particulars of the price at which the Equity Shares are offered.
Eligible Employee Discount	Discount of ₹ 2 to the Issue Price given to the Eligible Employees.

Term	Description
Eligible Employees	Permanent and full-time employees of our Company, our Promoter, L&T Finance and its subsidiaries, and L&T Infra or a Director of our Company, our Promoter, L&T Finance and its subsidiaries and L&T Infra (excluding such other persons not eligible under applicable laws, rules, regulations and guidelines) as at the Bid/Issue Opening Date and continues to be in the employment of our Company or our Promoter or L&T Finance or its subsidiaries or L&T Infra, as the case may be, until submission of the Bid cum Application Form or the ASBA Bid cum Application Form, as the case may be. An employee of our Company, our Promoter, L&T Finance or its subsidiaries, or L&T Infra who is recruited against a regular vacancy, but is on probation, as on the date of submission of the Bid cum Application Form or the ASBA Bid cum Application Form, as the case may be, will also be deemed to be a 'permanent employee' of our Company or our Promoter or L&T Finance or its subsidiaries or L&T Infra, as the case may be. The Payment Amount for such Bidders shall not exceed ₹ 200,000 and the value of allotment to any such Bidder shall not exceed ₹ 200,000.
Eligible NRIs	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares offered thereby.
Employee Reservation Portion	Reservation of 10,000,000 Equity Shares of face value ₹ 10 each aggregating up to ₹ 500 million in favour of Eligible Employees.
Equirus	Equirus Capital Private Limited.
Escrow Accounts	Accounts opened with the Escrow Collection Bank(s) for the Issue and in whose favour the Bidders (excluding the ASBA Bidders) will issue cheques or drafts in respect of the Payment Amount when submitting a Bid.
Escrow Agreement	The agreement dated July 7, 2011 entered into by our Company, the Registrar to the Issue, the Lead Managers, the Syndicate Members, the Escrow Collection Bank(s), the Refund Bank(s) and the Public Issue Account Bank(s) for collection of the Payment Amounts and where applicable, remitting refunds of the amounts collected, to the Bidders (excluding the ASBA Bidders) on the terms and conditions thereof.
Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 with whom the Escrow Account will be opened, comprising Axis Bank Limited, Citibank N.A., City Union Bank Limited, DBS Bank Limited, Dhanlaxmi Bank Limited, The Federal Bank Limited, HDFC Bank Limited, The Hongkong and Shanghai Banking Corporation Limited, ICICI Bank Limited, IDBI Bank Limited and State Bank of India.
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form or the ASBA BCAF.
Floor Price	The lower end of the Price Band, below which the Issue Price has not been finalised and below which no Bids were accepted.
GIR Number	General index registration number.
HSBC	HSBC Securities and Capital Markets (India) Private Limited.
Initial Public Offering	An offer of specified securities by an unlisted issuer to the public for subscription.
IPO Grading Agency	Credit Analysis & Research Limited and ICRA Limited.

Term	Description
Issue	Public issue of 237,705,361 Equity Shares of ₹ 10 each for cash at a price of ₹ 52 per Equity Share (including a share premium of ₹ 42 per Equity Share) for investors other than the Anchor Investors and at a price of ₹ 56 per Equity Share (including a share premium of ₹ 46 per Equity Share) for Anchor Investors aggregating up to ₹ 12,450 million. The Issue comprises the Net Issue, the Employee Reservation Portion and the L&T Shareholders Reservation Portion.
Issue Agreement	The agreement entered into on March 29, 2011 among our Company and the Lead Managers pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Price	The final price at which the Equity Shares will be Allotted in the Issue, which has been decided by our Company, in consultation with the Lead Managers, on the Pricing Date. For investors other than the Anchor Investors, the Issue Price is ₹ 52 per Equity Share and for Anchor Investors, the Issue Price is ₹ 56 per Equity Share. Unless otherwise stated or the context otherwise implies, the term Issue Price as used in this Prospectus refers to the Issue Price applicable to the investors other than the Anchor Investors.
Issue Proceeds	The proceeds for the Issue that are available to the Company.
JGCBRLMs/Joint Global Coordinators and Book Running Lead Managers	The joint global coordinators and the book running lead managers to the Issue, being JM Financial, Citi and HSBC.
JM Financial	JM Financial Consultants Private Limited.
Lead Managers	The JGCBRLMs, the BRLMs and the CBRLM.
L&T Shareholders	Individuals and HUFs who are equity shareholders of the Promoter, L&T (excluding such other persons not eligible under applicable laws, rules, regulations and guidelines) as at the date of the Red Herring Prospectus.
L&T Shareholders Reservation Portion	Reservation of 23,076,923 Equity Shares of face value ₹10 each aggregating up to ₹ 1,200 million in favour of L&T Shareholders.
Listing Agreement(s)	Listing agreements to be entered by the Company with the Stock Exchanges.
Monitoring Agency	Axis Bank Limited
Mutual Funds	Mutual funds registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended.
Mutual Fund Portion	5% of the Net QIB Portion or at least 3,749,196 Equity Shares available for allocation to Mutual Funds from the QIB Portion.
NECS	National Electronic Clearing System.
Net Issue	The Issue less the Employee Reservation Portion and the L&T Shareholders Reservation Portion.
Net Proceeds	The Issue Proceeds less the Issue expenses. For further information on the use Issue Proceeds and Issue expenses, please refer to the section titled “Object of the Issue”, on page 110 of this Propectus.
Net QIB Portion	The QIB Portion less the number of the Equity Shares allocated to the Anchor Investors.
Non-Institutional Bidders	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for the Equity Shares for an amount greater than ₹ 200,000.
Non-Institutional Portion	The portion of the Net Issue being not less than 15% of the Net Issue consisting of 30,694,265 Equity Shares available for allocation to Non-Institutional Bidders, subject to valid Bids received at or above the Issue Price.

Term	Description
Payment Amount	In the case of QIBs, Non-Institutional Bidders, Retail Individual Bidders and L&T Shareholders, the Bid Amount and in the case of Eligible Employees, the Bid Amount less the Eligible Employee Discount.
Pre – IPO Placement	Pre – IPO Placement of 60,000,000 Equity Shares aggregating to ₹ 3,300 million.
Price Band	The price band with a minimum price (Floor Price) of ₹ 51 per Equity Share and the maximum price (Cap Price) of ₹ 59 per Equity Share.
Pricing Date	The date on which our Company, in consultation with the Lead Managers, finalised the Issue Price being July 30, 2011.
Prospectus	This prospectus dated August 3, 2011 filed with the RoC in accordance with Section 60 of the Companies Act, containing, *inter alia*, the Issue Price as determined at the end of the Book Building Process, the size of the Issue and certain other information.
Public Issue Account	An account opened with the Public Issue Account Bank to receive monies from the Escrow Accounts and from the bank accounts of the ASBA Bidders, maintained with SCSBs, on the Designated Date.
Public Issue Account Bank(s)	The bank(s) which are clearing members and registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 with whom the Public Issue Account will be opened and in this case being Axis Bank Limited.
Qualified Institutional Buyers or QIBs	The term "**Qualified Institutional Buyers**" or "**QIBs**" shall have the meaning ascribed to such term under the SEBI ICDR Regulations and shall mean and include (i) a Mutual Fund, VCF and FVCI registered with the SEBI; (ii) an FII and sub-account (other than a sub-account which is a foreign corporate or foreign individual), registered with the SEBI; (iii) a public financial institution as defined in Section 4A of the Companies Act; (iv) a scheduled commercial bank; (v) a multilateral and bilateral development financial institution; (vi) a state industrial development corporation; (vii) an insurance company registered with the Insurance Regulatory and Development Authority; (viii) a provident fund with minimum corpus of ₹ 250.00 million; (ix) a pension fund with minimum corpus of ₹ 250.00 million; (x) National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; (xi) insurance funds set up and managed by army, navy or air force of the Union of India; and (xii) insurance funds set up and managed by the Department of Posts, India.
QIB Portion	The portion of the Net Issue (including the Anchor Investor Portion) amounting to at least 50% of the Net Issue to be Allotted to QIBs including Anchor Investors.
Red Herring Prospectus	The red herring prospectus dated July 15, 2011 filed with the RoC in terms of Section 60B of the Companies Act and the SEBI ICDR Regulations, which did not contain, *inter alia*, complete particulars of the price at which the Equity Shares are offered, as amended and supplemented by the corrigenda dated July 22, 2011 and July 27, 2011.
Refund Account(s)	The account(s) opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Payment Amount shall be made to Bidders (excluding ASBA Bidders submitted directly to SCSBs).
Refund Bank(s)	The banks which are clearing members and registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 with whom the Refund Account(s) will be opened, in this case being Axis Bank Limited.
Registrar to the Issue	Sharepro Services (India) Private Limited

Term	Description
Retail Individual Bidder(s)	Individual Bidders (including HUFs and Eligible NRIs) who have Bid for the Equity Shares of an aggregate amount of ₹ 200,000 or less.
Retail Portion	The portion of the Net Issue being not less than 35% of the Net Issue consisting of 71,619,953 Equity Shares available for allocation to Retail Individual Bidders.
Revision Form	The form used by Bidders to modify the quantity of the Equity Shares or the Payment Amount in any of their Bid cum Application Forms or any previous Revision Form(s).
Self Certified Syndicate Bank(s)/SCSB(s)	Bank registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and which offers ASBA services, a list of which is available at http://www.sebi.gov.in/pmd/scsb.html
Stock Exchanges	The BSE and the NSE.
Syndicate	The Lead Managers and the Syndicate Members.
Syndicate Agreement	The agreement dated July 8, 2011 among members of the Syndicate and our Company in relation to the collection of Bids in this Issue (excluding Bids from ASBA Bidders).
Syndicate ASBA Bidders	ASBA Bidders submitting their Bids through the members of the Syndicate or their respective sub-syndicate members at the Syndicate ASBA Centres.
Syndicate ASBA Centres	The bidding centres of the members of the Syndicate or their respective sub-syndicate members in Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Baroda and Surat as specified by way of the SEBI circular dated April 29, 2011, bearing no. CIR/CFD/DIL/1/2011.
Syndicate Members	JM Financial Services Private Limited, SMC Global Securities Limited, Karvy Stock Broking Limited and IDBI Capital Market Services Limited.
Takeover Code	The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended.
TRS/Transaction Registration Slip	The slip or document issued by any of the members of the Syndicate or the SCSB, as the case may be, to any Bidder as proof of registration of such Bidder's Bid.
Underwriters	The Lead Managers and the Syndicate Members.
Underwriting Agreement	The agreement dated August 3, 2011 entered into among the Underwriters and our Company.
Working Day	Any day other than Saturday or Sunday on which commercial banks in Mumbai are open for business, provided however, for the purposes of the time period between Bid/Issue Closing Date and listing, "Working Days" shall mean all days other than Sundays and bank holidays, in accordance with the SEBI circular dated April 22, 2010.

Company related terms

Term	Description
"L&TFH", "L&T Finance Holdings" "the Company", "our Company" and "Issuer"	Refers to L&T Finance Holdings Limited, a company incorporated under the Companies Act and having its registered office at L&T House, Ballard Estate, Mumbai – 400 001.
Articles/Articles of Association	The articles of association of our Company, as amended.
Audit Committee	The audit committee of our Company.

Term	Description
Auditors	The statutory auditors of our Company, M/s. Sharp & Tannan, Chartered Accountants.
Board/Board of Directors	The board of directors of our Company as constituted from time to time, including any committees thereof.
CAM	Credit approval memorandum.
Corporate Finance Group	The Company's corporate finance business conducted by L&T Finance Limited.
Corporate Office	'The Metropolitan', 8th Floor, C-26/27, E-Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051.
DCAM	DBS Cholamandalam Asset Management Limited.
DCTL	DBS Cholamandalam Trustees Limited.
Director(s)	Director(s) on the Board as appointed from time to time.
Equity Shares	Equity shares of our Company of face value of ₹ 10 each.
ESOP Scheme	The employee stock option scheme adopted by the Board of Directors on September 25, 2010, and the shareholders of our Company on November 29, 2010.
Finance ALCO	The Retail and Corporate Finance Groups' Asset-Liability Management Committee.
Finance PLR	The prime lending rate devised by the Finance ALCO.
Group Companies	Companies, firms, ventures promoted by our Promoter and set out in the section titled "*Group Companies*" on page 243 of this Prospectus.
IIDL	India Infrastructure Developers Limited.
Infrastructure ALCO	The Infrastructure Finance Group's Asset-Liability Management Committee.
Infrastructure Finance Group	The Company's infrastructure finance business conducted by L&T Infrastructure Finance Company Limited.
Infrastructure ICC	The Infrastructure Finance Group's Investment and Credit Committee.
Investment Management Group	The Company's investment management business conducted by L&T Investment Management Limited.
IPO Committee	IPO committee of our Company.
L&T	Larsen and Toubro Limited.
L&T Finance / LTF	L&T Finance Limited.
L&T Group	All entities mentioned in the section titled "*Group Companies*" on page 243 of this Prospectus.
L&T Infotech	Larsen & Toubro Infotech Limited.
L&T Infra	L&T Infrastructure Finance Company Limited.
L&T Infra Investment	L&T Infra Investment Partners Advisory Private Limited.
L&T MFTL	L&T Mutual Fund Trustee Limited.
L&T – MHI Turbine	L&T–MHI Turbine Generators Private Limited.
L&T Unnati	L&T Unnati Finance Limited.
L&T Oman	Larsen and Toubro (Oman) LLC.
L&TIM	L&T Investment Management Limited.
Memorandum/Memorandum	The memorandum of association of our Company, as amended.

Term	Description
of Association	
Nomination & Remuneration Committee	The nomination and remuneration committee of our Company.
Promoter/our Promoter	The promoter of our Company is Larsen & Toubro Limited.
Promoter Group	The promoter group of our Company refers to the entities / persons related to the Promoter as per the definition of "promoter group" in Regulation 2 (zb) of the SEBI ICDR Regulations.
RBI	The Reserve Bank of India.
RBI Act	Reserve Bank of India Act, 1934, as amended.
Registered Office	L&T House, Ballard Estate, Mumbai – 400 001.
Retail Finance Group	The Company's retail finance business conducted by L&T Finance Limited.
Shareholders'/Investors' Grievance Committee	A committee of the Board constituted in accordance with the provisions of the Listing Agreements.
Subsidiary/Subsidiaries	The subsidiaries of our Company listed in the section titled "*History and Certain Corporate Matters*" on page 211 of this Prospectus.
"We", "us", "our"	Unless the context otherwise requires, means our Company and its Subsidiaries.

Industry related terms

Term	Description
AFC	Asset Finance Company.
AMC	Asset Management Company.
ARC	Asset Reconstruction Company.
CICs	Core Investment Companies.
CIC-ND-SI	Systemically Important Core Investment Companies
IFCs	Infrastructure Finance Companies.
NBFC	'Non-Banking Financial Company' as defined under Section 45-I(f) of the RBI Act, 1934.
NBFCs-D	Deposit taking NBFCs.
NBFC-ND	Non-deposit taking NBFC.
NBFC-ND-SI	Systemically important non-deposit taking NBFC.

Abbreviations

Term	Description
AGM	Annual General Meeting.
ALM	Asset Liability Management.
ALCO	Asset Liability Committee.
AMFI	Association of Mutual Funds in India.
ARMFA	AMFI registered Mutual Fund Advisors.
ASSOCHAM	The Associated Chambers of Commerce and Industry.

Term	Description
AUM	Assets under management.
BG	Bank Guarantee.
BOT	Build-Operate Transfer.
BSE	The Bombay Stock Exchange Limited.
BFS	The Board for Financial Supervision.
BTU	British Thermal Units.
CAGR	Compounded Annual Growth Rate.
CAR	Capital Adequacy Ratio.
CARE	Credit Analysis & Research Limited.
CDSL	Central Depository Services (India) Limited.
CFO	Chief Financial Officer.
CII	Confederation of Indian Industry.
CRAR	Capital to Risk (Weighted) Average Ratio.
CRISIL	CRISIL Limited.
EGM	Extraordinary General Meeting.
EPS	Earnings Per Share (as calculated in accordance with Accounting Standard-20).
ERP	Enterprise Resource Planning.
FDI	Foreign Direct Investment.
FEMA	The Foreign Exchange Management Act, 1999, and the related rules and regulations framed thereunder.
FICCI	Federation of Indian Chambers of Commerce and Industry.
FII(s)	Foreign Institutional Investors as defined under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, registered with the SEBI under applicable laws in India.
FIPB	Foreign Investment Promotion Board, Ministry of Finance, Government of India.
Financial Year/Fiscal/Fiscal Year	Period of twelve months ending on March 31 of that particular year, unless otherwise stated.
FITCH	Fitch Ratings India Private Limited.
FTUs	First Time Users.
FVCI	Foreign Venture Capital Investors, as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000, as amended.
GDP	Gross Domestic Product.
GoI/Government	Government of India.
GW	Giga Watt.
HUF	Hindu Undivided Family.
ICRA	ICRA Limited.
IFRS	International Financial Reporting Standards.
IMF	International Monetary Fund.

Term	Description
IPO	Initial Public Offer.
IRDA	Insurance Regulatory Development Authority.
IT	Information Technology.
JLG	Joint-Liability Group.
KGSK	Kisan Gaurav Seva Kendra.
KYC	Know Your Customer.
LC	Letters of Credit.
LIC	Life Insurance Corporation of India.
MFIs	Microfinance Institutions.
MFs	Mutual Funds.
MICR	Magnetic Ink Character Recognition.
MIS	Management Information System.
MMSCMD	Million Metric Standard Cubic Meters Per Day.
MMT	Million Metric Tons.
Mn/mn	Million.
N.A.	Not applicable.
NAV	Net Asset Value being paid up equity share capital plus free reserves (excluding reserves created out of revaluation) less deferred expenditure not written off (including miscellaneous expenses not written off) and debit balance of profit & loss account, divided by weighted average number of issued equity shares.
NCD	Non-Convertible Debentures.
NEFT	National Electronic Fund Transfer.
NOF	Net Owned Fund.
NPA	Non-Performing Assets.
NRE Account	Non Resident External Account.
NRI	Non Resident Indian is a person resident outside India, as defined under FEMA and who is a citizen of India or a person of Indian origin as defined under the Foreign Exchange Management (Deposit) Regulations, 2000.
NRO Account	Non Resident Ordinary Account.
NSDL	National Securities Depository Limited.
NSE	The National Stock Exchange of India Limited.
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
P/E Ratio	Price/Earnings Ratio.
PAN	Permanent Account Number allotted under the I.T. Act.
PDI	Perpetual Debt Instruments.
PFI	Public Financial Institution

Term	Description
PPP	Purchasing Power Parity.
Real GDP	GDP adjusted for inflation/deflation.
RoC/ROC	Registrar of Companies, Maharashtra, situated at Everest, 100 Marine Drive, Mumbai – 400 002.
RONW	Return On Net Worth.
Re. / ₹ /Rupee(s)	Indian Rupee(s).
RTGS	Real Time Gross Settlement.
SEBI	The Securities and Exchange Board of India, constituted under the SEBI Act, 1992.
SEZs	Special Economic Zones.
SHGs	Self Help Groups.
SPV	Special Purpose Vehicle.
SRTOs	Small Road Transport Operators.
STOs	Small Truck Owners.
T & D	Transmission and Distribution
TRS	Transaction Registration Slip.
USD or U.S. Dollar or $ or US $	United States Dollar.
WPI	Wholesale Price Index.

CERTAIN CONVENTIONS - PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Financial Data

Unless indicated otherwise, the financial data and other financial information included in this Prospectus are derived from the restated standalone and consolidated financial statements of our Company prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI ICDR Regulations.

Our fiscal year commences on April 1 each year and ends on March 31 of the following year. Accordingly, unless the context otherwise implies or requires, all references to a particular fiscal year are to the twelve-month period ended March 31 of that year.

There are significant differences between Indian GAAP, IFRS and U.S. GAAP. Accordingly, the degree to which the Indian GAAP financial statements included in this Prospectus will provide meaningful information to a reader, is entirely dependent on the reader's level of familiarity with Indian accounting practices, Indian GAAP, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting practices, Indian GAAP, the Companies Act and the SEBI ICDR Regulations on the financial statements and other financial information presented in this Prospectus should accordingly be limited. The Company has not attempted to quantify any such differences or their impact on the financial statements and other financial information included herein, and we urge you to consult your own advisors regarding such differences and their impact on the financial statements and other financial information included herein.

We cannot effectively compare the financial statements of L&T Infra for Fiscal Years 2009 and 2010 with the prior periods due to those prior periods having irregular terms of duration. Further, the consolidated financial statements of our Company are not comparable with the unconsolidated financial statements of L&T Finance and L&T Infra. For more information, refer to the section titled *"Risk Factors – Risks relating to India - The proposed adoption of IFRS could result in our financial condition and results of operations appearing materially different than under Indian GAAP."* on page 47 of this Prospectus.

For more information on the results of operations and financial condition of our Company, refer to the sections titled "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*" and "*Financial Information*" on pages 266 and F-1, respectively, of this Prospectus.

Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Prospectus has been obtained from industry publications and certain public sources. Industry publications generally state that the information contained in such publications has been obtained from sources believed to be reliable, but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although our Company believes that the industry and market data used in this Prospectus is reliable, such data has not been independently verified by our Company. Further, the extent to which the market and industry data presented in this Prospectus is meaningful depends on the reader's familiarity with and understanding of methodologies used in compiling such data.

Presentation of Currency

This Prospectus contains translations of certain U.S. Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of Clause 2(VIII)(G) of Part A of Schedule VIII of the SEBI ICDR Regulations. These convenience translations should not be construed as a representation that those U.S. Dollar or other currency amounts could have been, or can be, converted into Indian Rupees, at any particular rate, at the rates stated to below or at all.

In this Prospectus, all references to "**India**" are to the Republic of India, all references to "**Rupees**" or " ₹ " are to Indian Rupees, the official currency of the Republic of India and all references to "**US$**", "**U.S. Dollar(s)**" or "**USD**" are to United States Dollars, the official currency of the United States of America.

In this Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off.

Exchange Rates

The U.S. Dollar exchange rate data as at the end of the last five fiscal years and as at July 1, 2011 from www.rbi.org.in is as given below:

USD = ₹ 43.59 as on March 31, 2007

1 USD = ₹ 39.97 as on March 31, 2008

1 USD = ₹ 50.95 as on March 31, 2009

1 USD = ₹ 45.14 as on March 31, 2010

1 USD = ₹ 44.65 as on March 31, 2011

1 USD = ₹ 44.59 as on July 1, 2011

Except as otherwise stated, the USD amounts mentioned in this Prospectus have been translated into Indian Rupees using the exchange rate prevailing as on July 1, 2011. Such conversions are for translations convenience purposes only.

FORWARD-LOOKING STATEMENTS

This Prospectus contains certain "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "future", "goal", "plan", "contemplate", "propose", "seek to", "project", "should", "will", "will continue", "will pursue", "will likely result" or other words or phrases of similar import. All forward-looking statements are based on our current plans and expectations and are subject to a number of uncertainties and risks and assumptions that could significantly and materially affect our current plans and expectations and our future financial condition and results of operations. Important factors that could cause actual results, including our financial condition and results of operations to differ materially from our expectations include, but are not limited to, the following:

- General economic and business environment in India;
- Our ability to successfully implement our strategy and growth plans;
- Our ability to compete effectively and access funds at competitive cost;
- Effectiveness and accuracy of internal controls and procedures;
- Changes in domestic or international interest rates and liquidity conditions;
- Defaults by customers resulting in an increase in the level of non-performing assets in our portfolio;
- Rate of growth of our loan assets and ability to maintain concomitant level of capital;
- Downward revision in credit ratings;
- Potential mergers, acquisitions or restructurings and increased competition;
- Change in tax benefits and incentives and other applicable regulations, including various tax laws;
- Our ability to retain our management team and skilled personnel;
- Change in laws and regulations that apply to NBFCs in India, including laws that impact lending rates and our ability to enforce security; and
- Change in political conditions in India.

For further discussion of factors that could cause our actual results to differ, please refer to the sections titled "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 18, 142 and 266, respectively, of this Prospectus.

Neither our Company, our Directors and officers, any Underwriter, nor any of their respective affiliates or associates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchanges for the Equity Shares allotted pursuant to the Issue.

SECTION II: RISK FACTORS

An investment in our Equity Shares involves a high degree of risk. You should carefully consider all the information in this Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares.

If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations and financial condition could suffer, the trading price of our Equity Shares could decline, and all or part of your investment may be lost. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein. The numbering of the risk factors has been done to facilitate ease of reading.

In this section, any reference to "we", "our" and "us" refers to our Company and our Subsidiaries on a consolidated basis, or to our Infrastructure Finance Group, Retail Finance Group, Corporate Finance Group and Investment Management Group, or the business segments of such respective business groups, as the context will indicate.

Any reference herein or elsewhere in this Prospectus to profits "as restated" are to profits which have been subjected to adjustments and on account of restatements in accordance with the SEBI ICDR Regulations, and any references to items of income or expenditure or extraordinary items or taxes on income are to such items as audited, but without making adjustments and on account of the corresponding restatements in accordance with the SEBI ICDR Regulations, if any. Also, any reference herein or elsewhere in this Prospectus to a balance as on a reporting date as contained in the Restated Summary Statement of Assets and Liabilities as on that reporting date is to a balance which has been subjected to restatements in accordance with the SEBI ICDR Regulations.

INTERNAL RISKS

Risks Relating to our Group

1. ***Certain of our Subsidiaries, Group Companies, Directors and our Promoter are involved in certain legal and other proceedings.***

Certain of our Subsidiaries, Group Companies, Directors and our Promoter are currently involved in a number of legal proceedings in India. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. If any new developments arise, for example, a change in Indian law or rulings against us by the appellate courts or tribunals, we may face losses and we may have to make provisions in our financial statements, which could increase our expenses and our liabilities. Decisions in such proceedings adverse to our interests may have a material adverse effect on our business, future financial performance and results of operations.

Details of legal proceedings involving our Company, L&T Finance Limited ("**L&T Finance**"), L&T Infrastructure Finance Company Limited ("**L&T Infra**"), L&T Investment Management Limited ("**L&TIM**") and our Directors, as at May 31, 2011, are set out below:

	Cases filed by the party		**Cases filed against the party**	
	No.	**Claims**	**No.**	**Claims**
		(₹ in million)		*(₹ in million)*
L&T Finance Holdings Limited	Nil	Nil	Nil	Nil
Director (Mr. Ajit Kumar Jain)	Nil	Nil	1	Nil
L&T Finance Limited	13,153	5,093.51	369	41.89
L&T Infrastructure Finance Company Limited	11	684.09	4	0
L&T Investment Management Limited	Nil	Nil	Nil	Nil
Total	**13,164**	**5,777.60**	**374**	**41.89**

As at May 31, 2011, 13,153 cases have been filed by L&T Finance of which 4,953 are criminal cases, which include, *inter alia*, cases under the Negotiable Instruments Act, 1881, the Code of Criminal Procedure, 1973, and cases against various defaulters including ex-employees / associates; 8,200 are civil cases, which include, *inter alia*, execution proceedings, winding-up petitions, contempt petitions, appeals against the orders of consumer forums and arbitration proceedings.

Set out below is a brief description of the cases filed against our Company, our Subsidiaries, our Promoter and our Directors, as at May 31, 2011, in case of civil proceedings and as at July 15, 2011, in case of criminal proceedings:

Nature of cases	Number of cases	Approximate total amount involved as at May 31, 2011 except for criminal cases (₹ in millions)
Criminal proceedings against our Company (There are no criminal proceedings against the Company)	N.A.	N.A.
Criminal proceedings against L&T Finance (These are cases filed by the borrowers, defaulters and connected persons against enforcement of security by L&T Finance against them or affecting their interest. The cases also include appeals filed in matters initiated by L&T Finance under section 138 of the Negotiable Instruments Act, 1881.)	36	N.A.
Criminal proceedings against L&T Infra (These are cases filed by the borrowers, defaulters and connected persons against enforcement of security by L&T Infra against them or affecting their interest. The cases also include appeals filed in matters initiated by L&T Infra under section 138 of the Negotiable Instruments Act, 1881 filed.)	3	N.A.
Criminal proceedings against our Promoter (These cases, *inter alia*, are in relation to construction and other activities undertaken by the Promoter. The cases include charges of *inter alia* cheating, criminal conspiracy and criminal negligence)	14	0.01
Civil Proceedings against the Company (There are no civil proceedings against the Company)	N.A.	N.A.
Civil Proceedings against L&T Finance		
Civil Suits (These are proceedings initiated by borrowers for seeking injunction against L&T Finance, restricting L&T Finance from recovering dues from the borrowers. This also includes suits filed under the Arbitration and Conciliation Act, 1996 in relation to arbitration proceedings between L&T Finance and the borrowers.)	140	12.09
Arbitration proceedings (These proceedings are in relation to disputes between L&T Finance and the borrowers.)	66	0
Consumer Cases (These proceedings are by the borrowers of L&T Finance before various consumer forums in relation to deficiency in services.)	127	29.81
Civil Proceedings against L&T Infra (This is a civil suit filed by a borrower of L&T Infra in relation to enforcement of security by L&T Infra.)	1	0
Civil proceedings against our Promoter		
Civil Suits – (These proceedings are in relation to disputes with regards to construction, equipment supply	95	1,920.19

Nature of cases	Number of cases	Approximate total amount involved as at May 31, 2011 except for criminal cases (₹ in millions)
and other business activities of our Promoter.)		
Arbitration proceedings **–** (These proceedings are in relation to disputes with customers and vendors of our Promoter)	5	63.45
Tax proceedings **–** (These typically include proceedings against the Promoter in relation the demand/ claims raised by the Commissioners of Income Tax, and the Commissioners of Central Excise and Customs.)	216	9,271.02
Proceedings against our Directors. (There is a suit filed against one of our Directors, Mr. A. K. Jain, while acting as a director of IFCI Limited in relation to a private complaint against the directors of IFCI Limited.)	1	Nil
Total	**704**	**11,296.57**

For further details of these legal proceedings, refer to the section titled "*Outstanding Litigation and Material Developments*" on page 310 of this Prospectus.

2. ***As an NBFC, we face the risk of default and non-payment by borrowers and other counterparties. Any such defaults and non-payments would result in write-offs and/or provisions in our financial statements which may materially and adversely affect our profitability and asset quality. Further, any sustained increases in the NPAs of our Infrastructure Finance Group and Retail and Corporate Finance Groups may materially and adversely affect our profitability and asset quality. For our Infrastructure Finance Group, the gross NPAs as a percentage of total outstanding loans were 0.67%, 1.84%, 0% and 0% as at March 31, 2011, 2010, 2009 and 2008, respectively, while the net NPAs as a percentage of net outstanding loans were 0.53%, 1.66%, 0% and 0% as at March 31, 2011, 2010, 2009 and 2008, respectively. For our Retail and Corporate Finance Groups, the gross NPAs as a percentage of total loans and advances were 1.42%, 2.75%, 2.56% and 1.02% as at March 31, 2011, 2010, 2009 and 2008, respectively, while the net NPAs as a percentage of total loans and advances were 0.78%, 1.68%, 2.11% and 0.82% as at March 31, 2011, 2010, 2009 and 2008, respectively.***

Any lending or investment activity is exposed to credit risk arising from the risk of default and non-payment by borrowers and other counterparties. Our total loan portfolio, which combines the loan portfolios of our Infrastructure Finance Group, Retail Finance Group and Corporate Finance Group, comprises a mix of infrastructure, retail and corporate assets and the gross loan size (excluding inter-corporate deposits) of the portfolio was ₹ 179,431.77 million and ₹ 114,459.45 million as at March 31, 2011 and 2010, respectively. As at March 31, 2011, the loans and advances of our Infrastructure Finance Group, Retail Finance Group and Corporate Finance Group were ₹ 71,864.90 million, ₹ 65,787.91 million and ₹ 35,779.37 million, respectively, which accounted for 41.44%, 37.93% and 20.63%, respectively, of our total loans and advances.

The size of our loan portfolio is expected to grow as a result of our expansion strategy in existing as well as new products across our Infrastructure Finance Group, Retail Finance Group and Corporate Finance Group. Of our total loan portfolio as at March 31, 2011, 37.66% constitutes loans granted to small and medium enterprises and individuals, which include loans granted to transport equipment finance segment excluding corporate customers, construction equipment finance segment, excluding corporate customers, rural product finance segment, microfinance segment, vendor finance, excluding corporate customers; and dealer finance excluding corporate customers. This will expose us to an increasing risk of defaults as our portfolio expands.

Our loan portfolio consists of loans provided to large corporates, small and medium enterprises and individuals, with the latter segment constituting a significant portion of our portfolio. The loans provided to our top five corporate customers as at March 31, 2011 aggregated to ₹ 4,134.00 million, which amounted to 11.55% of our total corporate loans. Relatively large sized single exposures to corporate customers can impact profitability and result in higher NPAs on a small number of defaults.

As at March 31, 2011, 7.93% of the total loans of our Retail Finance Group were provided to customers of our microfinance segment and rural product finance segment (mostly light commercial vehicle operators) who were borrowers in the low income group.

The borrowers and/or guarantors and/or third parties may default in their repayment obligations due to various reasons including insolvency, a lack of liquidity, and operational failure. Besides macroeconomic conditions, we face risks of default specific to each of our businesses, which may also result in increased defaults.

In particular, the customers of the transportation equipment finance, rural product finance and microfinance segments of our Retail Finance Group may have relatively underdeveloped and unsophisticated banking and financial controls, practices and procedures, and individual borrowers are generally less financially robust than larger corporate borrowers and fleet owners, and, as a result, are likely to be more severely affected by deteriorating economic conditions. In particular, customers of our microfinance segment and rural product finance segment are borrowers in the low income groups. In addition, a significant proportion of our Retail Finance Group, the microfinance customer-base, in particular, belongs to the low income group. Further, the owners and/or operators of commercial vehicles financed by us often do not have any credit history supported by tax returns and other related documents which would enable us to assess their creditworthiness, and we may also not receive updated information regarding any change in the financial condition of our customers or may receive inaccurate or incomplete information as a result of any fraudulent misrepresentation on the part of our customers. Furthermore, unlike several developed economies, a nationwide credit bureau has only recently become operational in India, so there is less financial information and related data available on the creditworthiness of individuals, particularly for the proportion of our customer-base who are mainly from the low income group and who typically have limited access to other financing sources. It is therefore difficult to carry out precise credit risk analyses of our customers, although our Retail Finance Group follows certain procedures to evaluate the credit profile of our customers at the time of sanctioning a loan. In deciding whether to extend credit to, or to enter into transactions with, customers and counterparties, we rely on published credit information relating to such parties and financial and other relevant information furnished to us by customers, based on which we perform our credit assessment. Refer to the section titled "*Our Business - Our Loan Portfolio and Policies - Lending Policies*" on page 170 of this Prospectus for details of the credit policies and approval processes of our Infrastructure Finance Group, Retail Finance Group and Corporate Finance Group. We cannot be certain that our risk management controls will continue to be sufficient or that additional risk management policies for individual borrowers will not be required. Failure to continuously monitor the loan contracts, particularly for individual borrowers, could adversely affect our credit portfolio which could have a material and adverse effect on our business, future financial performance and results of operations.

If any of the aforesaid information, as obtained from customers and third parties, is misleading or inaccurate, the procedures that we follow may not be adequate or sufficient to provide accurate data as to the creditworthiness of our customers and counterparties. In the event that we do not accurately identify the risk of default, or if we rely on information that may not be true or may be materially misleading, our business, future financial performance and results of operations may be materially and adversely affected.

We had provisions of ₹ 104.15 million and ₹ 1,433.80 million in respect of gross NPAs as at March 31, 2011 for our Infrastructure Finance Group and Retail and Corporate Finance Groups, respectively. As at March 31, 2011, we had provisions in the amount of ₹ 284.31 million and ₹ 255.00 million in respect of standard assets for our Infrastructure Finance Group, our Retail and Corporate Finance Groups, respectively in accordance with the recent amendment to the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, which came into effect from January 17, 2011. There can be no assurance that there will be no further deterioration in our provisioning coverage as a percentage of NPAs or otherwise, or that the percentage of NPAs that we will be able to recover will be similar to our past experience of recoveries of NPAs. In the event of any further deterioration in our NPA portfolio, there could be a more significant and substantial material and adverse impact on our business, future financial performance and results of operations.

3. ***Our Promoter and/or our Directors and related entities may be subject to conflicts of interest because of their interests in other portfolio management companies which could have a material adverse effect on our operations.***

Our Promoter and/or our Directors and related entities hold interests (direct and indirect) in L&T Investment Management Limited and L&T Capital Company Limited both of which are engaged in, *inter alia*, the asset and portfolio management business. Furthermore, certain of our Group Companies have similar main objects clauses as our Company in their respective memoranda of association, and may be engaged in the financial services business and hence may compete with us to the extent permitted. Situations may therefore arise where such persons are presented with, or identify, opportunities that may be or are perceived to be in competition with us. They may also be subject to conflicts of interest with respect to decisions concerning our operations, financial structure or commercial transactions. These or other conflicts of interest may not be resolved in an impartial manner and could have a material adverse effect on our operations.

4. ***As at March 31, 2010, our Company may be considered to be non-compliant with certain of the RBI's norms applicable to an NBFC-ND-SI as regards CRAR and prudential exposure norms. In the event that our Company is deemed technically non-compliant, as such, by the RBI and is unable to comply with these norms within the specified time limit, or at all, our Company may be subject to regulatory actions by the RBI including the levy of fines or penalties and/or the cancellation of our Company's registration as an NBFC. Any such action may adversely affect our business, prospects, results of operations, financial condition and the trading price of our Equity Shares.***

NBFCs-ND-SI are required to comply with various statutory requirements prescribed by the RBI. As of March 31, 2010, such requirements included maintenance of a minimum CRAR of 12%; maintenance of net owned funds of ₹ 20 million on an ongoing basis; restrictions on investing in the shares of another company in excess of 15% of its owned fund and the shares of a single group of companies exceeding 25% of its owned fund; and restriction on lending and investing, collectively, exceeding 25% of its owned fund to a single party and 40% of its owned fund to a single group of parties. The status of compliance by our Company with the applicable norms, as at March 31, 2010, is set out below:

Applicable Norms	RBI requirement	Company Status	Status of compliance
Minimum CRAR (after deducting group exposures, if any, from Tier I Capital)	12%	4.25%	Not complied with
Exposure to shares of another company as a percentage of owned funds (after excluding share application money from owned funds)	Not exceeding 15%	• Investment in L&T Finance: 47% • Investment in L&T Infra: 57%	Not complied with
Group exposure limit as a percentage of owned funds (after excluding share application money from owned funds)	Not exceeding 25%	Investment in its Subsidiaries: 109%	Not complied with
Net owned funds (after excluding share application money from owned funds)	₹ 20 million	₹ 121.3 million	Complied with

Prior to the RBI notification dated August 12, 2010, notifying the regulatory framework for CICs ("**August 12 Notification**"), companies meeting the criteria for being classified as a CIC (as was subsequently prescribed by way of the August 12 Notification) were not required to register under section 45 IA of the RBI Act and, therefore, were not required to comply with the provisions of the Prudential Norms Directions and the requirement of maintenance of the statutory minimum net owned fund. Further, pursuant to the August 12 Notification, companies complying with the criteria for being classified as a CIC and applying for obtaining registration as a CIC-ND-SI enjoy the benefit of being exempted from complying with certain provisions of the Prudential Norms Directions, *i.e.* submission of a certificate from the statutory auditor that it is engaged in the business of an NBFC requiring it to hold a CoR under section 45-IA of the RBI Act; capital adequacy calculations requiring deduction of group investments from net worth; and ceilings on investment and lending, and requirements of maintenance of a statutory minimum net owned fund. Though it was envisaged that our Company would operate as a holding company investing predominantly in group companies (later defined as a CIC by way of the August 12 Notification), our Company, nevertheless, registered with the RBI as an NBFC–ND-SI by way of a certificate of registration bearing no. N-13.01925 dated March 31, 2009 issued by the RBI, under section 45-IA of the RBI Act.

Our Company believes that it is a CIC-ND-SI since it fulfils the applicable criteria and has filed an application with the RBI for being granted a certificate of registration as a CIC-ND-SI. As stated above, CIC-ND-SIs are exempted from compliance with certain requirements of Prudential Norms Directions and the requirement of maintenance of statutory minimum net owned fund. For further details please see "*History and Certain Corporate Matters - Qualification as a Core Investment Company and observance of key applicable norms as set forth by the Reserve Bank of India for a CIC*" on page 214 of this Prospectus and *"Regulations and Policies in India"* on page 197 of this Prospectus.

While our Company has not received any communication from the RBI to date regarding the above non-compliances, in the event that our Company's application for registration as a CIC-ND-SI is rejected by the RBI and our Company is unable to comply with these RBI norms, applicable to an NBFC-ND-SI, within the specified time limit, or at all, our Company may be subject to regulatory actions by the RBI including the levy of fines or penalties and/or the cancellation of our Company's registration as an NBFC-ND-SI. We cannot assure you that our Company will comply with the RBI norms applicable to an

NBFC-ND-SI. Any levy of fines or penalties or the cancellation of our registration as an NBFC may adversely affect our business, prospects, results of operations, financial condition and the trading price of our Equity Shares.

5. ***Our Company has filed an application with the RBI for being granted a CoR as a CIC-ND-SI. In the event the RBI refuses to grant such CIC-ND-SI status, our Company would need to comply with the RBI norms applicable to an NBFC-ND-SI, as it would cease to be eligible for the exemptions available to a CIC-ND-SI. In such an event, if our Company is unable to comply with the RBI norms applicable to an NBFC-ND-SI within the specified time limit, or at all, our Company may be subject to regulatory actions by the RBI including the levy of fines or penalties and/or the cancellation of our Company's registration as an NBFC. Any such action may adversely affect our business, prospects, results of operations, financial condition and the trading price of our Equity Shares.***

Our Company is currently registered with the RBI as an NFC-ND-SI by way of a certificate of registration no. N-13.01925 dated March 31, 2009 issued by the RBI, under section 45-IA of the RBI Act.

Prior to the August 12 Notification, companies meeting the criteria for being classified as a CIC (as was subsequently prescribed by way of the August 12 Notification) were not required to register under section 45 IA of the Reserve Bank of India Act, 1934 and, therefore, were not required to comply with the provisions of the Prudential Norms Directions and requirement of maintenance of statutory minimum net owned fund. The August 12 Notification made it mandatory for companies fulfilling the criteria of being classified as a CIC and having total assets of ₹ 1,000 million, to seek registration with the RBI as a CIC-ND-SI. Under the August 12 Notification, companies complying with the criteria for being classified as a CIC and applying for obtaining registration as a CIC-ND-SI enjoy the benefit of being exempted from complying with certain provisions of the Prudential Norms Directions, *i.e.* submission of a certificate from the statutory auditor that it is engaged in the business of an NBFC requiring it to hold a CoR under section 45-IA of the RBI Act; capital adequacy calculations requiring deduction of group investments from net worth; and ceilings on investment and lending, and requirements of maintenance of a statutory minimum net owned fund.

Our Company has been involved in discussions with the RBI and had, in terms of the draft CIC guidelines published in April 2010 and the August 12 Notification, also applied to the RBI for being granted a certificate of registration as a CIC-ND-SI, pursuant to its letters dated July 19, 2010 and November 23, 2010. The RBI had, by way of its letter dated November 26, 2010, advised our Company to await finalisation of the application format for registration as a CIC-ND-SI. Subsequently, the RBI notified the CIC Circular on January 5, 2011 wherein the RBI has granted a time period of six months, for existing CIC-ND-SIs to file their applications for being granted a CoR as a CIC-ND-SI and has advised that in the meantime, such companies may continue their business as a CIC. Pursuant to the CIC Circular, our Company has filed an application with the RBI for being granted a certificate of registration as a CIC-ND-SI, by way of its letter dated June 20, 2011.

Our Company believes that it is in compliance with all the applicable conditions as specified in the CIC Circular. However, in the event that our Company's application for registration as a CIC-ND-SI is rejected by the RBI, our Company would need to comply with the RBI norms applicable to an NBFC-ND-SI, as it would cease to be eligible for the exemptions available to a CIC-ND-SI. For further details in this regard please see Risk Factor no. 4 "- *As at March 31, 2010, our Company may be considered to be non-compliant with certain of the RBI's norms applicable to an NBFC-ND-SI as regards CRAR and prudential exposure norms. In the event that our Company is deemed technically non-compliant, as such, by the RBI and is unable to comply with these norms within the specified time limit, or at all, our Company may be subject to regulatory actions by the RBI including the levy of fines or penalties and/or the cancellation of our Company's registration as an NBFC. Any such action may adversely affect our business, prospects, results of operations, financial condition and the trading price of our Equity Shares.*", above, and "*History and Certain Corporate Matters - Qualification as a Core Investment Company and observance of key applicable norms as set forth by the Reserve Bank of India for a CIC*" on page 214 of this Prospectus.

We cannot assure you that our Company will be registered as a CIC-ND-SI or, alternatively, comply with the RBI norms applicable to an NBFC-ND-SI. In the event that our Company is unable to comply with the RBI norms applicable to an NBFC-ND-SI within the specified time limit, or at all, our Company may be subject to regulatory actions by the RBI including the levy of fines or penalties and/or the cancellation of our Company's registration as an NBFC. Any levy of fines or penalties or the cancellation of our registration as an NBFC may adversely affect our business, prospects, results of operations, financial condition and the trading price of our Equity Shares.

6. ***We are a holding company and all our business operations are conducted through our Subsidiaries and the performance of our Subsidiaries may adversely affect our results of operations.***

We are a holding company and all our business operations are conducted through our Subsidiaries – principally L&T Finance, L&T Infra and L&TIM. Our financial condition and results of operations are thus heavily dependent upon the performance of our Subsidiaries and the dividends we receive from them. Our financial condition and results of operations could be adversely affected should our equity stake in our Subsidiaries be diluted or in the event they cease to be Subsidiaries.

7. ***We have issued Equity Shares in the year prior to the date of the Prospectus and the price of such Equity Shares may be lower than the Issue Price.***

We have issued Equity Shares to our shareholder in the year prior to the date of the Prospectus at a price that may be lower than the Issue Price. Details of these issuances are set forth in the table below:

Name of the allottee	Part of Promoter Group	Date of allotment	No. of Equity Shares issued	Price (per Equity Share)	Reasons for the issue
Larsen & Toubro Limited	Yes	September 20, 2010	63,432,835	67	Preferential allotment to L&T
MACE CIPEF Limited	No	July 7, 2011	57,768,000	55	Pre-IPO Placement
MACE CGPE Limited	No	July 7, 2011	2,232,000	55	Pre-IPO Placement

The funds that have been raised by our Company through the aforesaid preferential allotment to L&T have been utilized towards investment in our Subsidiaries. The funds raised by way of the Pre-IPO Placement shall be utilised towards the objects of the Issue. For further details, please see "*Objects of the Issue*" on page 110 of this Prospectus.

8. ***Any increase in or realization of our contingent liabilities could adversely affect our financial condition.***

As at March 31, 2011, the consolidated financial statements of our Company disclosed and reflected the following contingent liabilities:

(i) income tax liability in respect of matters on appeal in the amount of ₹ 254.51 million;

(ii) sales tax liability in respect of matters on appeal in the amount of ₹ 53.93 million;

(iii) bond executed in respect of certain legal matters in the amount of ₹ 2.72 million; and

(iv) non-fund based exposure of ₹ 103.64 million.

For further details of the matters which comprise our contingent liabilities, see the sections titled "*Outstanding Litigation and Material Developments*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Contingent Liabilities*" on pages 310 and 298, respectively, of this Prospectus.

If at any time we are compelled to realise all or a material proportion of these contingent liabilities, it would have a material and adverse effect on our business, future financial performance and results of operations.

9. ***As at March 31, 2011, 8.90% and 28.82%, respectively, of the loans made by our Retail Finance Group and Corporate Finance Group are unsecured, and if they become non-performing loans, it would result in write-offs and/or increased provisions in our financial statements which may materially and adversely affect our business, future financial performance and results of operations.***

The following table sets out the amount of unsecured loans and advances of our Retail Finance Group and Corporate Finance Group respectively, as at March 31, 2011:

	As at March 31, 2011

Business Group	Loans and Advances (Unsecured)	Percentage of Total Loans and Advances	Net NPA	Net NPA / Loans and Advances (Unsecured)
		(₹ in million)		
Retail Finance Group	1,251.47	1.23%	0.00	0.00%
Microfinance[1]	4,602.33	4.53%	0.00	0.00%
Corporate Finance Group	10,311.51	10.15%	13.70	0.13%
Total..	16,165.31	15.92**%**	13.70	0.08**%**

[1] *Microfinance forms a segment of the Retail Finance Group.*

Non-performing or low credit quality loans which are unsecured can have a material and adverse effect on our business, future financial performance and results of operations.

10. ***We have entered into related party transactions with our Promoter and certain of our Group Companies aggregating to ₹ 79,559.21 million and ₹ 989.88 million, respectively, constituting 98.77% and 1.23% of our total related party transactions, respectively. Such transactions and any future transactions with such related parties have involved or could potentially involve conflicts of interest.***

In Fiscal Year 2011, we have entered into transactions, aggregating to ₹ 80,549.09 million, with several related parties, including our Promoter and Promoter Group entities. Set out below is the related party transactions with our Subsidiaries, Promoter and Group Companies:

Nature of related party to the transaction	Amount (₹ million)	Amount % of Total (%)
Subsidiaries	-	-
Promoter	79,559.21	98.77
Group Companies (excluding Promoter and Subsidiaries)	989.88	1.23
Others	-	-
Total	80,549.09	100.00

The transactions we have entered into and any future transactions with our related parties have involved or could potentially involve conflicts of interest. For more information regarding our related party transactions, refer to the section titled "*Financial Information - Related Party Transactions*" on page F-24 of this Prospectus.

11. ***Some of our Group Companies and Subsidiaries have incurred losses in the past.***

Certain of our Group Companies and Subsidiaries have incurred losses in the last three fiscal years as indicated in the table below:

Particulars	Fiscal Year 2009*	Fiscal Year 2010*	Fiscal Year 2011*
Total number of loss making Group Companies excluding Subsidiaries	58	58	63
Total number of loss making Subsidiaries	1	1	2
Total number of loss making Group Companies including Subsidiaries	59	59	65
Total loss incurred by Group Companies excluding Subsidiaries (₹ in million)	4,726.71	3,738.95	4,287.84
Total loss incurred by Subsidiaries (₹ in million)	377.64	271.87	399.55

Particulars	Fiscal Year 2009*	Fiscal Year 2010*	Fiscal Year 2011*
Total loss incurred by Group Companies including Subsidiaries (₹ in million)	5,104.35	4,010.82	4,687.39

**Period of twelve months ending on March 31 or December 31, as the case may be.*

For further details in relation to the losses incurred by our Group Companies and Subsidiaries, refer to the sections titled "*History and Certain Corporate Matters*" and "*Group Companies*" on pages 211 and 243 of this Prospectus, respectively.

We can give you no assurance that our Group Companies and Subsidiaries will not continue to incur losses in future, that their net worth will be positive in the future or that any of the foregoing will not materially affect our business, future financial performance and results of operations.

12. ***We do not own the "L&T" trademark and logo. In addition, we may be unable to adequately protect our intellectual property since a number of our trademarks, logos and other intellectual property rights may not be registered and therefore do not enjoy any statutory protection. Further, we may be subject to claims alleging breach of third party intellectual property rights.***

Third parties may infringe our intellectual property, causing damage to our business prospects, reputation and goodwill. Our efforts to protect our intellectual property may not be adequate and any third party claim on any of our unprotected brands may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly and a favourable outcome cannot be guaranteed. We may not be able to detect any unauthorised use or take appropriate and timely steps to enforce or protect our intellectual property. We cannot assure you that any unauthorised use by third parties of the trademarks will not similarly cause damage to our business prospects, reputation and goodwill.

Further, the "L&T" trademark is registered in favour of our Promoter. Pursuant to a trademark license agreement dated December 1, 2010, amended on July 4, 2011 (the "**Trademark License Agreement**"), with our Promoter, our Company, L&T Finance, L&T Infra, L&T MFTL and L&TIM have been granted a global non-exclusive, non-transferrable license to use the "L&T" trademark and logo for a consideration payable by each of the licensees of up to 0.15% of the assets, or 5% of the PAT of each of the licensees, whichever is lower, plus service tax. The payment of such consideration shall be made on an annual basis, unless otherwise agreed amongst the parties. This consideration is payable to our Promoter from Fiscal Year 2012 onwards. The Trademark License Agreement can be terminated by the parties thereto upon written notice in accordance with its terms. Furthermore, the Trademark License Agreement can also be terminated by any party upon change in management control of any of the licensees or upon breach of the terms of the Trademark License Agreement by any of the licensees. In the event that the Trademark License Agreement is terminated, we may have to discontinue the use of the "L&T" trademark and logo.

13. ***Microfinance lending poses unique risks not generally associated with other forms of lending in India, and, as a result, we may experience increased levels of non-performing loans and related provisions and write-offs that negatively impact our results of operations.***

The microfinance segment of our Retail Finance Group provides loans to fund the small businesses and other income generating activities of our microfinance customers. As at March 31, 2011 loans and advances for the microfinance segment were ₹ 4,602.33 million, which accounted for 4.53% of the total loans and advances of our Retail and Corporate Finance Group. As at March 31, 2011, there were no net NPAs in the microfinance segment of our Retail Finance Group.

For the microfinance segment of our Retail Finance Group, the gross NPAs as a percentage of the total outstanding loans were 0.05%, 0%, 0% and 0% as at March 31, 2011, 2010, 2009 and 2008, respectively, while the net NPAs as a percentage of net outstanding loans were 0%, 0%, 0% and 0% as at March 31, 2011, 2010, 2009 and 2008.

Our microfinance customers typically belong to the economically weaker segments of the society in rural India, who have limited sources of income, savings and credit records, and who cannot provide us with any collateral or security for their borrowings. As a result, our microfinance customers present a higher credit risk of default than the customers of the other segments of our Corporate Finance Group and Retail Finance Group (who have greater financial resources and more established credit histories) and other borrowers living in urban areas with better access to education, employment opportunities, and social services. In addition, we rely on non-traditional guarantee mechanisms in connection with our loan products, which are generally secured by informal individual and group guarantees, rather than tangible assets. As a result, our microfinance loan products pose a higher degree of risk than loans secured with physical collateral. Due to the precarious financial and social circumstances of our microfinance customers and our non-traditional lending practices we may, in the future, experience increased levels of non-performing loans and related provisions and write-offs that could have a material and adverse effect on our business, future financial performance and results of operations.

In addition, political and social risks, such as the negative publicity surrounding the accessing of capital markets by the microfinance industry, public criticism of the microfinance industry by Indian politicians, the enactment of laws imposing strict regulation of the microfinance industry, and/or religious beliefs and convictions regarding the extension of credit and repayment of interest may deter our microfinance customers from discharging their obligations to us which may have a material and adverse effect on our business, future financial performance and results of operations.

14. ***We will continue to be controlled by our Promoter after the completion of the Issue.***

As of the date of this Prospectus, our Promoter holds 95.94% of the pre-Issue share capital. Furthermore, after the completion of this Issue, our Promoter will control, directly or indirectly, more than 80% of our outstanding Equity Shares. As a result, our Promoter will continue to exercise significant control over us, including being able to control the composition of our board of directors and determine decisions requiring simple or special majority voting, and our other shareholders will be unable to affect the outcome of such voting. Our Promoter may take or block actions with respect to our business, which may conflict with our interests or the interests of our minority shareholders, such as actions which delay, defer or cause a change of our control or a change in our capital structure, merger, consolidation, takeover or other business combination involving us, or which discourage or encourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us.

In addition, and in the event of any such change of control, merger, consolidation, takeover or other business combination involving us, a transfer of shares by our Promoter, or actions such as a preferential allotment to any investor or a conversion of any convertible instruments, our ability to leverage the "*Larsen & Toubro*" brand may be adversely affected and the benefits of being a Larsen & Toubro group company, which includes access to capital and human resources (particularly key managerial personnel), various operational synergies and our ability to leverage business from other Larsen & Toubro group companies, may no longer be possible and as a result of which, could materially and adversely affect our business, future financial performance and results of operations.

We cannot assure you that our Promoter and members of our Promoter Group will act in our interest, or in the interests of minority shareholders, while exercising their rights in such entities.

15. ***Our management will have broad discretion over the use of the Net Proceeds for the purposes described in the "Objects of the Issue" and the Net Proceeds might not be applied in ways that increase the value of your investment.***

We intend to use the Net Proceeds for the purposes described in the "*Objects of the Issue*" on page 110 of this Prospectus. We currently intend to use the Net Proceeds to repay an inter-corporate deposit issued in favour of our Company by our Promoter and to augment our capital base to meet our future capital requirements arising out of growth in our business. Our management will have broad discretion to use the Net Proceeds and you will be relying on the judgment of our management regarding the application of these Net Proceeds. However, any discretion exercised by our management in the utilization of the Net Proceeds shall be subject to the "*Objects of the Issue*" on page 110 of this Prospectus and applicable law.

Expenditure of the Net Proceeds in our business may not lead to an increase in the value of your investment. Various risks and uncertainties, including those set forth in this section, may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business. For example, our growth plans and any other future plans could be delayed due to failure to receive regulatory approvals, technical difficulties, human resources, technological or other resource constraints, or for other unforeseen reasons, events or circumstances. We may not be able to attract personnel with sufficient skill or sufficiently train our personnel to manage our growth plans. Accordingly, use of the Net Proceeds to meet our future capital requirements, fund our growth and for other purposes identified by our management may not result in actual growth of our business, increased profitability or an increase in the value of our business and your investment.

Pending utilization of the Net Proceeds, we intend to invest such Net Proceeds in high quality interest bearing liquid investments as approved by our Board of Directors in accordance with our investment policy. As such, there will be significant flexibility on interim investments including investments in short-term deposits with banks or financial institutions and other money market instruments, that we can make using such Net Proceeds. For more details, refer to the section titled "*Objects of the Issue*" on page 110 of this Prospectus.

16. ***As a consequence of being regulated as an NBFC, an AFC, an IFC and a CIC, we will have to adhere to certain individual and borrower group exposure limits under the RBI regulations and are subject to periodic RBI inspection and supervision. In the event that any of our companies is unable to comply with the exposure norms within the specified time limit, or at all, such company may be subject to regulatory actions by the RBI including the levy of fines or penalties and/or the cancellation of registration as an NBFC, AFC, IFC or CIC, as the case may be. Any such action may adversely affect our business, prospects, results of operations, financial condition and the trading price of our Equity Shares.***

Each of our Company, L&T Finance, L&T Infra and IIDL is regulated by the RBI as an NBFC. In terms of the Prudential Norms Directions, each of these companies is required to comply with the prescribed exposure limits.

L&T Infra has been classified as an IFC by the RBI, which classification is subject to certain conditions including a minimum 75% of the total assets of such NBFC being deployed in infrastructure loans (as defined under the Prudential Norms Directions), net owned funds of ₹ 3,000.00 million or more, a minimum credit rating of "A" or an equivalent credit rating of CRISIL, FITCH, CARE or ICRA or any other credit rating agency accredited by the RBI and a capital to risk-weighted asset ratio of 15%. As an IFC, L&T Infra's single borrower limit for lending may exceed the concentration of credit norms applicable to an NBFC that is not an IFC by an additional 10% of its owned fund, and its single group limit for infrastructure lending may exceed such credit norms by an additional 15% of its owned fund. As at March 31, 2011, our largest single borrower accounted for 3.48% of the total exposure of our Infrastructure Finance Group. Further, L&T Finance has been classified as an AFC by the RBI, which classification is subject to certain conditions including that the principal business should relate to financing the physical assets which support various productive and economic assets in India. In this regard, the "principal business" means that the aggregate of financing real/physical assets supporting economic activity and income arising therefrom should not be less than 60% of total assets and total income respectively.

The RBI regularly conducts inspections of all NBFCs and notifies its findings and observations to such NBFC, which is expected to respond to the RBI's observations and provide clarifications and additional information, as necessary. Pursuant to such an inspection, the RBI has issued an inspection report to L&T Finance in relation to its financial position as at March 31, 2010, wherein the RBI has observed that L&T Finance did not fulfill the criteria to be classified as an AFC as at March 31, 2010, and should instead be classified as a loan company. Under the NBFC regulations, L&T Finance has been submitting a certificate issued by its Statutory Auditor to the RBI on a yearly basis indicating its asset/income pattern, including with respect to the year ended March 31, 2010 ("**Continuity Certificate**"), and affirming its eligibility for classification as an AFC. L&T Finance has, pursuant to the receipt of such RBI inspection report, clarified the nomenclature followed by it in respect of certain assets and re-submitted the Continuity Certificate to the RBI, reiterating that L&T Finance continues to be eligible for classification as an AFC as at March 31, 2010 and March 31, 2011. The RBI has, by way of its letter dated June 28, 2011, advised that the nomenclature followed by L&T Finance in respect of its assets be verified and certified by the Statutory Auditor. A failure to be classified as an AFC will result in L&T Finance not being able to exceed the specified ceilings on credit/investment concentration to a single party or a group of parties by an additional 5% of its owned fund (which benefit is available to systemically-important AFCs under applicable NBFC regulations). For additional information in relation to advantages of classification as an AFC, refer to the section titled *"Regulations and Policies in India – Norms applicable to AFCs"* on page 199 of this Prospectus.

Further, pursuant to the CIC Circular, the Company has filed an application with RBI to be granted a certificate of registration as a CIC-ND-SI. In the event the RBI refuses to grant CIC-ND-SI status to our Company, we would need to comply with the applicable NBFC norms as we would cease to be eligible for the exemptions available to a CIC-ND-SI. For additional information in relation to advantages of classification as a CIC, refer to the section titled "History and Certain Corporate Matters - *Qualification as a Core Investment Company and observance of key applicable norms as set forth by the Reserve Bank of India for a CIC*"

In the event that any of our companies is unable to comply with the exposure norms within the specified time limit, or at all, such company may be subject to regulatory actions by the RBI including the levy of fines or penalties and/or the cancellation of registration as an NBFC, AFC or IFC, as the case may be. L&T Infra's inability to continue being classified as an IFC may impact our growth and expansion plans by affecting our competitiveness in relation to our competitors. For further details, refer to the section titled "*Regulations and Policies in India*" on page 197 of this Prospectus. We cannot assure you that we may not breach the exposure norms in the future. Any levy of fines or penalties or the cancellation of our registration as an NBFC, AFC or IFC by the RBI by the Government of India, due to the breach of exposure or other applicable norms, may adversely affect our business, prospects, results of operations, financial condition and the trading price of our Equity Shares.

17. ***We face increasing competition in the financing industry, i.e. from the full spectrum of public sector banks, private sector banks (including foreign banks), financial institutions and other NBFCs, as more financial institutions target products and services similar to ours. For instance, there are presently over 12,000 NBFC-NDs in India (*****Source: RBI http://www.rbi.org.in/scripts/BS_NBFCList.aspx, accessed on June 17, 2011*****). As a result, our growth will depend on our ability to compete effectively and maintain a low effective cost of funds. Any inability to compete effectively could materially and adversely affect our business, future financial performance and results of operations which might further impede our competitive position and profitability.***

We face increasing competition from public and private sector Indian commercial banks and from other financial institutions that provide finance products or services. Many of our competitors have greater resources than we do. Given the diversity of our four core business groups, and the products and services which each of those offer, we face competition from the full spectrum of public sector banks, private sector banks (including foreign banks), financial institutions and other NBFCs who are active in infrastructure, retail and corporate finance. In relation to the advisory services we offer across our four core business groups, we also face competition from investment banks and consulting organizations. There are presently over 12,000 NBFC-NDs in India. (***Source****: RBI http://www.rbi.org.in/scripts/BS_NBFCList.aspx, accessed on June 17, 2011*). Potentially, these NBFCs, particularly the larger ones, could compete with us for business as well as procurement of funds at competitive rates. In addition to NBFCs, we believe that the competition we face from banks is increasing as more banks are targeting products and services similar to ours. Competition in our industry depends on, among other things, the ongoing evolution of government policies relating to the industry, the entry of new participants into the industry and the extent to which there is consolidation among banks and financial institutions in India.

Our ability to compete effectively is primarily dependent on our ability to maintain a low effective cost of funds. Our borrowing costs have been competitive in the past initially due to our strong credit rating, credit history, strong capital adequacy ratios and the "*Larsen & Toubro*" brand (refer to the section titled "*Our Business - Our Competitive Strengths - Good financial and capital position, as well as access to multiple sources of capital*" on page 146 of this Prospectus). With the growth of our business, we are increasingly dependent on funding from a combination of shareholder funding, secured and unsecured loan funds, such as Rupee- and US Dollar-denominated term loans from banks and financial institutions, the issuance of redeemable non-convertible debentures and commercial paper and inter-corporate deposits (refer to the section titled "*Our Business - Our Funding Structure*" on page 167 of this Prospectus). The market for such funds is competitive and our ability to obtain funds on acceptable terms will depend on various factors, including our ability to maintain our credit ratings. If we are unable to access funds at an effective cost that is comparable to or lower than that of our competitors, we may not be able to offer competitive interest rates on our loans.

Furthermore, we also face significant competition from companies seeking to attract customers' financial assets, including traditional and online brokerage firms, mutual fund companies, other NBFCs, commercial banks and financial institutions who have a broad geographic presence and strong brand names.

As we enter new markets in the financial services industry, we are likely to face additional competition from such entities who may be better capitalized, have longer operating histories, have a greater retail and brand presence, and more experienced management in such new markets than we do. If we are unable to compete with these entities effectively in these new markets, this could materially and adversely affect our business, future financial performance and results of operations and may impede our competitive position and profitability.

18. ***We cannot effectively compare the financial statements of L&T Infra for Fiscal Years 2009 and 2010 with the prior periods due to those prior periods having irregular terms of duration. Further, the consolidated financial statements of our Company are not comparable with the unconsolidated financial statements of L&T Finance and L&T Infra.***

Our Company was incorporated on May 1, 2008, meaning our Fiscal Year 2009 was for a period of less than twelve months. Furthermore, prior to March 31, 2009, we had minimal operations in the form of various passive investments. On March 31, 2009, we acquired both L&T Finance and L&T Infra. As a result, our Fiscal Year 2009 is for an irregular period with very limited business activity, and our Fiscal Years 2009 and 2010 are not comparable.

L&T Infra was incorporated on April 18, 2006, and received its certificate of registration as an NBFC from the RBI on January 10, 2007. Prior to January 10, 2007, L&T Infra did not have any business operations, and the period from January 10, 2007 to March 31, 2007 was not a full quarter. Accordingly, the management of L&T Infra concluded that the audited financial statements for the period ended March 31, 2007 would not provide a useful reflection of the financial affairs and condition of L&T Infra, and the first audited financials were prepared for the period ended June 30, 2007. Subsequently, the fiscal year end was changed to coincide with the fiscal year end of L&T (March 31), beginning on April 1, 2008. As a result of the foregoing, L&T Infra's first two fiscal years are for irregular terms (*i.e.* from April 18, 2006 to June 30, 2007; and from July 1, 2007 to March 31, 2008), and are not comparable with one another, nor are they comparable with the financial statements for Fiscal Year 2010 and Fiscal Year 2009.

The financial statements of L&T Infra and L&T Finance are presented in this Prospectus on an unconsolidated basis, while those of our Company are consolidated. Although the business and operations of L&T Infra and L&T Finance make up most of our business and operations our Company also derives revenues and incurs expenses from other sources, primarily investments in certain infrastructure and finance-related entities. Similarly, the financial statements for L&T Finance are presented in this Prospectus on an unconsolidated basis; however, L&T Finance also derives revenue and incurs expenses from its subsidiaries, L&TIM and L&T Mutual Fund Trustee Limited. See the section titled "*Our Business – Our Group Structure and Subsidiaries*" on page 143 of this Prospectus. As a result of the foregoing, the unconsolidated financial statements of each of L&T Infra and L&T Finance, when taken together, are not necessarily comparable to the consolidated financial statements of our Company.

19. ***We may be exposed to potential losses due to a decline in value of assets secured in our favour, and due to delays in the enforcement of such security upon default by our borrowers.***

As at March 31, 2011, approximately 87.65% of our total loan portfolio (excluding inter-corporate deposits), which combines the loan portfolios of our Infrastructure Finance Group, Retail Finance Group and Corporate Finance Group, is secured by a mix of both movable and immovable assets or other forms of collateral, depending on the nature of the transaction. The value of certain types of assets may decline due to inherent operational risks, the nature of the asset secured in our favour and adverse market and economic conditions (both global and domestic). For example:

- For the asset-backed loans of the transportation equipment finance segment of our Retail Finance Group, the vehicles purchased by our customers are hypothecated in our favour as security interests for the loans provided by us. For further details, refer to the section titled "*Our Business - Our Business and Operations - Our Retail Finance Group - Transportation Equipment Finance Segment*" on page 158 of this Prospectus. The value of the vehicle, however, is subject to depreciation, deterioration, and/or a reduction in value on account of a number of external factors (such as wear and tear), over the course of time. Consequently, the realizable value of the collateral for the loan provided by us, when liquidated, may be lower than the outstanding loan from such customers. Any default in repayment of the outstanding credit obligations by our customers may expose us to losses. Furthermore, in the case of a default, we typically repossess the commercial vehicles financed and sell such vehicles through auctions. The hypothecated vehicles, being movable property, may be difficult to locate or seize in the event of any default by our customers. There can also be no assurance that we will be able to sell such vehicles provided as collateral at prices sufficient to cover the amounts under default; and

- In the capital markets finance segment of our Corporate Finance Group, our loan portfolio includes assets such as equity shares, offered to us as main security or collateral, as the case may be, the value of which is inherently volatile in nature and may decline in value. For further details, refer to the section titled "*Our Business - Our Business and Operations - Our Corporate Finance Group - Capital Markets Finance Segment*" on page 163 of this Prospectus.

The value of the security or collateral granted in our favour, as the case may be, may also decline due to delays in insolvency, winding-up and foreclosure proceedings, defects in title or documentation relevant to the assets, difficulty in locating movable assets and the necessity of obtaining regulatory approvals and/or court orders for the enforcement of our collateral over those assets, and as such, we may not be able to recover the estimated value of the assets, which would materially and adversely affect our business, future financial performance and results of operations.

In the event of default by our borrowers, we cannot guarantee that we will be able to realise the full value of our collateral, due to, among other things, unforeseen delays in our ability to take immediate action, bankruptcy foreclosure proceedings, stock market downturns, defects in the perfection of collateral and fraudulent transfers by borrowers. In the event a specialized regulatory agency gains jurisdiction over the borrower, creditor actions can be further delayed.

20. ***We do not own our Registered Office and Corporate Office from which we operate.***

We do not own the premises on which our Registered Office and Corporate Office are situated. The premises are owned by our Promoter. We cannot assure you that we will own, or have the right to occupy, these premises in the future, or that we will be able to continue with the uninterrupted use of these properties, which may impair our operations and adversely affect our financial condition. For further details of certain premises of L&T Finance and L&T Infra, refer to the section titled "*Our Business - Properties*" on page 190 of this Prospectus.

21. ***Our business requires substantial capital, and any disruption in funding sources would have a material and adverse effect on our liquidity and financial condition.***

The liquidity and ongoing profitability of our business is, in large part, dependent upon our timely access to, and the costs associated with, raising capital. Our funding requirements historically have been met from a combination of shareholder funding, secured and unsecured loan funds, such as Rupee- and US Dollar-denominated term loans from banks and financial institutions, the issuance of redeemable non-convertible debentures and commercial paper and inter-corporate deposits from L&T. For further details, refer to the section titled "*Our Business - Our Funding Structure*" on page 167 of this Prospectus. Thus, our business depends and will continue to depend on our ability to access diversified funding sources. Our ability to raise funds on acceptable terms and at competitive rates continues to depend on various factors including our credit ratings, the regulatory environment and policy initiatives in India, developments in the international markets affecting the Indian economy, investors' and/or lenders' perception of demand for debt and equity securities of NBFCs, and our current and future results of operations and financial condition.

Our funding strategy was adversely affected by the ongoing crisis in the global credit markets since 2008. Through the second half of 2008 and the first half of 2009, capital and lending markets remained highly volatile and access to liquidity was adversely affected. These conditions resulted in increased borrowing costs and difficulty in accessing funds in a cost-effective manner. Changes in economic and financial conditions or lack of liquidity in the market could make it difficult for us to access funds at competitive rates. As an NBFC, we also face certain restrictions on our ability to raise money from international markets which may further constrain our ability to raise funds at attractive rates.

Any disruption in our primary funding sources at competitive costs would have a material adverse effect on our liquidity and financial condition.

In addition, as at March 31, 2011 L&T Finance had borrowed ₹ 25,259.17 million (which represented 28.55% of its total loan funds) from various banks, and which were eligible to be offered for the purpose of borrowings under the "priority sector" category from banks. See the section titled "*Our Business – Our Funding Structure – Priority Sector Advances*" on page 170 of this Prospectus for a discussion of such priority sector advances. This resulted in a lower cost of funds for L&T Finance than would otherwise have been the case. However, the RBI's Monetary Policy Statement 2011-12 issued on May 3, 2011 and the RBI circular dated May 3, 2011 on 'Bank loans to Micro Finance Institutions (MFIs) – Priority Sector Status' ("**MFI Circular**") provides that, with effect from April 1, 2011, bank loans to NBFCs other than NBFC-MFIs would not be reckoned as priority sector loans. Also bank credit to NBFC-MFIs extended on, or after, April 1, 2011 would be eligible for categorization as priority sector advance only if certain criteria (as mentioned in the MFI Circular are met). This would have an adverse effect on the cost of funds received from banks for L&T Finance. Further, the RBI's Monetary Policy Statement 2011-12 also states that RBI proposes to appoint a committee to re-examine the existing classification and suggest revised guidelines with regard to priority sector lending classification. The recommendations of the committee and the outcome of these revised guidelines which are awaited could have a potential impact our business, including an adverse impact on our cost of funds.

Nevertheless, we will continue to benefit from the priority sector loans we have made, and which are reflected on our balance sheet, as at March 31, 2011.

22. ***If we are unable to manage our rapid growth effectively, our business, future financial performance and results of operations could be materially and adversely affected.***

The businesses of our Infrastructure Finance Group, Retail Finance Group and Corporate Finance Group have grown rapidly during the last three years.

From March 31, 2008 to March 31, 2011, the gross loans outstanding of our (i) Infrastructure Finance Group increased by a CAGR of 57.68%; and (ii) Retail and Corporate Finance Groups increased by a CAGR of 22.96%.

We intend to continue to grow the businesses of our Infrastructure Finance Group, Retail Finance Group and Corporate Finance Group rapidly, which could place significant demands on our operational, credit, financial and other internal risk controls. It may also exert pressure on the adequacy of our capitalization, making management of asset quality increasingly important.

Our future business plan is dependent on our ability to borrow in order to fund our growth. We may have difficulty obtaining funding on attractive terms. Adverse developments in the Indian credit markets may significantly increase our debt service costs and the overall cost of our funds. An inability to manage our growth effectively and failure to secure the required funding therefore on favourable terms, or at all, could have a material and adverse effect on our business, future financial performance and results of operations.

23. ***Any negative cash flows in the future would adversely affect our cash flow requirements.***

We have in the past, and may in the future, experience negative cash flows. For example, our net cash used in operating activities, on a consolidated basis, after working capital adjustments, in Fiscal Years 2011, 2010 and 2009 amounted to ₹ 59,020.00 million, ₹ 37,140.01 million and ₹ 0.07 million, respectively. In addition, our net cash from investing activities , on a consolidated basis, in Fiscal Years 2011, 2010 and 2009 amounted to ₹ 3,544.99 million, ₹ 3,560.85 million and ₹ 10,064.76 million, respectively, and our net cash generated from financing activities, on a consolidated basis, in Fiscal Years 2011, 2010 and 2009 amounted to ₹ 63,030.69 million, ₹ 41,148.73 million and ₹ 10,785.92 million, respectively. Negative cash flows over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans. As a result, our cash flows, business, future financial performance and results of operations could be materially and adversely affected. For further details, refer to the section titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 266 of this Prospectus.

24. ***We face asset-liability mismatches which could expose us to interest rate and liquidity risks. For instance, as at March 31, 2011, L&T Infra's loans and advances portfolio had a substantial portion of long-term (i.e. over five years) assets, for which an exactly matching funding profile of similar maturity may not be available. Such mismatches may, as a consequence, have a material and adverse effect on our business, future financial performance and results of operations.***

We face the risk that we will be unable to meet our net funding requirements, and which can be caused by market disruptions or credit downgrades which, in turn, may cause certain sources of funding to become unavailable. We also face the risk arising from repricing and/or maturing mismatches between our assets and liabilities, which could impair our net interest income. Our Infrastructure Finance Group and Retail and Corporate Finance Groups each have an asset-liability management policy in place which categorizes all interest rate sensitive assets and liabilities into various time period categories according to contracted residual maturities or anticipated repricing dates, as may be relevant in each case.

The following table sets out an analysis of the maturity profile of certain of L&T Infra's interest-bearing assets and interest-bearing liabilities across time buckets as at March 31, 2011, 2010 and 2009, respectively:

	1 month	**Over 1 month to 2 months**	**Over 2 months up to 3 months**	**Over 3 months up to 6 months**	**Over 6 months up to 1 year**	**Over 1 year to 3 years**	**Over 3 years to five years**	**Over 5 years**	**Total**
					(₹million)				
LIABILITIES:									
Borrowings from Banks:									
March 31, 2011	__	83.30	100.00	233.30	2,181.30	9,966.20	19,009.30	2,499.70	34,073.10
March 31, 2010	—	50.00	125.00	2,917.50	1,683.36	5,866.40	6,825.30	450.00	17,917.56
March 31, 2009	—	—	50.00	224.20	1,613.30	7,242.30	5,744.60	837.60	15,712.00
Market Borrowings:									
March 31, 2011	250.00	3,500.00	750.00	4,750.00	3,500.00	4,800.00	7,399.60	2,912.56	27,862.16
March 31, 2010	1,100.00	—	250.00	500.00	1,550.00	11,050.00	—	—	14,450.00

	1 month	Over 1 month to 2 months	Over 2 months up to 3 months	Over 3 months up to 6 months	Over 6 months up to 1 year	Over 1 year to 3 years	Over 3 years to five years	Over 5 years	Total
					(₹ million)				
March 31, 2009	500.00	500.00	—	—	—	1,000.00	—	—	2,000.00
ASSETS:									
Advances:									
March 31, 2011	776.58	1,572.04	959.58	5,457.63	10,774.26	24,055.35	14,163.76	14,105.70	71,864.90
March 31, 2010	1,835.30	635.10	625.80	1,653.90	6,500.90	15,766.70	9,188.50	6,678.79	42,884.99
March 31, 2009	1,931.50	692.40	223.50	1,536.50	3,465.10	7,580.80	3,816.70	3,413.97	22,660.47
Investments:									
March 31, 2011	0.00	0.00	0.00	0.00	0.00	660.00	340.00	2,500.00	3,500.00
March 31, 2010	—	—	—	—	—	—	—	250.00	250.00
March 31, 2009	900.00	—	—	—	—	—	—	250.00	1,150.00

The following table sets out an analysis of the maturity profile of certain of L&T Finance's interest-bearing assets and interest-bearing liabilities across time buckets as at March 31, 2011, 2010, 2009 and 2008:

	To day to 30/31	Over 1 month to 2 months	Over 2 months up to 3 months	Over 3 months up to 6 months	Over 6 months up to 1 year	Over 1 year to 3 years	Over 3 years to five years	Over 5 years	Total
					(₹ million)				
LIABILITIES:									
Borrowings from Banks:									
March 31, 2011	4,000.00	1,430.00	2,062.50	5,557.50	6,995.00	35,897.50	0.00	0.00	55,942.50
March 31, 2010	4,250.00	—	1,658.40	1,958.30	4,054.11	13,989.32	—	—	25,910.14
March 31, 2009	1,650.00	1,460.00	3,412.50	3,712.50	2,825.00	14,985.80	250.00	0.00	28,295.80
March 31, 2008	10.00	2,510.00	122.50	1,767.53	2,360.00	12,960.00	750.00	0.00	20,480.03
Market Borrowings:									
March 31, 2011	3,180.00	4,250.00	810.00	5,517.50	98.28	6,776.00	5,179.86	6,720.14	32,531.78
March 31, 2010	749.99	3,999.99	1,839.99	1,024.98	7,757.68	10,499.98	5,679.89	6,720.08	38,272.63
March 31, 2009	500.00	2,200.00	1,850.00	3,550.00	665.00	6,700.00	0.00	750.00	16,215.00
March 31, 2008	1,000.00	2,250.00	3,850.00	4,350.00	2,147.50	5,600.00	0.00	750.00	19,947.50
ASSETS:									
Advances:									
March 31, 2011	3,293.71	5,058.02	4,035.73	6,487.02	10,894.65	44,342.42	22,160.63	4,718.91	100,991.09
March 31, 2010	1,755.63	2,462.03	3,948.26	2,975.50	7,882.07	3,408.26	1,404.72	2,436.35	69,589.71
March 31, 2009	3,685.30	2,713.50	4,274.80	3,954.40	7,079.90	28,765.50	4,070.50	0.00	54,543.90
March 31, 2008	4,276.39	2,938.59	1,555.42	4,405.88	10,915.63	18,479.90	2,817.95	9.16	45,396.93
Investments:									

	To day to 30/31	Over 1 month to 2 months	Over 2 months up to 3 months	Over 3 months up to 6 months	Over 6 months up to 1 year	Over 1 year to 3 years	Over 3 years to five years	Over 5 years	Total
March 31, 2011	1.10	0.00	0.00	0.00	253.91	967.37	0.00	1,865.60	3,087.98
March 31, 2010	—	—	—	—	44.94	—	—	1,650.64	1,695.59
March 31, 2009	69.70	0.00	0.00	0.00	0.00	0.00	0.00	0.50	70.20
March 31, 2008	151.10	0.00	0.00	0.00	0.00	0.00	0.00	215.50	366.60

The difference between the value of assets and liabilities maturing, or being repriced, in any time period category provides the measure to which we are exposed to the risk of potential changes in the margins on new or repriced assets and liabilities.

Accordingly, we face potential liquidity risks due to varying periods over which our assets and liabilities mature. As is typical for NBFCs, a portion of our funding requirements is met through a combination of shareholder funding, secured and unsecured loan funds, such as Rupee- and US Dollar-denominated term loans from banks and financial institutions, the issuance of redeemable non-convertible debentures and commercial paper and inter-corporate deposits. However, a large portion of our loan assets mature over the medium term. Consequently, our inability to obtain additional credit facilities or renew our existing credit facilities, in a timely and cost-effective manner or at all, may lead to mismatches between our assets and liabilities, which in turn may adversely affect our business, future financial performance and results of operations. In addition, such funding mismatches between our assets and liabilities are aggravated when our customers pre-pay any of the financing facilities we grant to them.

Any failure or inability on our part to meet our net funding requirements or adequately manage repricing and/or maturing mismatches between our assets and liabilities could have a material and adverse effect on our business, financial condition, results of operations, liquidity and prospects.

25. ***The repeal of or changes in the regulatory policies that currently encourage financial institutions to provide capital to the microfinance sector could adversely impact the cost and availability of capital. Further, any uncertainty regarding the implementation and enforcement of recent amendments to applicable laws and the implementation of related recommendations may result in delays and/or halts in repayment of loans as a result of which, microfinance institutions may experience losses and liquidity issues causing lenders and investors to lose confidence in the microcredit industry and consequently, lenders may discontinue lending to microfinance institutions. For further details please see the section titled "Regulations and Policies" on page 197.***

When banks are unable to meet the exposure requirements with respect to the priority sector advances, they often rely on specialized institutions, including microfinance institutions ("**MFIs**"), to provide them with access to qualifying advances through lending programs and loan assignments. These bank requirements result in significant funding for the microfinance sector. To the extent that changes in bank regulations eliminate or reduce banks requirements for priority sector advances, less capital would be available to MFIs. In such event, our access to funds and the cost of our capital would be negatively impacted, and our business, future financial performance and results of operations would be materially and adversely affected. For further details on our lending model, refer to the section titled "*Our Business – Our Business and Operations – Our Retail Finance Group – Microfinance Segment*" on page 158 of this Prospectus.

With effect from January 1, 2011, the Government of Andhra Pradesh introduced the Andhra Pradesh Micro Finance Institutions (Regulation of Money Lending) Act, 2011 (the "**MFI Act**"), which provides for, *inter alia*, registration and cancellation of registration of microfinance institutions, filing of periodic returns by microfinance institutions, limits on interest recoverable by microfinance institutions, prohibition on security for loans provided to SHGs and the prior approval for the grant of further loans to SHGs. The MFI Act is relatively new and due to the uncertainty regarding the implementation and enforcement of the MFI Act, microcredit borrowers in the state of Andhra Pradesh have stopped, and more borrowers may stop, repaying their loans as a result of which microfinance institutions have experienced, and may continue to experience, losses and liquidity issues, which may lead to other consequences such as lenders and investors losing confidence in the microcredit industry with the result that, lenders may discontinue lending to microfinance institutions. We have accordingly accelerated our provisioning in respect of loans made to customers of the microfinance segment of our Retail Finance Group in Andhra Pradesh for an amount of ₹ 544.24 million. Furthermore, the Central Government has, on July 6, 2011, released the proposed draft of the Micro Finance Institutions (Development and Regulation) Bill, 2011, (the "**Draft MFI Bill**") aimed at providing access to financial services for the rural and urban poor and promoting the growth and development and regulation of micro finance institutions. The Draft MFI Bill is subject to public comment and further, is subject to the approval of the Indian Parliament as well as the assent of the President of India. For further details please see "*Regulations and Policies - Draft MFI Bill*" on page 201 of this Prospectus.

The operations of our microfinance segment are currently spread over seven states including Andhra Pradesh, as a result of which our Retail Finance Group is required to adhere to the provisions of the MFI Act. As at March 31, 2011, our total loans and advances to microfinance borrowers in the state of Andhra Pradesh was approximately ₹ 1,990.34 million, or approximately 44.71% of the loans and advances of the microfinance segment of our Retail Finance Group. Since the introduction of the MFI Act, collections from customers in our microfinance segment have declined in Andhra Pradesh. We have reduced the disbursement of loans in general, and in the state of Andhra Pradesh there have been no disbursements since the promulgation of the Andhra Pradesh Micro Finance Institutions (Regulation of Money Lending) Ordinance, 2010 ("**MFI Ordinance**") dated October 15, 2010, and subsequent introduction of the MFI Act. The board of directors of the RBI, at their meeting held on October 15, 2010 formed a sub-committee of the board (the "**Malegam Committee**") to study issues and concerns in the microfinance sector in so far as they related to the entities regulated by the RBI. The Malegam Committee submitted its report on the issues and concerns in the microfinance sector on January 19, 2011 pursuant to which the RBI notified the circular bearing no. RBI/2010-11/505 dated May 3, 2011. For further details on the Malegam Committee report and the recommendations accepted by the RBI, please refer to the section titled, "*Regulations and Policies in India - Report of the Sub-Committee of the Central Board of Directors of Reserve Bank of India to Study Issues and Concerns in MFI Sector*" on page 201 of this Prospectus.

Given the uncertainty regarding the implementation and enforcement of the MFI Act or as a result of the RBI's potential implementation of the Malegam Committee report on the regulatory framework of the microfinance industry, we may re-evaluate the business model, strategy and structure of our microfinance segment, including potentially migrating the business of our microfinance segment from L&T Finance into a newly incorporated company within our Group, L&T Unnati which is one of our wholly-owned subsidiaries. However, as of the date of this Prospectus, no further steps have been taken in this regard. While L&T Finance is currently registered in accordance with the provisions of the MFI Act, we cannot assure you that we will be able to continually comply with the provisions of the MFI Act and/or maintain registration under the MFI Act. Further, L&T Finance has also received a notice from certain Government authorities in the state of Andhra Pradesh in relation to compliance with the MFI Ordinance, pursuant to which L&T Finance has obtained the requisite approvals under the MFI Ordinance for continuing its micro financing activities in the respective areas as permitted. For further details refer to the section titled "*Government Approvals for our Operating Subsidiaries – L&T Finance – Business approvals*" on page 388 of this Prospectus. The MFI Act provides for the imposition of penalties on MFIs in the event of coercive action by MFIs, carrying on business without registration and contravening the provisions of the MFI Act. Any failure by L&T Finance to comply with the provisions of the MFI Act could result in the imposition of any of the penalties set forth in the MFI Act and, in certain cases, cancellation of our registration as an MFI, which may have an adverse effect on our business, reputation, financial condition and results of operations as well as adversely affect our reputation and the demand for our microfinance related products. For further details of our microfinancing activities, refer to the section titled "*Our Business – Our Business and Operations – Our Retail Finance Group – Microfinance Segment*" on page 158 of this Prospectus.

Further, other state governments may promulgate similar or stricter regulations, resulting in increased levels of non-performing loans and related provisions and write-offs that could materially and adversely affect our results of operation and prospects.

26. ***We require certain statutory and regulatory approvals for conducting our business and our failure to obtain, retain or renew them in a timely manner, or at all, may adversely affect our operations.***

NBFCs in India are subject to strict regulation and supervision by the RBI. We require certain approvals, licenses, registrations and permissions for operating our business, including registration with the RBI as an NBFC-ND. Each of our Company, L&T Finance, L&T Infra and India Infrastructure Developers Limited is registered as an NBFC-ND with the RBI. The RBI has classified L&T Finance as an "asset finance company", and L&T Infra as an "infrastructure finance company". Further, pursuant to the CIC Circular, the Company has filed an application with RBI to be granted a certificate of registration as a CIC-ND-SI. In the event the RBI refuses to grant CIC-ND-SI status to our Company, we would need to comply with the applicable NBFC norms as we would cease to be eligible for the exemptions available to a CIC-ND-SI. In addition, L&T Infra has been notified as a PFI under Section 4A of the Companies Act. As an NBFC, our businesses are subject to periodic RBI inspections. L&TIM and L&T MF have been issued licenses by the SEBI in relation to the business of our Investment Management Group. For the various approvals, licenses, registrations and permissions that we have obtained or applied for our business, refer to the section titled "*Government and Other Approvals*" on page 387 of this Prospectus.

Further, such approvals, licenses, registrations and permissions must be maintained and/or renewed over time, applicable requirements may change and we may not be aware of or comply with all requirements all of the time. Additionally, we may need additional approvals from regulators to introduce new insurance and other fee-based products to our customers. In particular, we are required to obtain and maintain a certificate of registration for carrying on business as an NBFC that is subject to numerous conditions. For further details, refer to the section titled "*Regulations and Policies in India*" on page 197 of this Prospectus.

In addition, our various branches, meeting centers, KGSK centers and customer care centers are required to be registered under the relevant shops and establishment laws of the states in which they are located. The shops and establishment laws regulate various employment conditions, including working hours, holidays and leave and overtime compensation. Some of our branches have not applied for such registration while other branches still have applications for registration pending.

Given the extensive regulation of the financial services industry, it is possible that we could be found, by a court, arbitration panel or regulatory authority not to have complied with applicable legal or regulatory requirements. Further, we may be subject to lawsuits or arbitration claims by customers, employees or other third parties in the different state jurisdictions in India in which we conduct our business. If we fail to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, our business may be adversely affected. If we fail to comply, or a regulator claims we have not complied, with any of these conditions, our certificate of registration may be suspended or cancelled and we shall not be able to carry on such activities. We may also incur substantial costs related to litigation if we are subject to significant legal action, which may materially and adversely affect our business, future financial performance and results of operations. For further details, refer to the section titled "*Government and Other Approvals*" on page 387 of this Prospectus.

27. ***We are affected by volatility in interest rates for both our lending and treasury operations, which could cause our net interest income to decline and adversely affect our return on assets and profitability. For example, for L&T Finance Limited, the return on assets for Fiscal Year 2009 was 1.95% as compared to 2.98% for Fiscal Year 2008, which, amongst other things, was due to higher costs of borrowing which was in turn on account of volatility in interest rates during the Fiscal Year 2009.***

The businesses of our Infrastructure Finance Group, Retail Finance Group and Corporate Finance Group are dependent on interest income from the loans they disburse. Accordingly, we are affected by volatility in interest rates in our lending operations. Being a non-deposit taking NBFC, we are exposed to greater interest rate risk compared to banks or deposit taking NBFCs. Interest rates are highly sensitive to many factors beyond our control, including the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions and other factors. Due to these factors, interest rates in India have historically experienced a relatively high degree of volatility.

If interest rates rise we may have greater difficulty in maintaining a low effective cost of funds compared to our competitors, who may have access to low-cost deposit funds. Further, in case our borrowings are linked to market rates, we may have to pay interest at a higher rate as compared to other lenders. Fluctuations in interest rates may also adversely affect our treasury operations. For example, for L&T Finance, the return on assets in Fiscal Year 2009 was 1.95% as compared to 2.98% in Fiscal Year 2008, which, amongst other things, was due to higher costs of borrowing which was in turn due to the volatility in interest rates during Fiscal Year 2009. In a rising interest rate environment, especially if the rise were sudden or sharp, we could be adversely affected by the decline in the market value of our securities portfolio and other fixed income securities. In addition, the value of any interest rate hedging instruments we may enter into in the future would be affected by changes in interest rates.

When interest rates decline, we are subject to greater repricing and prepayment risks as borrowers take advantage of the attractive interest rate environment. When assets are repriced, our spread on our loans, which is the difference between our average yield on loans and our average cost of funds, could be affected. During periods of low interest rates and high competition among lenders, borrowers may seek to reduce their borrowing cost by asking lenders to reprice loans. If we reprice loans, our results may be adversely affected in the period in which the repricing occurs. If borrowers prepay loans, the return on our capital may be impaired as any prepayment premium we receive may not fully compensate us for the redeployment of such funds elsewhere.

Interest rates are typically correlated with inflation rates, as the RBI has historically sought to mitigate rising inflation by raising interest rates. In 2010, wholesale price index ("**WPI**") inflation, under the new series (Base: 2004-05), increased significantly and reached 10.2% by the end of March 2010. The monthly average of WPI inflation from April 1, 2010 to February 28, 2011 under the new series was 9.3%. As at March 1, 2010, the repurchase and reverse repurchase rates were 4.75% and 3.25%, respectively. Since March 2010, the RBI has revised the repurchase and reverse repurchase rates on multiple occasions. As at June 16, 2011, the repurchase rate is 7.50% and the reverse repurchase rate is 6.50%. If this inflationary trend continues, we anticipate the RBI will again raise both the repurchase and reverse repurchase rates.

Further, as at March 31, 2011, 86.01% of the total loans provided by us are long-term in nature (*i.e.* with a maturity at issuance of more than one year) and may be on a fixed rate basis, and which may not have escalation clauses. Any increase in interest rates over the duration of such loans may result in us losing interest income. Our inability to effectively and efficiently manage interest rate variations may adversely affect our business, future financial performance and result of operations.

28. ***Our Infrastructure Finance Group has a significant concentration in certain sectors and to certain borrowers. As at March 31, 2011, our five largest single sector exposures, ten largest borrowers and ten largest borrower groups in the aggregate accounted for 72.28%, 27.48% and 36.65% of our total exposures, respectively. If these exposures become non-performing, such exposure could increase the level of non-performing assets in our portfolio and materially and adversely affect our business, future financial performance and results of operations.***

As at March 31, 2011, our five largest single sector exposures were in the power, roads, telecommunications, oil and gas and urban infrastructure, which constituted 28.66%, 17.30%, 13.80%, 6.36% and 6.16% (aggregating to a total percentage exposure of 72.28% for these five sectors), respectively, of our total exposure of ₹ 71,864.90 million. For the foreseeable future, we expect to continue to have a significant concentration of loans in these five sectors and to certain borrowers. As at March 31, 2011, the loans and advances of our Infrastructure Finance Group accounted for 41.44% of our total loans and advances. Any negative trends or financial difficulties in the power, roads, telecommunications, oil and gas, urban infrastructure or ports sectors, particularly among our large borrowers, could increase the level of non-performing assets in our portfolio and materially and adversely affect our business, future financial performance and results of operations.

As at March 31, 2011, the ten largest borrowers in our Infrastructure Finance Group in the aggregate accounted for 27.48% of our total exposure, and the ten largest borrower groups in our Infrastructure Finance Group, in the aggregate accounted for 36.65% of our total exposure. As at March 31, 2011, our largest single borrower and our largest borrower group accounted for 3.48% and 5.39%, respectively, of the total exposure of our Infrastructure Finance Group. Credit losses on our significant single borrower and group exposures could materially and adversely affect our business, future financial performance and results of operations.

The customers of our Infrastructure Finance Group may default on their obligations to us as a result of their bankruptcy, lack of liquidity, operational failure, breach of contract, government or other regulatory intervention and other reasons such as their inability to adapt to changes in the macro business environment. Historically, borrowers or borrower groups have been adversely affected by economic conditions in varying degrees. For example, in Fiscal Year 2009, L&T Infra restructured three loans originally amounting to ₹ 500 million, ₹ 750 million and ₹ 750 million granted to certain companies in the infrastructure real estate sector. At the time of such restructuring, ₹ 465.61 million, ₹ 659.09 million and ₹ 740.00 million were outstanding on these loans, respectively. Such restructuring of loans affects our ability to recover the dues from the borrowers and the predictability of cash flows. Credit losses due to financial difficulties experienced by these borrowers or borrower groups in the future could materially and adversely affect our business, future financial performance and results of operations.

29. ***Poor investment performance may lead to loss of customers and a decline in assets under management and revenues in our Investment Management Group.***

Our ability to achieve investment returns for customers that meet or exceed investment returns for comparable asset classes and competing investment services is a key consideration when customers decide to keep their assets with us or invest additional assets, as well as a prospective client's decision to invest with us. For example, the L&T Gilt Fund, which is benchmarked to ISEC-LI-BEX, has given a return of 7.58% since its inception, whilst its benchmark index has delivered a return of 8.06% over the same period (***Source****: MFIE (Calculations are based on Growth Plan – Cumulative Option.*). Our inability to meet or exceed relevant investment benchmarks could result in redemptions or customers withdrawing assets and in prospective customers choosing to invest with competitors. This could also result in lower investment management fees, including minimal or no performance-based fees, which could result in a decline in the revenue of our Investment Management Group.

30. ***Our success depends in large part upon our management team and skilled personnel and our ability to attract and retain such persons.***

Our future performance will be affected by the continued service of our management team and skilled personnel. We also face a continuing challenge to recruit and retain a sufficient number of suitably skilled personnel, particularly as we continue to grow. There is significant competition for management and other skilled personnel in the various segments of the financial services industry in which we operate, and it may be difficult to attract and retain the personnel we need in the future. The loss of key personnel may have a material and adverse effect on our business, future financial performance, results of operations and ability to grow in line with our strategy and future plans.

31. ***Our business is based on the trust and confidence of our customers; any damage to that trust and confidence may materially and adversely affect our business, future financial performance and results of operations.***

We are dedicated to earning and maintaining the trust and confidence of our customers, and we believe that the good reputation created thereby, and inherent in the "*Larsen & Toubro*" or the *"L&T"* brand name, is essential to our business. As such, any damage to our reputation, or that of the "*Larsen & Toubro*" or the *"L&T"* brand name, could substantially impair our ability to maintain or grow our business. In addition, any action on the part of any of the Larsen & Toubro group companies that negatively impact the "*Larsen & Toubro*" or the *"L&T"* brand could have a material adverse effect on our business, future financial performance and results of operations.

32. ***The private infrastructure development industry in India is still at a relatively early stage of development and is linked to the continued growth of the Indian economy, the sectors on which we focus and stable and experienced regulatory regimes. In the event that central and state government initiatives and regulations in the infrastructure industry do not proceed in the desired direction, or if there is any downturn in the macroeconomic environment in India or in specific sectors, our business, future financial performance and results of operations could be materially and adversely affected.***

We believe that the further development of India's infrastructure is dependent on the formulation and effective implementation of state and central government programs and policies that facilitate and encourage private sector investment in infrastructure projects in India. Many of these programs and policies are developing and evolving and their success will depend on whether they are properly designed to address the issues facing infrastructure development in India and are effectively implemented. Additionally, these programs will need continued support from stable and experienced regulatory regimes that not only encourage the continued movement of private capital into infrastructure development but also lead to increased competition, appropriate allocation of risk, transparency, effective dispute resolution and more efficient and cost-effective services to the end-consumer. The availability of private capital and the continued growth of the infrastructure development industry are also linked to the continued growth of the Indian economy. Many specific factors within each industry sector may also influence the success of the projects within those sectors, including changes in policies, regulatory frameworks and market structures. While there has been progress in sectors such as telecommunications, transportation, energy, tourism and industrial and commercial infrastructure, other sectors such as urban infrastructure and healthcare have not progressed to the same degree. Further, since infrastructure services in India have historically been provided by the central and state governments without charge or at a low charge to consumers, the growth of the infrastructure industry will be impacted by consumers' income levels and the extent to which they would be willing to pay or can be induced to pay for infrastructure services. If the central and state governments' initiatives and regulations in the infrastructure industry do not proceed in the desired direction, or if there is any downturn in the macroeconomic environment in India or in specific sectors, our business, future financial performance and results of operations could be materially and adversely affected.

33. ***Changes in financial market levels have a direct and significant impact on our Investment Management Group's assets under management. Specifically, any downward movement in the performance of the financial markets could result in a significant reduction in our assets under management which could result in a material adverse effect on the results of operations and business prospects of our Investment Management Group.***

The performance of financial markets (both domestic and international), global economic conditions, industry trends, interest rates, inflation rates, tax regulation changes and other factors that are difficult to predict affect the mix, market value and level of assets under management. Investment advisory and services fees, the largest component of revenues in our Investment Management Group, are generally calculated as a percentage of the value of assets under management and vary with the type of account managed. Accordingly, fee income generally increases or decreases as assets under management increase or decrease and is affected by market appreciation or depreciation, inflow of new client assets (including purchases of mutual fund shares) and outflow of client assets (including redemption of mutual fund shares). In addition, changing market conditions and investment trends, particularly with respect to retirement savings, may reduce interest in certain of our investment products and may result in a reduction in assets under management.

Significant weakness and volatility in global credit markets, particularly the rapid deterioration of the mortgage markets in the United States and Europe during the second half of 2007 and early in 2008 was followed by global economic turmoil. Although global markets improved during 2009, there can be no assurance that market conditions will not deteriorate again, which may have a material and adverse impact on our business, future financial performance and results of operations.

34. ***In the past, we have ventured into new lines of business, including investment management (since January 2010) and financial products distribution (since September 2007), and have introduced new products and services in existing lines of business. There can be no assurance that such initiatives in the future in new lines of business or in introducing new products and services will be profitable.***

We have, and may continue to venture into new areas of business in the financial services industry in India and are also aiming to increase our market share in our existing businesses, including through the introduction of new products and services. There are inherent risks in entering a market for the first time or in expanding a particular product or service portfolio.

In the past, we have commenced distribution of financial products and investment management, through our Investment Management Group, as new lines of business. We may incur expenses, such as increases in staff and administrative expenses, as we expand, and in the event that the expected growth is not achieved, such expenses may adversely affect our profitability. The systems, processes and resources required for any new businesses that we may start may need significant improvements or the products themselves may not find a sufficient level of acceptability in the market. Any new business may be subject to strong competition from existing participants in that market, high barriers to entry and changes in the economic, political and regulatory conditions, both generally and specifically to that market, all of which may have a material and adverse effect on our business, future financial performance and results of operations. In addition, we are introducing new products and services in our existing lines of business. We may incur substantial costs to expand our range of products and services and cannot guarantee that such new products will be successful once they are offered, due to our own shortcomings or as a result of circumstances beyond our control, such as general economic conditions. In addition, we may not correctly anticipate our customers' needs or desires, which may change over time. In the event that we fail to develop and launch new products or services successfully, we may lose any or all of the investments that we have made in promoting them, and our reputation would be harmed and our market position or market share would be at risk. If our competitors are better able to anticipate the needs of our current and potential customers in our target market, our market share could decrease.

35. ***In relation to the NCDs issued by L&T Finance in September 2009 and March 2010, we currently have long term ratings of CARE AA+ from CARE, which indicates that such instruments offer high safety for the timely servicing of debt obligations and carry very low credit risk, and LAA+ by ICRA which indicates high credit quality and that the instruments rated carry a low credit risk. In relation to the bonds issued by L&T Infra in November 2010 and in March 2011, we currently have a CARE rating of AA+, which indicates that such instruments offer high safety for timely servicing of debt obligations and such instruments carry very low credit risk, and an ICRA rating of LAA+, which indicates high credit quality and that the rated instrument carries low credit risk. Any downgrade of our credit ratings would increase our borrowing costs and constrain our access to capital and lending markets and, as a result, would negatively affect our net interest margin and our business.***

The cost and availability of capital is also dependent on our short-term and long-term credit ratings. Ratings reflect a rating agency's opinion of our financial strength, operating performance, strategic position, and ability to meet our obligations. In relation to the NCDs issued by L&T Finance in September 2009 and March 2010, we currently have long term ratings of CARE AA+ from CARE, which indicates that such instruments offer high safety for the timely servicing of debt obligations and carry very low credit risk, and LAA+ by ICRA which indicates high credit quality and that the instruments rated carry a low credit risk (refer to the section titled "*Our Business - Our Funding Structure*" on page 167 of this Prospectus). In relation to the bonds issued by L&T Infra in November 2010 and in March 2011, we currently have a CARE rating of AA+, which indicates that such instruments offer high safety for timely servicing of debt obligations and such instruments carry very low credit risk, and an ICRA rating of LAA+, which indicates high credit quality and that the rated instrument carries low credit risk.

Any downgrade of our credit ratings would increase our borrowing costs and constrain our access to capital and debt markets and, as a result, would negatively affect our net interest margin and our business. In addition, downgrades of our credit ratings could increase the possibility of additional terms and conditions being added to any additional financing or refinancing arrangements in the future. Any such adverse development could adversely affect our share price, business, future financial performance and results of operations.

36. ***Infrastructure projects carry certain risks which, to the extent they materialize, could adversely affect our business and result in our loans and investments declining in value which could have a material and adverse effect on our business, future financial performance and results of operations.***

Our Infrastructure Finance Group primarily provides debt, equity or hybrid financing, and financial advisory services related to infrastructure projects in India. As at March 31, 2011, loans and advances for our Infrastructure Finance Group were ₹ 71,864.90 million, which accounted for 41.44% of our total loans and advances. Infrastructure projects are characterized by project-specific risks as well as general risks. These risks are generally beyond our control, and include:

- political, regulatory and legal actions that may adversely affect project viability;
- interruptions or disruption in domestic or international financial markets, whether for equity or debt funds;
- changes in government and regulatory policies;
- delays in the construction and operation of infrastructure projects;
- adverse changes in market demand or prices for the products or services that the project, when completed, is expected to provide;
- unwillingness or inability of consumers to pay for infrastructure services;
- shortages of, or adverse price developments for, raw materials and key project inputs such as oil and natural gas;
- potential defaults under financing arrangements with lenders and investors;
- failure of third parties to perform on their contractual obligations;
- adverse developments in the overall economic environment in India;
- interest rate or currency exchange rate fluctuations or changes in tax regulations;
- economic, political and social instability or occurrences, such as natural disasters, armed conflict and terrorist attacks, particularly where projects are located or in the markets they are intended to serve; and
- other risks discussed in the sub-section "*External Risks - Risks Relating to India*", on page 45 of this Prospectus.

To the extent these or other risks relating to the projects we finance materialize, the quality of our asset portfolio and our profitability may decline, which would have a material and adverse effect on our business, future financial performance and results of operations.

37. ***We may experience delays in enforcing collateral when the borrowers who are customers of our Infrastructure Finance Group default on their obligations to us, which may result in failure to recover the expected value of collateral and may materially and adversely affect our business and future financial performance.***

Our Retail Finance Group and Corporate Finance Group may experience delays in enforcing collateral when our customers default on their obligations. Refer to the risk factor entitled "*Risks relating to our Group - We may be exposed to potential losses due to a decline in value of assets secured in our favour, and due to delays in the enforcement of such security upon default by our borrowers*", on page 30 of this Prospectus. However, we believe that, owing to the level of complexity and customized structuring of the products of our Infrastructure Finance Group, such delays in enforcement of collateral present additional risk.

As at March 31, 2011, 100% of the loans of our Infrastructure Finance Group were secured by project assets and other collateral:

- for debt provided on a senior basis (comprising 63.32% of the value of our outstanding loan assets, excluding equity), we have a general first ranking charge on the project assets; and
- for loans provided on a mezzanine basis (comprising 36.68% of the value of our outstanding loan assets, excluding equity), we have a general second or subservient charge on the assets or other collateral securities of companies having established cash flows.

Although we seek to maintain a collateral value-to-loan ratio of at least 100% for our secured loans, an economic downturn or the other project risks could result in a fall in collateral values. Additionally, the realizable value of our collateral in a liquidation may be lower than its book value. Moreover, foreclosure of such collateral may require court or tribunal intervention that may involve protracted proceedings and the process of enforcing security interests against collateral can be difficult. Additionally, the realizable value of our collateral in liquidation may be lower than its book value, particularly in relation to projects which are not completed when default and enforcement of security occurs. Further, as at March 31, 2011, loans provided on a mezzanine basis (comprising 36.68% of the value of our outstanding loan assets, excluding equity) were made on a non-recourse or limited recourse basis. With respect to disbursements made on a non-recourse basis, only the related project assets are available to repay the loan in the event the borrowers are unable to meet their obligations under the loan agreements. With respect to disbursements made on a limited recourse basis, project sponsors generally give undertakings for funding shortfalls and cost overruns.

We cannot guarantee that we will be able to realise the full value of our collateral, due to, among other things, defects in the perfection of collateral, delays on our part in taking immediate action in bankruptcy foreclosure proceedings, stock market downturns, claims of other lenders, legal or judicial restraint and fraudulent transfers by borrowers. In the event a specialized regulatory agency gains jurisdiction over the borrower, creditor actions can be further delayed.

38. ***Our equity investments in infrastructure projects can be particularly volatile and may not be recovered.***

We make direct minority equity investments in infrastructure projects through our wholly-owned subsidiary, L&T Infra. As at March 31, 2011, our equity investments accounted for 1.00% of our total infrastructure loans and investments. The value of these investments depends on the success and continued viability of these projects. In addition to the project-specific risks described in the above risk factors, we have limited control over the operations or management of these projects. Therefore, our ability to realise expected gains as a result of our equity interest in a project is highly dependent on factors outside of our control. Write-offs or write-downs in respect of our equity portfolio may materially and adversely affect our business, future financial performance and results of operations.

39. ***Business development activities are inherently risky, and integrating our operations with businesses we acquire may be difficult and, if unsuccessfully executed, may have a material adverse effect on our business.***

We plan to selectively enhance our business from time to time through business development activities, such as strategic acquisitions, investments and alliances. However, these plans are subject to the availability of appropriate opportunities and competition from other companies seeking similar opportunities. Moreover, the success of any such effort may be affected by a number of factors, including our ability to properly assess and value the potential business opportunity, and to integrate it into our business. The success of our strategic alliances depends not only on our contributions and capabilities, but also on the property, resources, efforts and skills contributed by our strategic partners. Further, disputes may arise with strategic partners, due to conflicting priorities or conflicts of interests.

Each acquisition involves the integration of a separate company that was previously operated independently and has different systems, processes, policies and cultures. Integration of acquisitions involves a number of risks, including the diversion of management's attention to the assimilation of the operations of businesses we have acquired, difficulties in the integration of operations and systems and the realization of potential operating synergies, the assimilation and retention of the personnel of the acquired companies, challenges in retaining the customers of the combined businesses, and potential adverse effects on operating results. The process of combining companies may be disruptive to our businesses and may cause an interruption of, or a loss of momentum in, such businesses as a result of the following difficulties, among others:

- loss of key customers or employees;
- difficulty in standardizing information and other systems;
- difficulty in consolidating facilities and infrastructure;
- failure to maintain the quality or timeliness of services that our Company has historically provided;
- diversion of management‘s attention from the day-to-day business of our Company as a result of the need to deal with the foregoing disruptions and difficulties; and
- the added costs of dealing with such disruptions.

If we are unable to successfully integrate strategic acquisitions in a timely manner, or at all our business and our growth strategies could be adversely affected. Even if we are able to successfully complete the integration of the operations of other companies or businesses we may acquire in the future, we may not be able to realise all or any of the benefits that we expect to result from such integration, either in monetary terms or in a timely manner.

40. ***We are exposed to various operational risks, including the risk of fraud and other misconduct by employees or outsiders. Further, the contractors and employees of the microfinance segment of our Retail Finance Group may be the target of violent crimes which may adversely affect our business, operations, and ability to recruit and retain employees.***

As with other financial intermediaries, we are exposed to various operational risks such as fraud or misconduct by our employees or by an outsider, unauthorized transactions by employees or third parties, misreporting of and non-compliance with various statutory and legal requirements and operational errors. It may not always be possible to deter employees from or otherwise prevent misconduct or misappropriation of cash collections, and the precautions we take to detect and prevent these activities may not always be effective. Any instance of employee misconduct, fraud or improper use or disclosure of confidential information could result in regulatory and legal proceedings, which, if unsuccessfully defended, could materially and adversely affect our business, future financial performance and results of operations.

In addition, the transportation equipment finance, rural product finance and microfinance segments of our Retail Finance Group handle a large amount of cash through a high volume of small transactions taking place in our network, which comprises 117 branches, 259 meeting centers, 37 KGSK centers and 414 customer care centers. As such, the risk of fraud or other misconduct by employees or outsiders is further exaggerated by the high level of delegation of power and responsibilities our business model requires. Fraud and other misconduct can be difficult to detect and deter. For further details, refer to the section titled "*Outstanding Litigation and Material Developments*" on page 310 of this Prospectus.

Given the high volume of transactions processed by our Retail and Corporate Finance Groups in particular, certain instances of fraud and misconduct may go unnoticed for some time before they are discovered and successfully rectified. Even when we discover such instances of fraud or theft and pursue them to the full extent of the law or with our insurance carriers, there can be no assurance that we will recover any such amounts. In addition, our dependence upon automated systems to record and process transactions may further increase the risk that technical system flaws or employee tampering or manipulation of those systems will result in losses that are difficult to detect.

We believe that the potential for violent crimes such as murder and robbery to be perpetrated against the contractors and employees of the microfinance segment of our Retail Finance Group is highest in the more remote villages we serve, where our contractors and employees may be forced to transport cash further due to the lack of local banking facilities. In addition, our contractors and employees have in the past been the targets of attacks by local parties. To the extent that our contractors and employees are subject to violent attacks, theft or robbery in the course of their duties, our ability to service such areas will be adversely affected and our employee recruitment and retention efforts may be curtailed which would negatively impact our expansion and growth. In addition, if we determine that certain areas of India pose a significantly higher risk of crime or political strife and instability, our ability to service such areas will be adversely affected and our expansion and growth may be curtailed.

41. ***A failure of our operational systems or infrastructure, or those of third parties, could impair our liquidity, disrupt our businesses, cause damage to our reputation and result in losses.***

Our business is highly dependent on our ability to process a large number of transactions. While we operate a disaster recovery site at Chennai with continuous live data replication, we cannot assure you that this system will not cease to operate on account of various factors which may be wholly or partially beyond our control. Furthermore, our financial, accounting, data processing or other operating systems and facilities may fail to operate properly or become disabled as a result of events that are wholly or partially beyond our control, adversely affecting our ability to process these transactions. As we grow our business, the inability of our systems to accommodate an increasing volume of transactions could also constrain our ability to expand our businesses. Additionally, shortcomings or failures in our internal processes or systems could lead to an impairment of our financial condition, financial loss, disruption of our business and reputational damage.

Our ability to operate and remain competitive will depend in part on our ability to maintain and upgrade our information technology systems on a timely and cost-effective basis. The information available to, and received by, our management through our existing systems may not be timely and sufficient to manage risks or to plan for and respond to changes in market conditions and other developments in our operations. We may experience difficulties in upgrading, developing and expanding our systems quickly enough to accommodate our growing customer base and range of products. Our failure to maintain or improve or upgrade our management information systems in a timely manner could materially and adversely affect our competitiveness, financial position and results of operations.

We may also be subject to disruptions of our operating systems, arising from events that are wholly or partially beyond our control including, for example, computer viruses or electrical or telecommunication service disruptions, which may result in a loss or liability to us.

42. ***The transportation equipment finance segment of our Retail Finance Group primarily provides commercial vehicle finance for new and used commercial vehicles and any adverse developments in this sector would adversely affect our business, future financial performance and results of operations.***

As we continue to provide financing for new and used commercial vehicles, our loan and NPA portfolios have, and will likely continue in the future to have, a high concentration of new and used commercial vehicle financing arrangements. Moreover, our customer base has, and will likely continue in the future to have, a high concentration of first time users ("**FTUs**"), small road transporter operators ("**SRTOs**") and small truck owners ("**STOs**"). Our business is, therefore, entirely dependent on various factors that impact this customer segment, such as the demand for transportation services in India, changes in Indian regulations and policies affecting pre-owned commercial vehicles, natural disasters and calamities, and the macroeconomic environment in India and globally. In addition, we believe that individual borrowers and FTUs generally are less financially robust than larger corporate borrowers or fleet owners, and, as a result, are likely to be more severely affected by deteriorating economic conditions. Such factors may result in a decline in the sales or value of new and used commercial vehicles, with a corresponding decline in the demand for finance for new and used commercial vehicles, which consequently may adversely affect our business, future financial performance and the results of our operations. Refer to the section titled "*Industry Overview - The Retail Finance Industry in India - Transport Equipment Finance Overview*" on page 134 of this Prospectus.

Recently, the RBI, in its mid-quarter monetary policy review in June 2011, noted that there has been a deceleration in the automobile sector *(**Source**: RBI Mid-Quarter Monetary Policy: June 2011, June 16, 2011)*. Further, the ability of commercial vehicle owners and/or operators to perform their obligations under existing financing agreements may be adversely affected if their businesses suffer as a result of the aforesaid factors.

43. ***Our failure to comply with financial and other restrictions imposed on us under the terms of our borrowings could adversely affect our ability to conduct our business and operations.***

In connection with the borrowings of our Subsidiaries from lenders, we have agreed to restrictive covenants that require, among other things, that we maintain certain levels of debt, capital and asset quality. These restrictive covenants require that we either obtain the prior approval of, or provide notice to, our lenders in connection with certain activities, such as undertaking any merger, amalgamation or restructuring or making substantial changes in the composition of our management. Our ability to execute expansion plans, including our ability to obtain additional financing on terms and conditions acceptable to us, could be severely and negatively impacted as a result of these restrictions and limitations. Our failure to comply with any of these covenants could result in an event of default, which could accelerate our need to repay the related borrowings and trigger cross-defaults under other borrowings which could materially and adversely affect our liquidity, financial condition and business operations. An event of default would also affect our ability to raise new funds or renew maturing borrowings as needed to conduct our operations and pursue our growth initiatives.

44. ***We face labour risks, including the risk of our employees joining a labour union.***

Currently our employees are not members of a labour union. We can give you no assurance that they will not, in the future, join a labour union. In the event of a labour dispute, protracted negotiations and/or strike action may impair our ability to carry on our day-to-day operations which would materially and adversely affect our, business, future financial performance and results of operations.

45. ***Some of our borrowers are dependent on receiving timely payment for the provision of their products and services from their customers in order to meet their obligations to us. Any material delay by their customers could adversely affect their ability to repay the principal and interest on the loans we provide.***

Certain of our borrowers, which as at March 31, 2011, accounted for 84.20% of our total loan portfolio, are suppliers of products and services (such borrowers are customers of our Retail Finance Group, Corporate Finance Group, but not including customers of our corporate loans and leases segment, or our capital markets finance segment and our Infrastructure Finance Group), and are therefore dependent on receiving timely payment from their customers in order to repay the principal and interest on the loans we provide to them. As such, any material delay in receipt of payment from their customers, whether as a result of a natural disaster, terrorist attack or a change in government, could adversely affect the ability of our borrowers to meet their obligations to us. We are therefore subject to the risks associated with borrower defaults occasioned by the failure and or delay in payment by their customers, and which include default or delay by our borrowers in the repayment of principal or interest on our loans which could materially and adversely affect our business, future financial performance and results of operations.

46. ***Compliance with, and changes in labour laws and regulations could materially and adversely affect our business, future financial performance and results of operations.***

Our workforce consists of employees, outsourced personnel and personnel retained on a contractual basis. As at May 31, 2011, our workforce comprised 1,752 employees and 2,643 outsourced personnel and personnel retained on a contractual basis (such as for specific assignments, and those on retainer for business development purposes). Our full-time employees are employed by L&T Finance, L&T Infra and L&TIM, as the case may be, and are entitled to statutory employment benefits, such as retirement benefits. For further details, refer to the section titled "*Our Business - Employees*" on page 190 of this Prospectus.

We are subject to various labour laws and regulations governing our relationships with our employees and contractors, including in relation to minimum wages, working hours, overtime, working conditions, hiring and terminating the contracts of employees and contractors, contract labour and work permits.
We cannot assure you that we will be in compliance with current and future health and safety and labour laws and regulations at all times, and any potential liability arising from any failure to comply therewith

(such as a change of law which requires us to treat (and extend benefits) to our outsourced personnel, and personnel retained on a contractual basis, as being full-time employees), could materially and adversely affect our business, future financial performance and results of operations.

47. ***Prolonged weakness in asset values may result in an impairment of goodwill, intangible assets and the deferred sales commission asset of our Investment Management Group.***

If market conditions deteriorate significantly and securities valuations are depressed for prolonged periods of time, the assets under management, revenues, profitability and unit price may be adversely affected. As a result, goodwill and intangible assets may become impaired. The occurrence of any impairment would require a material charge to the earnings of our Investment Management Group. For additional information about our impairment testing, refer to the section titled "*Our Business - Our Business and Operations - Our Investment Management Group*" on page 164 of this Prospectus.

48. ***The yield ratios or cost ratios of certain of our Subsidiaries are only indicative, and may not accurately reflect their respective average yield and average cost of funds.***

L&T Finance's yields may not be entirely indicative to the extent that, at times, there may be interest income earned on certain short-term assets which may not form part of the closing book of loans and advances, particularly in Fiscal Years 2008 and 2009 during which L&T Finance's yields on loans and advances were 14.24% and 15.47%, respectively, and L&T Finance's cost of funds was 10.21% and 12.10%, respectively. This has contributed to a higher overall average yield compared to Fiscal Year 2007 during which L&T Finance's yield on loans and advances was 11.50% and L&T Finance's cost of funds was 7.38%.

In addition, L&T Finance's average cost of funds may not be entirely indicative to the extent that there may be costs incurred on certain short-term loans (to finance short-term assets), which may not form part of our closing borrowings, particularly for Fiscal Years 2008 and 2009. This has contributed to a higher overall average cost of funds compared to Fiscal Year 2007.

The average financing costs for Fiscal Year 2009 was impacted by (i) costs incurred on derivatives (both cash and mark-to-market losses), and revaluation of foreign currency loans; and (ii) the economic downturn during Fiscal Year 2009, during which the borrowings were higher in the first half of the year compared to the second half. This resulted in lower average yearly balances and relatively higher borrowing expenses, which in turn, resulted in a higher average cost of funds. Further, the average financing cost for Fiscal Year 2008 was impacted by a large volume of very short term loans, which resulted in lower annual average borrowings.

In respect of the yield on loans, cost of funds and net interest margin of L&T Infra, there has been a greater number of disbursements of loans in the second half of Fiscal Year 2011 than in the first half, and also by comparison to Fiscal Year 2010. As such, the income on these loans and the corresponding cost of borrowings has been recognised for the proportionate periods. This has contributed to a lower yield on loans, cost of funds and net interest margin in Fiscal Year 2011 as compared to the yield on loans, cost of funds and net interest margin in Fiscal Year 2010.

Accordingly, our yield ratios or cost ratios may not be an accurate reflection of our average cost of funds. For more details on our yield ratios and cost ratios, refer to the section titled, "*Management's Discussion and Analysis of Financial Condition and Results of Operations - Results of Operations - L&T Finance" and "Results of Operations - L&T Infra "* on pages 273 and 285 respectively of this Prospectus.

49. ***We may be required to increase our capital ratio or amount of reserve funds, which may result in changes to our business and accounting practices that may materially and adversely affect our business and results of operations. Compliance with capital adequacy norms in line with our expected asset growth may require us to issue more capital and may also affect our ability to pay dividends in future.***

Each of our Company, L&T Finance and L&T Infra is subject to the RBI minimum capital to risk weighted assets ratio regulations. Pursuant to Section 45-IC of the RBI Act, every NBFC is required to create a reserve fund and transfer thereto a sum not less than 20.0% of its net profit every year, as disclosed in the profit and loss account and before any dividend is declared. We are also required to maintain a minimum capital adequacy ratio of 15% as at March 31, 2011 in relation to our aggregate risk-weighted assets on balance sheet and risk adjusted value of off-balance sheet items. We have applied to the RBI for classification of our Company as a CIC-ND-SI. In the event that our application is successful and our Company is classified as such, we will become subject to the capital adequacy requirements prescribed by the RBI for a CIC-ND-SI. Currently, a CIC-ND-SI must maintain a minimum capital to risk asset ratio of 30%. The following table presents the Capital to Risk (Weighted) Average Ratio maintained by our Company as at March 31, 2009, 2010 and 2011:

	As at March 31,

	2009	2010	2011
	(₹ in million, except ratios)		
Tier I capital[1]	1,098.90	3,146.33	14,179.77
Tier II capital	0.00	0.00	0.00
Risk weighted assets on balance sheet	1,078.57	3,147.75	17,750.91
Risk weighted assets off balance sheet	0.00	0.00	0.00
Total capital to risk assets ratio[2]	100.00%	99.96%	79.88%
Tier I capital to risk assets ratio	100.00%	99.96%	79.88%
Tier II capital to risk assets ratio	0.00%	0.00%	0.00%
Total capital to risk asset ratio required by RBI	**10.00%**	**12.00%**	**15.00%**

1 *Tier I capital includes equity share capital and reserves and surplus, reduced by investments in certain categories specified by RBI which exceed prescribed ceilings, and other intangible assets.*

2 *The total capital to risk assets ratio is calculated as capital funds (Tier I capital plus Tier II capital) divided by risk weighted assets (the weighted average of funded and non-funded items after applying the risk weights as assigned by the RBI).*

L&T Finance is subject to the capital adequacy requirements for NBFCs prescribed by the RBI. In Fiscal Year 2009, L&T Finance was required to maintain a minimum capital to risk asset ratio of 10%. This limit was increased to 12% as of March 31, 2010, and 15% as of March 31, 2011. As at March 31, 2009, 2010 and 2011, respectively, L&T Finance's total capital to risk asset ratio was 16.41%, 15.43% and 16.34%, respectively.

L&T Infra has been designated as an Infrastructure Finance Company as from July 2010, and as such, must maintain a capital to risk asset ratio of 15%. As of March 31, 2009, L&T Infra was subject to the general NBFC capital to risk asset ratio requirement of 10%. This limit was increased to 12% as of March 31, 2010 and to 15% as of March 31, 2011. As at March 31, 2009, 2010 and 2011, L&T Infra's total capital to risk asset ratio was 26.16%, 23.27% and 16.50%, respectively. For a complete discussion of regulations relating to capital adequacy ratios, see the section titled "*Regulations and Policies in India – The Reserve Bank of India Act, 1934 – Prudential Norms – Capital Adequacy Norms*" on page 199 of this Prospectus.

The RBI may also in the future require compliance with other financial ratios and standards. Compliance with such regulatory requirements in the future may require us to alter our business and accounting practices or take other actions that could materially and adversely affect our business and operating results.

50. ***Our insurance coverage may not adequately protect us against losses, and successful claims against us that exceed our insurance coverage could harm our results of operations and diminish our financial position.***

We maintain insurance coverage of the type and in the amounts that we believe are commensurate with our operations. Our insurance policies, however, may not provide adequate coverage in certain circumstances and may be subject to certain deductibles, exclusions and limits on coverage. In addition, there are various types of risks and losses for which we do not maintain insurance, such as losses due to business interruption and natural disasters, because they are either uninsurable or because insurance is not available to us on acceptable terms. A successful assertion of one or more large claims against us that exceeds our available insurance coverage or results in changes in our insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect our business, future financial performance and results of operations.

51. ***Our business is dependent on investment advisory, selling and distribution agreements that are subject to termination or non-renewal on short notice.***

We have entered into various selling and distribution agreements with AMFI/NISM registered mutual fund distributors/financial intermediaries to sell the units of L&T Mutual Fund. The selling and distribution agreements are terminable by either party by mutual consent or upon notice (generally 30 days) and do not obligate the financial intermediary to sell any specific amount of fund units. In addition, investors in L&T Mutual Fund can generally redeem their investments without notice. Any termination of, or failure to renew, a significant number of these agreements, or a significant increase in redemption rates, could have a material and adverse effect on our business, future financial performance and results of operations.

52. ***Some of our Group Companies and Subsidiaries have unsecured loans, which may be recalled by the relevant lenders at any time. Any recall of such loans may have an adverse effect on our financial condition and the financial condition of such Group Companies and Subsidiaries.***

Some of our Subsidiaries and our Group Companies have unsecured loans, which may be recalled at any time at the option of the lender. If such unsecured loans are recalled at any time our financial condition and the financial condition of such Subsidiaries and Group Companies may be adversely affected.

EXTERNAL RISKS

Risks Relating to India

1. ***Governmental and statutory regulations, including the imposition of an interest-rate ceiling, may adversely affect our operating results and financial position.***

As an NBFC-ND, each of our Company, L&T Finance, L&T Infra and India Infrastructure Developers Limited is subject to regulation by Indian governmental authorities, including the RBI. These laws and regulations impose numerous requirements on us, including asset classifications and prescribed levels of capital adequacy, cash reserves and liquid assets. There may be future changes in the regulatory system or in the enforcement of the laws and regulations that could adversely affect us.

For instance, a number of states in India have enacted laws to regulate money lending transactions. These state laws establish maximum rates of interest that can be charged by a person lending money. For unsecured loans, these maximum rates typically range from 12% to 15% per annum. Although the report of the sub-committee of RBI’s central board of directors to study issues and concerns in the micro finance institutions sector released on January 19, 2011 recommends certain caps on margin on loans granted by micro finance institutions, the RBI has not yet established a ceiling on the rate of interest that can be charged by an NBFC in the microfinance sector. Currently, the RBI requires that the board of all NBFCs adopt an interest rate model taking into account relevant factors such as the cost of funds, margin and risk premium. It is unclear whether NBFCs are required to comply with the provisions of state money lending laws that establish ceilings on interest rates. In January 2010 and April 2011, the High Court of Gujarat held that the provisions of the RBI Act have an overriding effect upon state money lending laws. However, the subject matter is pending before the Supreme Court of India in a different case and the final decision has not been passed.

In the event that the government of any state in India requires us to comply with the provisions of their respective state money lending laws, or imposes any penalty against us, our Directors or our officers, including for prior non-compliance, our business, future financial performance and results of operations may be materially and adversely affected.

2. ***Political instability or changes in the Government in India or in the government of the states where we operate could cause us significant adverse effects.***

We are incorporated in India and all of our operations, assets and personnel are located in India. Consequently, our performance and the market price and liquidity of our Equity Shares may be affected by changes in exchange rates and controls, interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India. The central government has traditionally exercised, and continues to exercise, a significant influence over many aspects of the economy. Our businesses are also impacted by regulations and conditions in the various states in India where we operate. Our businesses, and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in central government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. Since 1991, successive central governments have pursued policies of economic liberalization and financial sector reforms. However, there can be no assurance that such policies will be continued. A significant change in the central government's policies, in particular, those relating to the banking and finance industry in India, could adversely affect our business, financial condition and results of operations and could cause the price of our Equity Shares to decline.

3. ***Regional hostilities, terrorist attacks, civil disturbances or social unrest, regional conflicts could adversely affect the financial markets and the trading price of our Equity Shares could decrease.***

Certain events that are beyond our control, such as terrorist attacks and other acts of violence or war, may adversely affect worldwide financial markets and could potentially lead to a severe economic recession, which could adversely affect our business, results of operations, financial condition and cash flows, and more generally, any of these events could lower confidence in India's economy.

India has also experienced social unrest in some parts of the country. If such tensions occur in other parts of the country leading to overall political and economic instability, it could have a materially adverse effect on our business, future financial performance, results of operations and the trading price of our Equity Shares.

4. ***The proposed adoption of IFRS could result in our financial condition and results of operations appearing materially different than under Indian GAAP.***

Our financial statements, including the financial statements provided in this Prospectus, are prepared in accordance with Indian GAAP. We have not attempted to quantify the impact of the International Financial Reporting Standards ("**IFRS**") or U.S. GAAP on the financial data included in this Prospectus, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Indian GAAP. For further details, refer to "*Certain Conventions - Presentation of Financial, Industry and market data*" on page 15 of this Prospectus. Accordingly, the degree to which the Indian GAAP financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Prospectus should accordingly be limited.

However we may be required to prepare annual and interim financial statements under IFRS in accordance with the roadmap for the adoption of, and convergence with, IFRS announced by the Ministry of Corporate Affairs, GoI in January, 2010. The convergence of certain Indian Accounting Standards with IFRS was notified by the Ministry of Corporate Affairs on February 25, 2011. The date of implementing such converged Indian accounting standards has not yet been determined, and will be notified by the Ministry of Corporate Affairs in due course after various tax-related and other issues are resolved. Because there is significant lack of clarity on the adoption of and convergence with IFRS and there is not yet a significant body of established practice on which to draw in forming judgments regarding its implementation and application, we have not determined with any degree of certainty the impact that such adoption will have on our financial reporting. There can be no assurance that our financial condition, results of operations, cash flows or changes in shareholders' equity will not appear materially worse under IFRS than under Indian GAAP, which could have a material adverse effect on the price of our Equity Shares.

As we transition to IFRS reporting, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems. Moreover, there is increasing competition for the small number of IFRS-experienced accounting personnel available as more Indian companies begin to prepare IFRS financial statements. There can be no assurance that our adoption of IFRS will not adversely affect our reported results of operations or financial condition and any failure to successfully adopt IFRS by an agreed deadline could have a material adverse effect on the price of our Equity Shares.

5. ***The market value of an investor's investment may fluctuate due to the volatility of the Indian securities markets.***

Stock exchanges in India have in the past experienced substantial fluctuations in the prices of listed securities. As per Bloomberg data, the year-to-date percentage decline in Sensex as of June 30, 2011 stood at 3.1%, as compared to a 0.8% increase for the Dow Jones Industrial Average, a 4.8% decline for the Hang Seng Index, and a 0.5% increase for the Strait Times Index (Singapore) (all measured in their respective local currencies). As of June 30, 2011 the 90 day historical volatility of the Sensex as per Bloomberg data stood at 18.44% as compared to 13.13% for the Dow Jones Industrial Average, 16.61% for the Hang Seng Index and 13.39% for Strait Times Index (Singapore) (all computed in their respective local currencies).

6. ***Rights of shareholders under Indian law may be more limited than under the laws of other jurisdictions.***

Our articles of association, regulations of our board of Directors and Indian law govern our corporate affairs. Legal principles related to these matters and the validity of corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

7. ***Any downgrading of India's debt rating by an international rating agency could have a negative impact on the trading price of our Equity Shares.***

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing may be available. This could have an adverse effect on our business and future financial performance, its ability to obtain financing for capital expenditures and the trading price of our Equity Shares.

8. ***Outbreaks of epidemic diseases may adversely affect our operations.***

Pandemic disease, caused by a virus such as H5N1 (the "avian flu" virus), or H1N1 (the "swine flu" virus), could have a severe adverse effect on our business. A new and prolonged outbreak of such diseases may have a material adverse effect on our business and financial conditions and results of operations. Although the long-term effect of such diseases cannot currently be predicted, previous occurrences of avian flu and swine flu had an adverse effect on the economies of those countries in which they were most prevalent. In the case of any of such diseases, should the virus mutate and lead to human-to-human transmission of the disease, the consequence for our business could be severe. An outbreak of a communicable disease in India or in the particular region in which we conduct business operations would adversely affect our business, future financial performance and results of operations.

Risks Associated with our Equity Shares

1. ***The price of our Equity Shares may be highly volatile after the Issue.***

The price of our Equity Shares on the Indian stock exchanges may fluctuate after this Issue as a result of several factors, including: volatility in the Indian and global securities market; our operations and performance; performance of our competitors and the perception in the market about investments in the banking and finance industry; adverse media reports on us or the Indian banking and finance industry; changes in the estimates of our performance or recommendations by financial analysts; significant developments in India's economic liberalization and deregulation policies; and significant developments in India's fiscal regulations. There can be no assurance that the prices at which our Equity Shares are initially traded will correspond to the prices at which our Equity Shares will trade in the market subsequently.

2. ***Our Equity Shares have no prior public market and the price of our Equity Shares may decline after the Issue, and an active trading market for our Equity Shares may not develop.***

Prior to this Issue, there has been no public market for our Equity Shares. We will apply for final approval for listing only after closing and allotment. Further, once we are listed on the Stock Exchanges, an active public trading market for our Equity Shares may not develop or, if it develops, may not be maintained. Our Company, in consultation with the Lead Managers, will determine the Issue Price. The Issue Price may be higher than the trading price of our Equity Shares following this Issue. As a result, investors may not be able to sell their Equity Shares at or above the Issue Price or at the time that they would like to sell. The market price of our Equity Shares after the Issue may be subject to significant fluctuations in response to factors such as, variations in our results of operations, market conditions specific to the banking and finance sector in India, the economic conditions of India and volatility of the securities markets in India and elsewhere in the world.

3. ***You will not be able to immediately sell any of our Equity Shares you purchase in the Issue on an Indian stock exchange.***

The Equity Shares will be listed on the NSE and the BSE. Pursuant to Indian regulations, certain actions must be completed before our Equity Shares can be listed and trading may commence. Investors' book entry, or "demat", accounts with depository participants in India are expected to be credited within two working days of the date on which the basis of allotment is approved by NSE and BSE. The Equity Shares are required to be listed within 12 working days of the closure of the Issue. We cannot assure you that our Equity Shares will be credited to investors' demat accounts, or that trading in our Equity Shares will commence, within the time periods specified above. Any failure or delay in obtaining the approval may restrict your ability to dispose of your Equity Shares as allotted.

4. ***We are required to ensure that the public shareholding in our Company is 25%, which may require our Company or Promoter to issue/transfer our Equity Shares thereby diluting your shareholding in our Company.***

Under the Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**"), listed companies are required to maintain public shareholding of at least 25% of their issued share capital. Pursuant to the Securities Contracts (Regulation) (Amendment) Rules, 2010, notified on June 4, 2010, the SCRR were amended to define 'public shareholding' to refer to persons other than a company's promoter, promoter group, subsidiaries and associates, and excluding shares held by a custodian against which depository receipts have been issued overseas. Companies, such as our Company, whose post issue capital calculated at offer price is more than ₹ 40,000 million and whose draft offer document has been filed with the SEBI after commencement of the Securities Contracts (Regulation) (Amendment) Rules, 2010, on listing are required to increase their public shareholding to at least 25% of its issued share capital within three years from the date of the listing. Failure to comply with the minimum public shareholding provision would result in penalties which may include delisting and in penal action being taken against the listed company pursuant to the SEBI Act.

In order to ensure that the public shareholding in our Company is at least 25%, we may either undertake equity issuances in the future which may include a primary offering (which may dilute your shareholding) or there may be a further sale of our shareholding by our Promoter. Any future equity issuances by us or sales of our Equity Shares by our Promoter may adversely affect the trading price of our Equity Shares. In addition, any perception by potential investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

5. ***Future issuances or sales of our Equity Shares by any existing shareholders could significantly affect the trading price of our Equity Shares.***

The future issuances of Equity Shares by us, including pursuant to the ESOP Scheme, or the disposal of Equity Shares by any of the major shareholders, or the perception that such issuance or sales may occur, may significantly affect the trading price of our Equity Shares. There can be no assurance that we will not issue further Equity Shares or that the shareholders will not dispose of, pledge or otherwise encumber their Equity Shares.

6. ***You may be subject to Indian taxes arising out of capital gains on the sale of our Equity Shares.***

Sale of Equity Shares by any holder may give rise to tax liability in India, as discussed in the section titled "*Statement of Possible Tax Benefits Available to the Company and its Shareholders*" on page 116 of this Prospectus.

7. ***There can be no assurance that we will be able to pay dividends in the future.***

We currently intend to invest our future earnings, if any, to fund our growth. We have no specified dividend policy. The amount of our future dividend payments, if any, will depend upon our future earnings, financial condition, cash flows, performance of our Subsidiaries and working capital requirements. There can be no assurance that we will be able to pay dividends in the future.

Prominent Notes:

1. Public issue of 237,705,361 Equity Shares of ₹ 10 each at a price of ₹ 52 per Equity Share (including a share premium of ₹ 42 per Equity Share) for investors other than Anchor Investors and at a price of ₹ 56 per equity share (including a share premium of ₹ 46 per equity share) for Anchor Investors aggregating up to ₹ 12,450 million including a reservation of 10,000,000 Equity Shares for subscription by Eligible Employees for cash at a price of ₹ 50 per Equity Share (including a share premium of ₹ 40 per Equity Share) aggregating up to ₹ 500 million and a reservation of 23,076,923 Equity Shares for subscription by L&T Shareholders Reservation for cash at a price of ₹ 52 per Equity Share (including a share premium of ₹ 42 per Equity Share) aggregating up to ₹ 1,200 million. The Issue will constitute approximately 13.86 % of the post-Issue share capital of our Company and the Net Issue will constitute approximately 11.93 % of the post-Issue share capital of our Company. Our Company, in consultation with the Lead Managers, has decided to offer a discount of ₹ 2 to the Issue Price, to the Eligible Employees.
2. On July 7, 2011, our Company has, by way of a Pre-IPO Placement, allotted 57,768,000 Equity Shares and 2,232,000 Equity Shares to MACE CIPEF Limited and MACE CGPE Limited, respectively, for an aggregate consideration of ₹ 3,300,000,000 at a subscription price of ₹ 55 per Equity Share.
3. The Company's net worth on a consolidated basis as at March 31, 2011 was ₹ 28,905.57 million.
4. The net asset value per Equity Share was ₹ 20.40 as at March 31, 2011 as per the Company's consolidated financial statements.
5. The average cost of acquisition per Equity Share by the Promoter is ₹ 12.55.
6. For details of the related party transactions entered into by the Company with the Subsidiaries and the Group Companies, please refer to the section titled "*Financial Information - Related Party Transactions*" on page F-24 of this Prospectus.
7. There are no financing arrangements whereby the Promoter Group, the Directors of our Promoter, our Directors or their relatives have financed the purchase by any other person of securities of the Issuer other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of filing of the Draft Red Herring Prospectus.
8. Investors may contact any of the Lead Managers for complaints, information or clarifications pertaining to the Issue.

SECTION III: INTRODUCTION

SUMMARY OF OUR INDUSTRY

The information in this section has not been independently verified by us, the Lead Managers or any of our or their respective affiliates or advisors. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources it believes to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect. Accordingly, investment decisions should not be based on such information.

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STRUCTURE OF INDIA'S FINANCIAL SERVICES INDUSTRY

The RBI is the central regulatory and supervisory authority for the Indian financial system. The Board for Financial Supervision ("BFS"), constituted in November 1994, is the principal body responsible for the enforcement of the RBI's statutory regulatory and supervisory functions. SEBI and IRDA regulate the capital markets and the insurance sector respectively.

A variety of financial institutions and intermediaries, in both the public and private sector, participate in India's financial services industry. These include:

- commercial banks;
- Non-Banking Finance Companies;
- specialized financial institutions, such as the National Bank for Agriculture and Rural Development, the Export-Import Bank of India, the Small Industries Development Bank of India and the Tourism Finance Corporation of India;
- securities brokers;
- investment banks;
- insurance companies;
- mutual funds; and
- venture capital funds.

NON-BANKING FINANCE COMPANIES

NBFCs are an important component of the overall Indian financial system. NBFCs are a group of institutions which perform the function of financial intermediation in a wide variety of ways, for example, by accepting deposits, making loans and advances and financing leasing and hire purchase transactions.

NBFCs typically advance loans to various wholesale and retail traders, small-scale industries and self-employed persons, which means that they offer a broad and diversified range of products and services. Key characteristics of NBFCs include:

- customer-oriented services;

- simplified procedures for transaction execution;
- attractive rates of return on deposits; and
- flexibility and timely reaction in meeting the credit needs of specified sectors.

THE INFRASTRUCTURE FINANCE INDUSTRY IN INDIA

The primary providers of infrastructure finance in India are financial institutions, public sector banks and other public sector institutions, private banks, foreign banks and multilateral development institutions.

In February 2010, the RBI introduced IFCs as a new category of infrastructure funding entities. IFCs are entitled to various benefits such as a lower risk weight on their bank borrowings, higher permissible bank borrowings, permission to raise external commercial borrowings on lending to the infrastructure sector and permission to have a higher loan exposure than other NBFCs, to a single borrower and a single business group. For further details, refer to the section titled "*Regulations and Policies in India*" on page 197 of this Prospectus.

Sectoral Focus

Power Sector

Electricity demand has grown at a CAGR of 7% between Fiscal Year 2005 and Fiscal Year 2010. Power demand is expected to grow at a CAGR of 7.8% between Fiscal Year 2010 and Fiscal Year 2015. This growth in demand is due to growth in India's GDP and increased power generation in India, which is expected to lead to increased and improved availability of power. *(**Source**: CRISIL Research, Power Annual Review, November 2011)*

Roads Sector

According to CRISIL Research, government investment in the roads and highway sector over the next five years is likely to be approximately ₹ 6.3 trillion. National highways are expected to comprise a large share of the total investments at approximately 43% followed by state highways and rural roads at approximately 30% and 27%, respectively. *(**Source**: CRISIL Research, Roads and Highways Annual Review, June 2010)*

Ports Sector

With the Indian economy expected to continue on its growth path, the country's external trade is also likely to keep growing. Thus Indian ports are expected to see an increase in traffic over the next few years. CRISIL Research estimates this traffic will grow at a CAGR of approximately 7% to 978 million tonnes from Fiscal Year 2010 to Fiscal Year 2012, led by coal and container traffic *(**Source**: CRISIL Research, Ports Update, November 2010).*

Oil and Gas Sector

On a per capita basis, energy consumption in India is relatively low in comparison to the rest of the world. In 2008, India's per capita primary energy consumption was approximately 17.5 million BTUs, compared to a global average of approximately 73.6 million BTUs. Currently, there is however a mismatch between the demand and supply for both natural gas and crude oil in India, with the demand for both sources of energy outweighing the domestic production. *(**Source**: The U.S. Energy Information Administration, June 2011,http://www.eia.gov/cfapps/ipdbproject/iedindex3.cfm?tid=44&pid=45&aid=2&cid=regions&syid=2004&eyid=2008&unit=QBTU)*

Telecommunications Sector

The telecommunications sector has grown at a rapid pace in the last five years, largely due to the growth of the mobile services segment. In Fiscal Year 2011, the mobile subscriber base grew to 827 million from 52 million in Fiscal Year 2005. *(**Source**: Press Release No. 38/2011, Telecom Regulatory Authority of India, http://www.trai.gov.in/WriteReadData/trai/upload/PressReleases/827/Press_Release_15_April-11.pdf, accessed on June 17, 2011).*

THE RETAIL FINANCE INDUSTRY IN INDIA

Construction Equipment Finance

Construction activity forms an important part of a growing economy such as India. The share of construction in GDP of India has increased from 6.0% in Fiscal Year 2003 to 8.1% in Fiscal Year 2011. The increase in the share of the construction sector in GDP has primarily been due to increased government spending on physical infrastructure in the last few years, with programmes such as the National Highway Development Programme, Pradhan Mantri Gram Sadak Yojana and Bharat Nirman Programme. *(**Source**: Ministry of Statistics and Programme Implementation, India http://mospi.nic.in/Mospi_New/upload/GDP50_08_R_curr_9.9.09.pdf and http://mospi.nic.in/Mospi_New/upload/PRESSNOTE-Q4%202010-11%2030%20May%202011.pdf; ; 11th Five Year Plan for Agriculture, Rural Development, Industry, Services and Physical Infrastructure (the "**11th Five Year Plan**"),* http://planningcommission.nic.in/plans/planrel/fiveyr/11th/11_v3/11th_vol3.pdf, *accessed on June 17, 2011)*

The construction industry in India is faced with high operation, maintenance, and financial costs. This aspect is further exacerbated by inadequate access to institutional finance, especially for small contractors who execute over 90% of the total construction works in India. It is estimated that a total investment of ₹ 14,500 billion will be required in the eleventh five year plan of India for execution of the planned infrastructure construction. In addition, ₹ 1,800 billion will be required for construction equipment. *(**Source**: 11th Five Year Plan, http://planningcommission.nic.in/plans/planrel/fiveyr/11th/11_v3/11th_vol3.pdf, accessed on June 17, 2011*)

Transport Equipment Finance

On a global scale, the Indian automotive industry is the second largest two-wheeler market in the world, the fifth largest commercial vehicle market in the world, and the ninth largest passenger vehicle market in the world. *(**Source**: India in Business – Auto Industry, http://www.indiainbusiness.nic.in/industry-infrastructure/industrial-sectors/automobile.htm, accessed on June 17, 2011)* As one of the largest industrial sectors in India, turnover of the automotive industry represents approximately 5.0% of India's GDP, while contributing nearly 17.0% to total indirect taxes. Although the automotive industry provides direct and indirect employment to over 13 million people, the penetration levels for vehicles in India are amongst the lowest in the world. *(**Source**: The Automotive Mission Plan, 2006-16, http://www.siamindia.com/upload/AMP.pdf, accessed on June 17, 2011)*

The vehicle finance industry registered healthy growth in Fiscal Year 2010. CRISIL Research estimates that disbursements towards new vehicles have risen to ₹ 796.00 billion, representing a year-on-year growth of 34%. CRISIL Research further estimates that disbursements towards commercial vehicles are expected to grow by 32% and 23% in Fiscal Year 2011 and Fiscal Year 2012, respectively. *(**Source**: CRISIL Research, Retail Finance-Auto Annual Review, November 2010)*

Rural Finance

According to the 2001 Census Data, approximately 72.2% of the Indian population live in rural areas. *(**Source**: Census India – Census Data 2001, http://www.censusindia.gov.in/Census_Data_2001/India_at_glance/rural.aspx, accessed on June 17, 2011).* The rural economy of India is largely dependent on agriculture and allied activities.

Agriculture provides the principal means of livelihood for over 58.4% of India's population and contributes approximately one-fifth to the total GDP. *(**Source**: Government of India – Agriculture, http://india.gov.in/sectors/agriculture/index.php, accessed on May 11, 2011)*

Agriculture provides the principal means of livelihood for over 58.4% of India's population and contributes approximately one-fifth to the total GDP. *(**Source**: Government of India – Agriculture, http://india.gov.in/sectors/agriculture/index.php, accessed on June 17, 2011)*

Microfinance

In the past two decades, different types of financial service providers have emerged, including non-government organizations; cooperatives, community-based development institutions such as SHGs and credit unions, commercial and state banks and MFIs.

The MFI channel includes organizations under a host of different legal forms that can be classified into two groups: for-profit organizations and not-for-profit organizations.

With effect from January 1, 2011, the Government of Andhra Pradesh introduced the Andhra Pradesh Micro Finance Institutions (Regulation of Money Lending) Act, 2011 (Act No. 1 of 2011) (the "MFI Act"). The main object of the MFI Act is to protect women SHGs in the state of Andhra Pradesh from exploitation by microfinance institutions. The MFI Act provides for *inter alia* registration and cancellation of registration of microfinance institutions, filing of periodic returns by microfinance institutions, limits on interest recoverable by microfinance institutions, prohibition on security for loans provided to SHGs and prior approval for grant of further loans to SHGs. For further details, refer to the sections titled, "*Risk Factors*", "*Industry Overview*" and "*Regulations and Policies in India*" on pages 18, 125 and 197, respectively, of this Prospectus.

The board of directors of the RBI, at their meeting held on October 15, 2010 formed a sub-committee of the board (the "**Malegam Committee**") to study issues and concerns in the microfinance sector in so far as they related to the entities regulated by the RBI. The Malegam Committee submitted its report on the issues and concerns in the MFI sector on January 19, 2011.

Furthermore, the Central Government has, on July 6, 2011, released the proposed draft of the Micro Finance Institutions (Development and Regulation) Bill, 2011, (the "**Draft MFI Bill**") aimed at providing access to financial services for the rural and urban poor and promoting the growth and development and regulation of micro finance institutions. The Draft MFI Bill is subject to public comment and further, is subject to the approval of the Indian Parliament as well as the assent of the President of India. For further details please see "*Regulations and Policies - Draft MFI Bill*" on page 201 of this Prospectus.

Distribution of Financial Products Overview

Financial products in India are distributed by corporate houses specializing in broking and distribution, as well as by individuals. The key financial products which are distributed in India are investment and risk assurance products, including the following:

(1) Equity and Futures and Options, listed on recognized exchanges;

(2) Mutual Funds;

(3) Life Insurance Policies;

(4) Fixed deposits of NBFCs and corporates; and

(5) General insurance policies (such as health Insurance and motor insurance).

THE MUTUAL FUND INDUSTRY IN INDIA

The functions of a mutual fund in India are managed by the trustees and an AMC. The investments made by the fund are managed on a regular basis by fund managers employed by the AMC. The fund manager constructs the portfolio in light of the fund's objectives and size, internal guidelines, prudential exposure norms and regulatory restrictions, and the liquidity required for income distribution or redemption. The income earned through these investments and the capital appreciation realised are shared by its unit holders in proportion to the number of units owned by them.

According to AMFI, at the end of 2004, there were 29 mutual fund providers managing assets of ₹ 1,531 billion invested in 421 different individual funds. As of March 2011, there were 43 individual registered mutual fund providers, with a total average AUM, for the period of January to March 2011, excluding funds of funds, of ₹ 7,005 billion. *(**Source**: Association of Mutual Funds in India, http://www.amfiindia.com/showhtml.aspx?page=mfindustry and http://www.amfiindia.com/AUMReport_Rpt_Po.aspx?dtAUM=01-Jan-2011&qt=January-March 2011&rpt=fwise, accessed on June 17, 2011)*

SUMMARY OF OUR BUSINESS, STRENGTHS AND STRATEGIES

In this section, any reference to "we", "our" and "us" refers to our Company and our Subsidiaries on a consolidated basis, or to our Infrastructure Finance Group, Retail Finance Group, Corporate Finance Group and Investment Management Group (each as defined below), or the business segments of such respective business groups, as the context will indicate. Any reference herein or elsewhere in this Prospectus to profits "as restated" are to profits which have been subjected to adjustments and on account of restatements in accordance with the SEBI ICDR Regulations, and any references to items of income or expenditure or extraordinary items or taxes on income are to such items as audited, but without making adjustments and on account of the corresponding restatements in accordance with the SEBI ICDR Regulations, if any. Also, any reference herein or elsewhere in this Prospectus to a balance as on a reporting date as contained in the Restated Summary Statement of Assets and Liabilities as on that reporting date is to a balance which has been subjected to restatements in accordance with the SEBI ICDR Regulations.

OVERVIEW

We are a financial holding company offering a diverse range of financial products and services across the corporate, retail and infrastructure finance sectors, as well as mutual fund products and investment management services, through our direct and indirect wholly-owned subsidiaries. Our Company is registered with the RBI as an NBFC-ND-SI. We are promoted by Larsen & Toubro Limited ("**L&T**"), one of the leading companies in India, with interests in engineering, construction, electrical and electronics manufacturing and services, information technology and financial services. As at May 31, 2011, the market capitalisation of L&T was ₹ 1,001 billion. *(**Source**: Bloomberg)*

We are headquartered in Mumbai, and have a presence in 23 states in India. As at May 31, 2011, we had 837 points-of-presence across India, comprising 117 branch offices, 269 meeting centers, 37 KGSK centers (refer to the sub-section titled "- *Sales and Marketing*" in the section titled "*Our Business*" on page 188 of this Prospectus) and 414 customer care centers across all of our business groups and segments. Our network of offices has been established to cater to the growing business needs of our diverse customer base, which includes individual retail customers as well as large companies, banks, multinational companies and small and medium-enterprises, and to provide them with satisfactory customer service according to their varying requirements.

Our operations are arranged into four business groups, being the Infrastructure Finance Group, the Retail Finance Group, the Corporate Finance Group and the Investment Management Group, each as defined below.

Our wholly-owned subsidiary, L&T Infrastructure Finance Company Limited ("**L&T Infra**"), conducts our infrastructure finance business (our "**Infrastructure Finance Group**"), which provides financial products and services to our customers engaged in infrastructure development and construction, with a focus on the power, roads, telecommunications, oil and gas, urban infrastructure and ports sectors in India. Our Infrastructure Finance Group comprises the segments of project finance and corporate loans, equity investments and financial advisory services. L&T Infra is registered with the RBI as an NBFC-ND-SI and an IFC, which allows it to optimize its capital structure by diversifying its borrowings and accessing long-term funding resources, thereby expanding its financing operations while maintaining its competitive cost of funds. In addition, L&T Infra has been notified as a Public Financial Institution ("**PFI**") under Section 4A of the Companies Act. The total income of our Infrastructure Finance Group for Fiscal Year 2011 and Fiscal Year 2010 was ₹ 7,039.75 million and ₹ 4,504.23 million, respectively, which accounted for 33.29 % and 31.63% of our total income, respectively. The total gross loans and advances outstanding of our Infrastructure Finance Group as at March 31, 2011 were ₹ 71,864.90 million (including ₹ 5,849.84 million in respect of subscriptions of debentures in the normal course of business activity in non-related companies) and total disbursements for Fiscal Year 2011 were ₹ 51,551.76 million (excluding ₹ 2,250.00 million for subscriptions of preference shares in the normal course of business activity in non-related companies).

Our wholly-owned subsidiary, L&T Finance Limited ("**L&T Finance**"), conducts our retail finance business and our corporate finance business (our "**Retail Finance Group**" and "**Corporate Finance Group**", respectively). L&T Finance is registered with the RBI as an NBFC-ND-SI and an AFC.

Our Retail Finance Group provides financing to our retail customers for the acquisition of income-generating assets and income-generating activities generally, and comprises the segments of construction equipment finance, transportation equipment finance, rural products finance and microfinance. In addition, our Retail Finance Group caters to the non-financing needs of our retail customers through the distribution of third party financial products such as insurance and mutual funds.

Our Corporate Finance Group provides financial products and services to our corporate customers, and comprises the segments of corporate loans and leases (in the form of asset-backed loans, term loans, receivables discounting, short-term working capital facilities and operating and finance leases), supply chain finance (which includes vendor and dealer finance products) and capital markets products.

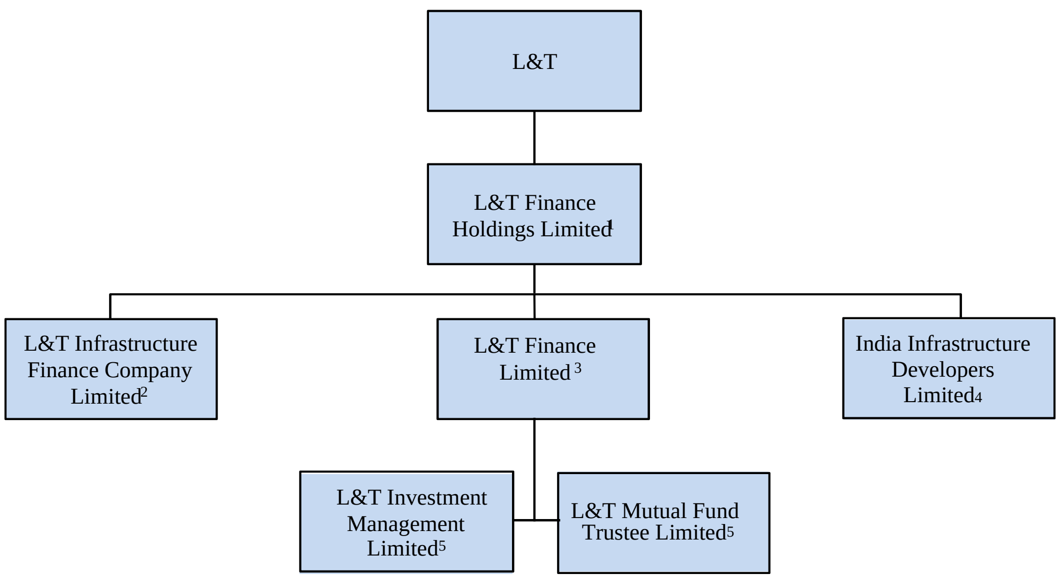
The total income of our Retail and Corporate Finance Groups for Fiscal Year 2011 and Fiscal Year 2010 was ₹ 13,975.35 million and ₹ 9,657.30 million, respectively, which accounted for 66.08% and 67.82% of our total income, respectively. The total gross loans and advances outstanding of our Retail and Corporate Finance Groups as at March 31, 2011 were ₹ 101,567.28 million and total disbursements for Fiscal Year 2011 were ₹ 191,863.35 million.

As at March 31, 2011, on a consolidated basis, we had total gross loans and advances outstanding of ₹ 179,431.77 million, and for Fiscal Year 2011, we made total disbursements of ₹ 243,415.11 million across our Infrastructure Finance Group, Corporate Finance Group and Retail Finance Group.

Our wholly-owned indirect subsidiary (a wholly-owned subsidiary of L&T Finance) L&T Investment Management Limited ("**L&TIM**"), conducts our investment management business (our "**Investment Management Group**"), which comprises the mutual fund segment (including the management, administration and distribution of L&T Mutual Fund) and the portfolio management services segment (including portfolio management and sub-advisory services). L&TIM (formerly DBS Cholamandalam Asset Management Limited) was acquired by L&T Finance on January 20, 2010, together with L&T Mutual Fund Trustee Limited (formerly DBS Cholamandalam Trustees Limited), the trustee company for L&T Mutual Fund. The total income of our Investment Management Group (excluding income from L&T Mutual Fund Trustee Limited) for Fiscal Year 2011 and Fiscal Year 2010 was ₹ 86.08 million and ₹ 43.68 million, respectively, which represented 0.41% and 0.31% of our total income, respectively. Our AUM as at March 31, 2011 was ₹ 33,344.10 million.

OUR GROUP STRUCTURE AND SUBSIDIARIES

Set forth below is a diagram of our operational corporate structure:



1. ***L&T Finance Holdings Limited***, was incorporated in 2008, and is registered with the RBI as an NBFC-ND-SI and has applied to the RBI for registration as a CIC-ND-SI.

2. ***L&T Infra*** was incorporated in 2006, and is registered with the RBI as an NBFC-ND-SI, is classified as an IFC and has been notified as a PFI under Section 4A of the Companies Act. L&T Infra is the entity through which we conduct the operations of our Infrastructure Finance Group. Refer to the section titled "*Our Business - Our Business and Operations – Our Infrastructure Finance Group*" on page 151 of this Prospectus, for a description of the operations of our Infrastructure Finance Group.

3. ***L&T Finance*** was incorporated in 1994, and is registered with the RBI as an NBFC-ND-SI and classified as an AFC (See the section titled *"Risk Factors – Risks Relating to Our Group – As a consequence of being regulated as an NBFC, an AFC, an IFC and a CIC, we will have to adhere to certain individual and borrower group exposure limits under the RBI regulations and are subject to*

periodic RBI inspection and supervision. In the event that any of our companies is unable to comply with the exposure norms within the specified time limit, or at all, such company may be subject to regulatory actions by the RBI including the levy of fines or penalties and/or the cancellation of registration as an NBFC, AFC, IFC or CIC, as the case may be. Any such action may adversely affect our business, prospects, results of operations, financial condition and the trading price of our Equity Shares.", on page 28 of this Prospectus). L&T Finance is the entity through which we conduct the operations of our Retail and Corporate Finance Groups. Refer to the section titled "*Our Business - Our Business and Operations – Our Retail Finance Group*", and "*Our Business - Our Corporate Finance Group*", on pages 157 and 161 of this Prospectus, respectively, for a description of the operations of our Retail Finance Group and Corporate Finance Group, respectively.

4. ***India Infrastructure Developers Limited ("IIDL")*** was incorporated in 1997, and is registered with the RBI as an NBFC-ND. IIDL was originally established as a special purpose vehicle for financing a captive power plant for Indian Petrochemicals Limited. While we do not currently conduct any material financing operations through IIDL, we intend to begin doing so in the course of Fiscal Year 2012. Subject to applicable regulatory approvals, IIDL plans to support the working capital requirements of small and medium enterprises and of other corporate entities. IIDL would initially provide non asset-backed loans and facilities as a part of our Corporate Finance Group's supply chain finance segment, which are currently provided through L&T Finance, and may consider extending its operations to include other types of non asset-backed financing. In order for IIDL to meet the capital requirements arising out of planned growth in its loan portfolio, our Company has, on March 28, 2011, infused equity capital by way of subscribing to equity shares aggregating to ₹ 450 million in the share capital of IIDL.

5. ***L&TIM***, formerly DBS Cholamandalam Asset Management Limited, was acquired by L&T Finance on January 20, 2010, together with DBS Cholamandalam Trustees Limited, the trustee company for DBS Chola Mutual Fund. DBS Cholamandalam Asset Management Limited, DBS Cholamandalam Trustees Limited and DBS Chola Mutual Fund were renamed "L&T Investment Management Limited", "L&T Mutual Fund Trustee Limited" and "L&T Mutual Fund" respectively in February 2010. L&TIM is the entity through which we conduct the operations of our Investment Management Group. Refer to the section titled "*Our Business - Our Business and Operations – Our Investment Management Group*" on page 164 of this Prospectus, for a description of the operations of our Investment Management Group.

6. In addition to the above subsidiaries, we have incorporated L&T Unnati and L&T Infra Investment on June 16, 2011 and May 30, 2011, respectively, neither of which are currently engaged in any business operations. For further details in relation to L&T Unnati and L&T Infra Investment please see "*History and Certain Corporate Matters - Details of our Company's subsidiaries*" on page 216.

7. Furthermore, we have made the following investments:

   - We hold less than 5% interests in each of Federal Bank Limited and City Union Bank Limited;

   - We hold an 8.90% interest in Invent ARC (having made an equity investment of ₹ 159.75 million), an ARC which is permitted to resolve and/or reconstruct NPAs under and in terms of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interests Act, 2002. We hold an 8.90% interest in the Invent/10-11/S3 Trust (having made an equity investment of ₹ 316.45 million), which is aimed at raising funding for the acquisition of distressed assets from banks and financial institutions. In addition to financial returns, we believe that we will benefit from these investments by learning about, and employing, new techniques of distressed debt resolution and NPA management in our businesses; and

   - L&T Finance Holdings Limited holds a 30% interest in NAC Infrastructure & Equipment Limited, which was formed as a joint venture between India Infrastructure Equipment Limited, the National Academy of Construction, Nagarjuna Construction Company Limited and L&T Finance, with the main object of leasing equipment to the infrastructure and construction sectors. The joint venture also provides financing for the acquisition of construction equipment.

OUR COMPETITIVE STRENGTHS

We believe that our competitive strengths are as follows:

Diversified and balanced mix of high growth businesses

We have a highly diversified business model covering a variety of many complementary, high growth business segments across our four core business groups, including infrastructure finance, construction equipment finance, transportation equipment finance, rural products finance, microfinance, corporate loans and leases, supply chain finance, capital markets finance, the distribution of financial products and investment management products and services. Many of our businesses operate in industries or sectors, such as agricultural and rural development, infrastructure and energy that have been identified by the Government of India as focus areas under its latest Five Year Plan. Furthermore, we also believe that some of our business segments, such as rural finance and microfinance, are not always directly affected by cyclicality in macroeconomic and industry activity. We believe that this balanced mix of high growth businesses has provided us with the ability to produce a steady, growing revenue stream.

As we offer a broad spectrum of financial products and services, we are also better able to cater to the needs of a diverse customer base, from construction equipment hirers, truck owners, farmers and shopkeepers in the small-business segment, to medium-sized vendors, dealers, contractors and fleet owners and large infrastructure developers and companies, including multi-national corporations.

We believe that our presence in diversified businesses across asset classes and customer segments has contributed significantly to our strong revenue growth and reduces the risks associated with product and customer concentration.

Strong distribution network, with a presence throughout India

We have established a presence in 23 states in India. As at May 31, 2011, we had 837 points-of-presence across India, comprising 117 branch offices, 269 meeting centers, 37 KGSK centers (refer to the section titled, "*Our Business - Sales and Marketing*" on page 188 of this Prospectus) and 414 customer care centers across all of our business groups and segments. In the last few years, we have increased our geographic coverage from 226 points-of-presence in March 2008 to 837 points-of-presence as at May 31, 2011. Our investment management business alone has increased its number of branch offices from 19 to 58 since January 2010, when we acquired L&TIM. Our workforce (comprising full-time employees, outsourced personnel and personnel retained on a contractual basis) has similarly increased more than three times in order to support this physical and geographic growth, up from a head-count of 1,214 in March 2008 to 4,395 as at May 31, 2011. Refer to the sub-section titled "*Our Business - Employees*" on page 190 of this Prospectus.

This pan-India presence allows us to cater to a large customer base across our various business segments, from retail customers and small and medium enterprises to large companies. Our extensive network also enables us to maintain and grow business, diversify our risk profile and service and support customers from proximate locations, thus providing customers with convenient access to our products and services. Furthermore, by maintaining such an extensive network, we have been able to accrue a portable knowledge base and apply the experiences and best practices developed in one region in order to further develop business in other regions.

In particular, we have established a strong reach in rural areas in India, where we maintain more than 500 points of presence (predominantly in the form of meeting centers, KGSK centers and customer care centers) in order to service the customers of the rural product finance and microfinance segments of our Retail Finance Group. We believe that there are inherent difficulties in establishing an effective sales and distribution network in the rural areas of India, and as such, our success in establishing this network infrastructure will provide with us a competitive advantage and help us to achieve our strategic goal of expanding our business in rural development. Refer to the section titled "*Our Strategy - Continue to focus on two key Indian growth stories: infrastructure and rural development*", below.

Experienced management team and employees with a proven track record of establishing and growing new lines of business

We have an experienced senior management team which is supported by a capable and talented pool of employees. Our managers have diverse experience in various financial services and other industries, as well as in specific geographic regions in India, which we believe allows them, in turn, to attract and nurture talent. Our managers and employees have an understanding of not only finance, but also the specific industry, products and geographic regions that they cover. This allows us to form strong relationships with customers and provide knowledgeable support, for example in the areas of appraisals and project monitoring.

In addition, our management has a proven track record of establishing and growing new lines of business, such as microfinance (since June 2008), financial products distribution (since September 2007) and infrastructure finance (since January 2007).

Our senior managers have, on average, 20 years of experience in financial services, their respective industries and/or in specific geographic areas in India.

Our management, supported by our knowledgeable employee service teams, will continue to be an important driver of growth and success in all of our existing and new business ventures.

High quality loan portfolio comprising the funding of mainly income-generating assets and activities

We believe that one of our major strengths is the quality of our asset portfolio, which comprises the funding of primarily income-generating assets and activities. For each of our businesses, we have established a strong credit check and asset valuation framework to evaluate and monitor credit risk at the time of origination.

We do not typically buy loan portfolios, but rather, our philosophy is to focus on originating and retaining our own portfolio with the objective of maintaining asset quality according to our own standards. As such, we place an emphasis on financing income-generating activities and assets as a means of controlling portfolio quality, as we believe that this has a direct bearing on the quality of our loan portfolio, both by reference to repayment (as the asset or activity financed should generate sufficient revenue and cash flow for our customer to service the loan) and recovery (as the asset financed typically forms the security for the loan we disburse). Although we source and secure financing business from third-party intermediaries through referral arrangements, we primarily rely on our own sales and marketing function to do so, and are therefore not dependent on third party intermediaries (refer to the section titled "*Sales and Marketing*", below). In addition, our current provisioning and write-off policies and principles exceed the minimum required standard for NBFCs set by the RBI. Refer to the section titled "*Our Business – Our Loan Portfolio and Policies – Provisioning and Write-off Policies*" on page 177 of this Prospectus, for a description of these policies and principles.

We also have an established collection system which allows us to manage recoveries efficiently and minimize our losses, thereby preserving the value of our assets. The recovery process is tailored specifically to each of our lines of business and is not outsourced, thus allowing us to directly control the recovery process.

In addition, both L&T Infra and L&T Finance have developed their own respective floating "prime lending rates", which are used to model the pricing of loans and advances. These prime lending rates reflect movements in money markets and interest rates generally, and allow us to take such movements into account when pricing loans, thus focusing our loan portfolio on returns and managing interest rate risk effectively. In addition, the asset-liability management committee of our Retail and Corporate Finance Groups has established a pricing matrix which reflects the marginal costs of borrowing. We believe the use of the pricing matrix ensures that all operating risks and interest rate movements are taken into account when pricing both the short- and long-term loans and advances of our Retail and Corporate Finance Groups. Refer to the section titled "*Our Business - Risk Management – Interest Rate Risk – Retail and Corporate Finance Groups*" on page 181 of this Prospectus, for a description of this pricing matrix.

Good financial and capital position, as well as access to multiple sources of capital

Our ability to secure reliable and steady sources of capital allows us to grow and fund our businesses in line with our business strategy and our customers' requirements.

We have strong credit ratings from both CARE and ICRA. As at May 31, 2011, L&T Finance had a CARE rating of AA+ (which indicates that such instruments offer high safety for the timely servicing of debt obligations and carry very low credit risk) and an ICRA rating of LAA+ (which indicates high credit quality and that the rated instrument carries low credit risk), and L&T Infra had a CARE rating of AA+ (which indicates that such instruments offer high safety for the timely servicing of debt obligations and carry very low credit risk) and an ICRA rating of LAA+ (which indicates high credit quality and that the rated instrument carries low credit risk). In addition, on June 10, 2011, L&T Infra was notified as a PFI. L&T Infra's status as a PFI will, going forward, provide it with access to new sources of funds (such as insurance companies, public trusts and pension funds) not otherwise available to companies without PFI status. Our credit ratings, coupled with our strong brand equity (refer to "*Strong parentage and brand equity of L&T*", below) enables us to access funds at competitive rates from a wide variety of market participants across a diverse array of products, including secured and unsecured loans from banks and financial institutions, commercial paper and long term debentures in the institutional and retail markets. L&T Finance and L&T Infra have also successfully accessed the Indian public debt market through issues of non-convertible debentures and long term infrastructure bonds, respectively. Refer to the section titled "*Our Business - Our Funding Structure*" on page 167 of this Prospectus, for a description of the non-convertible debenture and long term infrastructure bond offerings of L&T Finance and L&T Infra, respectively.

In addition, our capital structure, which is currently comprised of predominantly equity share capital, provides us with the opportunity to grow our business by raising additional Tier II capital. As at March 31, 2011, the capital structure of L&T Finance included Tier II capital of ₹ 750.00 million, which was significantly below regulatory limits. As at March 31, 2011, the capital structure of L&T Infra did not include any Tier II capital (refer to the section titled "*Regulations and Policies in India*", on page 197 of this Prospectus). As such, we have the ability to access additional funding in the form of Tier II capital in order to meet our growth requirements.

As a part of our operational philosophy, we ordinarily maintain CARs higher than those statutorily prescribed by the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007. The CAR for L&T Finance as at March 31, 2011, 2010 and 2009 was 16.34%, 15.43% and 16.41%, respectively. The CAR for L&T Infra as at March 31, 2011, March 31, 2010 and March 31, 2009 was 16.50%, 23.27% and 26.16%, respectively.

Strong parentage and brand equity of L&T

We believe that the L&T brand is one of the most well respected brands in India, and that this provides us with a significant competitive advantage, particularly in attracting new customers and talent and accessing capital.

L&T, which was established in Mumbai in 1938, is one of the leading companies in India in various industries, including engineering, construction, electrical and electronics manufacturing and services, information technology and financial services. L&T has a demonstrated track record of consistent year-on-year growth in business, and is currently one of the largest companies in India by market capitalisation. As at May 31, 2011, the market capitalisation of L&T was ₹1,001 billion (***Source**: Bloomberg*).

L&T has received numerous awards and recognition from both domestic and international bodies over the years, including *Company of the Year* (February 2010) from *The Business Standard*, one of India's leading business periodicals. In addition, the Reputation Institute, a private advisory and research firm specializing in corporate reputation management, ranked L&T as one of *The World's 50 Most Reputable Firms*, ranking 47th out of the top 200 firms in a study published by Forbes, which we believe indicates that L&T enjoys a high level of trust, admiration and esteem with the general public.

The L&T Group also provides us with access to management talent and professionals with deep industry knowledge in those sectors for which we provide financing, such as infrastructure and construction equipment. As our promoter, L&T has also made significant capital contributions to our business, infusing a total share capital, including share premium, of ₹ 17,785.92 million into our Company to date.

We believe that the reputation of the L&T brand has facilitated our entry and consolidation in several industries, particularly in the construction equipment and infrastructure finance sectors, and will continue to help us achieve our strategic objectives to expand our business, increase our market penetration and continue to attract and retain talented professionals. We further believe that the L&T brand will help us to grow the business of our Investment Management Group.

OUR STRATEGY

The key elements of our strategy are as follows:

Continue to expand our business to include new products and services, as well as entirely new lines of business

We currently have four business groups offering a broad spectrum of financial products and services. We intend to explore opportunities to expand our operations by developing new products and services within our existing lines of business as well as selectively identifying opportunities to expand into new lines of business, as we have done in investment management (January 2010), microfinance (June 2008), financial products distribution (September 2007) and infrastructure finance (January 2007). In each case, we will endeavour to introduce products and services which have the potential for long-term growth.

We believe that the growth of the distribution of financial products segment (in our Retail Finance Group), financial advisory services segment (in our Infrastructure Finance Group) and our Investment Management Group will increase the contribution of fee-based income to our total income. For example, we intend to offer capital raising and strategic advisory services as part of the financial advisory services segment of our Infrastructure Finance Group, which we believe will enable our Infrastructure Finance Group to increase its fee-based income. Our Infrastructure Finance Group is currently in the process of establishing an infrastructure-focused private equity fund, which we believe will help to strengthen our competitive position in the infrastructure finance industry, add to our income streams and provide us with additional opportunities to make equity investments in infrastructure-related projects and companies.

It is our belief that further expanding our business lines and product and service offerings will allow us to build on the existing diversification and balance of our business (refer to the section titled "*Our Competitive Strengths - Diversified and balanced mix of high growth businesses*", above), thereby enabling us to maintain growth and profitability while mitigating the risks associated with product concentration. Diversifying our products and services will also provide us with greater opportunities for cross-selling and allow us to offer increasingly innovative and tailored financial solutions to our customers. Notwithstanding our expansion strategy, we currently anticipate that the financing of income-generating assets and activities will continue to be our principal business activity.

We believe that we have effective procedures in place for evaluating and managing market, credit, reputational and other relevant risks associated with new business and product development. All new lines of business and product launches will follow our current internal approval process that requires assessing risk and customer suitability, as well as understanding the regulatory environment and internal compliance procedures prior to launch.

Increase the market penetration of our existing products and services

We also seek to expand our business by increasing the penetration of our existing products and services in the Indian market. We intend to do this by expanding our overall customer base, with an emphasis on strategic, physical and geographic growth, and strengthening and expanding our relationships with our current corporate and retail customers.

Though our broader objective is to increase our presence across India, our present and immediate focus is on expanding our operations to reach the rural and semi-urban hinterlands of India and create new markets where there exists a significant opportunity to increase revenue. In particular, we plan to continue to explore opportunities in small towns where access to organized financial channels is limited. Since March 31, 2008, our points of presence increased by more than three times, from 226 to 837 as at May 31, 2011 and which included the expansion of our points-of-presence in rural and semi-urban areas. We believe that this expansion plan will not only provide benefits in terms of adding customers and increasing revenues, but will also mitigate risks associated with geographic concentration in urban areas.

Following the expansion of our distribution network over the last three years, we believe that we are in a position to exploit our existing distribution infrastructure in order to expand our reach. We believe that this will increase the volume of products and services that we deliver to our customers in a more cost-effective manner, thereby lowering our cost of operations as a proportion of our total assets.

We intend to continue physical and geographic expansion for as long as it serves the purpose of expanding both our customer base and the market penetration of our products and services in a profitable manner.

We will continue to seek to leverage the significant network of vendors, dealers and customers of various companies in the L&T Group for referrals of new customers, and increasingly engage in brand building campaigns. We will also seek to increase the total share of expenditure by each customer on our products and services. In connection with this, we will make greater use of cross-selling in order to introduce existing customers of one product or service to new products or services.

Continue to focus on two key Indian growth stories: infrastructure and rural development

Four of the business sectors in which we operate, being construction equipment finance, infrastructure finance, rural finance and microfinance, are aligned with the Indian growth stories of infrastructure and rural development, both of which have been identified as strategic initiatives by the Government of India.

We believe the infrastructure sector in particular has demonstrated consistent growth over the years, driven by increases in government and private sector spending, and there is potential for continued growth in spending. We believe that this will have positive consequences for our Infrastructure Finance Group, as well as for the construction equipment segment of our Retail Finance Group. Refer to the section titled "*Industry Overview – The Infrastructure Finance Industry in India*", on page 129 of this Prospectus.

Our Infrastructure Finance Group aims to be a comprehensive financial solutions provider in the infrastructure sector, and in connection therewith, we intend to explore the development of products for various infrastructure- related sectors, such as power, roads, telecommunications, oil and gas, urban infrastructure and ports. The RBI has granted L&T Infra the status of an Infrastructure Finance Company, which accords it certain benefits, notably the ability to raise funds at a lower cost compared to other NBFCs. In addition, L&T Infra has been notified as a Public Financial Institution ("**PFI**") under Section 4A of the Companies Act, 1956. Please refer to the sections titled "*Industry Overview – The Infrastructure Finance Industry in India – Infrastructure Finance Companies*" and "*Regulations and Policies in India*" on pages 129 and 197, respectively, of this Prospectus. We will continue to utilize these benefits in order to provide cost-effective financing solutions for our customers and further grow our infrastructure finance business.

With respect to rural development, we intend to continue to grow our rural finance and microfinance business segments, where we believe there is potential for significant growth. In order to capitalize on this growth in rural development, we are looking to increase our presence in rural finance in general, while maintaining our commitment to corporate social responsibility and our aim of achieving financial inclusion in rural India in a commercially viable manner.

Our traditional rural finance business involves the financing of farming equipment and agricultural implements, such as harvesters to farmers, as well as providing finance for the purchase of rural transport vehicles, such as three-wheelers and utility vehicles. We intend to expand our product offering as the needs of the rural community expand and evolve.

Our microfinance business was launched in June 2008, and by March 31, 2011 had already resulted in 1,255,877 individual loans with cumulative disbursements of ₹ 14,544.32 million. Notwithstanding this growth, as well as recent developments in the microfinance industry in India, we believe that there continues to be a significant demand-supply gap for microcredit in India. In the medium- to long-term, we will seek to deepen our reach in states where we are already present, expanding our microfinance products to new locations and extending our range of product offerings targeting microfinance consumers.

Notwithstanding recent developments and new laws and regulations in the microfinance industry in India (and in particular, in the state of Andhra Pradesh), we continue to believe in the medium- to long-term growth prospects of the microfinance industry. However, in the short-term, and owing to the promulgation of new laws and regulations in the microfinance industry and the decline in collections from customers of our microfinance segment in Andhra Pradesh, we have reduced the disbursement of loans in general, and in the state of Andhra Pradesh there have been no disbursements since the promulgation of the MFI Ordinance on October 15, 2010 and the subsequent enactment of the MFI Act, in view of the uncertainties and the regulatory process involved in any new disbursements. Refer to the section titled "*Risk Factors – Risks Relating to Our Group – The repeal of or changes in the regulatory policies that currently encourage financial institutions to provide capital to the microfinance sector could adversely impact the cost and availability of capital. Further, any uncertainty regarding the implementation and enforcement of recent amendments to applicable laws and the implementation of related recommendations may result in delays and/or halts in repayment of loans as a result of which, microfinance institutions may experience losses and liquidity issues causing lenders and investors to lose confidence in the microcredit industry and consequently, lenders may discontinue lending to microfinance institutions. For further details please see Regulations and Policies on page 197.*" on page 34 of this Prospectus for a discussion of new laws and regulations relevant to the microfinance industry. Given the uncertainty regarding the implementation and enforcement of the MFI Act and the potential impact of the Malegam Committee report on the regulatory framework of the microfinance industry, we may re-evaluate the business model, strategy and structure of our microfinance segment, including potentially migrating the business of our microfinance segment from L&T Finance into a newly incorporated company within our Group, L&T Unnati, which is one of our wholly-owned Subsidiaries. However, as of the date of this Prospectus, no further steps have been taken in this regard.

Develop our financial products distribution business segment

We anticipate further growth in our financial products distribution business, initially through targeted cross selling to our existing customer base. We also anticipate that, in the medium to long term, there will be further opportunities to grow this business as our customer base and geographic reach expands within India. As a result, we plan to pursue financial products distribution as a focus area for growth and profitability. We currently have a dedicated team of trained sales staff offering a wide variety of financial products to our customers, including insurance, mutual funds, bonds, shares in initial public offerings and time deposits. We believe that knowledgeable sales staff and relationships with reputable product providers offering high quality products are integral elements of a successful distribution business. Therefore, we intend to continue to improve the advisory capabilities of our sales team through specialized training, and pursue further distribution arrangements with high quality financial products providers in order to build our reputation and presence in this business.

Continue to attract and retain talented professionals

We recognize that our business is largely dependent on human resources, and we intend to continue taking a proactive approach to the retention and recruitment of human capital to further enhance and grow our business. We have been successful in recruiting and retaining talented professionals from a wide variety of backgrounds, including banks and NBFCs, and our senior management team has witnessed a low rate of attrition.

Accordingly, as our business has continued to grow and diversify, we believe that we have been able to keep pace with this growth by hiring professionals with deep industry knowledge, while our management team retains its core institutional knowledge. We believe that our senior management, the reputation and goodwill of the L&T Group, and our proactive recruitment and retention initiatives will enable us to continue to attract and retain talented professionals. As discussed in greater detail in the section titled "*Our Business – Our Business Support Services – Human Resources*", below, we have instituted various recruitment and retention initiatives, including an on-campus recruitment program, incentive-based pay, employee feedback surveys and professional training.

Continue to focus on the growth of our retail loan portfolio

L&T Finance commenced its operations by focusing on the financing needs of small and medium enterprises and corporate entities. However, it has grown its retail portfolio over the last three years with the addition of products such as transportation equipment finance, rural products finance and microfinance. As at March 31, 2011, the loans and advances of our Retail Finance Group were ₹ 65,787.91 million, which accounted for 36.66% of the total loans and advances made by our Company. We believe that this provides our loan portfolio with a strong balance and diversification, and also represents an improvement on our yields and returns, although with a concomitant increase in operating expenses (as result of the relatively small size of retail loans and large volume of retail loan transactions) and levels of NPAs. It is our intention to continue to focus on the loan portfolio of our Retail Finance Group, and we expect that the total loans and advances of our Retail Finance Group as a proportion of the total loans and advances of our Company will increase, or at least be maintained.

THE ISSUE

Issue**@	237,705,361 Equity Shares
Including	
Employee Reservation Portion*	Up to 10,000,000 Equity Shares
L&T Shareholders Reservation Portion*	Up to 23,076,923 Equity Shares
Net Issue*	204,628,438 Equity Shares
Of which	
(A) QIB Portion#*	At least 102,314,220 Equity Shares
Of which	
Mutual Funds Portion	3,749,196 Equity Shares
Balance for all QIBs including Mutual Funds	74,983,920 Equity Shares
(B) Non-Institutional Portion*	Not less than 30,694,265 Equity Shares
(C) Retail Portion*	Not less than 71,619,953 Equity Shares
Pre and post Issue Equity Shares	
Equity Shares outstanding prior to the Issue	1,477,024,426 Equity Shares
Equity Shares outstanding after the Issue	1,714,729,787 Equity Shares
Use of Issue Proceeds by our Company	Please see "*Objects of the Issue*" on page 110 of this Prospectus for information about the use of the Issue Proceeds.

Allocation to all categories, except the Anchor Investor Portion, if any, shall be made on a proportionate basis.

@ *On July 7, 2011, our Company has, by way of a Pre-IPO Placement, allotted 57,768,000 Equity Shares and 2,232,000 Equity Shares to MACE CIPEF Limited and MACE CGPE Limited, respectively, for an aggregate consideration of ₹ 3,300,000,000 at a subscription price of ₹ 55 per Equity Share.*

Our Company has allocated 27,330,300 Equity Shares to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion was reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. In the event of under subscription in the Anchor Investor Portion, the balance Equity Shares shall be included in the Net QIB Portion. Anchor Investors shall pay the full Bid Amount at the time of submission of their respective Bids. In the event that the price at which Anchor Investors have bid for Equity Shares on the Anchor Investor Bidding Date is less than the Issue Price, the difference shall be payable by the Anchor Investors within the time period specified in the CAN sent to such Anchor Investors. 5% of the Net QIB Portion shall be available for allocation to Mutual Funds. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining Net QIB Portion. In the event of under subscription in the Mutual Fund Portion only, the unsubscribed portion would be added to the balance of the Net QIB Portion to be allocated on a proportionate basis to QIBs. Further, if at least 50% of the Net Issue cannot be allotted to QIBs, then the entire application money shall be refunded forthwith. For further details, refer to the section titled "Issue Procedure" on page 417 of this Prospectus.

* *Spill-over to the extent of any under subscription in any of the Employee Reservation Portion or the L&T Shareholders Reservation Portion may be permitted from any of the Employee Reservation Portion or the L&T Shareholders Reservation Portion, as the case may be, subject to which spill-over shall be permitted from the Net Issue in the following order of preference: (1) Retail Portion; (2) Non-Institutional Portion; and (3) QIB Portion. Provided that at least 50% of the Net Issue shall be Allotted to QIBs and in the event at least 50% of the Net Issue cannot be Allotted to QIBs, the entire application money shall be refunded forthwith. In the event of under subscription in the Net Issue, spill over to the extent of under subscription shall be allowed from the Employee Reservation Portion and/or the L&T Shareholders Reservation Portion, as the case may be. In case of under*

subscription in any category other than the QIB Portion, investors from other categories or a combination of categories may be allocated Equity Shares amounting to the shortfall if so decided by our Company in consultation with the Lead Managers and the Designated Stock Exchange.

** *Our Company in consultation with the Lead Managers, has offered a discount of ₹ 2 to the Issue Price to Eligible Employees.*

SUMMARY FINANCIAL INFORMATION

The following tables set forth:

- The summary standalone financial information derived from the restated standalone financial statements of the Company as of and for the financial years ended March 31, 2009, 2010 and 2011;
- The summary consolidated financial information derived from the restated consolidated financial statements of the Company as of and for the financial years ended March 31, 2009, 2010 and 2011;
- The summary standalone financial information derived from the restated standalone financial statements of L&T Finance Limited as of and for the financial years ended March 31, 2007, 2008, 2009, 2010 and 2011; and
- The summary standalone financial information derived from the restated standalone financial statements of L&T Infrastructure Finance Company Limited as of and for the financial years ended June 30, 2007 and March 31, 2008, 2009, 2010 and 2011,

all prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI ICDR Regulations as described in the Auditors' Report included in the section "*Financial Information*" beginning on page F-1 of this Prospectus. The above financial information has been restated after making necessary adjustments and regrouping, with retrospective effect, to, *inter alia*, reflect changes in the significant accounting policies and restatement of prior period items. Investors are, therefore, advised to refer only to our restated financial information as contained in this Prospectus before making an investment decision in the Equity Shares of the Company.

The financial information of the Company presented below should be read in conjunction with our restated standalone and consolidated financial statements prepared under Indian GAAP, including the notes on adjustments for restated financial statements, significant accounting policies and significant notes on accounts, thereto and the section titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 266 of this Prospectus.

L&T FINANCE HOLDINGS LIMITED
(formerly L&T Capital Holdings Limited)

STATEMENT OF RESTATED AUDITED ASSETS AND LIABILITIES (CONSOLIDATED)

(₹ in million)

		As at March 31,		
	Particulars	**2011**	**2010**	**2009**
A	**Assets**			
	Fixed Assets – Gross block	9,954.80	9,378.52	7,404.26
	Less : Depreciation	3,243.62	3,044.80	2,730.72
	Net Block	6,711.18	6,333.72	4,673.54
	Less : Lease adjustment	2,362.89	2,362.89	2,362.89
	Net Block after lease adjustment	4,348.29	3,970.83	2,310.65
	Capital Work-in-progress including capital advances	180.36	13.70	120.09
		4,528.65	3,984.53	2,430.74
B	**Goodwill** (on consolidation)	416.01	464.98	167.47
C	**Investments**	7,324.18	3,087.60	1,690.22
D	**Deferred Tax Assets (net)**	56.66	-	-
E	**Loans & Advances towards financing activities**	174,112.32	109,490.87	70,984.32
F	**Current Assets, Loans and Advances**			
	Sundry Debtors	3,671.59	3,888.33	1,795.18
	Cash and Bank Balances	1,634.65	1,168.95	721.08
	Loans and Advances	4,394.42	1,934.71	1,809.15
	Other Current Assets	1,204.04	638.18	416.04
		10,904.70	7,630.17	4,741.45
G	**Liabilities and Provisions**			
	Secured Loans	131,777.76	74,467.62	41,547.81
	Unsecured Loans	27,386.90	22,805.81	20,654.63
	Deferred Tax Liabilities (net)	-	89.76	257.58
	Current Liabilities	7,253.17	2,906.67	1,791.21
	Provisions	2,019.12	921.91	426.67
		168,436.95	101,191.77	64,677.90
H	**Net Worth (A+B+C+D+E+F-G)**	**28,905.57**	**23,466.38**	**15,336.30**
	Represented by			
	Shareholders funds			
	- Share Capital	14,170.24	13,535.92	20.50
	- Share application money	-	2,750.00	10,765.42
	- Employee stock options outstanding	12.26	-	-
	- Reserves and Surplus	14,723.07	7,180.46	4,550.38
	Less : Revaluation Reserve	**-**	**-**	**-**
	Reserves (net of Revaluation Reserve)	14,723.07	7,180.46	4,550.38
	Net Worth	**28,905.57**	**23,466.38**	**15,336.30**

L&T FINANCE HOLDINGS LIMITED
(formerly L&T Capital Holdings Limited)

STATEMENT OF RESTATED AUDITED PROFIT AND LOSS ACCOUNT (CONSOLIDATED)

(₹ in million)

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010	From May 1, 2008 to March 31, 2009
Income			
Income from operations	20,863.76	14,055.96	-
Other income	284.67	183.19	0.26
Total	**21,148.43**	**14,239.15**	**0.26**
Expenditure			
Employee cost	962.38	596.81	-
Administration and other expenses	2,163.24	1,504.19	0.03
Provisions and contingencies	1,109.18	948.61	-
Interest and other finance charges	10,206.55	6,747.08	-
Depreciation and amortisation	542.10	475.45	-
Amortisation of goodwill	48.98	24.79	-
Preliminary expenses written off	-	0.52	0.39
Total	**15,032.43**	**10,297.45**	**0.42**
Net profit before tax, before exceptional item, prior period item & subsidiaries/associates effect	**6,116.00**	**3,941.70**	**(0.16)**
Current tax (including wealth tax)	(2,286.42)	(1,523.41)	(0.01)
Deferred tax	153.40	182.50	-
Provision for fringe benefit tax (prior period)	0.01	(0.04)	-
Net profit after tax before exceptional item, prior period item & subsidiaries/associates effect	**3,982.99**	**2,600.75**	**(0.17)**
Profit /(Loss) on sale of subsidiaries / associate share of profit/(loss)	(11.35)	16.21	-
Net profit after tax and subsidiaries/associate effects & before exceptional items and prior period items	**3,971.64**	**2,616.96**	**(0.17)**
Exceptional items	(59.95)	(15.41)	-
Prior period items (Income tax of earlier years)	-	(5.08)	-
Net Profit after extra-ordinary items	**3,911.69**	**2,596.47**	**(0.17)**
Adjustments, if any (Changes in accounting policy)	21.00	43.22	-
Tax impact on adjustments	(6.97)	(9.61)	**-**
Total adjustments, net of tax impact	14.03	33.61	**-**
Net Profit, as Restated	**3,925.72**	**2,630.08**	**(0.17)**
Balance brought forward from previous year	**1,004.37**	**(18.19)**	**-**
	4,930.09	**2,611.89**	**(0.17)**
Appropriations			
Transfer to Reserve u/s 45-IC of RBI Act, 1934	865.30	546.72	-
Transfer to Reserve under Section 36(1)(viii) of the Income Tax Act, 1961	116.50	60.80	-
Transfer to Debenture Redemption Reserve	2,200.00	1,000.00	-
Share in opening profit / (loss) of Associate	-	-	(18.02)
Balance carried to Balance Sheet	**1,748.29**	**1,004.37**	**(18.19)**

L&T FINANCE HOLDINGS LIMITED
(formerly L&T Capital Holdings Limited)

STATEMENT OF RESTATED AUDITED CASH FLOWS (CONSOLIDATED)

(₹ in million)

	2010-11	**2009-10**	**From May 1, 2008 to March 31, 2009**
A. Cash flow from operating activities			
Profit before tax and exceptional items, as restated	6,137.00	3,984.92	(0.16)
Adjustment for:			
Depreciation	542.10	475.45	-
(Profit)/ Loss on sale of investments (net)	(32.76)	(37.99)	-
(Profit)/ Loss on sale of fixed assets	50.98	16.74	-
Income tax refund	1.28	-	-
Interest and dividend received on investments	(227.75)	(144.86)	(0.05)
Provision for leave encashment	12.03	7.60	-
Provision for gratuity	0.94	-	-
Exchange difference on items grouped under financing activities	4.45	(44.34)	-
Cumulative interest on long term NCDs, payable at maturity	125.69	-	-
Obsolescence of Tangible Assets	0.16	-	-
Provision for diminution in value of investments	(0.32)	(10.76)	-
Provision on standard assets	302.72	174.60	-
Amortisation of goodwill	48.98	24.79	-
Exceptional items	(59.95)	(15.41)	-
Provision for non performing assets/write offs	806.78	784.78	-
Operating profit before working capital changes	**7,712.33**	**5,215.52**	**(0.21)**
Adjustment for :			
Investment in Preference Shares	(2,250.00)	-	-
(Increase)/ Decrease loans and advances towards financing activities	(62,084.35)	(40,484.92)	-
(Increase)/ Decrease in trade and other receivables and advances	(4,134.15)	(1,860.42)	-
Increase/ (Decrease) in trade and other payables	4,146.13	1,544.92	0.14
Cash generated from operations	**(56,610.04)**	**(35,584.90)**	**(0.07)**
Direct taxes paid	(2,409.96)	(1,555.11)	-
Net cash flow from operating activities (A)	**(59,020.00)**	**(37,140.01)**	**(0.07)**
B. Cash flows from investing activities			
Add : Inflows from investing activities			
Proceeds/Adjustments from sale of fixed assets	197.51	151.93	-
Sale of investments	140,364.44	76,032.06	-
Cash acquisition at the time of merger	-	0.85	700.61
Sale of shares of subsidiaries and associate company	10.00	0.50	-
Interest or dividend received on investments	227.75	150.14	0.05
	140,799.70	76,335.48	700.66
Less : Outflow from investing activities			
Purchase of fixed assets (including capital work in progress)	1,334.87	2,182.08	-
Consideration paid on acquisition of subsidiaries	-	448.89	10,720.42
Purchase of shares of associate company	-	-	45.00
Cash disposal at the time of sale of subsidiary	10.00	-	-
Purchase of investments	142,999.82	77,265.36	-

L&T FINANCE HOLDINGS LIMITED
(formerly L&T Capital Holdings Limited)
STATEMENT OF RESTATED AUDITED CASH FLOWS (CONSOLIDATED)

(₹ in million)

	2010-11	**2009-10**	**From May 1, 2008 to March 31, 2009**
	144,344.69	79,896.33	10,765.42
Net cash from investing activities (B)	**(3,544.99)**	**(3,560.85)**	**(10,064.76)**
<u>C. Cashflows from financing activities</u>			
Add : Inflows from financing activities			
Secured loans	57,310.13	36,893.05	-
Proceeds from issue of share capital including securities premium	1,500.00	5,500.00	10,785.91
Unsecured loans	4,581.09	1,250.00	-
	63,391.22	43,643.05	10,785.91
Less : Ouflows from financing activities			
Debenture issue expenses	360.53	-	-
Unsecured loans	-	2,494.32	-
	360.53	2,494.32	-
Net cash generated (used in) / from financing activities (C)	63,030.69	41,148.73	10,785.91
Net cash increase/(decrease) in cash and cash equivalents (A+B+C)	465.70	447.87	721.08
Cash and cash equivalents as at beginning of the year/period #	1,168.95	721.08	-
Cash and cash equivalents as at end of the year/period #	1,634.65	1,168.95	721.08

L&T FINANCE HOLDINGS LIMITED
(formerly L&T Capital Holdings Limited)

STATEMENT OF RESTATED AUDITED ASSETS AND LIABILITIES (UNCONSOLIDATED)

(₹ in million)

	Particulars	**As at March 31,**		
		2011	**2010**	**2009**
A	**Assets**			
	Fixed Assets – gross block	-	-	-
	Less : Depreciation	-	-	-
	Net block	-	-	-
	Less : Revaluation Reserve	-	-	-
	Net Block after adjustment for Revaluation Reserve	-	-	-
	Capital work-in-progress including capital advances	-	-	-
		-	-	-
B	**Investments**	21,187.78	16,292.78	10,765.42
C	**Current Assets, Loans and Advances**			
	Stock-on-Hire	-	-	-
	Sundry Debtors	-	-	-
	Cash and Bank Balances	2.98	0.06	20.47
	Loans and Advances	199.72	22.78	-
	Other Current Assets	-	-	-
		202.70	22.84	20.47
D	**Liabilities and Provisions**			
	Secured Loans	-	-	-
	Unsecured Loans	3,560.00	-	-
	Deferred Tax Liabilities (net of assets)	-	-	-
	Current Liabilities	0.98	1.13	0.12
	Provisions	0.80	0.62	0.02
		3,561.78	1.75	0.14
E	**Net Worth (A+B+C-D)**	**17,828.70**	**16,313.87**	**10,785.75**
	Represented by			
	Shareholders funds			
	- Share Capital	14,170.24	13,535.92	20.50
	- Share application money	-	2,750.00	10,765.42
	- Employee stock options outstanding	12.26	-	-
	- Reserves and Surplus	3,646.20	27.95	(0.17)
	Less : Revaluation Reserve	**-**	**-**	**-**
	Reserves (Net of Revaluation Reserve)	3,646.20	27.95	(0.17)
	Less : Miscellaneous expenditure not written off	**-**	**-**	**-**
	Net Worth	**17,828.70**	**16,313.87**	**10,785.75**

L&T FINANCE HOLDINGS LIMITED
(formerly L&T Capital Holdings Limited)

STATEMENT OF RESTATED AUDITED PROFIT AND LOSS ACCOUNT (UNCONSOLIDATED)

(₹ in million)

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010	From May 1, 2008 to March 31, 2009
Income			
Income from operations	56.93	53.64	0.26
Other income	-	-	-
Total	**56.93**	**53.64**	**0.26**
Expenditure			
Employee cost	-	-	-
Administration and other expenses	6.35	24.89	0.03
Provisions and contingencies	45.00	-	-
Interest and other finance charges	3.43	-	-
Depreciation and amortisation	-	-	-
Preliminary expenses written off	-	-	0.39
Total	**54.78**	**24.89**	**0.42**
Net Profit before taxes and extra-ordinary items	**2.15**	**28.75**	**(0.16)**
Current tax (including wealth tax)	0.80	0.63	0.01
Deferred tax	-	-	-
Fringe benefit tax	-	-	-
Net Profit before extra-ordinary items	**1.35**	**28.12**	**(0.17)**
Prior period items (net of tax)	-	-	-
Extra-ordinary items	-	-	-
Net Profit after extra-ordinary items	**1.35**	**28.12**	**(0.17)**
Adjustments, if any	-	-	-
Tax impact on adjustments	-	-	-
Total adjustments, net of tax impact	-	-	-
Net Profit, as Restated	**1.35**	**28.12**	**(0.17)**
Balance brought forward from previous year	**22.33**	**(0.17)**	**-**
Appropriations			
Transfer to Reserve u/s 45-IC of RBI Act, 1934	0.30	5.62	-
Transfer to General Reserve	-	-	-
Transfer to Debenture Redemption Reserve	-	-	-
Balance carried to Balance Sheet	**23.38**	**22.33**	**(0.17)**

L&T FINANCE HOLDINGS LIMITED
(formerly L&T Capital Holdings Limited)

STATEMENT OF RESTATED AUDITED CASH FLOW (UNCONSOLIDATED)

(₹ in million)

Particulars	**For the year ended March 31,**		**From May 1, 2008 to March 31, 2009**
	2011	**2010**	
A. Cash flow from operating activities			
Net profit before tax as restated	**2.15**	**28.75**	**(0.17)**
Adjustment for :			
Depreciation	-	-	-
Interest and dividend received on investments	(54.37)	(53.64)	(0.05)
Provision for diminution in value of investments	45.00	-	-
Provision for non performing assets/write offs	-	-	-
Operating profit before working capital changes	**(7.22)**	**(24.89)**	**(0.22)**
Adjustment for :			
(Increase)/Decrease in net stock on hire	-	-	-
(Increase)/Decrease in trade and other receivables and advances	(163.29)	(22.78)	-
Increase/(Decrease) in trade and other payables	(0.14)	0.98	0.14
Cash generated from operations	(170.65)	(46.69)	(0.08)
Direct taxes paid	(0.80)	-	-
Net cash flow from operating activities (A)	**(171.45)**	**(46.69)**	**(0.08)**
B. Cash flow from investing activities			
Proceeds/Adjustments from sale of fixed assets	-	-	-
Purchase of shares of subsidiaries and associate company	(4,950.00)	(4,011.00)	(10,515.42)
Share application money pending allotment	-	-	(250.00)
Purchase of investments	-	(1,516.36)	-
Sale of investments	-	-	-
Sale of shares of subsidiaries and associate company	10.00	-	-
Interest or dividend received on investments	54.37	53.64	0.05
Net cash from investing activities (B)	**(4,885.63)**	**(5,473.72)**	**(10,765.37)**
C. Cash flow from financing activities			
Increase/(Decrease) in secured loans	-	-	-
Increase/(Decrease) in unsecured loans (net)	3,560.00	-	-
Dividends paid during the year	-	-	-
Proceeds from issue of share capital including securities premium	1,500.00	13,515.42	20.50
Share application money received	-	(8,015.42)	10,765.42
Net cash generated (used in)/ from financing activities(C)	**5,060.00**	**5,500.00**	**10,785.92**
Net cash increase/(decrease) in cash and cash equivalents (A+B+C)	2.92	(20.41)	20.47
Cash and cash equivalents as at beginning of the year/period	0.06	20.47	-
Cash and cash equivalents as at end of the year/period	2.98	0.06	20.47

L&T FINANCE LIMITED
STATEMENT OF RESTATED AUDITED ASSETS AND LIABILITIES
FOR THE LAST FIVE YEARS (UNCONSOLIDATED)

(₹ in million)

	Particulars	**As at March 31,**				
		2011	**2010**	**2009**	**2008**	**2007**
A	**Assets**					
	Fixed Assets – gross block	5,707.20	5,139.60	3,207.19	5,116.75	4,145.66
	Less : Depreciation	1,397.00	1,198.78	907.99	1,243.53	737.69
	Net block	4,310.20	3,940.82	2,299.20	3,873.22	3,407.97
	Less : Revaluation Reserve	--	--	--	--	--
	Net Block after adjustment for Revaluation Reserve	4,310.20	3,940.82	2,299.29	3,873.22	3,407.97
	Capital work-in-progress including capital advances	163.27	13.71	120.09	140.35	302.70
		4,473.47	3,954.53	2,419.29	4,013.57	3,710.67
B	**Investments**	3,087.98	1,695.59	70.24	366.68	457.19
C	**Current Assets, Loans and Advances**					
	Stock-on-Hire	--	--	--	1.60	10.84
	Sundry Debtors	3,619.52	2,128.58	1,790.61	1,111.03	592.74
	Cash and Bank Balances	1,218.65	1,107.45	697.58	293.48	298.55
	Loans and Advances #	99,435.98	69,062.23	49,982.71	45,406.55	25,821.33
	Deferred Tax Assets (net)	98.99	--	--	--	--
	Other Current Assets	913.74	518.84	331.22	213.68	76.03
		105,286.88	72,817.10	52,802.12	47,026.34	26,799.49
D	**Liabilities and Provisions**					
	Secured Loans	76,342.50	47,000.06	24,835.81	23,242.41	12,092.79
	Unsecured Loans	12,131.78	17,182.71	19,675.03	17,187.71	13,350.40
	Deferred Tax Liabilities (net)	--	219.91	308.91	252.41	--
	Current Liabilities	5,251.39	1,888.36	1,593.89	3,072.22	1,594.43
	Provisions	1,798.92	906.87	423.43	435.56	152.58
		95,524.59	67,197.91	46,837.07	44,190.31	27,190.20
E	**Net Worth (A+B+C-D)**	**17,323.74**	**11,269.31**	**8,454.58**	**7,216.28**	**3,777.15**
	Represented by					
	Shareholder's funds					
	- Share Capital	2,309.22	2,121.72	1,866.92	1,866.92	1,241.92
	- Share application money	--	--	250.00	--	--
	- Reserves and Surplus	15,014.52	9,147.59	6,337.67	5,349.36	2,535.23
	Less : Revaluation Reserve	**--**	**--**	**--**	**--**	**--**
	Reserves (Net of Revaluation Reserve)	15,014.52	9,147.59	6,337.67	5,349.36	2,535.23
	Less : Miscellaneous expenditure not written off	**--**	**--**	**--**	**--**	**--**
	Net Worth	**17,323.74**	**11,269.31**	**8,454.58**	**7,216.28**	**3,777.15**

 # Inclusive of loans and advances towards financing activities.

L&T FINANCE LIMITED
STATEMENT OF RESTATED AUDITED PROFIT AND LOSS ACCOUNT
FOR THE LAST FIVE YEARS (UNCONSOLIDATED)

(₹ in million)

Particulars	**For the year ended March 31,**				
	2011	**2010**	**2009**	**2008**	**2007**
Income					
Income from operations	13,763.39	9,558.22	8,265.28	5,895.57	2,600.88
Other income	211.96	99.08	37.49	165.05	152.88
Total	**13,975.35**	**9,657.30**	**8,302.77**	**6,060.62**	**2,753.76**
Expenditure					
Employee cost	659.89	477.73	318.90	186.53	84.73
Administration and other expenses	1,833.34	1,339.97	758.59	322.18	169.21
Interest and other finance charges	6,412.88	4,310.75	5,137.04	3,363.41	1,355.94
Provisions and contingencies	1,036.31	695.01	65.57	39.07	39.51
Depreciation and amortisation	534.38	470.62	569.06	535.91	332.15
Total	**10,476.80**	**7,294.08**	**6,849.16**	**4,447.10**	**1,981.54**
Net Profit before taxes and extra-ordinary items	**3,498.55**	**2,363.22**	**1,453.61**	**1,613.52**	**772.20**
Current tax (including wealth tax)	1,513.00	887.50	403.10	418.30	143.40
Deferred tax	(318.90)	(89.00)	56.50	41.40	--
Fringe benefit tax	--	--	5.71	3.68	2.66
Net Profit before extra-ordinary items	**2,304.45**	**1,564.72**	**988.30**	**1,150.14**	**626.14**
Prior period items (net of tax)	--	--	--	--	--
Extra-ordinary items	--	--	--	--	--
Net Profit after extra-ordinary items	**2,304.45**	**1,564.72**	**988.30**	**1,150.14**	**626.14**
Adjustments, if any	**--**	**--**	**--**	**--**	**--**
Tax impact on adjustments	**--**	**--**	**--**	**--**	**--**
Total adjustments, net of tax impact	**--**	**--**	**--**	**--**	**--**
Net Profit, as Restated	**2,304.45**	**1,564.72**	**988.30**	**1,150.14**	**626.14**
Balance brought forward from previous year	**2,141.54**	**1,889.82**	**1,099.22**	**180.08**	**39.94**
Appropriations					
Transfer to Reserve u/s 45-IC of RBI Act, 1934	461.00	313.00	197.70	231.00	126.00
Transfer to General Reserve	--	--	--	--	360.00
Transfer to Debenture Redemption Reserve	1,500.00	1,000.00	--	--	--
Balance carried to Balance Sheet	**2,484.99**	**2,141.54**	**1,889.82**	**1,099.22**	**180.08**

L&T FINANCE LIMITED
STATEMENT OF RESTATED CASH FLOW
FOR THE LAST FIVE YEARS (UNCONSOLIDATED)

(₹ in million)

Particulars	**For the year ended March 31,**				
	2011	**2010**	**2009**	**2008**	**2007**
A. Cash flow from operating activities					
Net profit before tax as restated	**3,498.54**	**2,363.22**	**1,453.61**	**1,613.52**	**772.20**
Adjustment for :					
Depreciation	534.38	470.62	569.06	535.91	332.15
(Profit)/Loss on sale of investments(net)	(22.92)	(35.26)	18.91	(14.76)	(70.95)
(Profit)/Loss on sale of fixed assets	49.46	15.64	10.74	(2.25)	(2.89)
Interest and dividend received on investments	(155.35)	(52.64)	(53.13)	(88.20)	(15.38)
Provision for compensated absences/leave encashment	6.21	4.83	1.91	4.03	1.23
(Gain)/loss on translation of foreign currency monetary assets and liabilities and mark to market of derivatives	4.45	(44.35)	--	--	--
Cumulative interest on long term NCDs, payable at maturity	125.69	--	--	--	--
Provision for diminution in value of investments	(0.32)	(10.76)	11.71	(21.46)	21.40
Provision for non performing assets/write offs	781.63	705.77	53.86	60.53	18.13
Provision for standard assets	255.00	--	--	--	--
Operating profit before working capital changes	**5,076.77**	**3,417.07**	**2,066.67**	**2,087.32**	**1,055.89**
Adjustment for :					
(Increase)/Decrease in net stock on hire	--	--	1.60	9.24	30.68
(Increase)/Decrease in trade and other receivables and advances	(31,861.69)	(20,310.88)	(5,427.13)	(20,301.70)	(14,811.04)
Increase/(Decrease) in trade and other payables	3,354.20	744.17	(1,492.38)	1,756.74	797.76
Cash generated from operations	**(23,430.72)**	**(16,149.64)**	**(4,851.24)**	**(16,448.40)**	**(12,926.71)**
Direct taxes paid	(1,513.00)	(887.50)	(408.81)	(421.98)	(146.06)
Net cash flow from operating activities (A)	**(24,943.72)**	**(17,037.14)**	**(5,260.05)**	**(16,870.37)**	**(13,072.77)**
B. Cash flow from investing activities					
Purchase of fixed assets (including capital work in progress)	(1,298.60)	(2,173.42)	(865.84)	(885.69)	(1,882.14)
Proceeds/Adjustments from sale of fixed assets	195.82	151.93	1,880.32	49.13	74.15
Purchase of shares of subsidiaries & associate company	(400.00)	(668.89)	--	(130.50)	--
Purchase of investments	(108,722.48)	(51,623.08)	(140,536.72)	(160,826.68)	(32,833.50)
Sale of investments	107,083.33	50,712.14	140,587.55	161,083.91	32,541.98
Sale of shares of subsidiaries and associate company	--	0.50	215.00	--	--
Interest or dividend received on investments	155.35	52.64	53.12	88.20	15.38
Net cash from investing activities (B)	**(2,986.58)**	**(3,548.18)**	**1,333.43**	**(621.64)**	**(2,084.12)**

L&T FINANCE LIMITED
STATEMENT OF RESTATED CASH FLOW
FOR THE LAST FIVE YEARS (UNCONSOLIDATED)

(₹ in million)

Particulars	**For the year ended March 31,**				
	2011	**2010**	**2009**	**2008**	**2007**
C. Cash flow from financing activities					
Increase/(Decrease) in secured loans	29,342.43	22,237.50	1,593.40	11,149.62	6,305.76
Increase/(Decrease) in unsecured loans (net)	(5,050.93)	(2,492.31)	2,487.32	3,837.31	7,831.90
Proceeds from issue of share capital including securities premium	3,750.00	1,250.00	250.00	2,500.00	1,000.00
Net cash generated (used in)/ from financing activities(C)	**28,041.50**	**20,995.19**	**4,330.72**	**17,486.93**	**15,137.66**
Net cash increase/(decrease) in cash and cash equivalents (A+B+C)	111.20	409.87	404.10	(5.08)	(19.24)
Cash and cash equivalents as at beginning of the year	1,107.45	697.58	293.48	298.55	317.79
Cash and cash equivalents as at end of the year	1,218.65	1,107.45	697.58	293.48	298.55

L&T INFRASTRUCTURE FINANCE COMPANY LIMITED
RESTATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES (UNCONSOLIDATED)

(₹ in million)

		As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31,2008	As at June 30, 2007
A	**Fixed Assets**					
	Gross Block	18.42	13.86	10.98	8.96	8.17
	Less: Depreciation and amortisation	8.44	5.87	3.78	2.00	0.76
	Net Block	9.98	7.99	7.20	6.96	7.41
	Capital Work In process	14.56	-	-	-	-
		24.54	7.99	7.20	6.96	7.41
B	**Investments**	3,500.00	250.00	1,150.00	599.07	2,087.39
C	**Deferred Tax Assets (net)**	(42.33)	130.14	51.33	51.37	4.94
D	**Infrastructure Loans**	71,654.90	42,554.39	22,583.47	18,331.81	2,393.12
E	**Current Assets, Loans and Advances**					
	Sundry Debtors	35.00	4.15	-	-	-
	Cash and Bank Balance	341.99	50.94	2.20	221.20	566.69
	Other Current Assets	328.89	119.36	84.81	27.54	22.29
	Loans and Advances	572.66	303.06	239.15	16.88	35.40
		1,278.54	477.51	326.16	265.62	624.38
F	**Loan Funds**					
	Secured Loans	55,435.26	27,467.56	16,712.00	10,400.00	-
	Unsecured Loans	6,500.00	4,900.00	1,000.00	3,250.00	-
		61,935.26	32,367.56	17,712.00	13,650.00	-
G	**Current Liabilities and Provisions**					
	Current Liabilities	1,950.77	942.74	191.10	224.15	70.54
	Provisions	187.32	4.72	3.23	8.85	22.08
		2,138.09	947.46	194.33	233.00	92.62
H	**Networth (A+B+C+D+E-F-G)**	**12,342.30**	**10,105.01**	**6,211.83**	**5,371.83**	**5,024.62**
	Networth Represented by					
	Sources of Funds					
	Shareholders' Funds					
	Share Capital	7,021.50	6,834.00	5,000.00	5,000.00	2,430.00
	Reserves and Surplus	5,855.81	3,271.01	1,211.83	371.83	24.62
	Share Application Money	-	-	-	-	2,570.00
	Less, Miscellaneous Expenditure to the extent not written off	535.01	-	-	-	-
		12,342.30	**10,105.01**	**6,211.83**	**5,371.83**	**5,024.62**

L&T INFRASTRUCTURE FINANCE COMPANY LIMITED
RESTATED SUMMARY STATEMENT OF PROFITS AND LOSSES (UNCONSOLIDATED)

(₹ in million)

	Year ended March 31, 2011	Year ended March 31, 2010	Year ended March 31, 2009	Period from July 01, 2007 to March 31, 2008	Period from April 18, 2006 to June 30, 2007
Income					
Operating Income	7,021.91	4,487.16	2,945.45	1,059.53	67.63
Other Income	17.84	17.07	14.44	43.71	63.81
	7,039.75	**4,504.23**	**2,959.89**	**1,103.24**	**131.44**
Expenditure					
Interest & Other Charges	3,801.67	2,462.91	1,629.72	334.49	-
Employee Cost	132.78	82.25	62.93	46.26	22.21
Establishment Expenses	49.82	26.43	18.79	13.76	11.81
Other Expenses	55.25	23.37	29.98	21.89	17.71
Provisions and Contingencies	57.85	253.60	77.00	-	-
Depreciation / Amortisation	2.61	2.48	1.78	1.25	0.76
	4,099.98	**2,851.04**	**1,820.20**	**417.65**	**52.49**
Profit Before Tax, Extraordinary items and prior period items	**2,939.77**	**1,653.19**	**1,139.69**	**685.59**	**78.95**
Provision for taxation					
Current Tax	766.00	633.00	407.00	226.20	28.60
Deferred Tax Liability / (Assets)	165.50	(93.50)	(32.60)	6.29	0.31
Fringe Benefit Tax	-	0.04	0.70	1.42	0.20
Income Tax for earlier year	-	5.08	-	-	-
Total Tax Expenses	**931.50**	**544.62**	**375.10**	**233.91**	**29.11**
Net Profit after Tax & before extraordinary and prior period items	**2,008.27**	**1,108.57**	**764.59**	**451.68**	**49.84**
Prior period items (net of tax)	-	-	-	-	-
Extraordinary items (net of tax)	-	-	-	-	-
Net Profit after extraordinary Items and prior period items	**2,008.27**	**1,108.57**	**764.59**	**451.68**	**49.84**
Adjustments on account of change in accounting policies (Refer Annexure IV and Note a & b of Annexure VIA)	21.00	43.22	108.05	(152.12)	(30.47)

L&T INFRASTRUCTURE FINANCE COMPANY LIMITED
RESTATED SUMMARY STATEMENT OF PROFITS AND LOSSES (UNCONSOLIDATED)

(₹ in million)

	Year ended March 31, 2011	Year ended March 31, 2010	Year ended March 31, 2009	Period from July 01, 2007 to March 31, 2008	Period from April 18, 2006 to June 30, 2007
Tax impact of adjustments (Refer Annexure IV and Note c of Annexure VIA)	(6.97)	(9.61)	(32.64)	47.65	5.25
Total Adjustments, net of tax impact	**14.03**	**33.61**	**75.41**	**(104.47)**	**(25.22)**
Net Profit, as Restated	**2,022.30**	**1,142.18**	**840.00**	**347.21**	**24.62**
Balance brought forward from Previous Year, as restated	1,776.74	917.86	253.16	14.65	-
Available for Appropriation	**3,799.04**	**2,060.04**	**1,093.16**	**361.86**	**24.62**
Appropriations:					
(as per audited financial statements)					
Special Reserve under Section 45-IC of Reserve Bank of India Act, 1934	401.70	222.50	155.00	91.00	9.97
Special Reserve under Section 36(1)(viii) of Income Tax Act,1961	116.50	60.80	20.30	17.70	-
Debenture Redemption Reserve	700.00				
Balance carried to the Balance Sheet	**2,580.84**	**1,776.74**	**917.86**	**253.16**	**14.65**

L&T INFRASTRUCTURE FINANCE COMPANY LIMITED (UNCONSOLIDATED)
RESTATED SUMMARY STATEMENT OF CASH FLOWS

(₹ in million)

		Year Ended March 31, 2011	Year Ended March 31, 2010	Year Ended March 31, 2009	Period from July 01, 2007 to March 31, 2008	Period from April 18, 2006 to June 30, 2007
A	**Cash flow from operating activities**					
	Profit After Taxation	**2,022.30**	**1,142.18**	**840.00**	**347.21**	**24.62**
	Add, Provision for Tax	938.47	554.23	407.74	186.26	23.86
	Profit Before Taxation	**2,960.77**	**1,696.41**	**1,247.74**	**533.47**	**48.48**
	Adjustment for:					
	Depreciation / Amortisation	2.61	2.48	1.78	1.25	0.76
	Provision for Compensated Absences	3.21	0.77	1.28	0.48	0.23
	Provision for gratuity	0.94	0.72	0.59	0.54	0.12
	Loss on sale of assets	-	-	0.00	0.03	-
	Obsolescences of Tangible Assets	0.16	0.33	-	-	-
	Debenture issue expenses written off	14.99	-	-	-	-
	Share issue expenses written off	-	-	-	-	20.03
	Profit on sale of current investments	-	(0.78)	-	(35.48)	(62.39)
	Dividend on current investments	(16.04)	(15.74)	(14.40)	(5.30)	(0.28)
	Dividend Income on Long term Investment	(0.88)	-	-	-	-
	Interest on Bank Deposits	(0.92)	(0.09)	(0.04)	(2.93)	(1.14)
	Interest on Income Tax Refund	-	(0.45)	-	-	-
	Provision on Standard Assets	32.70	174.60	77.00	-	-
	Provision on Non Performing Assets	25.15	79.00	-	-	-
	Operating profit before working capital changes:	**3,022.69**	**1,937.25**	**1,313.95**	**492.06**	**5.81**
	Adjustment for :					
	Infrastructure Loans disbursed (net of repayments)	(28,979.91)	(20,224.52)	(4,328.66)	(15,938.69)	(2,393.12)
	Subscription of Cumulative Convertible Debentures	-	-	-	-	-
	Subscription of Preference Shares	(2,250.00)	-	-	-	-
	(Increase) / Decrease in Sundry Debtors	(30.85)	(4.15)	-	-	-
	(Increase) / Decrease in loans and advances	(145.18)	(31.17)	(9.10)	15.87	(31.68)
	Increase in other current assets	(209.53)	(34.45)	(57.23)	(6.19)	(22.29)

L&T INFRASTRUCTURE FINANCE COMPANY LIMITED (UNCONSOLIDATED)
RESTATED SUMMARY STATEMENT OF CASH FLOWS

(₹ in million)

	Year Ended March 31, 2011	Year Ended March 31, 2010	Year Ended March 31, 2009	Period from July 01, 2007 to March 31, 2008	Period from April 18, 2006 to June 30, 2007
Decrease / (increase) in trade and other payables	816.50	752.11	(33.53)	153.84	70.31
Cash used in operations	**(27,776.28)**	**(17,604.93)**	**(3,114.57)**	**(15,283.11)**	**(2,370.97)**
Direct taxes paid	(890.42)	(665.33)	(628.37)	(244.31)	(9.83)
Cash flow used in operating activities	**(28,666.70)**	**(18,270.26)**	**(3,742.94)**	**(15,527.42)**	**(2,380.80)**
Cash flows from investing activities					
Purchase of fixed assets (Net of corresponding liabilities)	(17.25)	(4.09)	(1.56)	(1.08)	(7.96)
Sale of fixed assets	-	-	0.03	0.04	-
Purchase of current investments (including Term Deposits for a period of greater than 3 months)	(32,049.75)	(23,040.26)	(11,293.02)	(15,363.24)	(6,195.75)
Sale of current investments	32,049.75	23,941.05	10,742.08	17,136.55	4,170.75
Investment in Equity Shares	(500.28)	-	-	(250.00)	-
Investment in Cumulative Convertible Debentures	(499.72)	-	-	-	-
Dividend received on current investments	16.04	15.74	14.40	5.30	0.28
Dividend Income on Long term Investment	0.88	-	-	-	-
Interest on Bank Deposits	0.91	0.01	-	3.86	0.20
Net cash from/ (used in) investing activities	**(999.42)**	**912.45**	**(538.07)**	**1,531.43**	**(2,032.48)**
Cash flows from financing activities					
Proceeds from Issue of Share Capital (including Share Premium)	750.00	2,751.00	-	-	2,430.00
Share Application Money	-	-	-	-	2,570.00
Share Issue Expenses	-	-	-	-	(20.03)
Proceeds from long term borrowings	36,163.44	21,920.03	5,381.50	10,400.00	-
Repayment of long term borrowings	(6,592.88)	(9,858.33)	(1,234.90)	-	-
(Repayments)/Proceeds from other borrowings	(2.86)	2,593.85	(84.59)	3,250.00	-
Debenture Issue Expenses	(360.53)	-	-	-	-
Net cash generated from financing activities	**29,957.17**	**17,406.55**	**4,062.01**	**13,650.00**	**4,979.97**
Net Decrease in cash and cash equivalents (A+B+C)	291.05	48.74	(219.00)	(345.99)	566.69
Cash and cash equivalents as at beginning of the year/ period	50.44	1.70	220.70	566.69	-

L&T INFRASTRUCTURE FINANCE COMPANY LIMITED (UNCONSOLIDATED)
RESTATED SUMMARY STATEMENT OF CASH FLOWS

(₹ in million)

	Year Ended March 31, 2011	Year Ended March 31, 2010	Year Ended March 31, 2009	Period from July 01, 2007 to March 31, 2008	Period from April 18, 2006 to June 30, 2007
Cash and cash equivalents as at end of the year/ period	341.49	50.44	1.70	220.70	566.69
Note:					
Cash and Bank Balance as at end of the year/ period	341.99	50.94	2.20	221.20	566.69
Less: Term Deposits for a period of greater than 3 months	0.50	0.50	0.50	0.50	-
Cash and cash equivalents as at end of the year/ period	341.49	50.44	1.70	220.70	566.69
Composition of Cash and Cash Equivalents					
Cash on Hand	0.02	0.01	0.01	0.01	0.00
Balances with Schedule Bank :					
- In Current Account	341.47	0.43	1.69	220.69	0.19
- In Fixed Deposit Account (maturity up to 3 months)	-	50.00	-	-	566.50
- In Fixed Deposit Account (maturity exceeding 3 months)	0.50	0.50	0.50	0.50	-
Total	**341.99**	**50.94**	**2.20**	**221.20**	**566.69**

The above statement should be read together with Significant Accounting Policies and notes to Restated Summary Financial Statements

GENERAL INFORMATION

Our Company was originally incorporated on May 1, 2008.

For further details, please refer to the section titled "*History and Certain Corporate Matters*" on page 211 of this Prospectus.

Registered Office of our Company

L&T House, Ballard Estate
Mumbai – 400 001
Tel: (91 22) 6752 5656
Fax: (91 22) 6752 5858

Corporate Office of our Company

'The Metropolitan', 8th Floor
C-26/27, E-Block
Bandra-Kurla Complex
Bandra (E)
Mumbai – 400 051
Tel: (91 22) 6737 2951
Fax: (91 22) 6737 2900

Corporate Identification Number

U67120MH2008PLC181833

Address of the RoC

Everest House, 100 Marine Drive, Mumbai – 400 002.

Our Board

Name, designation and occupation	Age (Years)	Directors Identification Number	Address
Mr. Y. M. Deosthalee Designation: Chairman* Occupation: Company executive for L&T and its group companies	64	00001698	1001, Prabhu Kutir, 15, Altamount Road, Mumbai 400 026, Maharashtra, India
Mr. N. Sivaraman Designation: President and Whole-time Director Occupation: Company executive	53	00001747	Flat no. 43, Kalpataru Residency, Tower A, Near Cine Planet, Sion East, Mumbai 400 022, Maharashtra, India
Mr. R. Shankar Raman Designation: Non-executive Director Occupation: Company executive for L&T and its group companies	52	00019798	Flat No. 123, 12th Floor, Kalpataru Royale, Plot No. 110, Road No. 29, Sion (East), Mumbai 400 022, Maharashtra, India
Mr. S. V. Haribhakti Designation: Independent director Occupation: Chartered Accountant	55	00007347	Flat No 228, 'B' Wing, Kalpataru Habitat, 22nd Floor, Dr. S.S. Rao Road, Parel, Mumbai 400 012, Maharashtra India
Mr. B. V. Bhargava Designation: Independent director Occupation: Services	75	00001823	B/1201, Gulmohar Apartments, Ceaser Road, Amboli, Andheri (West), Mumbai 400 058, Maharashtra India

Name, designation and occupation	Age (Years)	Directors Identification Number	Address
Mr. Subramaniam N. Designation: Independent director Occupation: Services	49	00166621	Flat No. 1309 A, Beverly Park II, Mehrauli Gurgaon Road, DLF Phase II, Gurgaon, Haryana 122 002, India
Mr. Ajit Kumar Jain Designation: Independent director Occupation: IAS (Retd.)	65	02155213	C9, NDSE, Part II, New Delhi, 110049, Delhi, India
Mr. M. Venugopalan Designation: Independent director Occupation: Banker	66	00255575	Block No. 34, Flat No. 201, Heritage City, M G Road, DLF II, Gurgaon 122 002
Mr. P. V. Bhide Designation: Independent director Occupation: IAS (Retd.)	61	03304262	B-1/ 8, Vasant Vihar, New Delhi – 110 057

* *The Board of Directors of our Company held a meeting on October 25, 2010 and approved the nomination of Mr. Y.M. Deosthalee, who is currently a non executive Chairman of our Company, as the Chairman and Managing Director ("**CMD**") of our Company. His appointment as CMD will be effective from the date of listing of the Equity Shares of our Company pursuant to the Issue and his remuneration will be finalized upon such appointment.*

For further details of our directors, please refer to the section titled "*Our Management*" on page 226 of this Prospectus.

Company Secretary and Compliance Officer

Mr. N. Suryanarayanan
3 A, Laxmi Towers,
G Block, Bandra-Kurla Complex,
Bandra (E), Mumbai – 400051
Tel: (91 22) 4060 5433
Fax: (91 22) 4060 5353
Email: ltfh-ipo@ltfinance.com

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems, such as with respect to non-receipt of letters of allotment, credit of Allotted Equity Shares in the respective beneficiary accounts and refund orders.

All grievances relating to the ASBA process may be addressed either to (i) the concerned member of the Syndicate and the relevant SCSB, in the event of a Bid submitted by an ASBA Bidder at any of the Syndicate ASBA Centres, or (ii) the Designated Branch of the SCSB where the Bid cum Application Form was submitted by the ASBA Bidder, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application, in the event of a Bid submitted directly with a Designated Branch by an ASBA Bidder; in both cases with a copy to the Registrar to the Issue.

Joint Global Coordinators and Book Running Lead Managers

JM Financial Consultants Private Limited
141 Maker Chambers III
Nariman Point
Mumbai 400 021, India
Tel: (91 22) 6630 3030
Fax: (91 22) 2204 7185
Email: ltf.ipo@jmfinancial.in
Investor Grievance Email: grievance.ibd@jmfinancial.in
Website: www.jmfinancial.in
Contact Person: Ms. Lakshmi Lakshmanan
SEBI Registration No.: INM000010361

Citigroup Global Markets India Private Limited
12th Floor, Bakhtawar
Nariman Point
Mumbai 400 021, India
Tel: (91 22) 6631 9999
Fax: (91 22) 3919 7845
E-mail: ltfinance.ipo@citi.com
Investor Grievance ID: investors.cgmib@citi.com
Website: http://www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm
Contact Person: Mr. Varun Chokhani
SEBI Registration No.: INM000010718

HSBC Securities and Capital Markets (India) Private Limited
52/60 Mahatma Gandhi Road,
Fort, Mumbai 400 001, India
Tel: (91 22) 2268 1285
Fax: (91 22) 2263 1984
Email: ltfinance@hsbc.co.in
Investor Grievance Email: investorgrievance@hsbc.co.in
Website: http://www.hsbc.co.in/1/2/corporate/equities-global-investment-banking
Contact Person: Mr. Sumit Roy
SEBI Registration No.: INM000010353

Book Running Lead Managers

Barclays Securities (India) Private Limited
208 Ceejay House
Shivsagar Estate
Dr. A. Besant Road, Worli
Mumbai – 400018, India
Tel: (91 22) 6719 6075
Fax: (91 22) 6719 6275
Email: ltf.ipo@barclayscapital.com
Investor Grievance Email: BSIPL.Concerns@barclayscapital.com
Website: http://www.barcap.in/bsiplofferingdocuments
Contact Person: Mr. Vishal Bohra
SEBI Registration No.: INM000011195

Credit Suisse Securities (India) Private Limited
9th Floor, Ceejay House,
Shivsagar Estate,
Dr. A Besant Road, Worli,
Mumbai – 400018, India
Tel: (91 22) 6777 3777
Fax: (91 22) 6777 3820
Email: list.project-gn1@credit-suisse.com
Investor Grievance Email: list.igcellmer-bnkg@credit-suisse.com
Website: https://www.credit-suisse.com/in/ipo/
Contact Person: Ms. Deepa Jadhav
SEBI Registration No.: INM000011161

Co-Book Running Lead Manager

Equirus Capital Private Limited
4th Floor, A Wing, Fortune 2000,
Bandra Kurla Complex,
Bandra (E)
Mumbai – 400 051
Tel: (91 22) 2653 0600
Fax: (91 22) 2653 0601
Email: ltf.ipo@equirus.com
Investor Grievance Email: investorsgrievance@equirus.com
Website: www.equirus.com
Contact Person: Mr. Munish Aggarwal
SEBI Registration No.: INM000011286

Syndicate Members

JM Financial Services Private Limited
Apeejay House, 3 Dinshaw Waccha Road
Churchgate,
Mumbai – 400 021
Tel: (91 22) 6704 3184
Fax: (91 22) 6654 1511/6654 1512
E-mail: ltfh.ipo@jmfinancial.in
Website: www.jmfinancial.in
Contact Person: Mr. Deepak Vaidya
SEBI Registration No: NSE: INB/F231054835
BSE: INB/F011054831

SMC Global Securities Limited
11/6B, Shanti Chamber,
Pusa Road,
New Delhi-110 005
Tel: (91 11) 3011 1000
Fax: (91 11) 2575 4365
E-mail: ltfin.ipo@smcindiaonline.com
Website: www.smcindiaonline.com
Contact Person: Mr. Rakesh Gupta
SEBI Registration No: NSE: INB230771431
BSE: INB011343937

Karvy Stock Broking Limited
Karvy House, 46, Avenue 4,
Street No. 1, Banjara Hills,
Hyderabad - 500 034.
Tel: (91 40) 2331 2454
Fax: (91 40) 6662 1474
E-mail: ksblredressal@karvy.com
Website: www.karvy.com
Contact Person : Mr. D. Jayant Kumar
SEBI Registration No: NSE: INB 230770138

IDBI Capital Market Services Limited
2nd floor, C-Wing, Mittal Court,
Nariman Point,
Mumbai – 400 021
Tel: (91 22) 4345 1513
Fax: (91 22) 2288 4474
E-mail: subodh.mallya@idbicapital.com
Website: www.idbicapital.com
Contact Person: Mr. Subodh Mallya
SEBI Registration No:NSE: INB/F230706631
BSE: INB/F010706639

Domestic Legal Advisor to our Company

AZB & Partners
23rd Floor, Express Towers
Nariman Point
Mumbai 400 021 - India
Tel: (91 22) 6639 6880
Fax: (91 22) 6639 6888

International Legal Advisor to the Lead Managers

Clifford Chance, CC Asia Limited
One George Street
19th Floor
Singapore 049145

Tel.: (00 65) 6410 2200
Fax: (00 65) 6410 2288

Domestic Legal Advisor to the Lead Managers

S&R Associates
One Indiabulls Centre, 1403, Tower 2, B Wing
841 Senapati Bapat Marg
Lower Parel, Mumbai - 400 013, India
Tel: (91 22) 4302 8000
Fax: (91 22) 4302 8001

Registrar to the Issue

Sharepro Services (India) Private Limited
13 A B, Samhita Warehousing Complex
2nd Floor, Sakinaka Telephone Exchange Lane
Andheri - Kurla Road
Sakinaka, Andheri (E), Mumbai – 400 072
Tel: +91 22 6191 5400/412
Fax: +91 22 6191 5444
Email: prakashk@shareproservices.com
Investor Grievance Email: ipoltfh@shareproservices.com
Website: www.shareproservices.com
Contact Person: Mr. Prakash A Khare
Compliance Officer: Mr. Prakash A Khare
SEBI Registration No.: INR000001476

Escrow Collection Banks

Axis Bank Limited
E - Wing,
3rd Floor,
Maker Towers,
Cuffe Parade,
Mumbai - 400005,
India
Tel: (91 22) 6707 1657
Fax: (91 22) 2215 5157
E mail: prashant.fernandes@axisbank.com
Contact Person: Mr. Prashant Fernandes

Citibank N.A.
6th Floor,
Citigroup centre,
Bandra Kurla Complex,
Bandra (E),
Mumbai – 400051,
India
Tel: (91 22) 4001 5504
Fax: (91 22) 2653 5824
E mail: s.girish@citi.com
Contact Person: Mr. S. Girish

City Union Bank Limited
24BD, Rajabahadur compound,
Ambalal Doshi Marg,
Mumbai 400 023
India
Tel: (91 22) 2267 7376 / 2267 7377
Fax: (91 22) 6633 8005
Email: cub122@cityunionbank.com
Contact Person: Mr. S. Narayanan

DBS Bank Limited

3rd Floor, Fort House
221, Dr. D.N. Road,
Fort, Mumbai 400 001
Maharashtra, India
Tel: (91 22) 6614 7557/ 6752 8328
Fax: (91 22) 6752 8470
Email: ganesh@dbs.com
Contact Person: Mr. Lalit Sharma/ Mr. Ganesh Ramanathan

Dhanlaxmi Bank Limited
Janmabhoomi Bhavan,
Janmabhoomi Marg, Fort,
Mumbai – 400 001
India
Tel : (91 22) 6154 1781
Fax: (91 22) 6154 1725
Email: venkataraghavan.ta@dhanbank.co.in
Contact Person: Mr. Venkataraghavan T A

The Federal Bank Limited
Corporate Banking Branch,
32, Raja Bahadur Mansion,
1st Floor,
Bombay Samachar Marg,
Fort,
Mumbai - 400001
India
Tel: (91 22) 2268 0251
Fax: (91 22) 2268 0254
E mail: bbyh@federalbank.co.in
Attention: Mr. Bijumon / Mr. Francis Xavier

HDFC Bank Limited
Lodha iThink Techno Campus,
Level O-3, Next to Kanjurmarg Railway Station,
Kanjurmarg (East),
Mumbai - 400 042
India
Tel: (91 22) 3075 2927
Fax: (91 22) 2579 9801
E mail: deepak.rane@hdfcbank.com
Contact Person: Mr. Deepak Rane

The Hongkong and Shanghai Banking Corporation Limited
Plot No. 139-140 B,
Western Express Highway,
Sahar Road Junction,
Ville Parle (East),
Mumbai - 400057
India
Tel: (91 22) 4035 7459
Fax: (91 22) 4035 7657
E mail: swapnilpavale@hsbc.co.in
Contact Person: Mr. Swapnil Pavale

ICICI Bank Limited
30, Mumbai Samachar Marg,
Mumbai - 400 001
India
Tel: (91 22) 6631 0322
Fax: (91 22) 6631 0350/2261 1138
E mail: anil.gadoo@icicibank.com
Contact Person: Mr. Anil Gadoo

IDBI Bank Limited

224-A, A – Wing,
Mittal Court,
Nariman Point,
Mumbai – 400 021
India
Tel: (91 22) 6658 8113
Fax: (91 22) 6658 8130
E mail: bhalchandra.paranjape@idbi.co.in
Contact Person: Mr. B. D. Paranjape

State Bank of India
Capital Market Br.,
Gr. Floor, Vediocon Heritage,
Charanjeet Rai Marg,
Fort, Mumbai
India
Tel: (91 22) 2209 4932
Fax: (91 22) 2209 4921
E mail: vidya.krishnan@sbi.co.in/nib.11777@sbi.co.in
Contact Person: Ms. Vidya Krishnan/Mr. R K Prasad

Public Issue Account Bank and Refund Bank

Axis Bank Limited
E - Wing, 3rd Floor,
Maker Towers,
Cuffe Parade,
Mumbai - 400005, India
Tel: (91 22) 6707 1657
Fax: (91 22) 2215 5157
E mail: prashant.fernandes@axisbank.com
Contact Person: Mr. Prashant Fernandes

Self Certified Syndicate Banks

The list of banks which have been notified by the SEBI to act as SCSBs for the ASBA process is provided at http://www.sebi.gov.in/pmd/scsb.html and for details relating to the designated branches of the SCSBs collecting the ASBA Bid cum Application Forms, please see the link mentioned above.

Bankers to our Company

Standard Chartered Bank
90 M.G. Road,
Fort,
Mumbai – 400 001
Tel: (91 22) 6735 0363
Fax: (91 22) 2262 2302
Email: litesh.majethia @sc.com
Website: www.standardchartered.com, www.standardchartered.co.in

Axis Bank Limited
Universal Insurance Building,
Sir P.M. Road,
Fort,
Mumbai - 400001,
India
Tel : (91 22) 6610 7353/ 6707 1445
Fax: (91 22) 6610 7293
E mail: rajesh.khandelwal@axisbank.com/ santhosh.shetty@axisbank.com
Contact Person: Rajesh Khandelwal/ T. Santhosh Shetty
Website: www.axisbank.com

Statutory Auditors to our Company

Sharp & Tannan, Chartered Accountants

Ravindra Annexe
194, Churchgate Reclamation,
Dinshaw Vachha Road
Mumbai – 400 020
Tel: (91 22) 2204 7755/23
Fax: (91 22) 6633 8352
Firm registration no: 109982W

Statutory auditors to L&T Finance and IIDL

Sharp & Tannan, Chartered Accountants
Ravindra Annexe
194, Churchgate Reclamation,
Dinshaw Vachha Road
Mumbai – 400 020
Tel: (91 22) 2204 7755/23
Fax: (91 22) 6633 8352
Firm registration no: 109982W

Statutory auditors to L&T Infra and L&TIM

Deloitte Haskins & Sells
12, Dr. Annie Besant Road
Opp. Shiv Sagar Estate
Worli, Mumbai – 400 018
Tel: (91 22) 6667 9000
Fax: (91 22) 6667 9100
Firm registration no: 117366W

Statutory auditors to L&T MFTL

Mukesh P. Shah & Co
32/34, C. P. Tank Road
2nd Floor, Room no. 12
Damodar Niwas, Mumbai – 400 004
Tel: (91 22) 2388 6293
Fax: (91 22) 2388 6293
Firm registration no: 121719W

Credit rating

As this is an issue of equity shares, no credit rating is required for this Issue.

Statement of Inter-se Responsibilities of the Lead Managers

The responsibilities and co-ordination roles for various activities in this Issue have been distributed among the Lead Managers:

S. No.	Activities	Responsibility	Coordinator
1	Capital structuring with the relative components and formalities such as type of instruments, *etc.*	JM Financial, Citi, HSBC, Barclays, Credit Suisse, Equirus	JM Financial
2	Due diligence of the Company's operations/ management/ business plans/ legal, *etc.* Drafting and design of the Draft Red Herring Prospectus and statutory advertisement including memorandum containing salient features of the Prospectus. The Lead Managers shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing.	JM Financial, Citi, HSBC, Barclays, Credit Suisse, Equirus	JM Financial
3	Drafting and approval of all publicity material	JM Financial, Citi, HSBC,	HSBC

S. No.	Activities	Responsibility	Coordinator
	other than statutory advertisement as mentioned above including corporate advertisement, brochure, corporate films, *etc.*	Barclays, Credit Suisse, Equirus	
4	Appointment of intermediaries including Registrar to the Issue, Bankers to the Issue, Printers, advertising agency, etc	JM Financial, Citi, HSBC, Barclays, Credit Suisse, Equirus	Citi
5	International institutional marketing of the Issue, which will cover, *inter alia*: • Preparing roadshow presentation and frequently asked questions; • Finalising the list and division of investors for one to one meetings; and • Finalising road show schedule and investor meeting schedules.	JM Financial, Citi, HSBC, Barclays, Credit Suisse, Equirus	Citi
6	Domestic institutional marketing of the Issue, which will cover, *inter alia*: • Finalising the list and division of investors for one to one meetings; and • Finalising road show schedule and investor meeting schedules.	JM Financial, Citi, HSBC, Barclays, Credit Suisse, Equirus	HSBC
7	Retail marketing of the Issue, which will cover, *inter alia*: • Formulating marketing strategies, preparation of publicity budget; • Finalising media and public relation strategy; • Finalising centres for holding conferences for brokers, *etc.*; • Finalising collection centres; and • Follow-up on distribution of publicity and Issue material including form, prospectus and deciding on the quantum of the Issue material;	JM Financial, Citi, HSBC, Barclays, Credit Suisse, Equirus	Citi
8	Non-institutional marketing of the Issue, which will cover, *inter alia*: • Formulating marketing strategies, preparation of publicity budget; • Finalising media and public relation strategy; • Finalising centres for holding conferences for brokers, *etc.*; • Finalising collection centres; and • Follow-up on distribution of publicity and Issue material including form, prospectus and deciding on the quantum of the Issue material;	JM Financial, Citi, HSBC, Barclays, Credit Suisse, Equirus	JM Financial
9	Finalisation of Issue Price in consultation with the Company.	JM Financial, Citi, HSBC, Barclays, Credit Suisse, Equirus	Citi
10	Co-ordination with Stock Exchanges for book	JM Financial, Citi, HSBC,	HSBC

S. No.	Activities	Responsibility	Coordinator
	building software, bidding terminals and mock trading.	Barclays, Credit Suisse, Equirus	
11	The post-Bidding activities including management of escrow accounts, coordination non-institutional allocation, intimation of allocation and dispatch of refunds to Bidders, *etc.* The post-Issue activities will involve essential follow up steps, which include the finalisation of listing and trading of instruments and demat and delivery of shares and refunds, with the various agencies connected with the work such as the Registrar to the Issue and Bankers to the Issue and the bank handling refund business. The Lead Managers shall be responsible for ensuring that these agencies fulfill their functions and enable it to discharge this responsibility through suitable agreements with the Company.	JM Financial, Citi, HSBC, Barclays, Credit Suisse, Equirus	HSBC

IPO Grading

This Issue has been graded by Credit Analysis & Research Limited and ICRA Limited and has been assigned "**CARE IPO Grade 5**" indicating "Strong Fundamentals" and "**IPO Grade 5**" indicating "Strong Fundamentals", by way of their letters dated June 17, 2011 and June 27, 2011, respectively. The IPO grading is assigned on a five point scale from 1 to 5 with "IPO Grade 5" indicating strong fundamentals and "IPO Grade 1" indicating poor fundamentals. The rationale furnished by each of the IPO Grading Agencies for its respective grading has been included in the section titled "*Annexure A – IPO Grading Reports*" on page 470 of this Prospectus.

Further, a copy of each report provided by Credit Analysis & Research Limited and ICRA Limited, furnishing its rationale for their grading is annexed to this Prospectus and was available for inspection at our Registered Office from 10:00 am to 4:00 p.m. on Working Days from the date of filing of the Red Herring Prospectus with RoC until the Bid/Issue Closing Date.

The Company had filed a draft red herring prospectus dated September 27, 2010 with SEBI. Based on such draft red herring prospectus, Credit Analysis & Research Limited and ICRA Limited had assigned “CARE IPO Grade 5” and “IPO Grade 5” through their letters dated November 29, 2010 and December 2, 2010, respectively.

Trustees

As this is an issue of equity shares, the appointment of trustees is not required.

Monitoring Agency

Axis Bank Limited has been appointed as the monitoring agency for the purposes of monitoring the utilisation of the proceeds of the Issue in accordance with Regulation 16 of the SEBI ICDR Regulations.

Appraising Entity

The objects of this Issue have not been appraised by any agency. The objects of this Issue and means of finance therefore are based on internal estimates of our Company.

Book Building Process

Book building refers to the collection of Bids from investors within the Price Band, on the basis of the Red Herring Prospectus and the Bid cum Application Forms. The principal parties involved in the Book Building Process are:

1. our Company;

2. the Lead Managers;

3. the Syndicate Members who are intermediaries registered with the SEBI or registered as brokers with any of the Stock Exchanges and eligible to act as underwriters;

4. the Registrar to the Issue;

5. the Escrow Collection Banks; and

6. the SCSBs.

In terms of Rule 19(2)(b) of the SCRR, and the SEBI ICDR Regulations this is an issue for less than 25% of the post-Issue capital, subject to the Net Issue being at least 10% of the post Issue capital. Pursuant to Regulation 43(2) read with Regulation 26(2) of the SEBI ICDR Regulations at least 50% of the Net Issue shall be allotted on a proportionate basis to QIBs, provided that our Company may allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis out of which one-third shall be reserved for domestic Mutual Funds only. In the event of under subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders subject to valid Bids being received at or above the Issue Price. If at least 50% of the Net Issue cannot be Allotted to QIBs, then the entire application money shall be refunded forthwith. All potential investors (except Anchor Investors) may participate in this Issue through the ASBA process by providing details about the bank accounts in which corresponding bid amounts may be blocked by the SCSBs. All QIBs (other than Anchor Investors), Non-Institutional Bidders and L&T Shareholders Bidding under the L&T Shareholders Reservation Portion for a Payment Amount of above ₹ 200,000 shall mandatorily participate in the Issue through the ASBA Process. For details, please refer to the section titled "*Issue Procedure*" on page 417 of this Prospectus.

QIBs are not allowed to withdraw their Bid(s) after the Bid/Issue Closing Date. For further details, please refer to the section titled "*Terms of the Issue*" on page 409 of this Prospectus.

The Book Building Process under the SEBI ICDR Regulations is subject to change from time to time and investors are advised to make their own judgment about investment through this process prior to making a Bid in the Issue.

Steps to be taken by the Bidders for making a Bid or application in this Issue:

- Check eligibility for making a Bid. For further details, please refer to the section titled "*Issue Procedure*" on page 417 of this Prospectus.

- Bids by ASBA Bidders should be submitted to the members of the Syndicate at the Syndicate ASBA Centres or to the SCSBs at the Designated Branches. Specific attention of ASBA Bidders is invited to the section titled "*Issue Procedure* " on page 417 of this Prospectus;

- If you are a QIB (other than an Anchor Investor) or a Non-Institutional Bidder, ensure that you submit your Bid only through ASBA;

- Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;

- Ensure that the Bid cum Application Form is duly completed as per the instructions given in the Red Herring Prospectus and in such form; and

- Ensure that you have mentioned your PAN in the Bid cum Application Form (please refer to the section titled "*Issue Procedure*" on page 417 of this Prospectus)

Illustration of the Book Building Process and of the price discovery process

Investors should note that the following is solely for the purpose of illustration and is not specific to this Issue; the following excludes bidding by Anchor Investors.

Bidders can bid at any price within the price band. For instance, assuming a price band of ₹ 20 to ₹ 24 per equity share, an issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the bidding centres during the bidding period. The illustrative book as shown below indicates the demand for the shares of a company at various prices and is collated from bids from various investors.

Bid Quantity	Bid Price (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the company is able to issue the desired number of shares is the price at which the book cuts off, *i.e.*, ₹ 22 in the above example. The company, in consultation with the lead managers, will finalise the issue price at or below such cut-off, *i.e.*, at or below ₹ 22. All bids at or above the issue price and cut-off price are valid bids and are considered for allocation in the respective categories.

Withdrawal of the Issue

Our Company, in consultation with the Lead Managers, reserves the right not to proceed with the Issue at any time after the Bid/Issue Opening Date but before the Allotment. In such event, our Company shall issue a public notice, which shall include reasons for such withdrawal, within two days of closure of the Issue. The public notice shall be issued in the same newspapers where the pre- Issue advertisements had appeared and our Company shall also promptly inform the Stock Exchanges.

If our Company withdraws the Issue after the Bid/Issue Closing Date and thereafter determines that it will proceed with an initial public offering of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

Any further issue of Equity Shares by our Company shall be in compliance with applicable laws.

Bid/Issue Programme

BID/ISSUE OPENED ON	**JULY 27, 2011***
BID/ISSUE CLOSED ON	**JULY 29, 2011**

* *The Anchor Investor Bidding Date was one day prior to the Bid/Issue Opening Date, i.e. July 26, 2011.*

Bids including any revision in Bids shall be accepted **only between 10.00 a.m. and 5.00 p.m. IST** during the Bidding/Issue Period as mentioned above at the Bidding Centres mentioned on the Bid cum Application Form or, in the case of Bids submitted through ASBA, at the Designated Branches. On the Bid/Issue Closing Date, Bids by QIBs shall be accepted only between **10.00 a.m. and 3.00 p.m. IST** and uploaded until 4.00 p.m. IST. On the Bid/Issue Closing Date, Bids shall be accepted only between **10.00 a.m. and 3.00 p.m. IST** and uploaded until (i) 4.00 p.m. IST, or such extended time as permitted by the Stock Exchanges, in case of Bids by Non-Institutional Bidders, Eligible Employees bidding under the Employee Reservation Portion and L&T Shareholders bidding under the L&T Shareholders Reservation Portion; and (ii) until 5.00 p.m. IST, or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders. It is clarified that the Bids not uploaded in the book would be rejected. Bids by the ASBA Bidders shall be uploaded by the SCSBs or members of the Syndicate, as the case may be, in the electronic system to be provided by the Stock Exchanges.

In case of any discrepancy in the data entered in the electronic book *vis-a-vis* the data contained in the physical or electronic Bid cum Application Form, for a particular ASBA Bidder, the Registrar to the Issue will request rectified data from the relevant SCSB.

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than

3.00 p.m. (Indian Standard Time) on the Bid/Issue Closing Date. On the Bid/Issue Closing Date, Bids by QIBs shall be accepted only between 10.00 a.m. and 3.00 p.m. IST. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, which may lead to some Bids not being uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will only be accepted on Working Days, *i.e.* any day other than Saturday or Sunday on which commercial banks in Mumbai, India are open for business.

On the Bid/Issue Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received by Retail Individual Bidders after taking into account the total number of Bids received up to the closure of the time period for acceptance of Bid cum Application Forms as stated herein and reported by the Lead Managers and the Syndicate Members to the Stock Exchanges within half an hour of such closure.

The Company reserves the right to revise the Price Band during the Bidding/Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on either side *i.e.* the Floor Price can move up or down to the extent of 20% of the Floor Price disclosed in the Red Herring Prospectus or the Issue advertisement, as the case may be, and the Cap Price will be revised accordingly.

In case of revision of the Price Band, the Bidding/Issue Period will be extended for a minimum three additional Working Days, subject to the total Bidding/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bidding/Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the changes on the websites of the Lead Managers and at the terminals of the Syndicate.

Underwriting Agreement

After the determination of the Issue Price and the allocation of our Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company has entered into an Underwriting Agreement with the Underwriters for certain of the Equity Shares proposed to be offered in this Issue. Pursuant to the terms of the Underwriting Agreement, the Lead Managers will be responsible for bringing in the amount devolved in the event that their respective Syndicate Members do not fulfill their underwriting obligations. The Underwriting Agreement is dated August 3, 2011. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions to closing, as specified therein.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

Name and Address of the Underwriters	Indicative number of Equity Shares to be underwritten	Amount underwritten (₹ *million*)
Joint Global Coordinators and Book Running Lead Managers		
JM Financial Consultants Private Limited 141 Maker Chambers III Nariman Point Mumbai - 400 021, India Tel: (91 22) 6630 3030 Fax: (91 22) 2204 7185	39,617,494	2,075
Citigroup Global Markets India Private Limited 12th Floor, Bakhtawar Nariman Point Mumbai - 400 021, India Tel: (91 22) 6631 9999 Fax: (91 22) 3919 7845	39,617,494	2,075
HSBC Securities and Capital Markets (India) Private Limited 52/60 Mahatma Gandhi Road, Fort, Mumbai - 400 001, India Tel: (91 22) 2268 1285 Fax: (91 22) 2263 1984	39,617,494	2,075

Name and Address of the Underwriters	Indicative number of Equity Shares to be underwritten	Amount underwritten (₹ *million*)
Book Running Lead Managers		
Barclays Securities (India) Private Limited 208 Ceejay House Shivsagar Estate Dr. A. Besant Road, Worli Mumbai – 400018, India Tel: (91 22) 6719 6075 Fax: (91 22) 6719 6275	39,617,493	2,075
Credit Suisse Securities (India) Private Limited 9th floor, Ceejay House, Shivsagar Estate, Dr. A Besant Road, Worli, Mumbai – 400018, India Tel: (91 22) 6777 3777 Fax: (91 22) 6777 3820	39,617,493	2,075
Co-Book Running Lead Manager		
Equirus Capital Private Limited 4th Floor, A Wing, Fortune 2000, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051 Tel: (91 22) 2653 0600 Fax: (91 22) 2653 0601	39,617,493	2,075
Syndicate Members		
JM Financial Services Private Limited Apeejay House, 3 Dinshaw Waccha Road Churchgate, Mumbai – 400 021 Tel: (91 22) 6704 3184 Fax: (91 22) 6654 1511/6654 1512	100	0.005
SMC Global Securities Limited 11/6B, Shanti Chamber, Pusa Road, New Delhi-110 005 Tel: (91 11) 3011 1000 Fax: (91 11) 2575 4365	100	0.005
Karvy Stock Broking Limited Karvy House 46, Avenue 4, Street No. 1, Banjara Hills, Hyderabad - 500 034. Tel: (91 40) 2331 2454 Fax: (91 40) 6662 1474	100	0.005
IDBI Capital Market Services Limited 2nd floor, C-Wing, Mittal Court, Nariman Point, Mumbai – 400 021 Tel: (91 22) 4345 1513 Fax: (91 22) 2288 4474	100	0.005

The above-mentioned amounts are provided for indicative purposes only and will be finalised after the actual allocation of the Equity Shares.

In the opinion of the Board of Directors (based on certificates given to them by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations. All the above-mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges.

Allocation among Underwriters may not necessarily be in proportion to their underwriting commitments. Notwithstanding the above table, the Underwriters will be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscriptions for / subscribe to Equity Shares to the extent of the defaulted amount.

CAPITAL STRUCTURE

The share capital of our Company as at the date of this Prospectus is set forth below:

		Aggregate value at face value	Aggregate value at Issue Price
		(₹ million, except share data)	
A	**Authorised share capital**	50,000	
B	**Issued, subscribed and paid-up share capital before the Issue**	14,770.24	
C	**Present Issue in terms of this Prospectus***		
	Issue of up to 237,705,361 Equity Shares	2,046.28	12,450
	Which comprises		
	Employee Reservation Portion of 10,000,000 Equity Shares	100	500
	L&T Shareholders Reservation Portion of 23,076,923 Equity Shares	230.77	1,200
	Net Issue of 204,628,438 Equity Shares	1,715.52	10,750
D	**Issued, subscribed and paid-up share capital after the Issue**	16,816.52	27,220.24
E	**Share Premium Account**		
	Before the Issue	6,315.67	
	After the Issue		16,388.62

* *On July 7, 2011, our Company has, by way of a Pre-IPO Placement, allotted 57,768,000 Equity Shares and 2,232,000 Equity Shares to MACE CIPEF Limited and MACE CGPE Limited, respectively for an aggregate consideration of ₹3,300,000,000 at a subscription price of ₹55 per Equity Share.*

Changes in the Authorised Capital

Sr. No.	Particulars of increase	Date of shareholders' meeting	AGM/EGM
1.	The authorised share capital of our Company was increased to 22,500,000 (divided into 2,250,000 equity shares of ₹ 10 each) from ₹ 20,000,000	January 6, 2009	EGM
2.	The authorised share capital of our Company was increased to ₹ 15,000,000,000 (divided into 1,500,000,000 equity shares of ₹ 10 each) from ₹ 22,500,000	March 25, 2009	EGM
3.	The authorised share capital of our Company was increased to ₹ 50,000,000,000 (divided into 5,000,000,000 equity shares of ₹ 10 each) from ₹ 15,000,000,000	March 29, 2010	EGM

Notes to Capital Structure

1. ***Share capital history of our Company***

a) Equity Share capital history of our Company:

Date of allotment	No. of Equity Shares	Face value (₹)	Issue price (₹)	Reasons for allotment	Nature of consideration	Cumulative no. of Equity Shares	Cumulative paid-up share capital (₹)	Cumulative share premium (₹)
May 1, 2008	50,000	10	10	Subscription to Memorandum of Association	Cash	50,000	500,000	Nil
January 13, 2009	2,000,000	10	10	Preferential allotment to	Cash	2,050,000	20,500,000	Nil

Date of allotment	No. of Equity Shares	Face value (₹)	Issue price (₹)	Reasons for allotment	Nature of consideration	Cumulative no. of Equity Shares	Cumulative paid-up share capital (₹)	Cumulative share premium (₹)
				L&T*				
April 25, 2009	1,076,541,591	10	10	Preferential allotment to L&T*	Cash	1,078,591,591	10,785,915,910	Nil
November 18, 2009	275,000,000	10	10	Preferential allotment to L&T*	Cash	1,353,591,591	13,535,915,910	Nil
September 20, 2010	63,432,835	10	67	Preferential allotment to L&T*	Cash	1,417,024,426	14,170,244,260	3,615,671,595
July 7, 2011	57,768,000	10	55	Pre-IPO Placement	Cash	1,474,792,426	14,747,924,260	6,215,231,595
July 7, 2011	2,232,000	10	55	Pre-IPO Placement	Cash	1,477,024,426	14,770,244,260	6,315,671,595

* *The funds that have been raised through preferential allotment have been utilised towards investment in our Subsidiaries.*

b) Preference share capital of our Company

L&TFH has not issued any preference shares since incorporation.

c) Shares issued for consideration other than cash

L&TFH has not issued shares for consideration other than cash.

2. **Build-up of Promoter's capital, Promoter's contribution and lock-in**

a) History of share capital held by the Promoters:

Name of Promoter	Date of allotment / transfer (Date fully paid up)	No. of Equity Shares issued / transferred	Cumulative number of shares**	Face value (₹)	Issue / transfer price / consideration (per share)	% of pre-Issue equity share capital	% of post Issue equity share capital	Reasons for allotment / transfer
L&T*	May 1, 2008	50,000	50,000	10	10	0.00	0.00	Subscription to Memorandum of Association
L&T	January 13, 2009	2,000,000	2,050,000	10	10	0.14	0.12	Preferential allotment to L&T
L&T	March 31, 2009	(205)	2,049,795	10	10	0.14	0.12	Transfer to Clarity Advertising Private Limited
L&T	April 25, 2009	1,076,541,591	1,078,591,386	10	10	73.02	62.90	Preferential allotment to L&T
L&T	November 18, 2009	275,000,000	1,353,591,386	10	10	91.64	78.94	Preferential allotment to L&T
L&T	September 20, 2010	63,432,835	1,417,024,221	10	67	95.94	82.64	Preferential allotment to

Name of Promoter	Date of allotment / transfer (Date fully paid up)	No. of Equity Shares issued / transferred	Cumulative number of shares**	Face value (₹)	Issue / transfer price / consideration (per share)	% of pre-Issue equity share capital	% of post Issue equity share capital	Reasons for allotment / transfer
								L&T

* *Allotted to L&T and nominees of L&T holding jointly with L&T*

** *Including six Equity Shares held by nominees of L&T and jointly with L&T.*

b) Details of Promoters' contribution locked in for three years:

The Equity Shares that are being locked-in are not ineligible for computation of Promoter's contribution under Regulation 33 of the SEBI ICDR Regulations. In this connection, as per Regulation 33 of the SEBI ICDR Regulations, our Company confirms that the Equity Shares locked as Promoters' contribution do not consist of:

i. The Equity Shares acquired during the preceding three years for consideration other than cash and revaluation of assets or capitalization of intangible assets or bonus shares out of revaluations reserves or unrealised profits or bonus shares which are otherwise ineligible for computation of Promoters' contribution;

ii. The Equity Shares acquired during the one year preceding the date of this Prospectus, at a price lower than the price at which the Equity Shares are being offered to the public in the Issue;

iii. The Equity Shares issued to the Promoter upon conversion of a partnership firm;

iv. The Equity Shares held by the Promoter that are subject to any pledge; and

v. The Equity Shares for which specific written consent has not been obtained from the Promoter for inclusion of their subscription in the minimum Promoters' contribution subject to lock-in.

The Promoters' contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as "Promoters" under Regulation 2 (za) of the SEBI ICDR Regulations.

The SEBI ICDR Regulations require that an aggregate of 20% of the post-Issue shareholding of the Promoters be considered as Promoters' contribution and locked-in for a period of three years. Such lock-in is required to commence from the date of Allotment in the Issue and end on the date that is three years subsequent to the date of Allotment in the Issue. The Promoter of the Company holds 95.94% in the Company and approximately 1,353,591,386 Equity Shares aggregating to 91.64% of the pre-Issue capital is eligible to be included under minimum Promoters' contribution under Regulation 33 of the SEBI ICDR Regulations. Accordingly, 342,946,958 Equity Shares held by L&T will be subject to such lock-in, the details of such lock-in are given below:

Name of Promoter	Date on which Equity Shares were allotted	Nature of payment of consideration	Nature of Allotment / Transaction	Face Value	Issue Price	Number of Equity Shares locked in	% of post-Issue paid up capital
L&T	April 25, 2009	Cash	Preferential allotment to L&T	10	10	342,946,958	20.00
Total						**342,946,958**	**20.00**

c) Details of share capital locked in for one year

In addition to the lock-in of the Promoters' contribution specified above, the entire pre-Issue share capital of our Company will be locked in for a period of one year from the date of Allotment of the Equity Shares in this Issue.

d) Other requirements in respect of lock-in

Pursuant to Regulation 39 of the SEBI ICDR Regulations, the locked-in Equity Shares held by the Promoter, as specified above, can be pledged only with scheduled commercial banks or PFI as collateral security for loans granted by such scheduled commercial banks or PFI, provided that the pledge of the Equity Shares is one of the terms of the sanction of the loan.

Provided that securities locked in as Promoters' contribution for three years under Regulation 36(a) of the SEBI ICDR Regulations may be pledged only if, in addition to fulfilling the above requirement, the loan has been granted by such scheduled commercial bank or PFI for the purpose of financing one or more of the objects of the Issue.

Pursuant to Regulation 40 of the SEBI ICDR Regulations, Equity Shares held by the Promoters may be transferred to and amongst the Promoters, the Promoter Group or to new promoters or persons in control of our Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Code.

Further, pursuant to Regulation 40 of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoter prior to the Issue may be transferred to any other person holding the Equity Shares which are locked-in as per Regulation 37 of the SEBI ICDR Regulations, along with the Equity Shares proposed to be transferred, provided that lock-in on such Equity Shares will continue for the remaining period with the transferee and such transferee shall not be eligible to transfer such Equity Shares till the lock-in period stipulated under the SEBI ICDR Regulations has ended, subject to compliance with the Takeover Code, as applicable.

In terms of Schedule XI of the SEBI ICDR Regulations, the Equity Shares allotted to Anchor Investors shall be locked in for a period of 30 days from the date of Allotment of such Equity Shares.

3. **The list of top ten shareholders of our Company and the number of Equity Shares held by them is as follows:**

a) Our top ten shareholders and the number of Equity Shares held by them as of the date of this Prospectus are as follows:

Sr. No.	Name	No. of Equity Shares (face value of ₹ 10 each)	%
1	Larsen & Toubro Limited	1,417,024,215	95.94
2	MACE CIPEF Limited	57,768,000	3.91
3	MACE CGPE Limited	2,232,000	0.15
4	Clarity Advertising Private Limited*	205	0.00
5	Mr. Y. M. Deosthalee**	1	0.00
6	Mr. R. Shankar Raman**	1	0.00
7	Mr. N. Sivaraman**	1	0.00
8	Mr. N. Hariharan**	1	0.00
9	Mr. T. S. Venkatesan**	1	0.00
10	Mr. Prasad Vishnu Shanbhag**	1	0.00
	Total	**1,477,024,426**	**100.00**

* *Clarity Advertising Private Limited is not related to the Company, the Promoter, the Group Companies and does not have any agreements with the Company, the Promoter, the Group Companies.*

** *Held jointly with L&T.*

b) Our top ten shareholders and the number of Equity Shares held by them as of 10 days prior to the date of this Prospectus are as follows:

Sr. No.	Name	No. of Equity Shares (face value of ₹ 10 each)	%
1	Larsen & Toubro Limited	1,417,024,215	95.94
2	MACE CIPEF Limited	57,768,000	3.91
3	MACE CGPE Limited	2,232,000	0.15
4	Clarity Advertising Private Limited*	205	0.00
5	Mr. Y. M. Deosthalee**	1	0.00
6	Mr. R. Shankar Raman**...	1	0.00
7	Mr. N. Sivaraman**...	1	0.00
8	Mr. N. Hariharan**..	1	0.00
9	Mr. T. S. Venkatesan**	1	0.00
10	Mr. Prasad Vishnu Shanbhag**	1	0.00
	Total...	**1,477,024,426**	**100.00**

* *Clarity Advertising Private Limited is not related to the Company, the Promoter, the Group Companies and does not have any agreements with the Company, the Promoter, the Group Companies.*

** *Held jointly with L&T.*

c) Our top ten shareholders and the number of Equity Shares held by them two years prior to date of this Prospectus are as follows:

Sr. No.	Name	No. of equity shares (face value of ₹ 10 each)	%
1	Larsen & Toubro Limited	1,078,591,175	99.99
2	Clarity Advertising Private Limited**	205	0.01
3	Mr. Y. M. Deosthalee*	1	0.00
4	Mr. R. Shankar Raman*...	1	0.00
5	Mr. N. Sivaraman*...	1	0.00
6	Mr. N. Hariharan*..	1	0.00
7	Mr. T. S. Venkatesan*	1	0.00
8	Mr. Prasad Vishnu Shanbhag*...	1	0.00
	Total...	**1,078,591,386**	**100.00**

* *Held jointly with L&T.*

** *Clarity Advertising Private Limited is not related to the Company, the Promoter, the Group Companies and does not have any agreements with the Company, the Promoter, the Group Companies.*

4. **The shareholding pattern of our Company prior to the Issue and as adjusted for the Issue as on the date of filing this Prospectus is as follows:**

	Equity Shares owned before the Issue		Equity Shares owned after the Issue	
Shareholder Category	**No. of shares of face value ₹ 10 each**	**%**	**No. of shares of face value ₹ 10 each**	**%**

	Equity Shares owned before the Issue		Equity Shares owned after the Issue	
Shareholder Category	**No. of shares of face value ₹ 10 each**	**%**	**No. of shares of face value ₹ 10 each**	**%**
Promoters*	1,417,024,221	95.94	1,417,024,221	82.64
Sub Total (A)...	**1,417,024,221**	**95.94**	**1,417,024,221**	**82.64**
Promoter Group......................................	—	—	—	—
Sub Total (B)...	—	—	—	—
Public (C)...				
Others	60,000,205	4.06	60,000,205	3.50
Public Issue...			237,705,361	13.86
Sub Total (C)...	**60,000,205**	**4.06**	**297,705,566**	**17.36**
Total share capital (A+B+C).................	**1,477,024,426**	**100**	**1,714,729,787**	**100**

* *Including six Equity Shares held by six persons jointly with L&T.*

5. **The shareholding pattern of our Company as per clause 35 of the Listing Agreements as of the date of this Prospectus is provided below:**

Category code	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a percentage
(A)	Shareholding of Promoter and Promoter Group							
(1)	**Indian**							
(a)	Individuals/ Hindu Undivided Family	6*	6*	0	0	0	—	—
(b)	Central Government/ State Government(s)	—	—	—	—	—	—	—
(c)	Bodies Corporate	1	1,417,024,215	1,417,024,215	95.94	95.94	—	—

Category code	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a percentage
(d)	Financial Institutions/ Banks	—	—	—	—	—	—	—
(e)	Any Other (specify)	—	—	—	—	—	—	—
	Sub-Total (A)(1)	1	1,417,024,221	1,417,024,215	—	—	—	—
(2)	**Foreign**							
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	—	—	—	—	—	—	—
(b)	Bodies Corporate	—	—	—	—	—	—	—
(c)	Institutions	—	—	—	—	—	—	—
(d)	Any Other (specify)	—	—	—	—	—	—	—
	Sub-Total (A)(2)	—	—	—	—	—	—	—
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	7	1,417,024,221	1,417,024,215	95.94	95.94	—	—
(B)	**Public shareholding**							
(1)	**Institutions**							
(a)	Mutual Funds/ UTI	—	—	—	—	—	—	—
(b)	Financial Institutions/ Banks	—	—	—	—	—	—	—
(c)	Central Government/ State Government(s)	—	—	—	—	—	—	—
(d)	Venture Capital Funds	—	—	—	—	—	—	—
(e)	Insurance Companies	—	—	—	—	—	—	—
(f)	Foreign Institutional Investors	—	—	—	—	—	—	—
(g)	Foreign Venture Capital Investors	—	—	—	—	—	—	—

Category code	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a percentage
(h)	Any Other (specify)	—	—	—	—	—	—	—
	Sub-Total (B)(1)	—	—	—	—	—	—	—
(2)	**Non-institutions**							
(a)	Bodies Corporate	1	205	0	0.00	0.00	—	—
(b)	Individuals -	—	—	—	—	—	—	—
	i. Individual shareholders holding nominal share capital up to ₹ 1 lakh.	—	—	—	—	—	—	—
	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	—	—	—	—	—	—	—
(c)	Any Other (Private Equity Fund)	2	60,000,000	60,000,000	4.06	4.06	—	—
	Sub-Total (B)(2)	**3**	**60,000,205**	**60,000,000**	**4.06**	**4.06**	—	—
	Total Public Shareholding (B)= (B)(1)+(B)(2)	**3**	**60,000,205**	**60,000,000**	**4.06**	**4.06**	—	—
	TOTAL (A)+(B)	**10**	**1,477,024,426**	**1477,024,215**	**100**	**100**	**—**	**—**
(C)	Shares held by Custodians and against which Depository Receipts have been issued							
	GRAND TOTAL A)+(B)+(C)	**10**	**1,477,024,426**	**1,477,024,215**	**100**	**100**	**—**	**—**

* *Including six Equity Shares held by six persons jointly with L&T.*

1. **Other than as set out below, no Equity Shares have been issued at a price, which may be less than the Issue Price during the year prior to the date of the Prospectus:**

Name of the allottee	Whether part of Promoter Group	Date of Allotment	No. of Equity Shares issued	Price in ₹ (per Equity Share)	Reasons for the issue
Larsen & Toubro Limited	Yes	September 20, 2010	63,432,835	67*	Preferential allotment to L&T
MACE CIPEF Limited	No	July 7, 2011	57,768,000	55**	Pre-IPO Placement#
MACE CGPE Limited	No	July 7, 2011	2,232,000	55**	Pre-IPO Placement#

* *Including premium of ₹57 per Equity Share.*

** *Including premium of ₹45 per Equity Share*

\# *The funds raised by way of the Pre-IPO Placement shall be utilised towards the objects of the Issue. For further details please "Objects of the Issue" on page 110.*

2. **None of our Directors or Key Management Personnel hold Equity Shares in our Company, other than as set out below:**

Name	No. of Equity Shares	% of pre-Issue equity share capital
Mr. Y. M. Deosthalee*	1	0.00
Mr. R. Shankar Raman*	1	0.00
Mr. N. Sivaraman*	1	0.00
Total	**3**	**0.00**

* *Held jointly with L&T*

3. The Company, the Directors, Promoter, Promoter Group and the Lead Managers have not entered into any buy-back and/or standby arrangements for the purchase of the Equity Shares of our Company from any person.

4. There are no financing arrangements wherein the Promoter Group, the directors of the Promoter, the Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company, during the period six months immediately preceding the date of filing the Draft Red Herring Prospectus with SEBI.

5. As of the date of this Prospectus, no shares of our Company have been pledged by the Promoter or the Promoter Group.

6. Our Company has not issued any Equity Shares out of revaluation reserves or for consideration other than cash.

7. There has been no purchase or sale of Equity Shares by the Promoter, the Promoter Group, the directors of the Promoter, our Directors and their immediate relatives during the six months immediately prior to the filing of the Draft Red Herring Prospectus with SEBI.

8. At least 50% of the Net Issue shall be allotted to QIBs on a proportionate basis provided that up to 30% of the QIB Portion may be allocated to Anchor Investors on a discretionary basis. 5% of the Net QIB Portion shall be available for allocation to Mutual Funds only and the remaining QIB Portion shall be available for allocation to the QIB Bidders including Mutual Funds subject to valid Bids being received at or above the Issue Price. If at least 50% of the Net Issue cannot be Allotted to QIBs, then the entire application money shall be refunded forthwith. Further, not less than 15% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue will be available for allocation to Retail Individual Bidders, subject to valid Bids being received from them at or above the Issue Price. Spill-over to the extent of any under subscription in any of the Employee Reservation Portion or the L&T Shareholders Reservation

Portion may be permitted from any of the Employee Reservation Portion or the L&T Shareholders Reservation Portion, as the case may be, subject to which spill-over shall be permitted from the Net Issue in the following order of preference: (1) Retail Portion; (2) Non-Institutional Portion; and (3) QIB Portion. Provided that at least 50% of the Net Issue shall be Allotted to QIBs and in the event at least 50% of the Net Issue cannot be Allotted to QIBs, the entire application money shall be refunded forthwith. In the event of under subscription in the Net Issue, spill over to the extent of under subscription shall be allowed from the Employee Reservation Portion and/or the L&T Shareholders Reservation Portion, as the case may be. In case of under subscription in any category other than the QIB Portion, investors from other categories or a combination of categories may be allocated Equity Shares amounting to the shortfall if so decided by our Company in consultation with the Lead Managers and the Designated Stock Exchange. Under subscription, if any, in the Non-Institutional and Retail Individual categories would be allowed to be met with spill over from any other category at the discretion of our Company in consultation with the Lead Managers and the Designated Stock Exchange.

9. The Issue includes an Employee Reservation Portion of 10,000,000 Equity Shares for subscription by Eligible Employees, for cash, at a price of ₹ 50 per Equity Share (including a share premium of ₹ 40 per Equity Share), aggregating to ₹ 500 million and an L&T Shareholders Reservation Portion of 23,076,923 Equity Shares for subscription by L&T Shareholders, for cash, at a price of ₹ 52 per Equity Share (including a share premium of ₹ 42 per Equity Share), aggregating to ₹ 1,200 million. Our Company in consultation with the Lead Managers has offered a discount of ₹ 2 to the Issue Price to the Eligible Employees.

10. On July 7, 2011, our Company has, by way of a Pre-IPO Placement, allotted 57,768,000 Equity Shares and 2,232,000 Equity Shares to MACE CIPEF Limited and MACE CGPE Limited, respectively, for an aggregate consideration of ₹ 3,300,000,000 at a subscription price of ₹ 55 per Equity Share.

11. The Equity Shares are fully paid up and there are no partly paid up Equity Shares as on the date of filing this Prospectus.

12. The Equity Shares issued pursuant to the Issue shall be fully paid-up at the time of Allotment.

13. A Bidder cannot make a Bid for more than the number of Equity Shares offered through the Issue and such Bids are subject to the maximum limit of investment prescribed under relevant laws applicable to each category of Bidder.

14. Our Company has not raised any bridge loan against the proceeds of the Issue.

15. As of the date of filing of this Prospectus, the total number of holders of Equity Shares is ten.

16. Except as disclosed in this Prospectus, there will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of filing of the Draft Red Herring Prospectus with SEBI until the Equity Shares issued/ to be issued pursuant to the Issue have been listed or all application moneys have been refunded on account of failure of the Issue.

17. We presently do not intend or propose to alter our capital structure for six months from the date of opening of the Issue, by way of split or consolidation of the denomination of the Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise, including any issue of bonus or rights and any further public issue of securities and any qualified institutions placement other than the grant of options or issuance of Equity Shares pursuant to the exercise of options pursuant to the ESOP Scheme. However, during such period or at a later date, we may issue Equity Shares or securities linked to Equity Shares to finance an acquisition, merger, strategic alliance or joint venture by us, or as consideration for such acquisition, merger or joint venture, or for regulatory compliance or such other scheme of arrangement if an opportunity of such nature is determined by our Board to be in the best interests of our Company.

18. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. The Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

19. The Company, the Directors, the Promoters, the Promoter Group and the Group Companies shall not make any payments, direct or indirect, discounts, commissions, allowances or otherwise under this Issue other than as disclosed in this Prospectus.

20. Neither the Promoters, nor the Promoter Group, nor the Group Companies will participate in this Issue. Our Promoter, L&T, is a widely held listed company and does not have any identified promoter or promoter group.

21. The Company has not made any public issue of Equity Shares since its incorporation.

22. The Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group between the date of filing the Red Herring Prospectus with the ROC and the Bid/Issue Closing Date are reported to the Stock Exchanges within 24 hours of such transaction.

23. An over-subscription to the extent of 10% of the Issue can be retained for purposes of rounding off to the nearest multiple of the minimum allotment lot while finalizing the basis of allotment.

24. As of the date of this Prospectus, none of the Lead Managers and their associates hold any Equity Shares in our Company.

25. Our Company has by a board resolution dated September 25, 2010 and shareholders' resolution dated November 29, 2010, instituted an ESOP Scheme. The ESOP Scheme is in compliance with the ESOP Guidelines. The total dilution due to grant of options under the ESOP Scheme shall not exceed 2% of the post-Issue paid-up capital. The details of the ESOP Scheme are set out below.

Description	**Fiscal 2009**	**Fiscal 2010**	**Fiscal 2011**	**Cumulative as of the date of this Prospectus**
Options granted	N/A	N/A	10,750,000	10,750,000
Pricing formula	The exercise price of the options would be a price which will be at a discount of 15% of the Issue Price.			
Options vested	N/A	N/A	Nil	Nil
Options exercised and total number of Equity Shares arising as a result of exercise of Options	N/A	N/A	Nil	Nil
Options lapsed/cancelled	N/A	N/A	Nil	Nil
Total number of Equity Shares arising as a result of the exercise of the options (assuming vesting of the valid options and exercise of all the valid options vested)	N/A	N/A	10,750,000	10,750,000
Variations in terms of Options	N/A	N/A	Nil	Nil
Money realised by exercise of Options	N/A	N/A	Nil	Nil
Total number of Options in force	N/A	N/A	10,750,000	10,750,000
Vesting schedule	The options will vest in the ratio of 15%, 20%, 30% and 35% at the end of one, two, three and four years, respectively, from the date of grant.			
Option granted to senior managerial personnel	0			
of which 1. Options Granted to Key Managerial Personnel; and	Nil			
2. Options Granted to the Directors of the Company	Nil			
Options granted to any employee equal to or exceeding 1% of the issued capital of our Company at the time of grant	N/A	N/A	Nil	Nil
Options granted to any employee equal to or exceeding 5% of the total options granted under the ESOP	N/A	N/A	Nil	Nil
Diluted earning per share ("**EPS**") as reported on an unconsolidated basis, pursuant to the issue of Equity Shares on exercise of options	N/A	N/A	0.01	N/A*

Description	**Fiscal 2009**	**Fiscal 2010**	**Fiscal 2011**	**Cumulative as of the date of this Prospectus**
Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed.	N/A	N/A	Impact of ESOP Compensation charge on profits and on EPS from date of grant to the date of this Prospectus is ₹ 16.65 million and ₹ 0.01, respectively	Impact of ESOP Compensation charge on profits from date of grant to the date of this Prospectus is ₹ 33.84 million*
Weighted average exercise prices and weighted average fair values of options	Weighted average exercise price is the price which will be at a discount of 15% of the Issue Price. Weighted average fair value of the options ₹ 21.32 per option.			
Lock-in	The Options once granted shall not vest before a period of one year.			
Impact on profits and EPS of the last three years based on the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme), Guidelines, 1999.	N/A	N/A	Impact of ESOP Compensation charge on profits and on EPS from date of grant to the date of this Prospectus is ₹ 1.69 million and Nil, respectively	Impact of ESOP Compensation charge on profits from date of grant to the date of this Prospectus is ₹ 3.44 million*

* *The impact on earnings per share (EPS) is not given as the latest audited financial statements are as of and for the year ended March 31, 2011.*

OBJECTS OF THE ISSUE

The Issue

The objects of the Issue are to repay the intercorporate deposit issued by our Promoter to our Company, to augment the capital base of L&T Finance and L&T Infra to meet the capital requirements arising out of expected growth in their assets, primarily the loan portfolio, compliance with regulatory requirements and for other general corporate purposes including meeting the expenses of the Issue.

We intend to utilise the proceeds of the Issue for the following objects:

1) Repayment of intercorporate deposit issued by our Promoter to our Company;

2) To augment the capital base of L&T Finance and L&T Infra, to meet the capital adequacy requirements to support the future growth in their business;

3) To achieve the benefits of listing on the Stock Exchanges; and

4) For other general corporate purposes including meeting the expenses of the Issue.

The main objects clause of our Memorandum of Association and objects incidental to the main objects enable us to undertake our existing activities and the activities for which funds are being raised by us through the Issue.

The details of proceeds of the Issue are summarized in the following table:

Description	Amount
	(₹ million)
Gross proceeds of the Issue	15,750*
Issue Expenses	485.62
Net proceeds of the Issue	15,264.38

** This includes ₹3,300,000,000 raised through the Pre-IPO Placement*

Requirement of Funds

We intend to utilize the net proceeds of the Issue of ₹ 15,264.38 million ("**Net Proceeds**") for financing the objects as set forth below:

S. No	Expenditure Items	Total
		(₹ million)
1	Repayment of intercorporate deposit issued by our Promoter to our Company	3,450
2	Infusion of capital in L&T Finance Limited	5,150
3	Infusion of capital in L&T Infrastructure Finance Company Limited	4,850
4	General Corporate Purposes	1,814.38

The fund requirements in the table above are based on our current business plan and estimates, and are inclusive of the Pre-IPO Placement. In view of the dynamic and competitive business environment in which our Subsidiaries operate, we may have to revise our capital infusion plans. This may include rescheduling of our investments or increase or decrease the capital allocation out of the issue proceeds to our subsidiaries, in line with the requirements of the business and at the discretion of our management.

Details of the Objects

1. ***Repayment of intercorporate deposit issued by our Promoter to our Company***

Our Promoter has issued an intercorporate deposit ("**ICD**") to our Company, on March 28, 2011, for an aggregate amount of ₹ 3,450 million. The terms of the ICD are as follows:

Coupon rate – 9%;

Repayment – Bullet repayment at the end of 12 months; and

Interest payment – Quarterly basis.

The ICD was utilised by our Company on March 28, 2011 to subscribe to shares of its subsidiaries, L&T Finance, L&T Infra and IIDL, on the following terms:

Sr. No.	Subsidiary	Particulars of capital infusion*
1.	L&T Finance Limited	11,250,000 equity shares of ₹ 10 each, at a premium of ₹ 190, aggregating to ₹ 2,250 million
2.	L&T Infrastructure Finance Company Limited	18,750,000 equity shares of ₹ 10 each, at a premium of ₹ 30, aggregating to ₹ 750 million
3.	India Infrastructure Developers Limited	45,000,000 equity shares of ₹ 10 each, , at par, aggregating to ₹ 450 million

**As certified by way of a certificate dated March 29, 2011 issued by M/s Sharp & Tannan.*

L&T Finance and L&T Infra are NBFC-ND-SI, and IIDL is an NBFC-ND, each of which is regulated by the RBI, in accordance with the RBI guidelines and are required to maintain a minimum ratio of capital to risk adjusted assets and off-balance sheet items. L&T Finance and L&T Infra required capital to support their expanding business portfolio as well as to meet the higher capital to risk (weighted) average ratio requirements as at March 31, 2011 and IIDL required capital to meet its capital requirements arising out of planned growth in its loan portfolio. Such equity infusions benefit the Company by virtue of the enhanced value of its investments in L&T Finance, L&T Infra and IIDL.

2. ***To augment the capital base of L&T Finance and L&T Infra, to meet the capital adequacy requirements to support the future growth in their business***

Our subsidiaries, L&T Finance and L&T Infra, are NBFC-ND-SI regulated by RBI. RBI guidelines require these companies to maintain a minimum ratio of capital to risk adjusted assets and off-balance sheet items. For further details please refer to the section titled "*Regulations and Policies in India*" on page 197 of this Prospectus for a discussion on the capital adequacy requirements. We expect that additional capital would be required by L&T Finance and L&T Infra on account of future asset growth and compliance with regulatory requirements. Neither of the aforesaid subsidiaries has a stated dividend policy.

General Corporate Purposes

We will have flexibility in applying ₹ 1,814.38 million of the Net Proceeds for general corporate purposes, including (i) brand building and other marketing efforts; (ii) acquiring fixed assets including land, building, furniture and fixtures and vehicles; (iii) meeting any expense of our Company and our Subsidiaries, including salaries and wages, rent, administration, insurance, repairs and maintenance, payment of taxes and duties; (iv) repayment of loans; (v) meeting expenses incurred in the ordinary course of business; (vi) inorganic or other growth opportunities; (vii) infusion of funds in our subsidiaries by way of equity or debt ; and (viii) any other purpose as may be approved by our Board of Directors or a duly appointed committee from time to time.

Our management, in accordance with the policies of the Board, will have flexibility in utilizing any amounts for general corporate purposes under the overall guidance and policies of our Board.

Issue Related Expenses

The expenses of this Issue include, among others, underwriting and management fees, printing and distribution expenses, legal fees, advertisement expenses and listing fees. The estimated Issue expenses are as follows:

Activity	Expenses	% of Issue Size*	% of Issue expenses*
	(₹ in million)		

Activity	Expenses	% of Issue Size*	% of Issue expenses*
	(₹ in million)		
Lead management fee and underwriting commissions	216.01	1.74%	44.48%
Processing fee to the SCSBs for processing ASBA Bid cum Application Forms procured by members of the Syndicate and submitted to SCSBs under the Syndicate ASBA process†	1.38	0.01%	0.28%
Advertising and marketing expenses	175.50	1.41%	36.14%
Printing and stationery	31.35	0.25%	6.46%
IPO grading expenses..	2.80	0.02%	0.58%
Others (SCSB commission, Registrar's fee, legal fees, auditor fees, Stamp Duty, Listing Charge etc.).	58.58	0.46%	12.06%
Total...	**485.62**	**3.89%**	**100.00%**

† *SCSBs would be entitled to a processing fee in the range of ₹ 15 – ₹ 20 for processing the ASBA Bid cum Application Forms procured by members of the Syndicate and submitted to the SCSBs under the Syndicate ASBA process.*

Interim use of funds

The management of our Company, in accordance with the policies established by our Board from time to time and subject to the relevant regulations of RBI, will have flexibility in deploying the proceeds of the Issue. Pending utilization for the purposes described above, we intend to invest the funds in high quality interest bearing liquid instruments, including investments in short-term deposits with banks or financial institutions and other money market instruments.

Monitoring Utilization of Funds

Our Board and Audit Committee and the Monitoring Agency will monitor the utilization of the Issue proceeds. We will disclose the details of the utilization of the Issue proceeds, including interim use, under a separate head in our financial statements until the completion of utilisation of the Issue proceeds, specifying the purpose for which such proceeds have been utilized or otherwise disclosed as per the disclosure requirements of the Listing Agreements. We will indicate investments, if any, of unutilized Net Proceeds in our balance sheet. In connection with the utilisation of the Net Proceeds, our Company shall comply with the Listing Agreements, including Clauses 43A and 49, as amended from time to time.

Pursuant to Clause 49 of the Listing Agreements with the Stock Exchanges, our Company shall on a quarterly basis disclose to the Audit Committee, the uses and applications of the Net Proceeds. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than those stated in this Prospectus and place it before the Audit Committee. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement will be certified by our statutory auditors. In addition, the report submitted by the monitoring agency will be placed before the Audit Committee of our Company, so as to enable the Audit Committee to make appropriate recommendations to the Board.

Our Company shall, in accordance with Clause 43A of the Listing Agreements with the Stock Exchanges, be required to inform material deviations in the utilization of Net Proceeds to the Stock Exchanges and shall also be required to simultaneously make the material deviations and adverse comments of the Audit Committee or monitoring agency public through advertisements in newspapers.

Other confirmations

No part of the proceeds of the Issue will be paid by us as consideration to our Promoter, our Directors, Group Companies, associates or Key Management Personnel, except as set out above, in the normal course of business and in compliance with applicable law.

BASIS FOR ISSUE PRICE

The Issue Price shall be determined by our Company in consultation with the Lead Managers on the basis of assessment of market demand for the Equity Shares determined through the Book Building Process and on the basis of the following qualitative and quantitative factors. The face value of the Equity Shares is ₹ 10 each and the Issue Price is 5.2 times the face value. Investors should review the entire Prospectus, including the sections "*Risk Factors*", "*Industry Overview*", "*Our Business*" "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Information*" on pages 18, 125, 142, 266 and F-1, respectively, of this Prospectus before making an investment decision.

Qualitative Factors

For a detailed discussion on the qualitative factors, which form the basis for computing the Issue Price, please refer to the sections titled "*Our Business*" and "*Risk Factors*" on pages 142 and 18, respectively, of this Prospectus.

Quantitative Factors

Information presented in this section is derived from our Company's consolidated restated financial statements prepared in accordance with Indian GAAP, the Companies Act and the SEBI ICDR Regulations.

Some of the quantitative factors, which form the basis for computing the price, are as follows:

Basic and Diluted Earnings per Share ("EPS")[1]

Basic EPS:

Period	Consolidated (₹ per Equity Share)	Weights
Year ended March 31, 2009	(0.36)	1
Year ended March 31, 2010	2.17	2
Year ended March 31, 2011	2.87	3
Weighted Average	**2.10**	

Diluted EPS:

Period	Consolidated (₹ per Equity Share)	Weights
Year ended March 31, 2009	(0.05)	1
Year ended March 31, 2010	2.17	2
Year ended March 31, 2011	2.83	3
Weighted Average	**2.13**	

Note:

1. *EPS calculations are done in accordance with Accounting Standard 20 "Earnings per Share".*
2. *The face value of each Equity Share is ₹ 10.*

Price Earning Ratio ("P/E") in relation to the Issue Price of ₹ 52 per Equity Share of face value of ₹ 10 each

Sr. No.	Particulars	Consolidated
1.	P/E ratio based on basic EPS for the year ended March 31, 2011 at the Issue Price: ..	18.1
2.	P/E ratio based on diluted EPS for the year ended March 31, 2011 at the Issue Price:	18.4
3.	P/E ratio based on weighted average EPS for the year ended March 31, 2011 at the Issue Price:	24.8
4.	***Industry P/E****	

Sr. No.	Particulars	Consolidated
	Highest	15.4
	Lowest	7.6
	Industry Composite**	10.6

* P/E based on Fiscal Year 2011 basic EPS for the industry peers mentioned below.
** Average of industry peers as mentioned below

Return on Net worth ("RoNW")

Period	Consolidated (%)	Weights
Year ended March 31, 2009	0.00	1
Year ended March 31, 2010	11.21	2
Year ended March 31, 2011	13.58	3
Weighted Average	**10.53**	

Minimum Return on Net Worth after Issue needed to maintain Pre-Issue EPS for Fiscal Year 2011:

(a) **Based on Basic EPS**

At the Issue Price – 11.02 % based on the consolidated financial statements.

(b) **Based on Diluted EPS**

At the Issue Price – 10.87 % based on the consolidated financial statements.

Net Asset Value per Equity Share

	NAV (₹)
Period	**Consolidated**
As on March 31, 2009	2,229.70
As on March 31, 2010	15.31
As on March 31, 2011	20.40
NAV after the Issue	16.86
Issue Price	52.00

Comparison with industry peers

	Face Value (₹)	EPS (₹)*	P/E#	RoNW for Fiscal 2011(%)	Book Value per share for Fiscal 2011(₹)
L&T Finance Holdings Limited**	10	2.87	18.1	13.58	20.40
Shriram Transport Finance Company Limited	10	53.92	12.1	24.87	216.37
Mahindra & Mahindra Financial Services	10	50.92	12.3	19.36	244.70
IDFC	10	8.77	15.4	11.39	76.97
Rural Electrification Corporation	10	26.18	7.6	20.15	129.90
Power Finance Corporation	10	23.06	8.3	17.37	132.79

	Face Value (₹)	EPS (₹)*	P/E#	RoNW for Fiscal 2011(%)	Book Value per share for Fiscal 2011(₹)
Sundaram Finance...	10	70.01	7.7	21.53	325.22

* ***Source**: Respective annual reports / extracts of financial statements of the companies, as available, for the Fiscal Year 2011.*

** *Based on the consolidated and restated financial statements for the year ended March 31, 2011.*

Information on industry peers is on a consolidated basis, as applicable

\# *Based on closing market price as on July 1, 2011 and Basic EPS for the year ended March 31, 2011, extracted from the respective annual reports / extracts of financial statements of the companies, as available.*

The Issue Price of ₹ 52 has been determined by our Company, in consultation with the Lead Managers on the basis of the demand from investors for the Equity Shares determined through the Book Building Process and is justified based on the above accounting ratios. For further details, refer to the section titled "*Risk Factors*" on page 18 and the financials of our Company including important profitability and return ratios, as set out in the section titled "*Financial Information*" on page F-1 of this Prospectus.

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

L: 117/MPP/ July 4, 2011

The Board of Directors

L&T Finance Holdings Limited

(formerly L&T Capital Holdings Limited)

L&T House

Ballard Estate

Mumbai 400 001

Dear Sirs,

Statement of Possible Tax Benefits available to L&T Finance Holdings Limited and its shareholders

We hereby report that the enclosed statement provides the possible tax benefits available to L&T Finance Holdings Limited ('the Company') under the Income-tax Act, 1961 presently in force in India and to the shareholders of the Company under the Income Tax Act, 1961 and Wealth Tax Act, 1957 and the Gift Tax Act, 1958, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfil.

The benefits discussed in the enclosed statement are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

We do not express any opinion or provide any assurance as to whether:

i) the Company or its shareholders will continue to obtain these benefits in future; or

ii) the conditions prescribed for availing the benefits have been / would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.

SHARP & TANNAN

Chartered Accountants

Registration No: 109982W

by the hand of

MILIND P. PHADKE

Partner

Membership No: 033013

General Tax Benefits to the Company:

1. Dividends earned are exempt from tax in accordance with and subject to the provisions of Section 10(34) read with Section 115-O of the Act. However, as per Section 94(7) of the Act, losses arising from sale/ transfer of shares, where such shares are purchased within three months prior to the record date and sold within three months from the record date, will be disallowed to the extent such loss does not exceed the amount of dividends claimed exempt.

2. As per Section 10(35) of the Act, the following incomes will be exempt from tax in the hands of company.

    a. Income received in respect of the units of a Mutual Fund specified under Section 10(23D); or
    b. Income received in respect of units from the administrator of the specified undertaking; or
    c. Income received in respect of units from the specified company:

3. The Company will be entitled to amortise certain preliminary expenditure, specified under Section 35D(2) of the Act, subject to the limit specified in Section 35D(3). The deduction is allowable for an amount equal to one-fifth of such expenditure for each of five successive assessment years beginning with the assessment year in which the business commences.

4. Income by way of interest, premium on redemption or other payment on notified securities, bonds, certificates issued by the Central Government is exempt from tax under Section 10(15) of the Act, in accordance with and subject to the conditions and limits as may be specified in the notifications.

5. The depreciation rates in respect of motor cars is 15%, furniture and fittings is 10%, intangible assets is 25%, computers 60%, buildings (Residential) is 5% and buildings (others) is 10%. (Under Section 32 of the Act, the company is entitled to claim deprecation subject to the conditions specified therein, at the prescribed rates on its specified assets used for its business.)

6. The amount of tax paid under Section 115JB of the Act, by the company for any assessment year beginning on or after 1st April, 2010 will be available as credit to the extent specified in Section 115JAA for ten years succeeding the assessment year in which MAT credit becomes allowable in accordance with the provisions of Section 115JAA.

7. In case of loss under the head 'Profit and gains from business or profession', it can be set-off against any other head of income in accordance with the provision of Section 71 and the excess loss after set-off can be carried forward for set-off against 'Profit and gain from business or profession' of the next eight assessment years.

8. The unabsorbed depreciation, if any, can be adjusted against any other income and can be carried forward indefinitely for set-off against the income of future years.

9. If the company invests in the equity shares of another company, or unit in equity oriented fund as per the provisions of Section 10(38), any income arising from the transfer of a long- term capital asset being an equity share in a company or unit in equity oriented fund is not includible in the total income, if the transaction is chargeable to securities transaction tax.

10. Income earned from investment in units of a specified mutual fund specified under Clause 10(23D) is exempt from tax under Section 10(35). However, as per Section 94(7), losses arising from the sale/redemption of units purchased within three months prior to the record date (for entitlement to receive income) and sold within nine months from the record date, will be disallowed to the extent such loss does not exceed the amount of income claimed exempt.

11. Further, as per Section 94(8), if an investor purchases units within three months prior to the record date for entitlement of bonus and is allotted bonus units without any payment on the basis of holding original units on the record date and such person sells/ redeems the original units within nine months of the record date, then the loss arising from sale/redemption of the original units will be ignored for the purposes of computing income chargeable to tax and the amount of loss ignored shall be regarded as the cost of acquisition of the bonus units.

12. In accordance with Section 112, the tax on capital gains on transfer of listed securities or units or zero coupon bonds where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be the lower of:

(a) 20 per cent (plus applicable surcharge and education cess and secondary and higher secondary education cess) of the capital gains as computed after indexation of the cost, or

(b) 10 per cent (plus applicable surcharge and education cess and secondary and higher secondary education cess) of the capital gains as computed without indexation.

13. In accordance with Section 111A, the tax on capital gains arising from the transfer of a short term asset being an equity share in a company or a unit of an equity oriented fund, is chargeable to tax at the rate of 15% (plus applicable surcharge and education cess and secondary and higher secondary education cess), where such transaction is chargeable to securities transaction tax. And if the provisions of Section 111A are not applicable to the short term capital gains, in case of non chargeability to securities transaction tax, then the tax will be chargeable at the normal rates of tax (plus surcharge and education cess and secondary and higher secondary education cess, as applicable.)

14. Under Section 36(1)(vii), any bad debt or part thereof written off as irrecoverable in the accounts is allowable as a deduction from the total income.

15. Under Section 36(1)(viii), subject to the conditions specified therein, a deduction is allowable in respect of an amount not exceeding 20% of the profits derived from eligible business (*viz.*, providing long-term finance for industrial or agricultural development or development of infrastructure facility in India or development of housing in India) provided such amount is transferred to a special reserve account created and maintained for this purpose. Provided that where the aggregate of the amounts carried to such reserve account from time to time exceeds twice the amount of the paid up share capital and general reserves, no further deduction shall be allowable in respect of such excess.

16. Section 14A restricts claim for deduction of expenses incurred in relation to incomes which does not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income is not a tax deductible expenditure.

Section 115-O

Tax rate on distributed profits of domestic companies (DDT) is 15%, the surcharge on income tax is @5%, and the education cess is @2% and secondary and higher secondary education cess@1%.

Tax Rates

The tax rate is 30%. The surcharge on income tax is 5%, only if, the total income exceeds ₹ 10.0 million. Education cess is @2% and secondary and higher secondary education cess is @1%.

Special Tax Benefits to the Company

There are no special benefits accruing to the company.

General Tax Benefits to the Shareholders of the Company

(I) Under the Income-tax Act,1961

A) Residents

1. Dividends earned on shares of the domestic company are exempt from tax in accordance with and subject to the provisions of Section 10(34) read with section 115-O. However, as per Section 94(7), losses arising from sale/ transfer of shares, where such shares are purchased within three months prior to the record date and sold within three months from the record date, will be disallowed to the extent such loss does not exceed the amount of dividend claimed exempt.

2. Shares of the company held as capital asset for a period of more than twelve months preceding the date of transfer will be treated as a long-term capital asset.

3. Long-term capital gain arising on sale of equity shares or unit of an equity oriented fund is fully exempt from tax in accordance with the provisions of Section 10(38), where the sale is made on or after 1st October, 2004 on a recognized stock exchange and the transaction is chargeable to securities transaction tax.

4. Section 14A restricts claim for deduction of expenses incurred in relation to incomes which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income (i.e. dividend) is not a tax deductible expenditure.

5. Under Section 36(1)(xv), securities transaction tax paid by a shareholder in respect of taxable securities transactions entered into in the course of its business, would be allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head 'Profits and gains of business or profession'.

6. As per the provision of Section 71(3), if there is a loss under the head 'Capital gains', it cannot be set-off against the income under any other head. Section 74 provides that the short-term capital loss can be set-off against both short-term and long-term capital gain. But long-term capital loss cannot be set-off against short-term capital gain. The unabsorbed short-term capital loss can be carried forward for next eight assessment years and can be set off against any capital gains in subsequent years. The unabsorbed long-term capital loss can be carried forward for next eight assessment years and can be set off only against long-term capital gains in subsequent years.

7. Taxable long term capital gains would arise (if not exempt under Section 10(38) or any other section of the Act) to a resident shareholder where the equity shares or units or zero coupon bonds are held for a period of more than 12 months prior to the date of transfer of the shares. In accordance with and subject to the provisions of Section 48, in order to arrive at the quantum of capital gains, the following amounts would be deductible from the full value of consideration:

   (a) Cost of acquisition/ improvement of the shares as adjusted by the cost inflation index notified by the Central Government; and
   (b) Expenditure incurred wholly and exclusively in connection with the transfer of shares. Under Section 112, taxable long-term capital gains are subject to tax @20% (plus applicable surcharge and education cess) after indexation, as provided in the second proviso to Section 48. However, in case of listed securities or units, the amount of such tax could be limited to 10% (plus applicable surcharge and education cess), without indexation, at the option of the shareholder.

8. Short-term capital gains on the transfer of equity shares or units of an equity oriented fund where the shares are held for a period of not more than 12 months would be taxed @15% (plus applicable surcharge and education cess), where the sale is made on or after 1st October, 2004 on a recognized stock exchange and the transaction is chargeable to securities transaction tax. In all other cases, the short-term capital gains would be taxed at the normal rates of tax (plus applicable surcharge and education cess) applicable to the resident investor. Cost indexation benefits would not be available in computing tax on short-term capital gain.

9. Under Section 54EC, long-term capital gain arising on the transfer of shares of the company (other than the sale referred to in Section 10(38)) is exempt from tax to the extent the same is invested in certain 'Long term specified asset' within a period of six months from the date of such transfer (up to a maximum limit of ₹ 5.00 million) for a minimum period of three years.

10. In accordance with Section 54F, long-term capital gains arising on the transfer of the shares of the company held by an individual or Hindu Undivided Family and on which securities transaction tax is not payable, shall be exempt from capital gains tax if the net consideration is utilised, within a period of one year before, or two years after the date of transfer, in the purchase of a new residential house, or for construction of a residential house within three years. Such benefit will not be available if the individual-

    (a) owns more than one residential house, other than the new residential house, on the date of transfer of the shares; or

    (b) purchases another residential house within a period of one year after the date of transfer of the shares; or

    (c) constructs another residential house within a period of three years after the date of transfer of the shares; and

    (d) the income from such residential house, other than the one residential house owned on the date of transfer of the original asset, is chargeable under the head Income from house property.

If only a part of the net consideration is so invested, so much of the capital gains as bears to the whole of the capital gain the same proportion as the cost of the new residential house bears to the net consideration shall be exempt.

If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, shall be deemed to be income chargeable under the head Capital Gains of the year in which the residential house is transferred.

Tax Rates

For Individuals, HUFs, BOI and Association of Persons:

Slab of income	%
0 – ₹180,000	Nil
₹180,001 – ₹ 500,000	10
₹500,001 – ₹ 8,00,000	20
₹ 800,001 and above	30

Notes:

i. In respect of women residents below the age of 60 years, the basic exemption limit is ₹ 190,000.

ii. In respect of every individual resident in India who is of the age of sixty years or more but less than eighty years, the basic exemption limit is ₹ 250,000.

iii. In respect of every individual resident in India who is of the age of eight years or more the basic exemption limit is ₹5,00,000.

iv. Education cess will be levied at the rate of 2% on income tax and Secondary and Higher Secondary Education cess at the rate of 1%.

B) Non-Residents:

1. Dividends earned on shares of the domestic Company are exempt in accordance with and subject to the provisions of Section 10(34) of the Act read with Section115-O. However, as per Section 94(7) of the Act, losses arising from sale/ transfer of shares, where such shares are purchased within three months prior to the record date and sold within three months from the record date, will be disallowed to the extent such loss does not exceed the amount of dividend claimed exempt.

2. Long term capital gain arising on sale of Company‘s Equity shares or units of an equity oriented fund, is fully exempt from tax in accordance with the provisions of Section 10(38) of the Act, where the sale is made on or after 1st October, 2004 on a recognized stock exchange and the transaction is chargeable to securities transaction tax.

3. In accordance with Section 48 of the Act, capital gains arising out of transfer of capital assets being shares in the company shall be computed by converting the cost of acquisition, expenditure in connection with such transfer and the full value of the consideration received or accruing as a result of the transfer into the same foreign currency as was initially utilised in the purchase of the shares and the capital gains computed in such foreign currency shall be reconverted into Indian currency, such that the aforesaid manner of computation of capital gains shall be applicable in respect of capital gains accruing/arising from every reinvestment thereafter in, and sale of, shares and debentures of, an Indian company including the Company. Cost indexation benefit will not be available in such a case.

4. As per the provisions of Section 90(2) of the Act, the Non Resident shareholder has an option to be governed by the provisions of the tax treaty, if they are more beneficial than the domestic law wherever India has entered into Double Taxation Avoidance Agreement (DTAA) with the relevant country for avoidance of double taxation of income.

5. In accordance with Section 112 of the Act, the tax on capital gains on transfer of listed securities or units or zero coupon bonds where the transaction is not chargeable to Securities Transaction Tax, held as long term capital assets will be at the rate of 20% (plus applicable surcharge and Education Cess and Secondary and Higher Secondary Education Cess). A non-resident will not be eligible for adopting the indexed cost of acquisition and the indexed cost of improvement for the purpose of computation of long-term capital gain on sale of shares.

6. In accordance with Section 111A of the Act, the tax on capital gains arising from the transfer of a short term asset being an equity share in a company or a unit of an equity oriented fund, is chargeable to tax at the rate of 15% (plus applicable surcharge and Education Cess and Secondary and Higher Secondary Education Cess), where such transaction is chargeable to Securities Transaction Tax. If the provisions of Section 111A are not applicable to the short term capital gains, then the tax will be chargeable at the applicable normal rates plus surcharge and education cess as applicable.

7. Under Section 54EC of the Act, long term capital gain arising on the transfer of shares of the Company (other than the sale referred to in Section 10(38) of the Act) is exempt from tax to the extent the same is invested in certain "Long term specified asset" within a period of six months from the date of such transfer (up to a maximum limit of ₹ 5.0 million) for a minimum period of three years.

8. In accordance with Section 54F of the Act, long-term capital gains arising on the transfer of the shares of the Company held by an individual or Hindu Undivided Family and on which Securities Transaction Tax is not payable, shall be exempt from capital gains tax if the net consideration is utilised, within a period of one year before, or two years after the date of transfer, in the purchase of a new residential house, or for construction of a residential house within three years subject to regulatory feasibility. Such, benefit will not be available if the individual-

   (i) owns more than one residential house, other than the new residential house, on the date of transfer of the shares; or

   (ii) purchases another residential house within a period of one year after the date of transfer of the shares; or

   (iii) construct another residential house within a period of three years after the date of transfer of the shares; and

   (iv) the income from such residential house, other than the one residential house owned on the date of transfer of the original asset, is chargeable under the head Income from house property.

   If only a part of the net consideration is so invested, so much of the capital gains as bears to the whole of the capital gain the same proportion as the cost of the new residential house bears to the net consideration shall be exempt.

   If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, shall be deemed to be income chargeable under the head 'Capital gains' of the year in which the residential house is transferred.

C) Non-Resident Indians

Further, a Non-Resident Indian has the option to be governed by the provisions of Chapter XII-A of the Act, which reads as under:

1. In accordance with Section 115E, income from investment or income from long-term capital gains on transfer of assets other than specified asset shall be taxable at the rate of 20% (plus education cess and secondary and higher secondary education cess). Income by way of long term capital gains in respect of a specified asset (as defined in Section 115C (f)), shall be chargeable at 10% plus education cess at the rate of 2% and secondary and higher secondary education cess at the rate of 1%.

2. In accordance with Section 115F, subject to the conditions and to the extent specified therein, long-term capital gains arising from transfer of shares of the company acquired out of convertible foreign exchange and on which securities transaction tax is not payable, shall be exempt from capital gains tax, if the net consideration is invested within six months of the date of transfer in any specified new asset.

3. In accordance with Section 115G, it is not necessary for a Non-Resident Indian to file a return of income under Section 139(1), if his total income consists only of investment income earned on shares

of the company acquired out of convertible foreign exchange or income by way of long-term capital gains earned on transfer of shares of the company acquired out of convertible foreign exchange or both, and the tax deductible has been deducted at source from such income under the provisions of Chapter XVII-B.

4. In accordance with Section 115-I, where a Non-Resident Indian opts not to be governed by the provisions of Chapter XII-A for any assessment year, his total income for that assessment year (including income arising from investment in the company) will be computed and tax will be charged according to the other provisions of the Act.

   As per Section 115H, where a non-resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the assessing officer, along with his return of income for that year under Section 139, to the effect that the provision of Chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.

   The tax rates and consequent taxation mentioned above will be further subject to any benefits available under Tax Treaty, if any, between India and the country in which the non-resident has fiscal domicile. As per provisions of Section 90(2),the provisions of the domestic law would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the non-resident.

5. As per the provisions of Section 90(2), the NRI shareholder has an option to be governed by the provisions of the Tax Treaty, if they are more beneficial than the domestic law wherever India has entered into DTAA with the relevant country for avoidance of double taxation of income.

6. In accordance with Section 10(38), any income arising from the transfer of a long term capital asset being an equity share in a company is not includible in the total income, if the transaction is chargeable to securities transaction tax.

7. In accordance with Section 10(34), dividend income declared, distributed or paid by the Company (referred to in Section 115-O) will be exempt from tax.

8. In accordance with Section 111A, capital gains arising from the transfer of a short term asset being an equity share in a company or a unit of an equity oriented fund where such transaction has suffered securities transaction tax is chargeable to tax at the rate of 15% (plus applicable surcharge and education cess and secondary and higher secondary education cess). If the provisions of Section 111A, are not applicable to the short term capital gains, then the tax will be chargeable at the applicable normal rates plus education cess at the rate of 2% and secondary and higher secondary education cess at the rate of 1%.

9. Under Section 54EC, long term capital gain arising on the transfer of shares of the Company (other than the sale referred to in Section 10(38)) is exempt from tax to the extent the same is invested in certain notified bonds within a period of six months from the date of such transfer (up to a maximum limit of ₹ 5.00 million) for a minimum period of three years.

10. In accordance with Section 54F, long-term capital gains arising on the transfer of the shares of the Company held by an individual or Hindu Undivided Family on which securities transaction tax is not payable, shall be exempt from capital gains tax if the net consideration is utilised, within a period of one year before, or two years after the date of transfer, in the purchase of a new residential house, or for construction of a residential house within three years subject to regulatory feasibility. Such benefit will not be available if the individual or Hindu Undivided Family-

    (a) owns more than one residential house, other than the new residential house, on the date of transfer of the shares; or

    (b) purchases another residential house within a period of one year after the date of transfer of the shares; or

    (c) constructs another residential house within a period of three years after the date of transfer of the shares; and

    (d) the income from such residential house, other than the one residential house owned on the date of transfer of the original asset, is chargeable under the head 'Income from house property'.

If only a part of the net consideration is so invested, so much of the capital gains as bears to the whole of the capital gain the same proportion as the cost of the new residential house bears to the net consideration shall be exempt.

If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, shall be deemed to be income chargeable under the head 'Capital gains' of the year in which the residential house is transferred.

D) Foreign Institutional Investors (FIIs)

1. In accordance with Section 10(34), dividend income declared, distributed or paid by the domestic company (referred to in Section 115-O) will be exempt from tax.

2. In accordance with Section 115AD, FIIs will be taxed at 10% (plus applicable surcharge and education cess) on long-term capital gains (computed without indexation of cost and foreign exchange fluctuation), if securities transaction tax is not payable on the transfer of the shares and at 15% (plus applicable surcharge and education cess and secondary and higher secondary education cess) in accordance with Section 111A on short-term capital gains arising on the sale of the shares of the company which is subject to securities transaction tax. If the provisions of Section 111A are not applicable to the short-term capital gains, then the tax will be charged at the rate of 30% plus applicable surcharge and education cess and secondary and higher secondary education cess, as applicable.

   In accordance with Section 10(38), any income arising from the transfer of a long term capital asset being an equity share in a company is not includible in the total income, if the transaction is chargeable to securities transaction tax.

3. As per the provisions of Section 90(2), the Non Resident shareholder has an option to be governed by the provisions of the Tax Treaty, if they are more beneficial than the domestic law wherever India has entered into Double Taxation Avoidance Agreement (DTAA) with the relevant country for avoidance of double taxation of income.

4. Under Section 196D (2), no deduction of tax at source will be made in respect of income by way of capital gain arising from the transfer of securities referred to in Section 115AD.

5. Under Section 54EC, long term capital gain arising on the transfer of shares of the Company (other than the sale referred to in Section 10(38)) is exempt from tax to the extent the same is invested in certain 'Long term specified asset' within a period of six months from the date of such transfer (up to a maximum limit of ₹ 5.0 million) for a minimum period of three years.

E) Persons carrying on business or profession in shares and securities.

Under Section 36(1)(xv), securities transaction tax paid by a shareholder in respect of taxable securities transactions entered into in the course of its business, would be allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head 'Profits and Gains of Business or Profession'.

A non resident taxpayer has an option to be governed by the provisions of the Act or the provisions of a Tax Treaty that India has entered into with another country of which the investor is a tax resident, whichever is more beneficial (Section 90(2)).

F) Mutual Funds

Under Section 10(23D), exemption is available in respect of income (including capital gains arising on transfer of shares of the Company) of a Mutual Fund registered under the Securities and Exchange Board of India Act, 1992 or such other Mutual fund set up by a public sector bank or a public financial institution or authorized by the Reserve Bank of India and subject to the conditions as the Central Government may specify by notification.

G) Venture Capital Companies/Funds

In terms of Section 10(23FB), income of:-

Venture Capital company which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992; and Venture Capital Fund, operating under a registered trust deed or a venture capital scheme made by Unit trust of India, which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992, from investment in a Venture Capital Undertaking, is exempt from income tax.

Exemption available under the Act is subject to investment in domestic company whose shares are not listed and which is engaged in certain specified ‘business/ industry.

(H) Under the Wealth Tax and Gift Tax Acts

1. “Asset” as defined under Section 2(ea) of the Wealth-tax Act, 1957 does not include shares held in a Company and hence, these are not liable to wealth tax.

2. Gift tax is not leviable in respect of any gifts made on or after 1st October, 1998. Any gift of shares of the Company is not liable to gift-tax. However, in the hands of the Donee the same will be treated as income subject to certain conditions unless the gift is from a relative as defined under Explanation to Section 56(vii) of Income-tax Act, 1961.

Special Tax Benefits to the Shareholders of the Company.

There are no special benefits accruing to the shareholders of the Company.

Notes:

1. The above statement of possible tax benefits are as per the current direct tax laws relevant for the assessment year 2012-13. Several of these benefits are dependent on the Company or its shareholder fulfilling the conditions prescribed under the relevant tax laws.

2. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile.

3. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

4. Direct Tax Code Bill, 2010, which is going to substitute the existing Indian Income-tax Act, 1961 and Wealth-tax Act, 1957, is placed before the Parliament and is not considered in the above statement.

SECTION IV: ABOUT US

INDUSTRY OVERVIEW

The information in this section has not been independently verified by us, the Lead Managers or any of our or their respective affiliates or advisors. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources it believes to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect. Accordingly, investment decisions should not be based on such information.

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THE INDIAN ECONOMY

Overview

India's population is estimated to be approximately 1.176 billion with a GDP, on a purchasing power parity basis ("**PPP**"), of approximately US$ 4,447.758 billion (₹ 198,325.5 billion) (***Source****: National Commission on Population, http://populationcommission.nic.in/, accessed on June 24, 2011; Report for Selected Countries and Subjects - India, International Monetary Fund, http://www.imf.org/external/pubs/ft/weo/2011/01/weodata/weorept.aspx?sy=2008&ey=2011&scsm=1&ssd=1&sort=country&ds=.&br=1&c=534&s=NGDPD%2CNGDPDPC%2CPPPGDP%2CPPPPC%2CLP&grp=0&a=&pr.x=49&pr.y=13, accessed on June 24, 2011*).

In the past, India has experienced rapid economic growth, with its GDP growing at an average growth rate of 8.8% between Fiscal Year 2003 and Fiscal Year 2008. As a result of the global economic downturn, this high growth trajectory was impeded in Fiscal Year 2009, with the growth rate of India's GDP decelerating to 5.8% in the second half of Fiscal Year 2009, compared to 8.9% in Fiscal Year 2008. (***Source****: RBI, Macroeconomic and Monetary Developments: First Quarter Review: 2009-10 ("****RBI First Quarter Review****")*)

However, in Fiscal Year 2010 and 2011, India's GDP grew by 8.0 % and 8.5%, respectively. (***Source****: Ministry of Statistics and Programme Implementation, India http://mospi.nic.in/Mospi_New/upload/PRESSNOTE-Q4%202010-11%2030%20May%202011.pdf, accessed on June 24, 2011*)

The table below sets out the comparison between India's real GDP growth in the 2009 and 2010 calendar years, and its expected GDP growth during the 2011 and 2012 calendar years, as compared to that of the United States, Japan, the United Kingdom, China and Brazil:

	Real GDP			
	Actual		Projected	
	2009	2010	2011	2012
United States	-2.6	2.8	2.8	2.9
Japan	-6.3	3.9	1.4	2.1
United Kingdom	-4.9	1.3	1.7	2.3
China	9.2	10.3	9.6	9.5
India	**6.8**	**10.4**	**8.2**	**7.8**
Brazil	-0.6	7.5	4.5	4.1

*(****Source****: International Monetary Fund, World Economic Outlook, April 2011)*

The table above illustrates that in 2010 all the above mentioned countries registered positive real GDP growth, with India displaying a strong growth rate of 10.4%. According to the IMF World Economic Outlook Update, April 2010, there have been four principal factors that have supported Asia's recovery: firstly, the rapid normalization of trade, following the financial dislocation in late 2008, benefited Asia's export-driven economies; secondly, the bottoming out of the inventory cycle, both domestically and in major trading partners such as the United States, is boosting industrial production and exports; thirdly, a resumption of capital inflows into the region has created abundant liquidity in many economies; and fourthly, domestic demand has been resilient, owing to strong public and private companies in many of the region's economies. The IMF believes that, in both China and India, particularly, strong domestic demand will support the recovery. In India, the growth in real GDP will be supported by rising private demand, with consumption strengthening as a result of improvements in the labour market, and a boost to investment brought about by strong profitability, rising business confidence and favourable financing conditions.

POLICY INITIATIVES AND ECONOMIC REFORMS IN INDIA

Since 1991, India has witnessed comprehensive reforms across the policy spectrum in the areas of fiscal and industrial policy, trade and finance. Some of the key reform measures are:

- ***Industrial Policy Reforms***: Removal of capacity licensing and opening up most sectors to Foreign Direct Investment ("**FDI**");

- ***Trade Policy Reforms***: Lowering of import tariffs across industries, minimal restrictions on imports; and

- ***Monetary Policy and Financial Sector Reforms***: Lowering interest rates, relaxation of restrictions on fund movement and the introduction of private participation in insurance sector.

In addition, FDI has been recognized as one of the important drivers of economic growth in the country. The Government of India has taken a number of steps to encourage and facilitate FDI, and FDI is allowed in many key sectors of the economy, such as manufacturing, services, infrastructure and financial services. For many sub-sectors, 100% FDI is allowed on an automatic basis, without prior approval from the Foreign Investment Promotion Board.

FDI inflows into India have accelerated since Fiscal Year 2007. From April 2000 through April 2011, FDI equity inflows into the services sector (both financial and non-financial) of India amounted to US$ 27,668 million (₹ 1,233.72 billion). In addition, from April 2000 to April 2011, the cumulative amount of FDI equity inflows amounted to US$ 132,837 million (₹ 5,923.20 billion). FDI inflows into India were US$ 37,838 million (₹ 1,666.87 billion), US$ 37,763 million (₹ 1,683.85 billion) and US$ 27,024 million (₹ 1,205.00 billion) in Fiscal Years 2009, 2010 and 2011, respectively. *(**Source**: Department of Industrial Policy and Promotion Fact Sheet, August 1991 to April 2011)*

STRUCTURE OF INDIA'S FINANCIAL SERVICES INDUSTRY

The RBI is the central regulatory and supervisory authority for the Indian financial system. The Board for Financial Supervision ("**BFS**"), constituted in November 1994, is the principal body responsible for the enforcement of the RBI's statutory regulatory and supervisory functions. SEBI and IRDA regulate the capital markets and the insurance sector respectively.

A variety of financial institutions and intermediaries, in both the public and private sector, participate in India's financial services industry. These include:

- commercial banks;

- Non-Banking Finance Companies;

- specialized financial institutions, such as the National Bank for Agriculture and Rural Development, the Export-Import Bank of India, the Small Industries Development Bank of India and the Tourism Finance Corporation of India;

- securities brokers;

- investment banks;

- insurance companies;

- mutual funds; and
- venture capital funds.

NON-BANKING FINANCE COMPANIES

NBFCs are an important component of the overall Indian financial system. NBFCs are a group of institutions which perform the function of financial intermediation in a wide variety of ways, for example, by accepting deposits, making loans and advances and financing leasing and hire purchase transactions.

NBFCs typically advance loans to various wholesale and retail traders, small-scale industries and self-employed persons, which means that they offer a broad and diversified range of products and services. Key characteristics of NBFCs include:

- customer-oriented services;
- simplified procedures for transaction execution;
- attractive rates of return on deposits; and
- flexibility and timely reaction in meeting the credit needs of specified sectors.

The structure and operations of NBFCs are regulated by the RBI, within the framework of Chapter III B of the RBI Act and the directions issued by it under the RBI Act. As set out in the RBI Act, a "non-banking financial company" is defined as:

- a financial institution which is a company;
- a non-banking institution which is a company and which has as its principal business the receiving of deposits, under any scheme or arrangement or in any other manner, or lending in any manner; or
- such other non-banking institution or class of such institutions, as the bank may, with the previous approval of the central Government and by notification in the Official Gazette, specify.

Under the provisions of the RBI Act, it is mandatory for a NBFC to be registered with the RBI. For such registration with the RBI, a company incorporated under the Companies Act and which wishes to commence business as an NBFC, must have a minimum net owned fund ("**NOF**") of ₹ 20,000,000. A NOF refers to funds (paid-up capital and free reserves, less accumulated losses, deferred revenue expenditure and other intangible assets) less, (i) investments in shares of subsidiaries/companies in the same group or all other NBFCs; and (ii) the book value of debentures/bonds/outstanding loans and advances, including hire-purchase and lease finance made to, and deposits with, subsidiaries/companies in the same group, in excess of 10% of the owned funds.

The registration process involves the submission of an application by the company in a prescribed format along with the necessary documents for the RBI's consideration. If the RBI is satisfied that the conditions set out in the RBI Act are fulfilled, it issues a "Certificate of Registration" to the company. Not all NBFCs are entitled to accept public deposits. Only those NBFCs holding a valid Certificate of Registration with authorization to accept public deposits can accept and hold public deposits. In addition to having the minimum stipulated NOF, NBFCs should also comply with directions issued by the RBI, which include investing a portion of the funds in liquid assets as well as maintaining reserves and ratings. The NBFCs accepting public deposits should comply with the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998, as issued by the RBI, which stipulate that:

- NBFCs are allowed to accept or renew public deposits for a minimum period of 12 months and maximum period of 60 months;
- NBFCs cannot accept deposits repayable on demand;
- NBFCs cannot offer interest rates higher than the ceiling rate prescribed by RBI from time to time;
- NBFCs cannot offer gifts, incentives or any other additional benefit to the depositors;

- NBFCs should have a minimum of an investment grade credit rating;
- NBFCs deposits are not insured; and
- The repayment of deposits by NBFCs is not guaranteed by RBI.

NBFCs are required to adhere to the Prudential Norms Directions which, amongst other requirements, prescribe guidelines regarding income recognition, asset classification, provisioning requirements, constitution of audit committee, capital adequacy requirements, concentration of credit/investment and norms relating to infrastructure loans.

NBFCs are also required to put in place appropriate internal principles and procedures in determining interest rates and processing and other charges in terms of the RBI circular dated May 24, 2007. In addition to the aforesaid, NBFCs are required to adopt an interest rate model for regulating the rates of interest charged by the them in accordance with the Master Circular on Fair Practices Code dated July 1, 2011 issued by the RBI to all NBFCs. See the section titled "*Regulations and Policies in India*" on page 197 of this Prospectus.

Initially, NBFCs were classified into the following categories by the RBI:

(a) ***equipment leasing companies*** - any financial institution whose principal business is that of leasing equipment or the financing of equipment leasing;

(b) ***hire-purchase companies*** - any financial intermediary whose principal business relates to hire-purchase transactions or financing of hire-purchase transactions;

(c) ***loan companies*** - any financial institution whose principal business is that of providing finance, whether by making loans or advances or otherwise for any commercial activity other than its own (excluding any equipment leasing or hire-purchase finance activity); and

(d) ***investment companies*** - any financial intermediary whose principal business is that of buying and selling securities.

However, with effect from December 6, 2006, these types of NBFCs have been reclassified as follows:

(a) ***asset finance companies*** - NBFCs whose principal business is that of financing the physical assets which support various productive and economic assets in India. "Principal business" for this purpose means that the aggregate of financing real/physical assets supporting economic activity and income arising therefrom is not less than 60% of total assets and total income respectively;

(b) ***investment companies*** - NBFCs whose principal business is that of the acquisition of securities; and

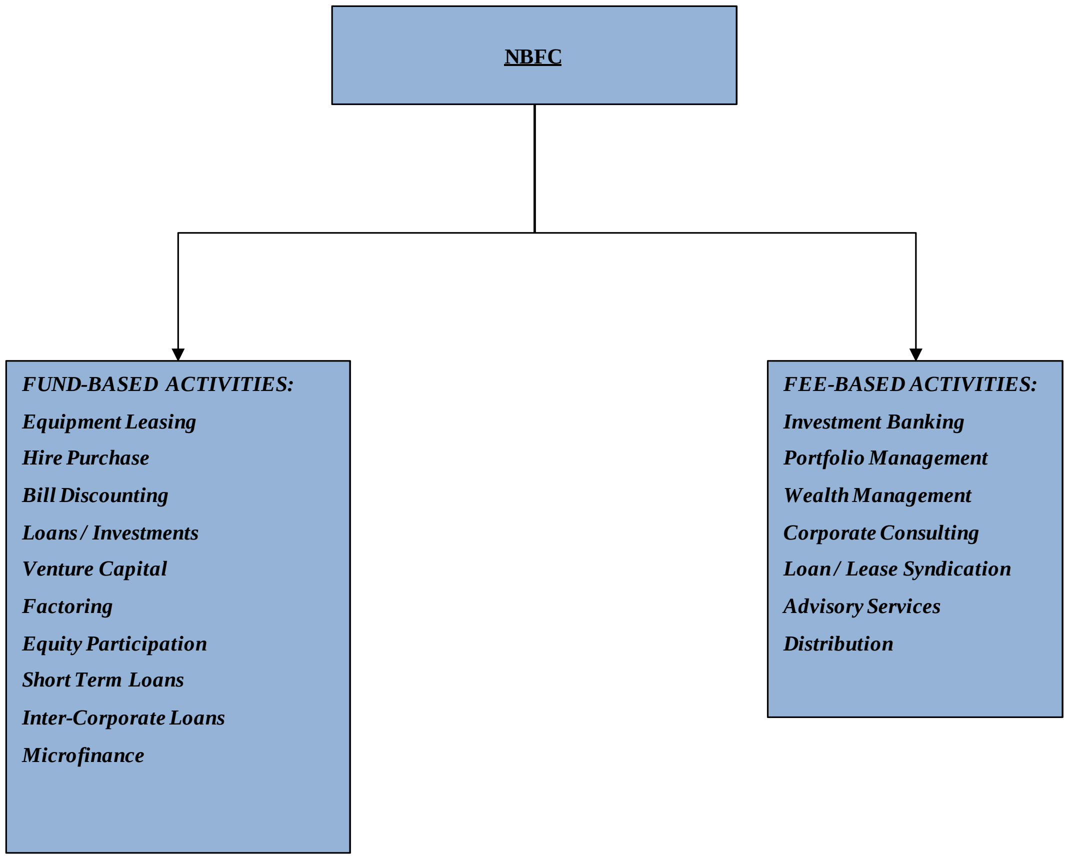
(c) ***loan companies*** - NBFCs whose principal business is that of providing finance whether by making loans or advances or otherwise for any activity other than its own, but does not include an equipment leasing company or a hire-purchase finance company.

*(**Source**: Non-Banking Financial Companies (NBFCs), http://business.gov.in/business_financing/non_banking.php, accessed on June 24, 2011)*

The above mentioned companies may be further classified into those accepting deposits and those not accepting deposits. *(**Source**: RBI – Non-Banking Financial Companies FAQs www.rbi.org.in/scripts/FAQView.aspx?Id=71, accessed on June 24, 2011)*

In addition, and following the Second Quarter Review of the Monetary Policy for the Year 2009-10, the RBI introduced a fourth category of NBFCs known as "Infrastructure Finance Companies", which were defined as, entities which hold a minimum of 75% of their total assets for the purposes of financing infrastructure projects. See the section titled "Providers of Infrastructure Finance – Infrastructure Finance Companies", below. *(**Source**: RBI - Second Quarter Review of Monetary Policy for the Year 2009-10, http://rbi.org.in/scripts/NotificationUser.aspx?Id=5326&Mode=0#P178, accessed on June 24, 2011)*

The indicative list of commercial activities that NBFCs typically undertake in India is illustrated in the following diagram:



Core Investment Companies

NBFCs carrying on the business of the acquisition of shares and securities, and which hold not less than 90% of its net assets in the form of investments in equity shares, preference shares, bonds, debentures, debt or loans in group companies and are in compliance with other conditions provided in the Core Investment Companies (Reserve Bank) Directions, 2011, are eligible to be classified as CICs.

Every CIC-ND-SI that complies with the conditions described in the Core Investment Companies (Reserve Bank) Directions, 2011 is exempted from complying with requirements of maintaining the statutory minimum NOF and certain requirements of the Prudential Norms Directions, including requirements of capital adequacy and exposure norms. For further details, refer to the section titled "*Regulations and Policies in India*" on page 197 of this Prospectus.

THE INFRASTRUCTURE FINANCE INDUSTRY IN INDIA

Providers of Infrastructure Finance

The primary providers of infrastructure finance in India are financial institutions, public sector banks and other public sector institutions, private banks, foreign banks and multilateral development institutions.

Financial institutions

Financial institutions provide medium- and long-term financial assistance across various industries to establish new projects and for the expansion and modernization of existing facilities. These institutions provide both fund-based and non-fund based assistance in the form of loans, underwriting, direct subscription to shares, debentures and guarantees. The primary long-term lending institutions include India Infrastructure Finance Company Limited, IFCI Limited, Industrial Development Bank of India Limited and Small Industries Development Bank of India.

Specialized financial institutions

In addition, there are various specialized financial institutions which cater to the specific needs of various sectors. These include the National Bank for Agricultural and Rural Development, Export-Import Bank of India, IFCI Venture Capital Funds Limited (formerly the Risk Capital and Technology Finance Corporation Limited), Tourism Finance Corporation of India Limited, Housing and Urban Development

Corporation Limited, Power Finance Corporation Limited, Infrastructure Leasing & Financial Services Limited, Rural Electrification Corporation Limited and Indian Railway Finance Corporation Limited.

State level financial institutions

State financial corporations, such as Maharashtra State Financial Corporation, Delhi Financial Corporation and Madhya Pradesh Financial Corporation, were set up to finance and promote small and medium term enterprises at a state level and they form an integral part of the institutional financing system. There are also state industrial development corporations operating at state level, which provide finance primarily to medium- to large-sized enterprises. These include Maharashtra Industrial Development Corporation, Gujarat Industrial Development Corporation and Madhya Pradesh Industrial Development Corporation.

Public sector banks and other public sector institutions

Public sector banks make up the largest category of banks in the Indian banking system. The primary public sector banks operating in the infrastructure finance sector include IDBI Bank, State Bank of India, Punjab National Bank, Canara Bank and the Bank of Baroda. Other public sector entities, for example, the Life Insurance Corporation of India, also provide financing to the infrastructure sector.

Private sector banks

After completion of the first phase of the bank nationalization in 1969, the majority of Indian banks were public sector banks. Some existing private sector banks, which showed signs of an eventual default, were merged with state-owned banks. In July 1993, as part of the banking reform process and to induce competition in the banking sector, the RBI permitted entry by the private sector into the banking system resulting in the introduction of nine private sector banks which are collectively known as the "new" private sector banks.

Infrastructure Finance Companies

In February 2010, the RBI introduced IFCs as a new category of infrastructure funding entities. NBFC-NDs which satisfy the following conditions are eligible to apply to the RBI to seek IFC status:

- a minimum of 75% of its assets deployed in infrastructure loans;
- net owned funds of at least ₹ 3,000.00 million;
- minimum credit rating "A" or an equivalent rating by CRISIL, FITCH, CARE, ICRA or any other credit agencies accredited by the RBI; and
- Capital to Risk (Weighted) Assets Ratio of 15% (with a minimum Tier 1 capital of 10%).

IFCs enjoy benefits which include a lower risk weight on their bank borrowings (from a flat 100% to as low as 20% for AAA-rated borrowers), higher permissible bank borrowing (up to 20% of the bank's net worth compared to 15% for an NBFC that is not an IFC), access to external commercial borrowings (up to 50% of owned funds under the automatic route) and relaxation in their single party and group exposure norms. These benefits should enable a highly rated IFC to raise more funds, of longer tenors and at lower costs, and in turn to lend more to infrastructure companies.

For further details, refer to the section titled "*Regulations and Policies in India*" on page 197 of this Prospectus.

Sectoral Focus

The Planning Commission estimates that approximately ₹ 20.5 trillion will be required in the 11th Five Year Plan. The major contributors are expected to be the electricity, roads, telecommunications, railways and irrigation sectors. The table below sets forth the details of these projected investments (the figures in brackets indicate the percentage of the total):

Sector	**Tenth Plan** Original Projections	**Tenth Plan** Actual Investments	**Eleventh Plan** Original Projections	**Eleventh Plan** Revised Projection
	(₹ millions at 2006-07 prices)			
Electricity (incl. NCE)............	2,918,500 (33.49)	3,402,370 (37.55)	6,665,250 (30.42)	6,586,300 (32.06)
Roads & Bridges............	1,448,920	1,271,070	3,141,520	2,786,580

Sector	Tenth Plan		Eleventh Plan	
	Original Projections	Actual Investments	Original Projections	Revised Projection
	(₹ millions at 2006-07 prices)			
	(16.63)	(14.03)	(15.28)	(13.57)
Telecommunications	1,033,650	1,018,890	2,584,390	3,451,340
	(11.86)	(11.25)	(12.57)	(16.80)
Railways (incl. MRTS)	1,196,580	1,020,910	2,618,080	2,008,020
	(13.73)	(11.27)	(12.73)	(9.78)
Irrigation (incl. Watershed)	1,115,030	1,067,430	2,533,010	2,462,340
	(12.80)	(11.78)	(12.32)	(11.99)
Water Supply & Sanitation	648,030	601,080	1,437,300	1,116,890
	(7.44)	(6.63)	(6.99)	(5.44)
Ports (incl. Inland waterways)	140,710	229,970	879,950	406,470
	(1.61)	(2.54)	(4.28)	(1.98)
Airports	67,710	68,930	309,680	361,380
	(0.78)	(0.76)	(1.51)	(1.76)
Storage	48,190	56,430	223,780	89,660
	(0.55)	(0.62)	(1.09)	(0.44)
Oil & gas pipelines	97,130	323,670	168,550	1,273,060
	(1.11)	(3.57)	(0.82)	(6.20)
TOTAL	**8,714,450**	**9,060,740**	**20,561,500**	**20,542,050**

The Power Sector

Electricity demand has grown at a CAGR of 7% between Fiscal Year 2005 and Fiscal Year 2010. Power demand is expected to grow at a CAGR of 7.8% between Fiscal Year 2010 and Fiscal Year 2015. This growth in demand is due to growth in India's GDP and increased power generation in India, which is expected to lead to increased and improved availability of power. *(**Source**: CRISIL Research, Power Annual Review, November 2010 ("**Power Annual Review, November 2010**"))*

CRISIL Research estimates capacity additions in the power sector to be approximately 82 GW over the next five years between Fiscal Year 2011 and Fiscal Year 2015. In addition, captive capacity additions of 13.0 GW are estimated for the same period. The private sector is expected to lead these capacity additions with a share of 45.5 GW. *(**Source**: Power Annual Review, November 2010)*

Capacity additions forecast

MW	2010-11 P	2011-12 P	2012-13 P	2013-14 P	2014-15 P	Total
Central	3,690	5,736	5,262	3,021	3,705	21,414
State	3,112	2,800	3,510	3,103	2,648	15,173
Private	4,285	6,397	7,620	12,675	14,545	45,522
Total	11,087	14,933	16,392	18,799	20,898	82,109
Captive	2,362	2,722	2,351	2,673	2,865	12,973
Total (including captive)	13,449	17,655	18,743	21,472	23,763	95,082

P - Projected

*(**Source**: CRISIL Research, Power Update, June 2010 ("**Power Update, June 2010**"))*

These capacity additions are expected to present an investment potential of ₹ 9.3 trillion over the next five years, with generation (both utilities and captive) contributing a portion of ₹ 5.8 trillion. *(**Source**: Power Update, June 2010)*

Though generation capacity addition in the first half of Fiscal Year 2011 continued from the momentum gained in Fiscal Year 2010, fuel supply has emerged as a major challenge with plant load factors dropping across sectors. This is especially worrisome considering that fuel supply is posing challenges even though capacity additions still lag government targets. *(**Source**: Power Annual Review, November 2010)*

Investment in the transmission and distribution sector (the "**T&D Sector**") is expected to grow at a CAGR of 16% over the next five years, *vis-à-vis* a CAGR growth of approximately 15% in generation.

Over the next five years, CRISIL Research expects total investment in the generation segment (*i.e.* utilities) to be approximately ₹ 5.1 trillion, with the private sector likely to account for approximately 57% of it. Whilst an investment of approximately ₹ 0.75 trillion is anticipated in respect of captive generation and an investment of ₹ 3.4 trillion is expected in the T&D sector. *(**Source:** Power Annual Review, November 2010)*

Roads Sector

According to CRISIL Research, government investment in the roads and highway sector over the next five years is likely to be approximately ₹ 6.3 trillion. National highways are expected to comprise a large share of the total investments at approximately 43% followed by state highways and rural roads at approximately 30% and 27%, respectively. *(**Source**: CRISIL Research, Roads and Highways Annual Review, June 2010 ("**Roads and Highways Annual Review, June 2010**"))*

Of the ₹ 6.3 trillion funding required in the roads and highways sector over the next five years, approximately ₹ 4.4 trillion is expected to be contributed by the public sector mainly in the form of grants and annuity payments. While the remaining ₹ 1.9 trillion is expected to be funded by the private sector primarily through BOT-Toll and BOT-Annuity contracts. *(**Source**: Roads and Highways Annual Review, June 2010)*

As road projects are highly leveraged, banks and financial institutions play a vital role in financing road projects. The outstanding portfolio of banks for roads and ports has grown at a compounded rate of 29% in the last five years. During this period, the total incremental lending by banks to the roads and ports sectors amounted to ₹ 3145 billion. *(**Source**: Roads and Highways Annual Review, June 2010)*

In addition, the Government has approved refinancing through IIFCL amounting to ₹ 1 trillion towards infrastructure sectors, out of which nearly ₹ 30 billion has been refinanced in Fiscal Year 2010 pursuant to the Union Budget 2010-11. *(**Source**: Roads and Highways Annual Review, June 2010)*

Ports Sector

With the Indian economy expected to continue on its growth path, the country's external trade is also likely to keep growing. Thus Indian ports are expected to see an increase in traffic over the next few years. CRISIL Research estimates this traffic will grow at a CAGR of approximately 7% to 978 million tonnes from Fiscal Year 2010 to Fiscal Year 2012, led by coal and container traffic *(**Source**: CRISIL Research, Ports Update, November 2010. ("**Ports Update, November 2010**")).*

Traffic at Non-major ports is expected to grow at 12.8% to 367 million tonnes from Fiscal Year 2010 to Fiscal Year 2012, mainly driven by coal traffic since many power plants are being established in close proximity to the non-major ports and given congestion, connectivity issues and other operational inefficiencies at major ports. CRISIL Research estimates that traffic at major ports will grow at 4.4% to 611 million tonnes in Fiscal Year 2012. *(**Source**: Ports Update, November 2010)*

Between Fiscal Year 2011 and Fiscal Year 2015, CRISIL Research expects approximately ₹ 838 billion to be invested in the ports sector, with approximately ₹ 469.00 billion expected to be invested towards planned capacity addition of 328 million tonnes in major ports such as Paradip, Visakhapatnam, Chennai and the Jawaharlal Nehru Port Trust by Fiscal Year 2015. Whilst an investment of ₹ 369.00 billion is expected to be invested in non-major ports towards a planned capacity expansion of 491 million tonnes in the same period. This includes new ports such as Dhamra and Kalinga and additional capacity ports such as Mundra and Krishnapatnam. *(**Source**: Ports Update, November 2010)*

Oil and Gas Sector

The consumption of all petroleum products in India has risen from 121 MMT in Fiscal Year 2007 to 138 MMT in Fiscal Year 2010. It is further projected that in Fiscal Year 2011 demand for petroleum products was approximately 142 MMT.

The table below sets forth the consumption of petroleum products for the periods indicated:

PRODUCTS	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
					('000 MT)				
LPG...........................	7,728	8,351	9,305	10,245	10,456	10,849	12,010	12,191	13,121
MS.............................	7,011	7,570	7,897	8,251	8,647	9,286	10,332	11,258	12,818
NAPHTHA/N G L.....	11,755	11,962	11,868	13,993	12,194	13,886	13,294	13,911	10,239
ATF...........................	2,263	2,271	2,484	2,813	3,299	3,983	4,543	4,423	4,627
SKO...........................	10,431	10,404	10,230	9,395	9,541	9,505	9,365	9,303	9,304
HSD...........................	36,546	36,645	37,074	39,650	40,191	42,897	47,669	51,710	56,320
LDO..........................	1,592	2,064	1,619	1,477	883	720	668	552	457
LUBES......................	1,137	1,250	1,427	1,336	2,081	1,900	2,290	2,000	2,657
FO/LSHS...................	12,982	12,738	12,945	13,540	12,829	12,618	12,717	12,588	11,589
BITUMEN.................	2,584	2,986	3,373	3,339	3,508	3,833	4,506	4,747	4,919
PET COKE................	1,798	2,563	2,877	3,129	4,928	5,441	5,950	6,166	6,750
OTHERS....................	4,604	5,321	6,652	4,467	4,658	5,834	5,604	4,750	5,394

PRODUCTS	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
TOTAL.....................	100,432	104,126	107,751	111,634	113,213	120,749	128,946	133,599	138,196

*(**Source**: Petroleum Planning & Analysis Cell "**PPAC**", http://ppac.org.in/writereaddata/PT_Consumption_H.xls, accessed on June 24, 2011)*

On a per capita basis, energy consumption in India is relatively low in comparison to the rest of the world. In 2008, India's per capita primary energy consumption was approximately 17.5 million BTUs, compared to a global average of approximately 73.6 million BTUs. Currently, there is however a mismatch between the demand and supply for both natural gas and crude oil in India, with the demand for both sources of energy outweighing the domestic production. *(**Source**: The U.S. Energy Information Administration, June 2011, http://www.eia.gov/cfapps/ipdbproject/iedindex3.cfm?tid=44&pid=45&aid=2&cid=regions&syid=2004&eyid=2008&unit=QBTU, accessed on June 24, 2011)*

Telecommunications Sector

The telecommunications sector has grown at a rapid pace in the last five years, largely due to the growth of the mobile services segment. In Fiscal Year 2011, the mobile subscriber base grew to 827 million from 52 million in Fiscal Year 2005. *(**Source**: Press Release No. 38/2011, Telecom Regulatory Authority of India, http://www.trai.gov.in/WriteReadData/trai/upload/PressReleases/827/Press_Release_15_April-11.pdf, accessed on June 24, 2011).*

CRISIL Research estimates revenues of mobile service providers grew by approximately 20% year-on-year in Fiscal Year 2009. *(**Source**: CRISIL Research, Telecom Services Annual Review, January 2010 ("**Telecom Services Annual Review, January 2010**"))* During December 2009 to March 2010, revenue growth dropped to -6% year-on-year, despite a 11.24% growth in its subscriber base, reflecting growing competition and pricing pressure in the market, leading to declining average revenue per user. *(**Source**: CRISIL Research, Telecom Services Update, July 2010)*

CRISIL Research estimates cumulative investments of ₹ 2.5 trillion to flow into the telecommunications sector between Fiscal Year 2010 and Fiscal Year 2014. With the mobile subscriber base expected to expand at an 11% CAGR during the same period, over 90% of the projected investments are expected to be utilized in the mobile services sector, a large proportion of which will be committed to active equipment. *(**Source**: Telecom Services Annual Review, January 2010)*

THE RETAIL FINANCE INDUSTRY IN INDIA

Construction Equipment Finance Overview

Construction activity forms an important part of a growing economy such as India. The share of construction in GDP of India has increased from 6.0% in Fiscal Year 2003 to 8.1% in Fiscal Year 2011. The increase in the share of the construction sector in GDP has primarily been due to increased government spending on physical infrastructure in the last few years, with programmes such as the National Highway Development Programme, Pradhan Mantri Gram Sadak Yojana and Bharat Nirman Programme. *(**Source**: Ministry of Statistics and Programme Implementation, India http://mospi.nic.in/Mospi_New/upload/GDP50_08_R_curr_9.9.09.pdf and http://mospi.nic.in/Mospi_New/upload/PRESSNOTE-Q4%202010-11%2030%20May%202011.pdf; ; 11th Five Year Plan for Agriculture, Rural Development, Industry, Services and Physical Infrastructure (the "**11th Five Year Plan**"), http://planningcommission.nic.in/plans/planrel/fiveyr/11th/11_v3/11th_vol3.pdf, accessed on June 24, 2011)*

The following table set forth the revised estimates of GDP by economic activity:

	Industry	2008-09	2009-10	2010-11	Percentage change over previous year 2009-10	2010-11
				(At 2004-2005) (*in ₹ crore*)		
1.	Agriculture, forestry & fishing................	654,118	656,975	700,390	0.4	6.6
2.	Mining & quarrying................................	97,244	103,999	110,009	6.9	5.8
3.	Manufacturing..	655,775	713,428	772,960	8.8	8.3
4.	Electricity, gas & water supply...............	83,344	88,654	93,665	6.4	5.7
5.	Construction..	332,557	355,918	384,629	7.0	8.1
6.	Trade, hotels, transport and communication	1,087,575	1,193,282	1,315,656	9.7	10.3
7.	Financing, insurance, real estate & business	706,712	771,763	848,103	9.2	9.9

Industry	2008-09	2009-10	2010-11	Percentage change over previous year 2009-10	2010-11
			(At 2004-2005) (in ₹ crore)		
services......................................					
8. Community, social & personal services...	545,184	609,724	652,431	11.8	7.0
GDP at factor cost................................	**4,162,509**	**4,493,743**	**4,877,842**	**8.0**	**8.5**

*(**Source**: Ministry of Statistics and Programme Implementation, India Press Note 'Estimates of Gross Domestic Product for the Third Quarter of 2010-11 http://mospi.nic.in/Mospi_New/upload/PRESSNOTE-Q4%202010-11%2030%20May%202011.pdf, accessed on June 24, 2011)*

The contribution of the construction industry to the GDP at current prices in Fiscal Year 2011 was ₹ 5,918.6 billion, registering an increase of 18.0% from the previous year. The construction industry is experiencing an upsurge in the quantum of the work load, and has grown at the CAGR of 17.5% since Fiscal Year 2006. *(**Source**: Ministry of Statistics and Programme Implementation, India http://mospi.nic.in/Mospi_New/upload/GDP50_08_R_curr_9.9.09.pdf and http://mospi.nic.in/Mospi_New/upload/PRESSNOTE-Q4%202010-11%2030%20May%202011.pdf, accessed on June 24, 2011)*

The construction industry in India is faced with high operation, maintenance, and financial costs. This aspect is further exacerbated by inadequate access to institutional finance, especially for small contractors who execute over 90% of the total construction works in India. It is estimated that a total investment of ₹ 14,500 billion will be required in the eleventh five year plan of India for execution of the planned infrastructure construction. In addition, ₹ 1,800 billion will be required for construction equipment. *(**Source**: 11th Five Year Plan, http://planningcommission.nic.in/plans/planrel/fiveyr/11th/11_v3/11th_vol3.pdf, accessed on June 24, 2011)*

In the private sector, approximately 200 manufacturers cater to the construction equipment market. Public limited companies (including public sector units) constitute approximately 71% of the sector, while private limited companies or joint ventures constitute approximately 29%. India imported construction machinery worth approximately US$ 362 million (₹ 16,141 million) in 2009-10. *(**Source**: India Brand Equity Foundation, Construction Equipment, November 2010, http://www.ibef.org/download/Construction_Equipment_270111.pdf, accessed on June 24, 2011)*

Transport Equipment Finance Overview

On a global scale, the Indian automotive industry is the second largest two-wheeler market in the world, the fifth largest commercial vehicle market in the world, and the ninth largest passenger vehicle market in the world. *(**Source**: India in Business – Auto Industry, http://www.indiainbusiness.nic.in/industry-infrastructure/industrial-sectors/automobile.htm, accessed on June 24, 2011)* As one of the largest industrial sectors in India, turnover of the automotive industry represents approximately 5.0% of India's GDP, while contributing nearly 17.0% to total indirect taxes. Although the automotive industry provides direct and indirect employment to over 13 million people, the penetration levels for vehicles in India are amongst the lowest in the world. *(**Source**: The Automotive Mission Plan, 2006-16, http://www.siamindia.com/upload/AMP.pdf, accessed on June 24, 2011)*

The transport equipment finance segment has experienced growing demand due to several factors, which include:

- a large network of roads being constructed across the country thereby facilitating better connectivity between destinations;
- construction of four lane and six lane highways, expressways and bypass roads which has reduced congestion and improved turnaround time of commercial vehicles;
- increasing GDP growth rates that necessitate transportation requirements for industries;
- Government regulations prohibiting use of commercial vehicles that are more than eight years old;
- several international manufacturers setting up production units in India such as Volvo, Mercedes Benz, Tatra;

- shift in the market towards usage of high tonnage vehicles capable of carrying long cargo volumes speedily;

- majority of the commercial vehicles sold are with financial assistance either from banks or NBFCs; and

- small road transport operators have been included in the priority sector list issued by the RBI (however, and with effect from April 1 2011, only bank loans to NBFC-MFIs will be eligible for classification as priority sector advances, according to the RBI's Monetary Policy Statement for 2011-2012 issued on May 3, 2011.).

The commercial vehicle industry is segmented into "light commercial vehicles" (for vehicles with gross vehicle weight of less than 7.5 tonnes) and "medium and heavy commercial vehicles" (for vehicles weighing more than 7.5 tonnes). The performance of the medium and heavy commercial vehicle industry bears a high correlation with industrial growth, and is driven by economic development, improved road infrastructure (such as the Golden Quadrilateral) for long haulage transportation, and a favourable regulatory environment. In this regard, it is estimated that the sharp rise in demand in 2006 and 2007 was partly attributable to the strict enforcement of overloading restrictions and age norms.

The performance of the light commercial vehicle industry tends to be less cyclical in nature, and is driven by GDP growth and demand for last mile distribution. The LCV goods vehicle segment has grown strongly in the past few years, with the introduction of the sub-one tonne category (post the launch of Tata Ace in 2005 and 2006). For the months of April to November in 2010 and 2011 the LCV segment grew by 27.6% (year-on-year).

This growth was driven by new model launches by Mahindra and Piaggio and growth in the agriculture, FMCG and consumer durables sectors. Going forward, the LCV segment is expected to grow by approximately 24% to 26% in Fiscal Year 2011 and approximately 18% to 20% in Fiscal Year 2012. *(**Source**: CRISIL Research, Commercial Vehicles Update, December 2010 ("**Commercial Vehicles Update, December 2010**")*

The following table illustrates the sale of commercial vehicles for the periods indicated:

Commercial Vehicles Sales Trends	**Number of Vehicles**							
Category	**2003-04**	**2004-05**	**2005-06**	**2006-07**	**2007-08**	**2008-09**	**2009-10**	**2010-11**
Commercial Vehicles	260,114	318,430	351,041	467,765	490,494	384,194	532,721	676,408

*(**Source**: Society of Indian Automobile Manufacturers, http://www.siamindia.com/scripts/domestic-sales-trend.aspx, accessed on June 17, 2011)*

The cumulative production data for April to March 2011 shows production growth of 27.45% over the same period last year. In March 2011 as compared to March 2010, production grew at 20.62%. The industry produced 17,916,035 vehicles of which share of two wheelers, passenger vehicles, three wheelers and commercial vehicles were 75%, 17%, 4% and 4%, respectively. *(**Source**: Society of Indian Automobile Manufacturers, http://www.siamindia.com/scripts/production-trend.aspx, accessed on June 24, 2011)*

The vehicle finance industry registered healthy growth in Fiscal Year 2010. CRISIL Research estimates that disbursements towards new vehicles have risen to ₹ 796.00 billion, representing a year-on-year growth of 34%. CRISIL Research further estimates that disbursements towards commercial vehicles are expected to grow by 32% and 23% in Fiscal Year 2011 and Fiscal Year 2012, respectively. *(**Source**: CRISIL Research, Retail Finance-Auto Annual Review, November 2010 ("**Retail Finance-Auto Annual Review, November 2010**"))*

The following table sets forth the financial disbursements in the vehicle finance industry for the periods indicated:

₹ billion	**2008-09 E**	**2009-10 E**	**Y-O-Y Growth**	**2010-11 P**	**Y-O-Y Growth**	**2011-12 P**	**Y-O-Y Growth**
Cars	246	331	34.6%	454	37.2%	582	28.2%
Utility vehicles.	78	109	39.7%	154	41.3%	184	19.5%
Commercial vehicles	194	272	40.2%	360	32.4%	443	23.1%
Two-wheelers	72	84	16.7%	105	25.0%	115	9.5%

₹ billion	2008-09 E	2009-10 E	Y-O-Y Growth	2010-11 P	Y-O-Y Growth	2011-12 P	Y-O-Y Growth
Total new vehicle finance market..................................	590	796	34.9%	1,073	34.8%	1,324	23.4%

E: Estimated; P: Projected
*(**Source**: Retail Finance-Auto Annual Review, November 2010)*

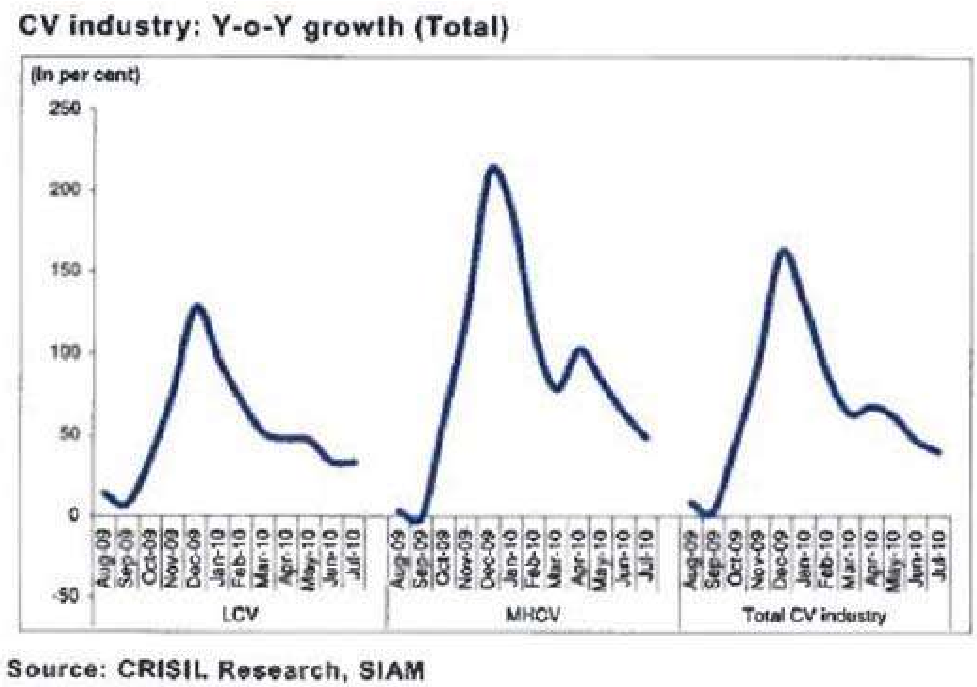
The following table illustrates the growth in commercial vehicles finance disbursements for the periods indicated:

₹ billion	2008-09 E	2009-10 E	Y-O-Y Growth	2010-11 P	Y-O-Y Growth	2011-12 P	Y-O-Y Growth
New LCV Finance market	48	71	47.9%	103	45.1%	135	31.1%
New MHCV Finance market	146	201	37.7%	257	27.9%	308	19.8%
New CV Finance market	194	272	40.2%	360	32.4%	443	23.1%

LCV: Light commercial vehicles; MHCV: Medium and heavy commercial vehicles; E: Estimated; P: Projected.
*(**Source**: Retail Finance-Auto Annual Review, November 2010)*

The commercial vehicles industry is expected to grow by 23-25% in Fiscal Year 2011 due to sustained growth in economic activity and rise in consumption expenditure. The industry is expected to grow by 16-18% in Fiscal Year 2012 owing to sustained freight demand in line with the expected GDP growth of 8-9%. *(**Source**: Commercial Vehicles Update, December 2010)*

The following diagram illustrates the year-on-year growth of the commercial vehicle industry for the periods indicated:



*(**Source**: CRISIL Research, Commercial Vehicles Annual Review, August 2010)*

Rural Finance Overview

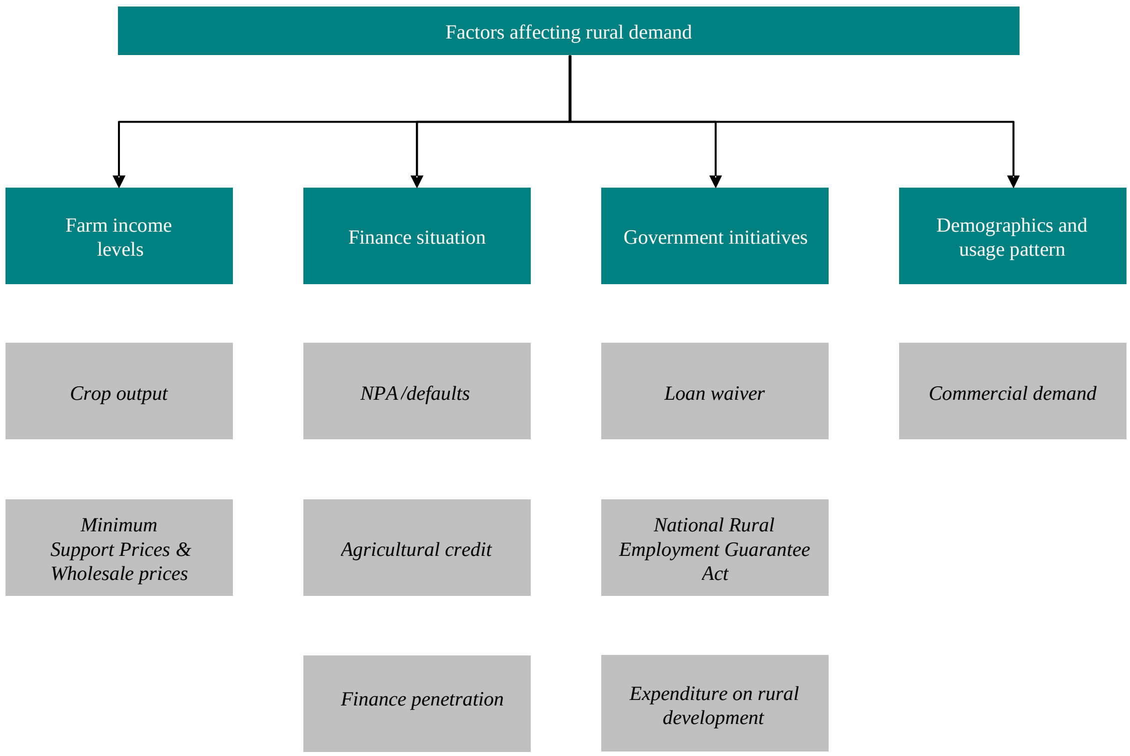
According to the 2001 Census Data, approximately 72.2% of the Indian population live in rural areas. *(**Source**: Census India – Census Data 2001, http://www.censusindia.gov.in/Census_Data_2001/India_at_glance/rural.aspx, accessed on June 24, 2011).* The rural economy of India is largely dependent on agriculture and allied activities.

Agriculture provides the principal means of livelihood for over 58.4% of India's population and contributes approximately one-fifth to the total GDP. *(**Source**: Government of India – Agriculture, http://india.gov.in/sectors/agriculture/index.php, accessed on June 24, 2011)*

The Government of India, along with the state governments, have implemented strategies and programmes directed at enabling farmers to own tractors, power tillers, harvesters and other agricultural machinery. *(**Source**: Government of India – Agricultural Mechanisation http://india.gov.in/sectors/agriculture/agricultural_mechanisation.php, accessed on June 24, 2011).* Since the rural economy is linked to agriculture, rural finance is primarily linked to financing agriculture and allied activities and financing equipment, particularly tractors and other farm equipment.

India is the largest manufacturer of tractors in the world. *(**Source**: India in Business – Auto Industry, http://www.indiainbusiness.nic.in/industry-infrastructure/industrial-sectors/automobile.htm, accessed on June 24, 2011)*

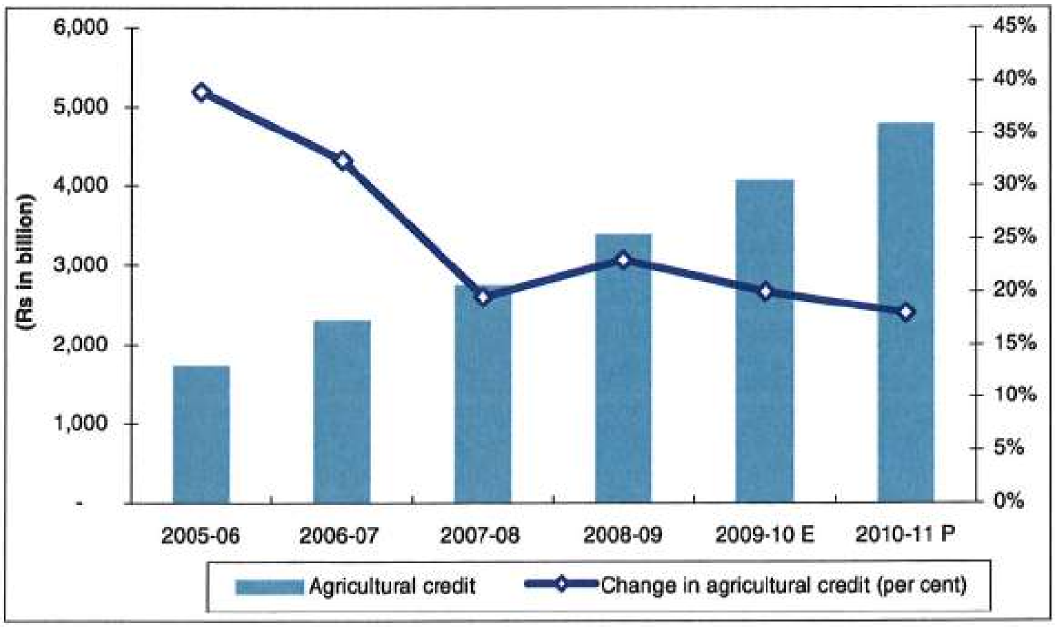
The key factors which affect rural demand, particularly in relation to tractors, are depicted in the diagram below:



*(**Source**: CRISIL Research, Tractors Annual Review, September 2010 ("**Tractors Annual Review, September 2010**"))*

CRISIL Research estimates total tractor volumes to grow by 17-19% in Fiscal Year 2011, with domestic sales growing by 15-16% and exports increasing by 42-45%. Sustained growth in farm income levels with expectation of good crop is expected to aid growth. According to CRISIL Research, the industry has grown at a CAGR of 18-20% from Fiscal Year 2005 to Fiscal Year 2010, to reach a size of around ₹ 200 billion in Fiscal Year 2010. The Indian tractor industry is expected to reach ₹ 320-330 billion by Fiscal Year 2015, a CAGR of 8-10%. *(**Source**: Tractors Annual Review, September 2010)*

The following diagram illustrates the agricultural credit extended, and changes in agricultural credit, for the periods indicated:



E: Estimated; P: Projected

Source: CRISIL Research

*(**Source**: Tractors Annual Review, September 2010)*

Microfinance Overview

Microfinance in the Indian context is formally defined as the provision of financial credit through loans of up to ₹ 50,000 (US$ 1,121) to households that are traditionally considered not to be credit worthy, and typically lack access to banking and related financial services. (***Source**: Inverting the Pyramid, 2009, Indian Microfinance Coming of Age, Intellecap ("**Inverting the Pyramid**")*)

In the past two decades, different types of financial service providers have emerged, including non-government organizations; cooperatives, community-based development institutions such as SHGs and credit unions, commercial and state banks and MFIs.

The MFI channel includes organizations under a host of different legal forms that can be classified into two groups: for-profit organizations and not-for-profit organizations.

The measure of a person who is poor or is living in poverty is generally classified across various thresholds of daily income. The World Bank uses reference lines set at US$ 1.25 (₹ 55.74) and US$ 2 (₹ 89.18) per day at 2005 PPP terms. While the international poverty line is assumed at US$ 1.25 (₹ 55.74) a day, a less frugal standard of US$ 2 (₹ 89.18) per person per day is applied for developing countries or regions such as Latin America and Eastern Europe. (***Source**: World Bank, http://web.worldbank.org, accessed on July 4, 2011*)

In 2008, the World Bank estimated that 1.4 billion people in the developing world were living on less than US$ 1.25 (₹ 55.74) in 2005, and 2.6 billion people were living on less than US$ 2.00 (₹ 89.18) per day. The World Bank also estimated that 41.6% of the population in India is below the US$ 1.25 (₹ 55.74) a day PPP and 75.6% of the population are below the US$ 2.0 (₹ 89.18) a day PPP poverty line, as of 2005. On a population of nearly 1.1 billion, this translates to nearly 832 million poor people below US$ 2.00 (₹ 89.18) a day PPP, or approximately 177 million poor households, in India, assuming an average family size of 4.7. (***Source**: World Bank, http://data.worldbank.org, accessed on July 4, 2011*)

Recent developments in the microfinance industry

The state of Andhra Pradesh is said to have a unique position of leadership within Indian microfinance, evidenced by the presence of the four largest MFIs in India in the state. The state government made significant investments in subsidizing financial inclusion through self help group ("**SHGs**") programmes. However, tensions between the Andhra Pradesh government and MFIs grew, as MFIs began to increase financing to their customers. (***Source:*** *Intellecap, Indian Microfinance Crisis, 2010: Turf War or a Battle of Intentions, October 2010*)

As a result, on October 15, 2010, the Government of Andhra Pradesh promulgated the Andhra Pradesh Micro Finance Institutions (Regulation of Money Lending) Ordinance, 2010 (the "**MFI Ordinance**") to protect women SHGs in Andhra Pradesh from exploitation by private MFIs through usurious interest rates and coercive means of recovery by regulating money lending transactions by MFIs and for achieving greater transparency with respect to such transactions in Andhra Pradesh.

Subsequently, with effect from January 1, 2011, the Government of Andhra Pradesh introduced the Andhra Pradesh Micro Finance Institutions (Regulation of Money Lending) Act, 2011 (Act No. 1 of 2011) (the "**MFI Act**"). The MFI Act provides for *inter alia* the registration and cancellation of registration of microfinance institutions, filing of periodic returns by microfinance institutions, limits on interest recoverable by microfinance institutions, prohibition on security for loans provided to SHGs and prior approval for grant of further loans to SHGs. For further details, refer to the sections titled, "*Risk Factors*" and "*Regulations and Policies in India*" on pages 18 and 197 of the Prospectus, respectively.

The board of directors of the RBI, at their meeting held on October 15, 2010 formed a sub-committee of the board (the "**Malegam Committee**") to study issues and concerns in the microfinance sector in so far as they related to the entities regulated by the RBI. The Malegam Committee submitted its report on the issues and concerns in the MFI sector on January 19, 2011. Key recommendations set out in the report include the creation of a separate category of NBFCs operating in the microfinance sector, such NBFCs being designated as NBFC-MFI, which should lend to an individual borrower only as a member of a JLG and should have the responsibility of ensuring that the borrower is not a member of another JLG. Not more than two MFIs should lend to the same borrower and bank advances to MFIs shall continue to enjoy "priority sector lending" status. For further details please see "*Regulations and Policies in India - Report of the Sub-Committee of the Central Board of Directors of Reserve Bank of India to Study Issues and Concerns in MFI Sector*" on page 201 of the Prospectus.

Furthermore, the Central Government has, on July 6, 2011, released the proposed draft of the Micro Finance Institutions (Development and Regulation) Bill, 2011, (the "**Draft MFI Bill**") aimed at providing access to financial services for the rural and urban poor and promoting the growth and development and regulation of micro finance institutions. The Draft MFI Bill is subject to public comment and further, is subject to the approval of the Indian Parliament as well as the assent of the President of India. For further details please see "*Regulations and Policies - Draft MFI Bill*" on page 201 of this Prospectus.

Distribution of Financial Products Overview

Financial products in India are distributed by corporate houses specializing in broking and distribution, as well as by individuals. The key financial products which are distributed in India are investment and risk assurance products, including the following:

(1) Equity and Futures and Options ("**F&O**"), listed on recognized exchanges;

(2) Mutual Funds;

(3) Life Insurance Policies;

(4) Fixed deposits of NBFCs and corporates; and

(5) General insurance policies (such as health insurance and motor insurance).

Equity and F&O are mainly distributed by SEBI registered brokers and sub-brokers.

THE MUTUAL FUND INDUSTRY IN INDIA

The functions of a mutual fund in India are managed by the trustees and an AMC. The investments made by the fund are managed on a regular basis by fund managers employed by the AMC. The fund manager constructs the portfolio in light of the fund's objectives and size, internal guidelines, prudential exposure norms and regulatory restrictions, and the liquidity required for income distribution or redemption. The income earned through these investments and the capital appreciations realised are shared by its unit holders in proportion to the number of units owned by them.

History of the Mutual Fund Industry

The history of mutual funds in India can be broadly divided into four distinct phases:

First Phase - 1964-87 (The formation of the Unit Trust of India)

The Unit Trust of India ("**UTI**") was established as a statutory corporation in 1963 by an act of Parliament. It was initially regulated by the RBI and then, beginning in 1978, by the Industrial Development Bank of India ("**IDBI**"). According to the AMFI, the first fund launched by UTI was Unit Scheme 1964. At the end of 1988, UTI had ₹ 67 billion of AUM.

Second Phase - 1987-1993 (Entry of other state owned funds)

In 1987, other mutual funds were set up by state owned banks and insurance companies. State Bank of India Mutual Fund was established in June 1987 followed by Canbank Mutual Fund (December 1987), Punjab National Bank Mutual Fund (August 1989), Indian Bank Mutual Fund (November 1989), the Bank of India (June 1990), the Bank of Baroda Mutual Fund (in October 1992), Life Insurance Corporation of India (June 1989) and General Insurance Corporation of India (December 1990). According to AMFI, at the end of 1993, the mutual fund industry had AUM of ₹ 470 billion.

Third Phase - 1993-2003 (Entry of privately owned funds)

In 1993, the SEBI promulgated the Securities and Exchange Board of India (Mutual Fund) Regulations 1993 ("**1993 Regulations**"), pursuant to which all mutual funds, except UTI, were to be registered and regulated by SEBI in accordance with its provisions. The 1993 Regulations allowed privately owned entities to enter the mutual funds industry and compete with state owned funds. In 1996, SEBI promulgated a more comprehensive set of regulations, which substituted and replaced the 1993 Regulations. The SEBI (Mutual Fund) Regulations 1996 remains in force today. For details on the regulatory framework of mutual funds in India, refer to the section titled "*Regulations and Policies in India*" on page 197 of this Prospectus.

The entry of private owned funds marked the start of a new era in the Indian mutual fund industry. It gave the Indian investor the opportunity to choose from a wider variety of funds in which to invest. In July 1993, the erstwhile Kothari Pioneer (now merged with Franklin Templeton) became the first registered private sector mutual fund.

The number of mutual fund providers steadily increased and many foreign mutual funds started setting up funds in India. The industry also witnessed a phase of consolidation among privately owned mutual fund providers. According to AMFI, at the end of January 2003, there were 33 mutual fund providers, with total assets of ₹ 1,218 billion, of which Unit Trust of India (excluding the assured and monthly plans, as described below) represented ₹ 138.9 billion.

Fourth Phase - February 2003 to Present (Bifurcation of UTI and Growth of AUM)

In July 2001, amidst the global recession and equity markets downturn, UTI suspended dealings in its flagship fund, Unit Scheme 1964 ("**US-64**"), because there was a material gap between the underlying net asset value of the fund and the repurchase price of the units. The Government of India intervened to protect the interests of the unit holders, and in October 2002, the Unit Trust of India Act, 1963, was repealed by Parliament pursuant to the UTI (Transfer of Undertaking and Repeal) Act, 2002 (the "**2002 Act**"). As a result, UTI was bifurcated into two separate entities. The first entity was the Specified Undertaking of Unit Trust of India ("**SUUTI**"), which was vested with the assets of UTI's US-64 and assured return funds. After bifurcation SUUTI issued tax-free bonds to the investors in its US-64 and assured return funds who did not elect to receive cash in exchange for their fund units. The bonds matured in 2008 and 2009. The second entity established was UTI Mutual Fund, which was established as a SEBI registered mutual fund with State Bank of India, Life Insurance Corporation of India, Punjab National Bank and Bank of Baroda as its sponsors (collectively, the "**Sponsors**").

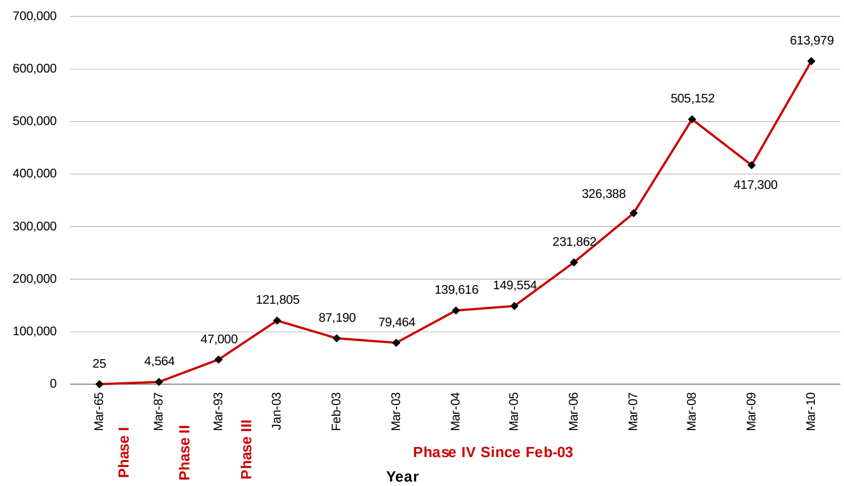
Pursuant to the 2002 Act and a transfer agreement dated January 15, 2003, among the President of India and the Sponsors, 37 SEBI compliant funds, five overseas funds and the Senior Citizens Unit Plan, 1993, of Unit Trust of India were transferred to the UTI Mutual Fund. UTI Asset Management Company Private Limited was incorporated in November 2002 and appointed by UTI Trustee Company Private Limited (the trustee of the UTI Mutual Fund) to manage the funds of UTI Mutual Fund. UTI Asset Management Company Private Limited commenced operations with effect from February 1, 2003.

After the bifurcation of the UTI and entry of domestic and international privately owned fund providers, the industry entered into a phase of consolidation and growth. Examples of the consolidation that has taken place in the Indian mutual fund industry include Franklin Templeton Mutual Fund's acquisition of

Pioneer ITI Mutual Fund in 2002 and Birla Sun Life Financial Services' acquisition of Alliance Capital Asset Management (India) Private Limited in 2003.

According to AMFI, at the end of 2004, there were 29 mutual fund providers managing assets of ₹ 1,531 billion invested in 421 different individual funds. As of March 2011, there were 43 individual registered mutual fund providers, with a total average AUM, for the period of January to March 2011, excluding funds of funds, of ₹ 7,005 billion. *(**Source**: Association of Mutual Funds in India, http://www.amfiindia.com/showhtml.aspx?page=mfindustry and http://www.amfiindia.com/AUMReport_Rpt_Po.aspx?dtAUM=01-Jan-2011&qt=January-March 2011&rpt=fwise, accessed on June 24, 2011)*

The following graph illustrates the growth of assets under management over the periods indicated:



*(**Source**: Association of Mutual Funds in India, http://www.amfiindia.com/showhtml.aspx?page=mfindustry and http://www.amfiindia.com/spages/aqu-vol9-issueIV.pdf, accessed on June 24, 2011)*

OUR BUSINESS

In this section, any reference to "we", "our" and "us" refers to our Company and our Subsidiaries on a consolidated basis, or to our Infrastructure Finance Group, Retail Finance Group, Corporate Finance Group and Investment Management Group (each as defined below), or the business segments of such respective business groups, as the context will indicate. Any reference herein or elsewhere in this Prospectus to profits "as restated" are to profits which have been subjected to adjustments and on account of restatements in accordance with the SEBI ICDR Regulations, and any references to items of income or expenditure or extraordinary items or taxes on income are to such items as audited, but without making adjustments and on account of the corresponding restatements in accordance with the SEBI ICDR Regulations, if any. Also, any reference herein or elsewhere in this Prospectus to a balance as on a reporting date as contained in the Restated Summary Statement of Assets and Liabilities as on that reporting date is to a balance which has been subjected to restatements in accordance with the SEBI ICDR Regulations.

OVERVIEW

We are a financial holding company offering a diverse range of financial products and services across the corporate, retail and infrastructure finance sectors, as well as mutual fund products and investment management services, through our direct and indirect wholly-owned subsidiaries. Our Company is registered with the RBI as an NBFC-ND-SI. We are promoted by Larsen & Toubro Limited ("**L&T**"), one of the leading companies in India, with interests in engineering, construction, electrical and electronics manufacturing and services, information technology and financial services. As at May 31, 2011, the market capitalisation of L&T was 1,001 billion. (***Source****: Bloomberg)*

We are headquartered in Mumbai, and have a presence in 23 states in India. As at May 31, 2011, we had 837 points-of-presence across India, comprising 117 branch offices, 269 meeting centers, 37 KGSK centers (refer to the sub-section titled, "*Sales and Marketing*", below) and 414 customer care centers across all of our business groups and segments. Our network of offices has been established to cater to the growing business needs of our diverse customer base, which includes individual retail customers as well as large companies, banks, multinational companies and small and medium-enterprises, and to provide them with satisfactory customer service according to their varying requirements.

Our operations are arranged into four business groups, being the Infrastructure Finance Group, the Retail Finance Group, the Corporate Finance Group and the Investment Management Group, each as defined below.

Our wholly-owned subsidiary, L&T Infrastructure Finance Company Limited ("**L&T Infra**"), conducts our infrastructure finance business (our "**Infrastructure Finance Group**"), which provides financial products and services to our customers engaged in infrastructure development and construction, with a focus on the power, roads, telecommunications, oil and gas, urban infrastructure and ports sectors in India. Our Infrastructure Finance Group comprises the segments of project finance and corporate loans, equity investments and financial advisory services. L&T Infra is registered with the RBI as an NBFC-ND-SI and an IFC, which allows it to optimize its capital structure by diversifying its borrowings and accessing long-term funding resources, thereby expanding its financing operations while maintaining its competitive cost of funds. In addition, L&T Infra has been notified as a Public Financial Institution ("**PFI**") under Section 4A of the Companies Act. The total income of our Infrastructure Finance Group for Fiscal Year 2011 and Fiscal Year 2010 was ₹ 7,039.75 million and ₹ 4,504.23 million, respectively, which accounted for 33.29 % and 31.63% of our total income, respectively. The total gross loans and advances outstanding of our Infrastructure Finance Group as at March 31, 2011 were ₹ 71,864.90 million (including ₹ 5,849.84 million in respect of subscriptions of debentures in the normal course of business activity in non-related companies) and total disbursements for Fiscal Year 2011 were ₹ 51,551.76 million (excluding ₹ 2,250.00 million for subscriptions of preference shares in the normal course of business activity in non-related companies).

Our wholly-owned subsidiary, L&T Finance Limited ("**L&T Finance**"), conducts our retail finance business and our corporate finance business (our "**Retail Finance Group**" and "**Corporate Finance Group**", respectively). L&T Finance is registered with the RBI as an NBFC-ND-SI and an AFC.

Our Retail Finance Group provides financing to our retail customers for the acquisition of income-generating assets and income-generating activities generally, and comprises the segments of construction equipment finance, transportation equipment finance, rural products finance and microfinance. In addition, our Retail Finance Group caters to the non-financing needs of our retail customers through the distribution of third party financial products such as insurance and mutual funds.

Our Corporate Finance Group provides financial products and services to our corporate customers, and comprises the segments of corporate loans and leases (in the form of asset-backed loans, term loans, receivables discounting, short-term working capital facilities and operating and finance leases), supply chain finance (which includes vendor and dealer finance products) and capital markets products.

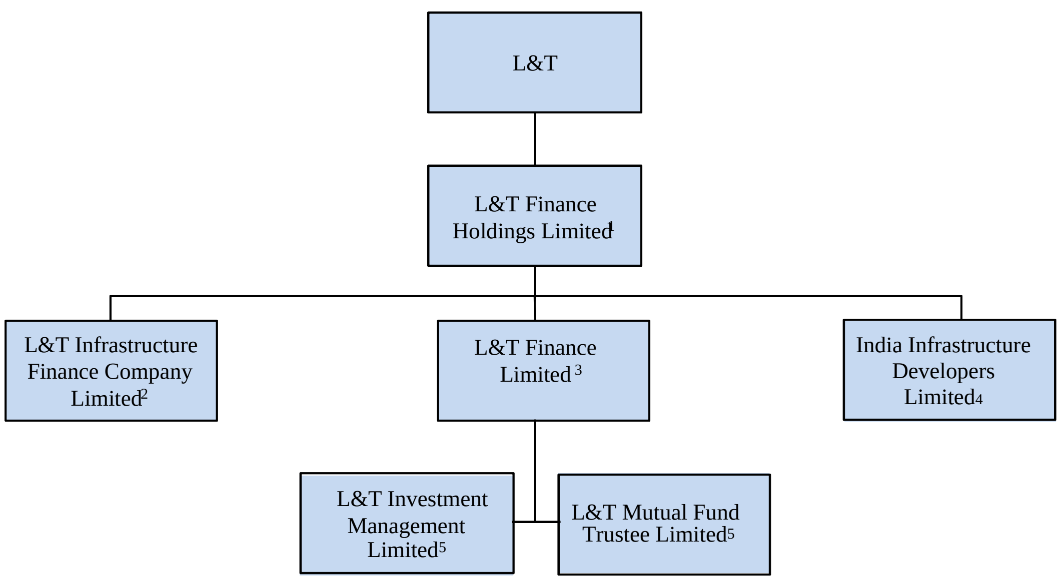
The total income of our Retail and Corporate Finance Groups for Fiscal Years 2011 and 2010 was ₹ 13,975.35 million and ₹ 9,657.30 million, respectively, which accounted for 66.08% and 67.82% of our total income, respectively. The total gross loans and advances outstanding of our Retail and Corporate Finance Groups as at March 31, 2011 were ₹ 101,567.28 million and total disbursements for Fiscal Year 2011 were ₹ 191,863.35 million.

As at March 31, 2011, on a consolidated basis, we had total gross loans and advances outstanding of ₹ 179,431.77 million, and for Fiscal Year 2011, we made total disbursements of ₹ 243,415.11 million across our Infrastructure Finance Group, Corporate Finance Group and Retail Finance Group.

Our wholly-owned indirect subsidiary (a wholly-owned subsidiary of L&T Finance) L&T Investment Management Limited ("**L&TIM**"), conducts our investment management business (our "**Investment Management Group**"), which comprises the mutual fund segment (including the management, administration and distribution of L&T Mutual Fund) and the portfolio management services segment (including portfolio management and sub-advisory services). L&TIM (formerly DBS Cholamandalam Asset Management Limited) was acquired by L&T Finance on January 20, 2010, together with L&T Mutual Fund Trustee Limited (formerly DBS Cholamandalam Trustees Limited), the trustee company for L&T Mutual Fund. The total income of our Investment Management Group (excluding income from L&T Mutual Fund Trustee Limited) for Fiscal Year 2011 and Fiscal Year 2010 was ₹ 86.08 million and ₹ 43.68 million, respectively, which represented 0.41% and 0.31% of our total income, respectively. Our AUM as at March 31, 2011 was ₹ 33,344.10 million.

OUR GROUP STRUCTURE AND SUBSIDIARIES

Set forth below is a diagram of our operational corporate structure:



1. ***L&T Finance Holdings Limited***, was incorporated in 2008, and is registered with the RBI as an NBFC-ND-SI and has applied to the RBI for registration as a CIC-ND-SI.

2. ***L&T Infra*** was incorporated in 2006, and is registered with the RBI as an NBFC-ND-SI, is classified as an IFC and has been notified as a PFI under Section 4A of the Companies Act. L&T Infra is the entity through which we conduct the operations of our Infrastructure Finance Group. Refer to the section titled "*Our Business and Operations – Our Infrastructure Finance Group*", below, for a description of the operations of our Infrastructure Finance Group.

3. ***L&T Finance*** was incorporated in 1994, and is registered with the RBI as an NBFC-ND-SI and classified as an AFC (See the section titled *"Risk Factors – Risks Relating to Our Group – As a*

consequence of being regulated as an NBFC, an AFC, an IFC and a CIC, we will have to adhere to certain individual and borrower group exposure limits under the RBI regulations and are subject to periodic RBI inspection and supervision. In the event that any of our companies is unable to comply with the exposure norms within the specified time limit, or at all, such company may be subject to regulatory actions by the RBI including the levy of fines or penalties and/or the cancellation of registration as an NBFC, AFC, IFC or CIC, as the case may be. Any such action may adversely affect our business, prospects, results of operations, financial condition and the trading price of our Equity Shares.", on page 28 of this Prospectus). L&T Finance is the entity through which we conduct the operations of our Retail and Corporate Finance Groups. Refer to the section titled "*Our Business and Operations – Our Retail Finance Group*", and "*Our Corporate Finance Group*", below, for a description of the operations of our Retail Finance Group and Corporate Finance Group, respectively.

4. **India Infrastructure Developers Limited** ("**IIDL**") was incorporated in 1997, and is registered with the RBI as an NBFC-ND. IIDL was originally established as a special purpose vehicle for financing a captive power plant for Indian Petrochemicals Limited. While we do not currently conduct any material financing operations through IIDL, we intend to begin doing so in the course of Fiscal Year 2012. Subject to applicable regulatory approvals, IIDL plans to support the working capital requirements of small and medium enterprises and of other corporate entities. IIDL would initially provide non asset-backed loans and facilities as a part of our Corporate Finance Group's supply chain finance segment, which are currently provided through L&T Finance, and may consider extending its operations to include other types of non asset-backed financing. In order for IIDL to meet the capital requirements arising out of planned growth in its loan portfolio, our Company has, on March 28, 2011, infused equity capital by way of subscribing to equity shares aggregating to ₹ 450 million in the share capital of IIDL.

5. ***L&TIM***, formerly DBS Cholamandalam Asset Management Limited, was acquired by L&T Finance on January 20, 2010, together with DBS Cholamandalam Trustees Limited, the trustee company for DBS Chola Mutual Fund. DBS Cholamandalam Asset Management Limited, DBS Cholamandalam Trustees Limited and DBS Chola Mutual Fund were renamed "L&T Investment Management Limited", "L&T Mutual Fund Trustee Limited" and "L&T Mutual Fund" respectively in February 2010. L&TIM is the entity through which we conduct the operations of our Investment Management Group. Refer to the section titled "*Our Business and Operations – Our Investment Management Group*", below, for a description of the operations of our Investment Management Group.

6. In addition to the above subsidiaries, we have incorporated L&T Unnati and L&T Infra Investment on June 16, 2011 and May 30, 2011, respectively, neither of which are currently engaged in any business operations. For further details in relation to L&T Unnati and L&T Infra Investment please see "*History and Certain Corporate Matters - Details of our Company's subsidiaries*" on page 216 of this Prospectus.

7. Furthermore, we have made the following investments:

   - We hold less than 5% interests in each of Federal Bank Limited and City Union Bank Limited;

   - We hold an 8.90% interest in Invent ARC (having made an equity investment of ₹ 159.75 million), an ARC, which, is permitted to resolve and/or reconstruct NPAs under and in terms of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interests Act, 2002. We hold an 8.90% interest in the Invent/10-11/S3 Trust (having made an equity investment of ₹ 316.45 million), which is aimed at raising funding for the acquisition of distressed assets from banks and financial institutions. In addition to financial returns, we believe that we will benefit from these investments by learning about, and employing, new techniques of distressed debt resolution and NPA management in our businesses; and

   - L&T Finance Holdings Limited holds a 30% interest in NAC Infrastructure & Equipment Limited, which was formed as a joint venture between India Infrastructure Equipment Limited, the National Academy of Construction, Nagarjuna Construction Company Limited and L&T Finance, with the main object of leasing equipment to the infrastructure and construction sectors. The joint venture also provides financing for the acquisition of construction equipment.

OUR COMPETITIVE STRENGTHS

We believe that our competitive strengths are as follows:

Diversified and balanced mix of high growth businesses

We have a highly diversified business model covering a variety of many complementary, high growth business segments across our four core business groups, including infrastructure finance, construction equipment finance, transportation equipment finance, rural products finance, microfinance, corporate loans and leases, supply chain finance, capital markets finance, the distribution of financial products and investment management products and services. Many of our businesses operate in industries or sectors, such as agricultural and rural development, infrastructure and energy that have been identified by the Government of India as focus areas under its latest Five Year Plan. Furthermore, we also believe that some of our business segments, such as rural finance and microfinance, are not always directly affected by cyclicality in macroeconomic and industry activity. We believe that this balanced mix of high growth businesses has provided us with the ability to produce a steady, growing revenue stream.

As we offer a broad spectrum of financial products and services, we are also better able to cater to the needs of a diverse customer base, from construction equipment hirers, truck owners, farmers and shopkeepers in the small-business segment, to medium-sized vendors, dealers, contractors and fleet owners and large infrastructure developers and companies, including multi-national corporations.

We believe that our presence in diversified businesses across asset classes and customer segments has contributed significantly to our strong revenue growth and reduces the risks associated with product and customer concentration.

Strong distribution network, with a presence throughout India

We have established a presence in 23 states in India. As at May 31, 2011, we had 837 points-of-presence across India, comprising 117 branch offices, 269 meeting centers, 37 KGSK centers (refer to the section titled, "*Sales and Marketing*", below) and 414 customer care centers across all of our business groups and segments. In the last few years, we have increased our geographic coverage from 226 points-of-presence in March 2008 to 837 points-of-presence as at May 31, 2011. Our investment management business alone has increased its number of branch offices from 19 to 58 since January 2010, when we acquired L&TIM. Our workforce (comprising full-time employees, outsourced personnel and personnel retained on a contractual basis) has similarly increased more than three times in order to support this physical and geographic growth, up from a head-count of 1,214 in March 2008 to 4,395 as at May 31, 2011. Refer to the sub- section titled "*Employees*", below.

This pan-India presence allows us to cater to a large customer base across our various business segments, from retail customers and small and medium enterprises to large companies. Our extensive network also enables us to maintain and grow business, diversify our risk profile and service and support customers from proximate locations, thus providing customers with convenient access to our products and services. Furthermore, by maintaining such an extensive network, we have been able to accrue a portable knowledge base and apply the experiences and best practices developed in one region in order to further develop business in other regions.

In particular, we have established a strong reach in rural areas in India, where we maintain more than 500 points of presence (predominantly in the form of meeting centers, KGSK centers and customer care centers) in order to service the customers of the rural product finance and microfinance segments of our Retail Finance Group. We believe that there are inherent difficulties in establishing an effective sales and distribution network in the rural areas of India, and as such, our success in establishing this network infrastructure will provide with us a competitive advantage and help us to achieve our strategic goal of expanding our business in rural development. Refer to the section titled "*Our Strategy - Continue to focus on two key Indian growth stories: infrastructure and rural development*", below.

Experienced management team and employees with a proven track record of establishing and growing new lines of business

We have an experienced senior management team which is supported by a capable and talented pool of employees. Our managers have diverse experience in various financial services and other industries, as well as in specific geographic regions in India, which we believe allows them, in turn, to attract and nurture talent. Our managers and employees have an understanding of not only finance, but also the specific industry, products and geographic regions that they cover. This allows us to form strong relationships with customers and provide knowledgeable support, for example in the areas of appraisals and project monitoring.

In addition, our management has a proven track record of establishing and growing new lines of business, such as microfinance (since June 2008), financial products distribution (since September 2007) and infrastructure finance (since January 2007).

Our senior managers have, on average, 20 years of experience in financial services, their respective industries and/or in specific geographic areas in India.

Our management, supported by our knowledgeable employee service teams, will continue to be an important driver of growth and success in all of our existing and new business ventures.

High quality loan portfolio comprising the funding of mainly income-generating assets and activities

We believe that one of our major strengths is the quality of our asset portfolio, which comprises the funding of primarily income-generating assets and activities. For each of our businesses, we have established a strong credit check and asset valuation framework to evaluate and monitor credit risk at the time of origination.

We do not typically buy loan portfolios, but rather, our philosophy is to focus on originating and retaining our own portfolio with the objective of maintaining asset quality according to our own standards. As such, we place an emphasis on financing income-generating activities and assets as a means of controlling portfolio quality, as we believe that this has a direct bearing on the quality of our loan portfolio, both by reference to repayment (as the asset or activity financed should generate sufficient revenue and cash flow for our customer to service the loan) and recovery (as the asset financed typically forms the security for the loan we disburse). Although we source and secure financing business from third-party intermediaries through referral arrangements, we primarily rely on our own sales and marketing function to do so, and are therefore not dependent on third party intermediaries (refer to the section titled "*Sales and Marketing*", below). In addition, our current provisioning and write-off policies and principles exceed the minimum required standard for NBFCs set by the RBI. Refer to the section titled "*Our Business – Our Loan Portfolio and Policies – Provisioning and Write-off Policies*", below, for a description of these policies and principles.

We also have an established collection system which allows us to manage recoveries efficiently and minimize our losses, thereby preserving the value of our assets. The recovery process is tailored specifically to each of our lines of business and is not outsourced, thus allowing us to directly control the recovery process.

In addition, both L&T Infra and L&T Finance have developed their own respective floating "prime lending rates", which are used to model the pricing of loans and advances. These prime lending rates reflect movements in money markets and interest rates generally, and allow us to take such movements into account when pricing loans, thus focusing our loan portfolio on returns and managing interest rate risk effectively. In addition, the asset-liability management committee of our Retail and Corporate Finance Groups has established a pricing matrix which reflects the marginal costs of borrowing. We believe the use of the pricing matrix ensures that all operating risks and interest rate movements are taken into account when pricing both the short- and long-term loans and advances of our Retail and Corporate Finance Groups. Refer to the section titled "*Risk Management – Interest Rate Risk – Retail and Corporate Finance Groups*", below, for a description of this pricing matrix.

Good financial and capital position, as well as access to multiple sources of capital

Our ability to secure reliable and steady sources of capital allows us to grow and fund our businesses in line with our business strategy and our customers' requirements.

We have strong credit ratings from both CARE and ICRA. As at May 31, 2011, L&T Finance had a CARE rating of AA+ (which indicates that such instruments offer high safety for the timely servicing of debt obligations and carry very low credit risk) and an ICRA rating of LAA+ (which indicates high credit quality and that the rated instrument carries low credit risk), and L&T Infra had a CARE rating of AA+ (which indicates that such instruments offer high safety for the timely servicing of debt obligations and carry very low credit risk) and an ICRA rating of LAA+ (which indicates high credit quality and that the rated instrument carries low credit risk). In addition, on June 10, 2011, L&T Infra was notified as a PFI. L&T Infra's status as a PFI will, going forward, provide it with access to new sources of funds (such as insurance companies, public trusts and pension funds) not otherwise available to companies without PFI status. Our credit ratings, coupled with our strong brand equity (refer to "*Strong parentage and brand equity of L&T*", below) enables us to access funds at competitive rates from a wide variety of market participants across a diverse array of products, including secured and unsecured loans from banks and financial institutions, commercial paper and long term debentures in the institutional and retail markets. L&T Finance and L&T Infra have also successfully accessed the Indian public debt market through issues of non-convertible debentures and long term infrastructure bonds, respectively. Refer to the section titled "*Our Funding Structure*", below, for a description of the non-convertible debenture and long term infrastructure bond offerings of L&T Finance and L&T Infra, respectively.

In addition, our capital structure, which is currently comprised of predominantly equity share capital, provides us with the opportunity to grow our business by raising additional Tier II capital. As at March 31, 2011, the capital structure of L&T Finance included Tier II capital of ₹ 750.00 million, which was significantly below regulatory limits. As at March 31, 2011, the capital structure of L&T Infra did not include any Tier II capital (refer to the section titled "*Regulations and Policies in India*", on page 197 of this Prospectus). As such, we have the ability to access additional funding in the form of Tier II capital in order to meet our growth requirements.

As a part of our operational philosophy, we ordinarily maintain CARs higher than those statutorily prescribed by the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007. The CAR for L&T Finance as at March 31, 2011, 2010 and 2009 was 16.34%, 15.43% and 16.41%, respectively. The CAR for L&T Infra as at March 31, 2011, March 31, 2010 and March 31, 2009 was 16.50%, 23.27% and 26.16%, respectively.

Strong parentage and brand equity of L&T

We believe that the L&T brand is one of the most well respected brands in India, and that this provides us with a significant competitive advantage, particularly in attracting new customers and talent and accessing capital.

L&T, which was established in Mumbai in 1938, is one of the leading companies in India in various industries, including engineering, construction, electrical and electronics manufacturing and services, information technology and financial services. L&T has a demonstrated track record of consistent year-on-year growth in business, and is currently one of the largest companies in India by market capitalisation. As at May 31, 2011, the market capitalisation of L&T was ₹ 1,001 billion (***Source***: *Bloomberg)* .

L&T has received numerous awards and recognition from both domestic and international bodies over the years, including *Company of the Year* (February 2010) from *The Business Standard*, one of India's leading business periodicals. In addition, the Reputation Institute, a private advisory and research firm specializing in corporate reputation management, ranked L&T as one of *The World's 50 Most Reputable Firms*, ranking 47th out of the top 200 firms in a study published by Forbes, which we believe indicates that L&T enjoys a high level of trust, admiration and esteem with the general public.

The L&T Group also provides us with access to management talent and professionals with deep industry knowledge in those sectors for which we provide financing, such as infrastructure and construction equipment. As our promoter, L&T has also made significant capital contributions to our business, infusing a total share capital, including share premium, of ₹ 17,785.92 million into our Company to date.

We believe that the reputation of the L&T brand has facilitated our entry and consolidation in several industries, particularly in the construction equipment and infrastructure finance sectors, and will continue to help us achieve our strategic objectives to expand our business, increase our market penetration and continue to attract and retain talented professionals. We further believe that the L&T brand will help us to grow the business of our Investment Management Group.

OUR STRATEGY

The key elements of our strategy are as follows:

Continue to expand our business to include new products and services, as well as entirely new lines of business

We currently have four business groups offering a broad spectrum of financial products and services. We intend to explore opportunities to expand our operations by developing new products and services within our existing lines of business as well as selectively identifying opportunities to expand into new lines of business, as we have done in investment management (January 2010), microfinance (June 2008), financial products distribution (September 2007) and infrastructure finance (January 2007). In each case, we will endeavour to introduce products and services which have the potential for long-term growth.

We believe that the growth of the distribution of financial products segment (in our Retail Finance Group), financial advisory services segment (in our Infrastructure Finance Group) and our Investment

Management Group will increase the contribution of fee-based income to our total income. For example, we intend to offer capital raising and strategic advisory services as part of the financial advisory services segment of our Infrastructure Finance Group, which we believe will enable our Infrastructure Finance Group to increase its fee-based income. Our Infrastructure Finance Group is currently in the process of establishing an infrastructure-focused private equity fund, which we believe will help to strengthen our competitive position in the infrastructure finance industry, add to our income streams and provide us with additional opportunities to make equity investments in infrastructure-related projects and companies.

It is our belief that further expanding our business lines and product and service offerings will allow us to build on the existing diversification and balance of our business (refer to the section titled "*Our Competitive Strengths - Diversified and balanced mix of high growth businesses*", above), thereby enabling us to maintain growth and profitability while mitigating the risks associated with product concentration. Diversifying our products and services will also provide us with greater opportunities for cross-selling and allow us to offer increasingly innovative and tailored financial solutions to our customers. Notwithstanding our expansion strategy, we currently anticipate that the financing of income-generating assets and activities will continue to be our principal business activity.

We believe that we have effective procedures in place for evaluating and managing market, credit, reputational and other relevant risks associated with new business and product development. All new lines of business and product launches will follow our current internal approval process that requires assessing risk and customer suitability, as well as understanding the regulatory environment and internal compliance procedures prior to launch.

Increase the market penetration of our existing products and services

We also seek to expand our business by increasing the penetration of our existing products and services in the Indian market. We intend to do this by expanding our overall customer base, with an emphasis on strategic, physical and geographic growth, and strengthening and expanding our relationships with our current corporate and retail customers.

Though our broader objective is to increase our presence across India, our present and immediate focus is on expanding our operations to reach the rural and semi-urban hinterlands of India and create new markets where there exists a significant opportunity to increase revenue. In particular, we plan to continue to explore opportunities in small towns where access to organized financial channels is limited. Since March 31, 2008, our points of presence increased by more than three times, from 226 to 837 as at May 31, 2011 and which included the expansion of our points-of-presence in rural and semi-urban areas. We believe that this expansion plan will not only provide benefits in terms of adding customers and increasing revenues, but will also mitigate risks associated with geographic concentration in urban areas.

Following the expansion of our distribution network over the last three years, we believe that we are in a position to exploit our existing distribution infrastructure in order to expand our reach. We believe that this will increase the volume of products and services that we deliver to our customers in a more cost-effective manner, thereby lowering our cost of operations as a proportion of our total assets.

We intend to continue physical and geographic expansion for as long as it serves the purpose of expanding both our customer base and the market penetration of our products and services in a profitable manner.

We will continue to seek to leverage the significant network of vendors, dealers and customers of various companies in the L&T Group for referrals of new customers, and increasingly engage in brand building campaigns. We will also seek to increase the total share of expenditure by each customer on our products and services. In connection with this, we will make greater use of cross-selling in order to introduce existing customers of one product or service to new products or services.

Continue to focus on two key Indian growth stories: infrastructure and rural development

Four of the business sectors in which we operate, being construction equipment finance, infrastructure finance, rural finance and microfinance, are aligned with the Indian growth stories of infrastructure and rural development, both of which have been identified as strategic initiatives by the Government of India.

We believe the infrastructure sector in particular has demonstrated consistent growth over the years, driven by increases in government and private sector spending, and there is potential for continued growth in spending. We believe that this will have positive consequences for our Infrastructure Finance Group, as well as for the construction equipment segment of our Retail Finance Group. Refer to the section titled "*Industry Overview – The Infrastructure Finance Industry in India*", on page 129 of this

Prospectus.

Our Infrastructure Finance Group aims to be a comprehensive financial solutions provider in the infrastructure sector, and in connection therewith, we intend to explore the development of products for various infrastructure- related sectors, such as power, roads, telecommunications, oil and gas, urban infrastructure and ports. The RBI has granted L&T Infra the status of an Infrastructure Finance Company, which accords it certain benefits, notably the ability to raise funds at a lower cost compared to other NBFCs. In addition, L&T Infra has been notified as a PFI under section 4A of the Companies Act. Refer to the sections titled "*Industry Overview – The Infrastructure Finance Industry in India – Infrastructure Finance Companies*" and "*Regulations and Policies in India*" on pages 129 and 197, respectively, of this Prospectus. We will continue to utilize these benefits in order to provide cost-effective financing solutions for our customers and further grow our infrastructure finance business.

With respect to rural development, we intend to continue to grow our rural finance and microfinance business segments, where we believe there is potential for growth. In order to capitalize on this growth in rural development, we are looking to increase our presence in rural finance in general, while maintaining our commitment to corporate social responsibility and our aim of achieving financial inclusion in rural India in a commercially viable manner.

Our traditional rural finance business involves the financing of farming equipment and agricultural implements, such as harvesters to farmers, as well as providing finance for the purchase of rural transport vehicles, such as three-wheelers and utility vehicles. We intend to expand our product offering as the needs of the rural community expand and evolve.

Our microfinance business was launched in June 2008, and by March 31, 2011 had already resulted in 1,255,877 individual loans with cumulative disbursements of ₹ 14,544.32 million. Notwithstanding this growth, as well as recent developments in the microfinance industry in India, we believe that there continues to be a significant demand-supply gap for microcredit in India. In the medium- to long-term, we will seek to deepen our reach in states where we are already present, expanding our microfinance products to new locations and extending our range of product offerings targeting microfinance consumers.

Notwithstanding recent developments and new laws and regulations in the microfinance industry in India (and in particular, in the state of Andhra Pradesh), we continue to believe in the medium- to long-term growth prospects of the microfinance industry. However, in the short-term, and owing to the promulgation of new laws and regulations in the microfinance industry and the decline in collections from customers of our microfinance segment in Andhra Pradesh, we have reduced the disbursement of loans in general, and in the state of Andhra Pradesh there have been no disbursements since the promulgation of the MFI Ordinance on October 15, 2010 and the subsequent enactment of the MFI Act, in view of the uncertainties and the regulatory process involved in any new disbursements. Refer to the section titled "*Risk Factors – Risks Relating to Our Group – The repeal of or changes in the regulatory policies that currently encourage financial institutions to provide capital to the microfinance sector could adversely impact the cost and availability of capital. Further, any uncertainty regarding the implementation and enforcement of recent amendments to applicable laws and the implementation of related recommendations may result in delays and/or halts in repayment of loans as a result of which, microfinance institutions may experience losses and liquidity issues causing lenders and investors to lose confidence in the microcredit industry and consequently, lenders may discontinue lending to microfinance institutions. For further details please see Regulations and Policies on page 197.*" on page 34 of this Prospectus for a discussion of new laws and regulations relevant to the microfinance industry. Given the uncertainty regarding the implementation and enforcement of the MFI Act and the potential impact of the Malegam Committee report on the regulatory framework of the microfinance industry, we may re-evaluate the business model, strategy and structure of our microfinance segment, including potentially migrating the business of our microfinance segment from L&T Finance into a newly incorporated company within our Group, L&T Unnati, which is one of our wholly-owned Subsidiaries. However, as of the date of this Prospectus, no further steps have been taken in this regard.

Develop our financial products distribution business segment

We anticipate further growth in our financial products distribution business, initially through targeted cross selling to our existing customer base. We also anticipate that, in the medium to long term, there will be further opportunities to grow this business as our customer base and geographic reach expands within India. As a result, we plan to pursue financial products distribution as a focus area for growth and profitability. We currently have a dedicated team of trained sales staff offering a wide variety of financial products to our customers, including insurance, mutual funds, bonds, shares in initial public offerings and time deposits. We believe that knowledgeable sales staff and relationships with reputable product providers offering high quality products are integral elements of a successful distribution business. Therefore, we intend to continue to improve the advisory capabilities of our sales team through specialized training, and pursue further distribution arrangements with high quality financial products providers in order to build our reputation and presence in this business.

Continue to attract and retain talented professionals

We recognize that our business is largely dependent on human resources, and we intend to continue taking a proactive approach to the retention and recruitment of human capital to further enhance and grow our business. We have been successful in recruiting and retaining talented professionals from a wide variety of backgrounds, including banks and NBFCs, and our senior management team has witnessed a low rate of attrition.

Accordingly, as our business has continued to grow and diversify, we believe that we have been able to keep pace with this growth by hiring professionals with deep industry knowledge, while our management team retains its core institutional knowledge. We believe that our senior management, the reputation and goodwill of the L&T Group, and our proactive recruitment and retention initiatives will enable us to continue to attract and retain talented professionals. As discussed in greater detail in the section titled "*Our Business – Our Business Support Services – Human Resources*", below, we have instituted various recruitment and retention initiatives, including an on-campus recruitment program, incentive-based pay, employee feedback surveys and professional training.

Continue to focus on the growth of our retail loan portfolio

L&T Finance commenced its operations by focusing on the financing needs of small and medium enterprises and corporate entities. However, it has grown its retail portfolio over the last three years with the addition of products such as transportation equipment finance, rural products finance and microfinance. As at March 31, 2011, the loans and advances of our Retail Finance Group were ₹ 65,787.91 million, which accounted for 36.66% of the total loans and advances made by our Company. We believe that this provides our loan portfolio with a strong balance and diversification, and also represents an improvement on our yields and returns, although with a concomitant increase in operating expenses (as result of the relatively small size of retail loans and large volume of retail loan transactions) and levels of NPAs. It is our intention to continue to focus on the loan portfolio of our Retail Finance Group, and we expect that the total loans and advances of our Retail Finance Group as a proportion of the total loans and advances of our Company will increase, or at least be maintained.

OUR BUSINESS AND OPERATIONS

Our operations are arranged into four core business groups, being the Infrastructure Finance Group, the Retail Finance Group, the Corporate Finance Group and the Investment Management Group.

Our Infrastructure Finance Group, through our wholly-owned subsidiary, L&T Infra, provides financial products and services to our customers engaged in infrastructure development and construction, with a focus on the power, roads, telecommunications, oil and gas, urban infrastructure and ports sectors in India. L&T Infra is classified by the RBI as an IFC, which allows it to optimize its capital structure by diversifying its borrowings and accessing long-term funding resources, thereby expanding its financing operations while maintaining its competitive cost of funds. The products and services of our Infrastructure Finance Group include a variety of customized debt and equity financing solutions, as well as the provision of financial advisory services (such as debt and equity advisory and syndication services).

Our Retail Finance Group, through our wholly-owned subsidiary, L&T Finance, provides financing to our retail customers for the acquisition of income-generating assets, and comprises the segments of construction equipment finance, transportation equipment finance, rural products finance and microfinance. In addition, our Retail Finance Group caters to the non-financing needs of our retail customers through the distribution of third party financial products such as insurance and mutual funds.

Our Corporate Finance Group, through our wholly-owned subsidiary, L&T Finance, provides financial products and services to our corporate customers, and comprises the segments of corporate loans and leases (in the form of asset-backed loans, term loans, receivables discounting, short-term working capital facilities and operating and finance leases), supply chain finance (which includes vendor and dealer finance products) and capital markets products. In the course of Fiscal Year 2012, we plan for IIDL, subject to applicable regulatory approvals, to begin providing non asset-backed loans and facilities as part of our Corporate Finance Group's supply chain finance segment.

Our Investment Management Group, through our wholly-owned subsidiary, L&T IM, comprises the mutual fund segment, which includes the management, administration and distribution of L&T Mutual Fund, and the portfolio management services segment, which includes portfolio management and sub-advisory services.

The following table sets out the key business segments of each of our four core business groups:

CORE BUSINESS GROUP SEGMENTS

INFRASTRUCTURE FINANCE GROUP	RETAIL FINANCE GROUP	CORPORATE FINANCE GROUP	INVESTMENT MANAGEMENT GROUP
Project Finance and Corporate Loans	*Construction Equipment Finance*	*Corporate Loans and Leases*	*Mutual Fund*
Equity Investments	*Transportation Equipment Finance*	*Supply Chain Finance*	*Portfolio Management Services*
Financial Advisory Services	*Rural Product Finance*	*Capital Markets Finance*	
	Microfinance		
	Distribution of Financial Products		

The following table sets out the contribution to our total income by each of our four core business groups for the financial years ended March 31, 2011 and 2010 as well as the proportion of our total loans and advances which each of our Infrastructure Finance Group, Retail Finance Group and Corporate Finance Group accounted for as at March 31, 2011 and 2010:

Business Group	Year ended March 31, 2011		As at March 31, 2011		Year ended March 31, 2010		As at March 31, 2010	
	Contribution to Group Total Income	Percentage of Group Total Income	Total Loans and Advances	Percentage of Loans and Advances	Contribution to Group Total Income	Percentage of Group Total Income	Total Loans and Advances	Percentage of Loans and Advances
	(₹ million)	*(%)*	*(₹ million)*	*(%)*	*(₹ million)*	*(%)*	*(₹ million)*	*(%)*
Infrastructure Finance Group	7,039.75	33.29	71,864.90	40.05	4,504.23	31.63	42,884.99	37.47
Retail Finance Group	10,232.05	48.38	65,787.91	36.66	6,401.90	44.96	44,670.56	39.03
Corporate Finance Group	3,743.30	17.70	35,779.37	19.94	3,255.40	22.86	25,149.96	21.97
Investment Management Group[1]	86.62	0.41	N/A	N/A	16.84	0.12	N/A	N/A
Other[2]	46.70	0.22	5,999.59	3.35	60.78	0.43	1,753.94	1.53
TOTAL:	**21,148.42**	**100**	**179,431.77**	**100**	**14,239.15**	**100**	**114,459.45**	**100**

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1 *As at March 31, 2011, our Investment Management Group had total AUM of ₹33,344.10 million.*

2 *Includes:*

- *income from other group companies, and L&T General Insurance Company Limited, which was a subsidiary of L&T Finance from April 1, 2009 to November 30, 2009 prior to being transferred to L&T; and*
- *Loans and advances made by our other group companies, including IIDL (refer to the section titled* "Our Group Structure and Subsidiaries"*, above).*

Our Infrastructure Finance Group

The operations of our Infrastructure Finance Group are divided into the following business segments:

Project Finance Segment

The project finance segment of our Infrastructure Finance Group provides customized debt financing products to infrastructure projects and their sponsor companies. The following table illustrates the sectors and sub-sectors on which our project finance segment focuses:

POWER	**ROADS**
Generation	Construction and Development
Transmission	Operation
Distribution	Maintenance
TELECOMMUNICATIONS	**OIL & GAS**
Passive infrastructure	Exploration
Telecommunications and broadband	Extraction
	Transportation
URBAN INFRASTRUCTURE	**OTHER INFRASTRUCTURE**
Municipal solid waste management	Water and sanitation
Water desalination	Logistics
	SEZs
PORTS	
Greenfield construction	
Expansion and modernization of existing ports	

We seek to distinguish the products and services of our project finance segment from those of our competitors by customizing each of our offerings to the specific requirements of our customers and their projects, providing efficient transaction processing and management capabilities and acting as a single point of contact for all of our customers' project financing requirements.

As at March 31, 2011, our total infrastructure loans were ₹ 71,864.90 million, and for Fiscal Year 2011, we recorded total infrastructure loan disbursements of ₹ 51,551.76 million compared to total loans of ₹ 42,884.99 million and total disbursements of ₹ 37,955.14 million in Fiscal Year 2010. From January 2007 to March 31, 2011 we made cumulative loan disbursements of ₹ 123,703.48 million.

In order to provide our customers with an optimal capital structure for the customized solutions that we offer, we typically make use of the following types of products:

Senior Debt Products

Our senior debt financing products are provided in the form of term loans, debentures and securitized debt that is collateralized by the cash flow receivables of the project. Senior debt ranks preferentially as to security and right of payment ahead of all other debt obligations of a borrower. Our senior debt financing products are fully secured, and generally have recourse to the underlying assets of the projects they are intended to finance, in the event of a default.

Mezzanine Products

Our mezzanine products are principally comprised of subordinated debt financing (in the form of subordinated loans), preference shares and convertible debentures. These mezzanine products are typically layered between equity and senior debt in our customers' capital structures, and effectively act as an additional tier in the overall capital structure of a company. Mezzanine products are generally subordinate to senior debt in rights of payment and may only have a second or subservient charge over the underlying assets of the borrower they are intended to finance. Whilst mezzanine products carry a higher risk of default and recovery in comparison to senior debt products, they generally earn higher returns.

The following table sets out the allocation of our total loans and total disbursements by product-type in our project finance segment as at March 31, 2011 and 2010, and for the financial years ended March 31, 2010 and 2011, respectively:

Debt Product	Total Loans (as at March 31, 2011)		Total Disbursements (for the financial year ended March 31, 2011)		Total Loans (as at March 31, 2010)		Total Disbursements (for the financial year ended March 31, 2010)	
	₹million	*% of Total*	*₹million*	*% of Total*	*₹million*	*% of Total*	*₹million*	*% of Total*
Senior Debt............	45,503.17	63.32	32,863.46	63.75	24,419.00	56.94	18,887.72	49.76
Mezzanine Debt......	26,361.73	36.68	18,688.30	36.25	18,465.99	43.06	19,067.42	50.24
TOTAL:................	**71,864.90**	**100.00**	**51,551.76***	**100.00**	**42,884.99**	**100.00**	**37,955.14**	**100.00**

* *This figure does not include ₹2,250 million for subscriptions of preference shares and debentures in the normal course of business activity, in non-related companies. Refer to the section titled* "Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources – Cash Flows – L&T Infra*" on page 295 of this Prospectus.*

Our loan products typically have a floating rate interest rate (linked to a benchmark such as L&T Infra's own prime lending rate, or the prime lending rates of the lead banks in the consortium financing the project), or have a periodic interest rate- and/or spread resets, dependent on the structure of the project being financed and/or our customers' financing requirements for a project.

In addition, we frequently also structure our loans with put and call options and interest rate resets, in order to maximize opportunities presented by prevailing economic conditions.

In certain circumstances, the project finance segment originates, assesses and prices loans in the normal and ordinary course of its operations, but the loan is ultimately referred to and disbursed by L&T Finance. The credit approval of these loans is based on the appraisal process carried out by L&T Infra (refer to the section titled "*Our Loan Portfolio and Policies – Lending Policies – Infrastructure Finance Group: Investment and Credit Policy and Approval Process*", below).

The tenor and repayment schedules of the loans we provide vary depending on our assessment of the cash flows from the borrower. As at March 31, 2011, all of our loans are secured. The security is designed following our assessment of the borrower in question, and includes forms of security such as charges (over the project assets or assets of the borrower (as the case may be), a project escrow account, debt service repayment accounts and/or residual cash flows of the borrower), or collateral such as guarantees from the project promoters or sponsors, corporate guarantees or pledges of shares, or a combination of one or more of these forms of security.

Equity Investment Segment

We provide equity-related project financing through proprietary minority equity investments in infrastructure companies. Such equity-related investments may take the form of equity shares, preference shares or hybrid debt and equity instruments. Our equity financing products can be offered in conjunction with our debt financing products in order to optimize the capital structure of our customers' projects, as well as our overall returns from a given project.

We have a dedicated team within the equity investment segment of our Infrastructure Finance Group, which focuses on the identification, analysis and recommendation of suitable equity investment opportunities in the infrastructure sector and its sub-sectors. Its function includes undertaking appropriate due diligence investigations, document preparation, negotiations with customers and counterparties, valuation exercises and researching and advising on the optimal structure for the investment. Following our investment in a given project, we continue to assist our customers with developing relationships in the infrastructure space, monitoring the capital structure and assisting in arranging funding, if necessary.

One of the important factors considered at the time of investment is the possibility of an exit from the investment, over a period of three-to-five years, through initial public offerings or strategic sales.

As at March 31, 2011, our equity portfolio in this business segment was carried at ₹ 750.28 million, at acquisition cost.

Financial Advisory Services Segment

As part of our Infrastructure Finance Group's products and services, we provide a variety of advisory services to infrastructure companies and sponsors. The financial advisory services segment was started in April 2008, in order to complement the business of our project finance segment and diversify the revenues of L&T Infra to include fee-based income. Owing to our specialized sector-specific knowledge and experience (refer to the sub-section titled "*Industry and Sector Focus*", below), our financial advisory services segment is able to leverage off of the existing relationships and sector-specific expertise of our project finance segment in the industry when advising our infrastructure finance customers on projects.

The financial advisory services segment of our Infrastructure Finance Group provides the following services:

Corporate and Project Advisory Services

Our corporate and project advisory services are focused on advising our corporate customers on various operational aspects of project finance and infrastructure development transactions, such as project appraisals (including feasibility analyses and project risk assessment), the composition and submission of project information memoranda to lenders and other financiers of projects, advising on bid and application processes for project tenders, and the development and structuring of products and solutions to meet the specific commercial and funding requirements of our corporate customers and their projects.

Debt Advisory and Debt Arranging Services

Our debt advisory team aims to be appointed as the lead arranger for a variety of term loan and structured debt facilities for project finance transactions. As a lead arranger, our responsibilities include conducting the syndication of project debt obligations among a variety of other financial institutions for both new and expansion projects, the general syndication of long-term and short-term debt for corporate customers, and designing, financing and implementing structured products.

New Services

It is our intention to offer the following new services as part of the financial advisory services segment of our Infrastructure Finance Group:

- Capital raising advisory services - We intend to provide advice and assistance to corporate customers in the infrastructure sector related to optimizing their capital structure and managing the process of raising private equity capital, mezzanine funding and the issue of convertible instruments. This would include the placement of equity and equity-linked instruments to investors such as private equity funds, financial institutions and investors; and

- Strategic advisory services - We have recently started offering strategic advice to our infrastructure finance customers on the acquisition of strategic assets and/or strategic interests in target companies. We have recently received our first mandate for this new service, which relates to the proposed acquisition of a hydropower asset by a hydropower development company in India.

We believe that the introduction of these services will enable our Infrastructure Finance Group to increase its fee-based income as a proportion of its total income.

The following table sets out the major projects on which we have advised on debt funding, up to and including March 31, 2011:

Customers	**Nature of Project**	**Project Cost***	**Debt component***
		(₹ million)	
Client 1	40MW captive power plant.	2,000	1,600
Client 2	Passive telecommunications infrastructure	7,752	5,000

Customers	Nature of Project	Project Cost*	Debt component*
		(₹ million)	
Client 3	Container train operations and inland container depots.	4,720	3,250
Client 4	Passive telecommunications infrastructure..	2,359	1,500
Client 5	Shipyard-cum-port facility in Tamil Nadu.	33,750	23,630
Client 6	Hydropower project (Bid Advisory Project).	N/A	N/A
Client 7	99 MW hydropower project...	10,440	7,830

**Based on project memorandum prepared by L&T Infra*

Private Equity Infrastructure Fund

Our Infrastructure Finance Group is currently in the process of establishing an infrastructure-focused private equity fund, with a focus on infrastructure and infrastructure related investment, which we believe will help to strengthen our competitive position in the infrastructure finance industry, and add to our income streams by enabling us to access additional opportunities to make equity investments in infrastructure-related projects and companies. L&T Infra has obtained approval from its board to make a sponsor's commitment of up to ₹ 3,250 million in support of the establishment of the infrastructure-focused private equity fund, and may receive management and incentive fees if the private equity fund is successfully established. There can, however, be no guarantee or assurance that the private equity fund will be successfully launched or that third-party investors will commit, or contribute, to investments that it will pursue.

Industry and Sector Focus

Our Infrastructure Finance Group has provided financial products and services to, *inter alia*, the power, roads, telecommunications, oil and gas, urban infrastructure and ports sectors. Although we measure our industry exposures, we do not place strategic emphasis or focus on any one or more sectors.

The following table sets out the allocation of our loans as at and March 31, 2011 and 2010, and the total disbursements for the financial years ended March 31, 2011 and 2010, by sector:

Industry Sector	Total Loans (as at March 31, 2011)		Total Disbursements (for the year ended March 31, 2011)		Total Loans (as at March 31, 2010)		Total Disbursements (for the financial year ended March 31, 2010)	
	₹ million	*Percentage (%) of Total Loans*	*₹ million*	*Percentage (%) of Total Disbursements*	*₹ million*	*Percentage (%) of Total Loans*	*₹ million*	*Percentage (%) of Total Disbursements*
Power.................	20,599.73	28.66	12,672.26	24.58	16,307.41	38.03	14,734.32	38.82
Roads.................	12,429.40	17.30	9,000.00	17.46	5,640.00	13.15	4,070.00	10.72
Telecommunications	9,919.06	13.80	8,992.60	17.44	5,694.76	13.28	3,488.80	9.19
Oil and Gas.........	4,569.47	6.36	3,424.00	6.64	2,153.80	5.02	2,463.80	6.49
Urban Infrastructure	4,428.57	6.16	3,500.00	6.79	1,162.50	2.71	2,200.00	5.80
Ports...................	2,374.11	3.30	730.00	1.42	1,720.00	4.01	1,720.00	4.53
Other[1].................	17,544.56	24.42	13,232.90	25.67	10,206.52	23.80	9,278.22	24.45
TOTAL:.............	**71,864.90**	**100.00**	**51,551.76**	**100.00**	**42,884.99**	**100**	**37,955.14**	**100**

1 *Includes projects related to water and sanitation, rail container and logistics operations, agricultural infrastructure, industrial and IT parks and SEZs.*

Our industry focus is principally on the following sectors:

Power Sector

We finance and advise on projects for electricity generation, transmission and distribution. As at March 31, 2011, our total loans outstanding in the power sector were ₹ 20,599.73 million, which accounted for 28.66% of the total loans of our Infrastructure Finance Group. For the year ended March 31, 2011, our total disbursements were ₹ 12,672.26 million in the power sector, which accounted for 24.58% of the total disbursements of our Infrastructure Finance Group.

Our projects in the power sector have included projects for independent power producers (with power plants spread across states in India such as Maharashtra, Gujarat, Chhattisgarh, Karnataka, Tamil Nadu, Andhra Pradesh, Punjab, Himachal Pradesh, Orissa and Rajasthan), coal, coal rejects, gas, lignite, hydropower and biomass projects. These projects have also included greenfield projects, expansion projects, merchant power plants, group captive power plants and captive power plants for energy-intensive projects. We have provided senior and subordinated debt products, bridge financing facilities and equity and equity-related products to our customers in the power sector. In addition, the financial advisory services segment has acted as the lead arranger for the syndication of loans for a variety of large thermal power and hydropower projects.

Roads Sector

We finance and advise on projects involving the construction, operation and maintenance of new and existing stretches of national and state highways and expressways, focusing on National Highway Authority of India projects and state-sponsored projects. As at March 31, 2011, our total loans outstanding in the roads sector were ₹ 12,429.40 million, which accounted for 17.30% of the total loans of our Infrastructure Finance Group. For the year ended March 31, 2011, our total disbursements were ₹ 9,000.00 million in the roads sector, which accounted for 17.46% of the total disbursements of our Infrastructure Finance Group.

Telecommunications Sector

We finance and advise on the construction and development of telecommunications projects for established pan Indian and regional telecommunications services operators and passive infrastructure and broadband services providers. As at March 31, 2011, our total loans outstanding in the telecommunications sector were ₹ 9,919.06 million, which accounted for 13.80% of the total loans of our Infrastructure Finance Group. For the year ended March 31, 2011, our total disbursements were ₹ 8,992.60 million in the telecommunications sector, which accounted for 17.44% of the total disbursements of our Infrastructure Finance Group.

In addition, the financial advisory services segment has acted as the lead arranger for the syndication of loans for one of the leading passive telecommunications infrastructure providers in India, and we have also participated as a member of a syndicate of lenders for an expansion project of passive telecommunications infrastructure, which was led by international sponsors.

Oil and Gas

We finance oil and gas projects which involve the exploration, extraction and transportation of oil and gas. As at March 31, 2011, our total loans outstanding in the oil and gas sector was ₹ 4,569.47 million, which accounted for 6.36% of the total loans of our Infrastructure Finance Group. For Fiscal Year 2011, our total disbursements were ₹ 3,424.00 million in the oil and gas sector, which accounted for 6.64% of the total disbursements of our Infrastructure Finance Group.

Urban Infrastructure

We provide project and corporate loans to entities involved in urban infrastructure activities such as municipal solid waste management and water desalination. As at March 31, 2011, our total loans outstanding in the urban infrastructure sector were ₹ 4,428.57million, which accounted for 6.16% of the total loans of our Infrastructure Finance Group. For Fiscal Year 2011, our total disbursements were ₹ 3,500.00 million in the urban infrastructure sector, which accounted for 6.79% of the total disbursements of our Infrastructure Finance Group

Ports

We finance and advise on port projects which involve the construction of new, or "greenfield" port projects, and the expansion and modernization of cargo-handling facilities in existing ports. In addition, we have acted as arrangers for the syndication of a loan for the construction of a shipyard-cum-port. As at March 31, 2011, our total loans outstanding in the ports sector were ₹2,374.11 million, which accounted for 3.30% of the total loans of our Infrastructure Finance Group. For Fiscal Year 2011, our total disbursements were ₹ 730.00 million in the telecommunications sector, which accounted for 1.42% of the total disbursements of our Infrastructure Finance Group.

Other Sectors

In addition, we also finance and advise on water and sanitation, rail container and logistics operations, agricultural infrastructure, industrial and IT parks and SEZ infrastructure projects. As at March 31, 2011, our total loans outstanding in these sectors were ₹ 17,544.56 million, which accounted for 24.42% of the total loans of our Infrastructure Finance Group. For Fiscal Year 2011, our total disbursements were ₹ 13,232.90 million in these sectors, which accounted for 25.67% of the total disbursements of our Infrastructure Finance Group.

Our Retail Finance Group

Our Retail Finance Group provides finance to our retail customers, primarily for the acquisition of income-generating assets such as construction equipment, transportation equipment and rural products. Our Retail Finance Group is also engaged in the provision of microfinance and the distribution of financial products.

The following table sets out the allocation of our loans and advances as at March 31, 2011 and 2010, and total disbursements for the financial years ended March 31, 2011 and 2010, between secured loans and unsecured loans in our Retail Finance Group:

Business Segment and Product[1]	**Loans and Advances (as at March 31, 2011)**		**Total Disbursements (for the financial year ended March 31, 2011)**		**Loans and Advances (as at March 31, 2010)**		**Total Disbursements (for the financial year ended March 31, 2010)**	
	₹million:	*% of total:*	*₹million:*	*% of total:*	*₹million:*	*% of total:*	*₹million:*	*% of total:*
Secured Loans	59,934.11	91.10	39,442.34	79.40	39,112.78	87.56	25,365.07	73.66
Unsecured Loans[2]	5,853.80	8.90	10,231.72	20.60	5,557.79	12.44	9,069.00	26.34
TOTAL	**65,787.91**	**100.00**	**49,674.07**	**100.00**	**44,670.56**	**100**	**34,434.07**	**100**

[1] *In June 2009, L&T Finance conducted an internal operational restructuring of its business groups into the Retail Finance Group and Corporate Finance Group. Prior to that restructuring, L&T Finance's business groups consisted of an "enterprise finance division" (comprising corporate loans and leases, construction equipment finance, transportation equipment finance and supply chain finance segments), and a "retail finance division" (comprising rural products finance and microfinance segments). Accordingly, prior year financial information of loans and advances and total disbursements are not comparable.*

[2] *Includes -*

- *₹ 4,602.33 million in respect of loans and advances made by the microfinance segment of our Retail Finance Group, which accounted for 7.00% of the total loans and advances of our Retail Finance Group, as at March 31, 2011; and*
- *₹ 5,022.50 million in respect of loans and advances made by the microfinance segment of our Retail Finance Group, which accounted for 11.24% of the total loans and advances of our Retail Finance Group, as at March 31, 2010; and*
- *₹ 5,967.18 million in respect of loans disbursed by the microfinance segment of our Retail Finance Group for the financial year ended March 31, 2011; and*
- *₹ 7,626.37 million in respect of loans disbursed by the microfinance segment of our Retail Finance Group for the financial year ended March 31, 2010.*

*All of the loans made by our microfinance segment are unsecured. See the sub-section titled "*Microfinance Segment*", below.*

The operations of our Retail Finance Group are divided into the following business segments:

Construction Equipment Finance Segment

We provide financing for a wide range of construction equipment including earthmoving equipment, heavy-duty cranes, road construction equipment and mining equipment. These products are widely used in industries such as power generation, irrigation, highway development, mining, transportation and urban infrastructure projects.

We provide secured term loans for the financing of both new and used construction equipment for our retail customers. Typically, the tenor of a construction equipment loan is between one and four years, and a charge on the relevant asset is created in our favour as security for repayment of the loan.

In addition to secured term loans, we provide unsecured short-term working capital facilities to existing customers of our construction equipment finance segment.

Transportation Equipment Finance Segment

We provide financing to our retail customers, which include FTUs, small truck owners, small road transport operators, and business fleet owners, for the acquisition of a wide range of commercial passenger and goods vehicles, across the four sub-segments of the commercial vehicle industry in India (being small, light, medium and heavy commercial vehicles) (refer to the section titled "*Industry Overview – The Retail Finance Industry in India – Transport Equipment Finance Overview*", on page 134 of this Prospectus), provided that the end-use of the asset acquired by our retail customer is for an income-generating purpose.

We provide secured term loans for the financing of both new and used commercial, passenger and goods vehicles for our retail customers. Typically, the tenor of a transportation equipment loan is between two and five years, and a charge on the vehicle is created in our favour as security for repayment of the loan.

Rural Product Finance Segment

We provide secured and unsecured term loans for the financing of a variety of assets and products in the rural economy in India.

The products of our rural finance segment are typically standardized, and are not customized to the particular needs of individual customers in the same manner as those products and services of our other Retail Finance Group segments. Our existing range of rural products includes the following:

- *Kisan Gaurav* and *Kisan Mitra* - these schemes are aimed at financing the acquisition by farmers of a variety of farm equipment for their own use, such as tractors, trailers, harvesters and planters. This is typically a secured loan with a tenor of up to five years;

- *Kisan Vanijya* - this is a scheme aimed at financing the acquisition by rural entrepreneurs of tractors for rental to farmers. This is typically a secured loan with a tenor of up to five years;

- *Kisan Bandhu* - this is a scheme aimed at financing the acquisition of small commercial vehicles for carrying goods and passengers. This is typically a secured loan with a tenor of up to four years; and

- *TracFin* - this is a scheme aimed at financing the acquisition of farm equipment and small sized transport vehicles by dealers, as working capital, for resale to the public. This is a revolving unsecured loan which remains valid for one year.

- In addition to the above, we recently launched *Apna Car*, which is a scheme aimed at financing the acquisition of cars and multi-utility vehicles for personal use. This is a secured loan with a tenor of up to seven years.

Microfinance Segment

We commenced our microfinance operations in June 2008, and this segment of our Retail Finance Group is integral to our aim of contributing to financial inclusion in the Indian economy in a commercially viable manner. The operations of our microfinance segment are currently spread over seven states, namely, Andhra Pradesh, Tamil Nadu, Maharashtra, Karnataka, Gujarat, West Bengal and Orissa.

Our Microfinance Model and Methodology

Our lending model is in the nature of direct lending and disbursement of loans to our customers, as opposed to the "intermediary model", where funds are lent to self-help groups, or non-governmental organizations who have microfinance operations. As such, our lending business is based on a Joint-Liability Group or "**JLG**" model, which has been used by MFIs for over 30 years internationally, including in Bangladesh. The operations of our microfinance segment are premised on the belief that the poor, who form the customer-base for microfinance products, have skills that are under-utilized, and that if they are given access to credit, will be able to identify new income-generating opportunities and grow existing business activities such as operating local retail shops (known as *kirana* stores), tailoring, basket-weaving and rearing of livestock. We believe that by providing access to microfinance loans, the economic opportunities for poor families can be substantially enhanced. Since inception of this business in June 2008, we have disbursed approximately one million loans.

Our microfinance operations comprise the following elements:

- *Village Identification and Appraisal*: Our field staff identifies various villages which are a potential source of business for our microfinance segment. As such, our field staff conducts surveys in order to determine whether or not a particular village is suitable for our lending business before we commence operations in that area. Such a survey includes an evaluation of local conditions and operational suitability based on the total population and economic profile of the village, transportation links (primarily roads), political stability and safety and security.

- *Joint-Liability Group Formation and Individual Credit Appraisal*: a JLG is an arrangement under which microfinance loan borrowers are grouped together in order to guarantee each others' loans, which we believe helps to engender a culture of mutual support between borrowers and presents a lower risk of default. As such, potential members of a JLG are individually assessed and appraised, and if approved, are formed into JLGs with other individuals.

- *Documentation and Disbursement*: once a JLG is formed, all requisite documentation is completed and the loans are disbursed at one of our meeting centers (refer to the section titled "*Sales and Marketing – Retail and Corporate Finance Groups - Microfinance*", below).

- *Collections*: following disbursement of the loan, our field staff travels to the villages where the various JLGs are based in order to collect payments, dependant on the repayment schedule of the loans for each JLG.

Gram Bandhu

Gram Bandhu is our principal loan product, and is aimed at providing essential capital for small business endeavours and entrepreneurial initiatives, in accordance with the business model and methodology described above. In the farming sector, these loans are intended to finance activities such as agricultural inputs, dairy, goat-rearing and nurseries. In other sectors, these loans are intended to finance a variety of business activities such as grocery shops', hawkers' and vegetable vendors' operations. Loans granted as part of the *Gram Bandhu* loan product range in principal amount from ₹ 5,000 to ₹ 50,000. The term may be from one to two years for repayment. Principal and interest repayments are due on a weekly or monthly basis, dependent on the area of lending. The ultimate credit decision is based on both village- and borrower-specific credit appraisals (refer to the section titled "*Our Microfinance Model and Methodology*", above, for a discussion of the credit and approval process).

During Fiscal Year 2011, we disbursed loans aggregating ₹ 5,967.18 million to 490,176 customers of our microfinance segment, compared to ₹ 7,626.37 million to 677,801 customers in Fiscal Year 2010. As at March 31, 2011 the loans and advances in our microfinance segment was ₹ 4,602.33 million, which accounted for 7.00% of the aggregate loans outstanding of our Retail Finance Group. On a cumulative basis, from June 2008 to March 31, 2011, our total disbursements were ₹ 14,544.32 million. Our microfinance customer base grew almost ten times between March 31, 2010 and March 31, 2011, from 80,177 customers to 713,232 customers.

The following table sets out the distribution of the total loans and advances of our microfinance segment across the seven States in India in which our microfinance segment operates, as at March 31, 2011:

States in India:	**As at March 31, 2011**	
	Total Loans and Advances:	**Percentage of Total Loans and Advances (%)**
	(in ₹ million)	
Andhra Pradesh[1]	1,990.34	43.25
Gujarat	55.00	1.20

States in India:	As at March 31, 2011	
Karnataka	772.88	16.79
Maharashtra	1,073.59	23.33
Orissa	423.55	9.20
Tamil Nadu	178.87	3.89
West Bengal	108.10	2.35
TOTAL	**4,602.33**	**100.00**

[1] *See the section titled, "Risk Factors – Risks Relating to Our Group - The repeal of or changes in the regulatory policies that currently encourage financial institutions to provide capital to the microfinance sector could adversely impact the cost and availability of capital. Further, any uncertainty regarding the implementation and enforcement of recent amendments to applicable laws and the implementation of related recommendations may result in delays and/or halts in repayment of loans as a result of which, microfinance institutions may experience losses and liquidity issues causing lenders and investors to lose confidence in the microcredit industry and consequently, lenders may discontinue lending to microfinance institutions. For further details please see Regulations and Policies on page 197." on page 34 of this Prospectus, and the sub-section titled " – Recent Developments", below.*

Insurance Products

We provide life insurance products which cover the life of both the borrower and the borrower's spouse for the term of the loan. We also provide non-life insurance products covering risks to property and the underlying asset (for example, cattle).

However, due to recent developments as well as the requirements of new laws and regulations in the microfinance industry in Andhra Pradesh, we have discontinued offering insurance products to the customers in the microfinance segment in this province (refer to the section titled "*Risk Factors – Risks Relating to Our Group – The repeal of or changes in the regulatory policies that currently encourage financial institutions to provide capital to the microfinance sector could adversely impact the cost and availability of capital. Further, any uncertainty regarding the implementation and enforcement of recent amendments to applicable laws and the implementation of related recommendations may result in delays and/or halts in repayment of loans as a result of which, microfinance institutions may experience losses and liquidity issues causing lenders and investors to lose confidence in the microcredit industry and consequently, lenders may discontinue lending to microfinance institutions. For further details please see Regulations and Policies on page 197.*" on page 34 of this Prospectus).

Recent Developments

The board of directors of the RBI, at their meeting held on October 15, 2010, formed a sub-committee of the board (the "**Malegam Committee**") to study issues and concerns in the microfinance sector in so far as they related to the entities regulated by the RBI. The Malegam Committee submitted its report on the issues and concerns in the MFI sector on January 19, 2011. Key recommendations set out in the report include the creation of a separate category of NBFCs operating in the microfinance sector, such NBFCs being designated as NBFC – MFI. Such MFIs should lend to an individual borrower only as a member of a JLG and should have the responsibility of ensuring that the borrower is not a member of another JLG. Not more than two MFIs should lend to the same borrower and bank advances to MFIs shall continue to enjoy "priority sector lending" status. For further details please see "*Regulations and Policies in India - Report of the Sub-Committee of the Central Board of Directors of Reserve Bank of India to Study Issues and Concerns in MFI Sector*" on page 201 of this Prospectus.

Given the uncertainty regarding the implementation and enforcement of the MFI Act and the potential impact of the Malegam Committee report on the regulatory framework of the microfinance industry, we may re-evaluate the business model, strategy and structure of our microfinance segment, including potentially migrating the business of our microfinance segment from L&T Finance into a newly incorporated company within our Group, L&T Unnati, which is one of our wholly-owned Subsidiaries. However, as of the date of this Prospectus, no further steps have been taken in this regard.

In addition, and as at March 31, 2011, L&T Finance had made an accelerated provision of ₹ 544.24 million in respect of loans made to customers of the microfinance segment of our Retail Finance Group in Andhra Pradesh. See the section titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Factors Affecting Our Results of Operations – Credit Quality and Provisioning*", on page 269 of this Prospectus.

Distribution of Financial Products Segment

Our distribution of financial products segment is focused on the distribution of life and non-life insurance products, as well as investment funds, to our retail customers (including credit life insurance products to the customers of our microfinance segment). We typically distribute such third party financial products through cross-selling efforts with our existing customers. We generate commission fees from the third party providers of these financial products.

Our Third Party Financial Products

The third party financial products that we distribute are as follows:

- *Life insurance products* – we are the corporate agent of life insurance products issued and underwritten by LIC;

- *Non-life insurance products* – subject to applicable regulatory approvals, we are currently seeking to become the corporate agent of non-life insurance products issued and underwritten by L&T General Insurance Company Limited; and

- *Investment fund products* - we are the distributor of various mutual fund products on behalf of third party fund-providers, such as liquid, debt and equity funds.

Our Corporate Finance Group

Our Corporate Finance Group provides financial products and services to a wide array of companies, from small and medium enterprises to large, multinational corporations. We provide these customers with a diverse range of products and services, including term loans, operating leases, finance leases, receivables discounting, supply chain financing and capital markets financing.

In certain circumstances, the project finance segment of our Infrastructure Finance Group originates, assesses and prices loans in the normal and ordinary course of its operations, but the loan is ultimately referred to and disbursed by L&T Finance. The credit approval of these loans is based on the appraisal process carried out by L&T Infra (refer to the section titled "*Our Loan Portfolio and Policies – Lending Policies – Infrastructure Finance Group – Investment and Credit Policy and Approval Process*", below).

The following table sets out the allocation of our loans and advances as at March 31, 2011 and 2010, and total disbursements for the financial years ended March 31, 2011 and 2010, between secured loans and unsecured loans in our Corporate Finance Group:

Business Segment and Product[1]	**Loans and Advances (as at March 31, 2011)**		**Total Disbursements (for the Financial Year ended March 31, 2011)**		**Loans and Advances (as at March 31, 2010)**		**Total Disbursements (for the financial year ended March 31, 2010)**	
	₹million:	*% of total:*	*₹million:*	*% of total:*	*₹million:*	*% of total:*	*₹ million:*	*% of total:*
Secured Loans[2]	25,467.87	71.18	28,088.34	19.75	16,778.96	66.72	22,622.51	28.15
Unsecured Loans	10,311.51	28.82	114,100.94	80.25	8,371.01	33.28	57,752.85	71.85
TOTAL	**35,779.37**	**100.00**	**142,189.27**	**100.00**	**25,149.96**	**100**	**80,375.36**	**100**

1 *In June 2009, L&T Finance conducted an internal operational restructuring of its business groups into the Retail Finance Group and Corporate Finance Group. Prior to that restructuring, L&T Finance's business groups consisted of an "enterprise finance division" (comprising corporate loans and leases, construction equipment finance, transportation equipment finance and supply chain finance segments), and a "retail finance division" (comprising rural products finance and microfinance segments). Accordingly, prior year financial information of loans and advances and total disbursements is not comparable.*

2 *Includes:*

- *₹ 7,684.85 million in respect of total disbursements made by the capital markets finance segment of our Corporate Finance Group (excluding loans made to facilitate investment in public capital markets offerings) for the Financial Year ended March 31, 2011; and*
- *₹ 5,921.21 million in respect of total disbursements made by the capital markets finance segment of our Corporate Finance Group (excluding loans made to facilitate investment in public capital markets offerings) for the financial year ended March 31, 2010; and*

- *₹ 9,706.23 million in respect of loans and advances made by the capital markets finance segment of our Corporate Finance Group, which accounted for 27.13% of the total loans and advances of our Corporate Finance Group, as at March 31, 2011; and*
- *₹ 4,841.64 million in respect of loans and advances made by the capital markets finance segment of our Corporate Finance Group, which accounted for 19.25% of the total loans and advances of our Corporate Finance Group, as at March 31, 2010.*

All of the loans made by our capital markets finance segment are secured. See the section titled "Capital Markets Finance Segment", below.

The operations of our Corporate Finance Group are divided into the following business segments:

Corporate Loans and Leases Segment

We provide the following products and services as part of the offering of our corporate loans and leases segment:

Asset-backed Term Loans

We provide secured term loans for financing of assets such as plant and machinery, IT equipment, furniture and fixtures and vehicles for the corporate sector. A charge on the relevant asset is created in our favour as security for repayment of the loan.

Our term loans are customized by tenor and repayment schedules (for example, to match the cash flow projections of the customer), in order to meet the specific commercial requirements and financial profile of our corporate customers.

Unsecured Term Loans

We provide unsecured term loans primarily for the general working capital requirements of our corporate customers. These loans are typically for a shorter tenor (of approximately six to twelve months) than our asset backed term loan products, and as they are unsecured, we conduct enhanced credit checks on the customer. Owing to the enhanced credit risk inherent in short-term unsecured loans, this product is only extended to selected customers on a case-by-case basis.

Receivables Discounting

We provide discounting facilities to customers who lease a variety of assets, such as office equipment and furniture and fixtures, with a view to financing the acquisition of such assets by the customer (who is the lessor). The periodic rental receivables from a lease are assigned to us by the lessor of the asset, and to the extent assignment is allowed under the lease agreement, notice of the assignment is given to, and consent for the assignment is obtained from, the lessee.

Whether or not we agree to provide discounting facilities is based entirely on the underlying credit quality of the lessee of the asset. Such discounting facilities are also typically secured by the underlying assets of the lessee.

We register charges over the underlying asset of the leasing transaction as security for the discounting facilities we provide.

Finance and Operating Leases

We offer operating and finance lease facilities to our customers for assets, such as (primarily new) vehicles for corporate use, IT equipment and plant and machinery. This product is restricted to assets which can be redeployed, so that in the event of a default by the lessee, we can repossess the asset for lease to another customer as a used asset.

We have also entered into a variety of referral arrangements with asset manufacturers, in terms of which we provide financing for operating leases that are required by their customers.

Supply Chain Finance Segment

Our supply chain finance segment provides working capital loans and facilities to corporate entities in the supply chain of a variety of industries. Initially, these loans and facilities were designed for and provided to the vendors and suppliers of the L&T Group, such as component and raw materials suppliers, and in 2008, we expanded our vendor and dealer finance products to include the vendors and suppliers of companies outside of the L&T Group. However, the vendors and dealers of the L&T Group currently account for approximately 80% of our vendor finance product. We provide the following products to our customers as part of our supply chain finance segment:

Vendor Finance

This product primarily caters to the requirements of vendors and suppliers of a variety of products. We aim to support the financing of working capital requirements of vendors and suppliers by providing short term unsecured loans and facilities to vendors in order to finance the acquisition of their inventories and receivables.

The tenor of such financing is typically between one and six months.

Dealer Finance

This product is structured to provide credit terms to distributors for the purchase of trading inventory, primarily engineering and electrical equipment. Typically, we provide automatic revolving credit facilities for distributors.

The tenor of such financing is typically between one and six months.

This division focuses on distributors of the products of the various operating divisions of the L&T Group, as well as other corporate customers. We typically source referrals and recommendations for the provision of dealer financing products from original equipment manufacturers with whom we have a relationship.

In the course of Fiscal Year 2012, we plan for IIDL, subject to applicable regulatory approvals, to begin providing non asset-backed loans and facilities as part of our Corporate Finance Group's supply chain finance segment.

Capital Markets Finance Segment

We provide loans to customers of our capital markets segment (principally corporate entities, their promoters and high net worth individuals), against the pledge of securities. In order for these securities to qualify as security for a capital markets loan provided by us, they typically need to meet the following criteria:

- the securities must be either equity shares or mutual fund units; and
- in the case of equity shares, generally, the securities must be listed on a recognized Indian stock exchange (such as the NSE or BSE), and be actively traded. However, and in the case of unlisted companies, if the valuation of the underlying shares provides sufficient asset-cover, such shares are acceptable.

Following sanctioning of the loan, our capital markets team monitors the performance of the portfolio of securities pledged on a daily basis.

The tenor of such loans against securities typically varies between six months and three years.

This product is also available to employees who have vested options under employee stock option programmes ("**ESOPs**") of corporate entities whose credit quality is acceptable to us. These transactions are typically arranged by companies for their employees in order to finance the exercise of vested options granted to their employees under ESOPs. As such, the proceeds of the loans are used to finance the exercise of options granted under ESOPs in respect of the shares. Once exercised, the shares are pledged to us as security for the loan.

In addition, we provide short-term loans to high net worth individuals in order to facilitate investment in public capital markets offerings. These loans, which typically have a tenor of 12 to 15 days, are used by our customers to subscribe for securities in public offerings.

Our Investment Management Group

Our Investment Management Group currently consists of two business segments: the Mutual Fund Segment, which is comprised of the management, administration and distribution of L&T Mutual Fund; and the Portfolio Management Services Segment, which is comprised of portfolio management and sub-advisory services. On January 20, 2010, we acquired DBS Cholamandalam Asset Management Limited (which was renamed "**L&T Investment Management Limited**" on February 15, 2010) and DBS Cholamandalam Trustees Limited (which was renamed "**L&T Mutual Fund Trustee Limited**" on February 11, 2010). L&TIM is a wholly-owned subsidiary of L&T Finance, and is registered as an AMC with SEBI.

L&T Mutual Fund offers a wide range of schemes, including equity, fixed income and hybrid, each adhering to distinct investment styles to suit different investment needs. Through our portfolio management services business segment, we intend to offer portfolio management services to high net worth individuals and sub-advisory services to institutional customers, including third-party investment funds. L&TIM obtained a license from SEBI to perform portfolio management activities on May 31, 2010, and we commenced operations of this business segment in October, 2010 with the Dynamic Alpha fund and subsequently launched various series of structured products.

Our funds and portfolio management services are available to both Indian and non-resident Indian retail customers, as well as Indian and foreign institutional customers.

Our objective is to establish L&TIM as a leader in the Indian asset management business. We endeavour to accomplish this by providing our customers with favourable investment returns and superior customer service. We are also continually evaluating opportunities to develop further services and products to better serve the investing needs of our customers. For example, we launched a daily investment plan which will allow our customers to more easily take advantage of rupee-cost averaging.

Our investment philosophy, research and disciplines

We believe in utilizing research-based stock selection and active portfolio management to provide long-term gains for our customers.

We have established the infrastructure required to conduct fundamental research backed by effective analysis, as evidenced by our research teams and portfolio managers with experience in their respective disciplines. Our research teams apply fundamental research, quantitative research, and micro- and macro-economic research models. In our analyses of industry sectors we tend to utilize a top-down approach, while for individual stock selection we utilize a bottom-up approach. We apply both growth and value models in the research and selection of securities, with growth targeting stocks having under-appreciated growth potential and value targeting stocks that may currently be out of favour and trading at bargain prices.

Our investment disciplines are generally focused on market capitalisation (e.g., large-, mid-, and small-cap equities) and term (for example, long-, intermediate-, and short-duration debt securities). Our current geographic exposure is focused entirely on India.

Mutual Fund Segment

L&T Mutual Fund is a SEBI-registered mutual fund with 32 individual schemes as at May 31, 2011. Of these 32 schemes, 11 are equity schemes, 20 are fixed income schemes (including liquid funds and fixed maturity plans) and one is a hybrid equity/fixed income scheme. L&T Mutual Fund is established as a trust under the Indian Trust Act, 1882, with L&T Finance acting as the sponsor/settler, L&T Mutual Fund Trustee Limited acting as the trustee company and L&TIM acting as the investment manager to the various schemes.

The equity schemes include L&T Opportunities Fund, L&T Growth Fund, L&T Midcap Fund, L&T Multi-Cap Fund, L&T Global Advantage Fund, L&T Tax Saver Fund, L&T Contra Fund, L&T Hedged Equity Fund, L&T Infrastructure Fund, L&T Small Cap Fund and L&T Tax Advantage Fund Series-I. Our three largest equity funds are L&T Opportunities Fund, L&T Midcap Fund and L&T Infrastructure Fund, which have AUMs of ₹ 834.36 million, ₹ 572.40 million and ₹ 376.67 million, respectively, as at May 31, 2011. Of these three funds, L&T Opportunities Fund is rated 3-star by Value Research[1] and L&T

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[1] *Value Research Ratings.*

Value Research fund ratings are a composite measure of historical risk-adjusted returns. In the case of equity and hybrid funds this rating is based on the weighted average monthly returns for the last three and five-year periods. In the case of debt funds this rating is based on the weighted average weekly returns for the last 18 months and 3-year periods and in case of short-term debt funds - weekly returns for the last 18 months. These ratings do not take into consideration any entry or exit load. Each category must have a minimum of 10 funds for it to be rated. Effective, July 2008, we have put an additional qualifying criteria, whereby a fund with less than Rs 5 crore of average AUM in the past six months will not be eligible for rating.

Midcap Fund is rated 3-star by Value Research[1] as at May 31, 2011. L&T Infrastructure Fund is rated 1-star by Value Research[1]. L&T Opportunities Fund and L&T Midcap Fund are also rated "Silver Medal Winner" and "Gold Medal Winner" respectively, by the Economic Times Intelligence Group[2] for the quarter ended March 31, 2011. The balance of our equity funds are either unrated or rated below "Silver Medal" or 3-star.

The fixed income schemes include L&T Triple Ace Fund, L&T Freedom Income - Short Term Fund, L&T Gilt Fund, L&T Liquid Fund, L&T Floating Rate Fund, L&T Select Income Fund - Flexi Debt Plan and 14 fixed maturity plans of varied maturities as at May 31, 2011. Our three largest open ended fixed income funds are L&T Freedom Income - Short Term Fund, L&T Select Income Fund-Flexi Debt Fund and L&T Liquid Fund, which have AUMs of ₹ 17,493.82 million, ₹ 1602.70 million and ₹ 21,910.15 million, respectively, as at May 31, 2011. Of these three funds, L&T Freedom Income - Short Term Fund (institutional plan) is rated 4-star by Value Research[1] and L&T Liquid Fund are rated 3-star by Value Research[1] as May 31, 2011, and L&T Select Income Fund - Flexi Debt (institutional option) is rated 5-star by Value Research[1] as at May 31, 2011. The balance of our open ended fixed income funds are rated below 3-stars or are unrated.

There is also one hybrid income scheme, L&T Monthly Income Plan. L&T Monthly Income Plan has AUM of ₹ 1, 377.84 million as at May 31, 2011, and is rated 3-star by Value Research[1] as at May 31, 2011. L&T Monthly Income Plan is also "Bronze Medal Winner" rated by the Economic Times Intelligence Group[2] for the quarter ended March 31, 2011.

Past performance of the schemes mentioned above may or may not be sustained in future and is no guarantee of future results. Monthly income is not assured and is subject to availability of distributable surplus. Please refer to the Scheme Information Document and Statement of Additional Information carefully before investing. For further details please visit L&T Mutual Fund's website at www.lntmf.com.

Our funds are sold directly by L&TIM to both retail and institutional customers, as well as through other intermediaries.

Portfolio Management Services Segment

L&TIM obtained a SEBI license for conducting portfolio management services on May 31, 2010 and we commenced operations of this business segment in October, 2010 with the Dynamic Alpha fund, and subsequently by launching various series of structured products, which focus on creating investment portfolios consisting of a variety of stocks, fixed income instruments, structured products and other assets. As at May 31, 2011, we had ₹ 1,737.51 million (including assets of ₹ 1,325.10 million managed under sub-advisory route) under management in investment portfolios.

Within the portfolio management services segment, we have the capability and flexibility to customize and personalize portfolios in order to achieve individual customers desired investment objectives.

We may pursue portfolio management services mandates with both institutional customers and high net worth individuals. With respect to institutional customers', we have one sub-advisory mandate from third-party investment funds.

Five-stars indicate that a fund is in the top 10% of its category in terms of historical risk-adjusted returns. Four stars indicate that a fund is in the next 22.5%, middle 35% receive three stars, the next 22.5% are assigned two stars while the bottom 10% receive one star. The number of schemes in each category is mentioned along side the categories name. Equity: Large Cap (35), Equity: Large & Mid Cap (57), Equity: Multi Cap (45), Equity: Mid & Small Cap (54) Equity: Tax Planning (28), Equity: Infrastructure (18), Hybrid: Equity-oriented (25), Hybrid: Debt-oriented Aggressive (11), Hybrid: Debt-oriented Conservative (43), Hybrid: Arbitrage (14) Debt: Income (54), Debt: Gilt Medium & Long Term (31), Debt: Gilt Short Term (10), Debt: Short Term (23), Debt: Ultra Short Term (126), Debt: Liquid (94). These fund ratings are as on May 31, 2011

The Value Research Ratings are published in Monthly Mutual Fund Performance Report and Mutual Fund Insight. The Ratings are subject to change every month. The Rating is based on primary data provided by respective funds, Value Research does not guarantee the accuracy.

Past Performance is no guarantee of future results www.valueresearchonline.com.

2 *Economic Times Intelligence Group ("**ETIG**") Ratings methodology.*

The ETIG list Mutual Fund (MF) schemes on the basis of their risk-adjusted performance. The period under consideration is 3 years. The return score is arrived by allotting 60% weight to the past 3 year's absolute return and 40% weight to the past 1 year return. These weighted returns are compared vis-a-vis the average return for the category under consideration to arrive at the return score for each scheme. The top 10% funds in each category are then classified as 'Platinum' funds; the next 20% are graded 'Gold' while the next 40% are classified as 'Silver'. The quarter under consideration is Jan 2011 to March 2011.

AUM, Revenues and Fees

We earn revenues by charging fees for managing the investment assets of customers. We generally calculate investment advisory fees as a percentage of the value of AUM, with such fees varying by type of asset class, investment service, size of account, and total amount of assets we manage under the mutual fund segment and the portfolio management services segment. Accordingly, fee income generally increases or decreases as AUM increase or decrease. Increases in AUM generally result from market appreciation, positive investment performance for customers, or net asset inflows from new or existing customers. Similarly, decreases in AUM generally result from market depreciation, negative investment performance for customers, or net asset outflows due to customer redemptions, account terminations, or asset withdrawals.

Fees paid by the funds to L&TIM are reflected in the applicable investment management agreement entered into between L&TIM and L&T Mutual Fund Trustee Limited. The investment management agreement between L&T Mutual Fund Trustee Limited and L&TIM provides for termination by L&TIM on 180 days' written notice to L&T Mutual Fund Trustee Limited. L&T Mutual Fund may terminate the agreement in accordance with relevant SEBI rules and regulations, and with the prior approval of SEBI.

Fees paid by our portfolio management customers to L&TIM are reflected in the applicable disclosure document, client agreement or investment management agreement. Investment management agreements for portfolio management services, including sub-advisory services, are typically terminable by the customer at will. With respect to our portfolio management services, we may also charge a performance-based fee in addition to or in lieu of a base fee. Performance-based fees are calculated as either a percentage of absolute investment results or a percentage of investment results in excess of a stated benchmark over a specified period of time, and they are recorded as revenue at the end of the measurement period. Accordingly, if performance-based fees were to become an important part of our business, the seasonality and volatility of our revenues and earnings may become more significant.

We sometimes experience periods when the number of new accounts or the amount of AUM increases significantly, as well as periods when the number of customer accounts or the amount of AUM decreases significantly. These shifts result from wide-ranging factors, including conditions of financial markets, our investment performance for customers, and changes in the investment preferences of our customers.

The tables below summarize our AUM and revenues by category of investment.

	Assets Under Management			% Change	
	As at March 31, 2011	**As at March 31, 2010**	**As at March 31, 2009**	**March 31, 2010 – March 31, 2011**	**March 31, 2009 – March 31, 2010**
			(in ₹ million)		
Equity	2,946.12	2,510.68	1,448.85	17.34	73.29
Fixed Income.....	29,021.26	23,665.40	8,517.19	22.63	177.85
Hybrid................	1,376.72	293.57	177.91	368.96	65.01
TOTAL	**33,344.10**	**26,469.65**	**10,143.95**	**25.97**	**160.94**

	Revenues	
	As at March 31, 2011	**As at March 31, 2010**
	(in ₹ million)	
Equity	29.00	23.25
Fixed Income..	31.00	11.25
Hybrid..	6.01	0.68
Total Revenues..	**66.01**	**35.18**

L&TIM has entered into various selling and distribution agreements pursuant to which it pays sales commissions to the financial intermediaries that distribute our funds. L&T Finance acts as a distributor for the various schemes of L&T Mutual Fund and, accordingly, L&T Finance may from time to time, as applicable pursuant to the terms of its distribution agreement with L&TIM, accrue commissions in respect of its distribution of units of the various L&T Mutual Fund schemes. None of the distributors of the L&T Mutual Fund, including L&T Finance, is under any obligation to sell a specific amount of L&T Mutual Fund units, and each of them may also sell shares of mutual funds sponsored by other affiliates and unaffiliated organizations.

Computer Age Management Services Private Limited acts as registrar and transfer agent for L&T Mutual Fund, and HDFC Bank Limited provides custodian and related services for the funds as well as unit holder servicing for each fund's unit holder accounts. Each of these service providers receives a fee under each of its servicing agreements with L&TIM and L&T Mutual Fund Trustee Limited. Each servicing agreement must be approved annually by the L&T Mutual Fund Trustee Limited board of trustees, including a majority of the independent trustees.

L&TIM has discretion to select brokers to execute trades on behalf of L&T Mutual Fund and other customers. These brokers are selected in accordance with an internal approval process (which conforms to the appropriate SEBI guidelines and regulations) involving a panel of portfolio managers and analysts, and are subject to annual review and confirmation by our compliance team. These brokers are paid commissions for executing orders and, in certain instances, may receive commissions which reflect the provision of research that benefit our customers.

OUR FUNDING STRUCTURE

Our Company, L&T Infra and L&T Finance are NBFC-ND-SIs. Accordingly, neither of our Company, L&T Infra nor L&T Finance accepts deposits, and as such, we rely on equity (in the form of shareholders' funds) and loan funds (in the form of various secured and unsecured borrowings) in order to meet our capital and funding requirements. Of these funding sources, secured loans remains the most significant source of funding across all three of our core finance business groups. Secured loans represented 74.63%, 64.67%, 69.85% and 54.67% of the total source of funds of our Infrastructure Finance Group (through L&T Infra) as at March 31, 2011, 2010, 2009 and 2008, respectively, and 72.16%, 62.11%, 46.62% and 48.52% of our Retail and Corporate Finance Groups (through L&T Finance) as at March 31, 2011, 2010, 2009 and 2008, respectively.

As a general principle, we prefer to borrow long-term funds from a diversified lender base and we accordingly aim to develop our balance sheet by matching such funds with the maturities of our assets and interest rate structure. We believe that a diversified lender profile ensures that we are not overly dependent on any one source or a few financial institutions. In light of this, and our growing funding requirements, we have made conscious efforts to diversify our lender base to include a larger number of different types of banks (public sector banks, domestic private banks and foreign banks) and financial institutions (principally in the form of debt placed through retail and institutional participation) (refer to the section titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Factors Affecting Our Results of Operations - Availability of capital and cost effective funding sources*" on page 270 of this Prospectus).

In addition, our aim is to ensure that we have a judicious mix of wholesale and retail funding at any given point in time. For example:

- L&T Infra, our wholly-owned subsidiary through which we conduct the operations of our Infrastructure Finance Group, has been classified as an IFC, which allows it to raise capital through an infrastructure bond offering only available to notified IFCs and to select other notified institutions. Such an infrastructure bond offers certain tax benefits to investors**,** provided that bond is issued with maturity of 10 years and subject to a five year lock-in of investors in the bonds. In addition, On June 10, 2011, L&T Infra was notified as a PFI. L&T Infra's status as a PFI will, going forward, provide it with access to new sources of funds (such as insurance companies, public trusts and pension funds) not otherwise available to companies without PFI status.

- L&T Finance, our wholly-owned subsidiary through which we conduct the operations of our Retail Finance Group and Corporate Finance Group, has issued in aggregate series of secured NCDs through two public offerings (the details of which are described below).

See the sub-section titled "*Risk Management*", below, for a discussion of the asset-liability management policies and principles of our Infrastructure Finance Group and Retail and Corporate Finance Groups, respectively.

The following table sets out the funding structure of L&T Infra as at March 31, 2011, 2010, 2009 and

2008, respectively:

Source of Funding	As at March 31,							
	2011	% of Total Funding	2010	% of Total Funding	2009	% of Total Funding	2008[2]	% of Total Funding
				(in ₹ million, except percentages)				
SHAREHOLDERS' FUNDS	12,342.30	16.62	10,105.01	23.79	6,211.83	25.97	5,371.83	28.24
Secured Loan Funds:...........	**55,435.26**	**74.63**	**27,467.56**	**64.67**	**16,712.00**	**69.85**	**10,400.00**	**54.67**
Term Loans from Banks........	33,316.70	44.85	14,558.30	34.28	13,546.60	56.62	9,400.00	49.42
Bank Overdraft	756.40	1.02	2,359.26	5.55	2,165.40	9.05	0.00	0.00
Secured Redeemable NCDs ..	21,362.16	28.76	10,550.00	24.84	1,000.00	4.18	1,000.00	5.25
Unsecured Loan Funds:	**6,500.00**	**8.75**	**4,900.00**	**11.54**	**1,000.00**	**4.18**	**3,250.00**	**17.09**
Long-term: Term Loan from Ultimate Holding Company[1]..............................	1,500.00	2.02	1,500.00	3.53	0.00	0.00	0.00	0.00
Short-term: Term Loan from Banks............................	0.00	0.00	1,000.00	2.36	0.00	0.00	3,250.00	17.09
Unsecured Redeemable NCDs.....................................	0.00	0.00	850.00	2.00	0.00	0.00	0.00	0.00
Commercial Paper	5,000.00	6.73	1,550.00	3.65	1,000.00	4.18	0.00	0.00
TOTAL SOURCE OF FUNDS	**74,277.56**	**100.00**	**42,472.57**	**100.00**	**23,923.83**	**100.00**	**19,021.83**	**100.00**

1 *L&T occasionally lends funds to both L&T Finance and L&T Infrastructure at market-related rates. As at March 31, 2011, L&T Infra had aggregate outstanding inter-corporate deposits of ₹ 1,500 million.*

2 *The financial year of L&T Infra ended March 31, 2008 consisted of a nine month period from July 1, 2007. See* "Management's Discussion and Analysis of Financial Condition and Results of Operations - Note Regarding Non-Comparable Fiscal Periods and Unconsolidated Financial Statements", *on page* 267 *of this Prospectus.*

In November 2010, L&T Infra completed the offering of its first public issue of long-term infrastructure bonds (in the nature of secured, redeemable, non-convertible debentures, having the benefit of section 80 CCF of the Income Tax Act, 1961) with a face value of ₹ 1,000 each to retail investors in India. The issue, which aggregated to ₹ 2,000 million, included an option to retain over-subscription for up to an additional ₹ 5,000 million, which was partially exercised. The proceeds of the issue are to be used for "infrastructure lending" activities, as defined in the applicable RBI regulations.

In March 2011, L&T Infra completed the offering of its second public issue of long-term infrastructure bonds, with a face value of ₹ 1,000 each to retail investors in India. The issue, which aggregated to ₹ 1,000 million, included an option to retain over-subscription for up to an additional ₹ 3,000 million, which was fully exercised. Similarly, these bonds qualified for the benefit of section 80CCF of the Income Tax Act, 1961, and the proceeds are to be used for "infrastructure lending" activities, as defined in the applicable RBI regulations.

The following table sets out the funding structure of L&T Finance as at March 31, 2011, 2010, 2009 and 2008, respectively:

Source of Funding	As at March 31,							
	2011	% of Total Funding	2010	% of Total Funding	2009	% of Total Funding	2008	% of Total Funding
				(in ₹ million, except percentages)				

Source of Funding	As at March 31,							
SHAREHOLDERS' FUNDS:	17,323.75	16.37	11,269.31	14.94	8,454.58	15.96	7,216.28	15.15
Secured Loan Funds:	76,342.50	72.16	47,000.06	62.29	24,835.81	46.89	23,242.41	48.78
Redeemable NCDs[1]	23,400.00	22.12	24,800.00	32.87	9,000.00	16.99	9,470.00	19.88
From banks and financial institutions[2]	52,942.50	50.04	22,200.06	29.42	15,835.81	29.90	13,772.41	28.91
Unsecured Loan Funds:	12,131.77	11.47	17,182.71	22.77	19,675.03	37.15	17,187.71	36.07
From Banks	3,000.00	2.83	3,710.00	4.92	12,160.00	22.96	6,710.00	14.08
Others	231.77	0.22	222.71	0.30	265.03	0.50	477.71	1.00
Commercial Paper	8,150.00	7.70	12,500.00	16.57	5,400.00	10.20	9,000.00	18.89
Redeemable NCDs	750.00	0.72	750.00	0.99	1,850.00	3.49	1,000.00	2.10
TOTAL SOURCE OF FUNDS[3]	**105,798.02**	**100.00**	**75,452.08**	**100.00**	**52,965.42**	**100.00**	**47,646.40**	**100.00**

[1] *Includes NCDs offered publicly and pursuant to private placement.*

[2] *Consists of ₹ and US$ denominated term loans. US$ denominated terms loan account for US$24 million as at March 31, 2011 (which is equivalent to ₹ 1,200 million based on the exchange rate of US$ 1 = ₹ 50).*

[3] *Difference attributable to deferred tax liability (net of deferred tax asset).*

We believe that our credit ratings from both CARE and ICRA (as at the date of this Prospectus, L&T Finance has a CARE rating of AA+ (which indicates that such instruments offer high safety for the timely servicing of debt obligations and carry very low credit risk) and an ICRA rating of LAA+ (which indicates high credit quality and that the rated instrument carries low credit risk), and L&T Infra has a CARE rating of AA+ (which indicates that such instruments offer high safety for the timely servicing of debt obligations and carry very low credit risk) and an ICRA rating of LAA+ (which indicates high credit quality and that the rated instrument carries low credit risk)) also enables us to access funds at competitive rates. See the section titled "*Our Competitive Strengths - Good financial and capital position, as well as access to multiple sources of capital*", above. In addition, we believe that our ability to leverage the "*Larsen and Toubro*" brand name allows us to benefit from the strong brand equity it provides in order to access retail funding at competitive rates, and which would not otherwise be able to access as readily. See the section titled "*Our Competitive Strengths – Strong Parentage and Brand Equity of L&T*", above.

In September 2009, L&T Finance completed its first public issue of 5,000,000 secured redeemable NCDs with a face value of ₹ 1,000 each to domestic investors in India. The issue, which aggregated to ₹ 10,000 million included an option to retain over-subscription for up to an additional ₹ 5,000 million, which was fully exercised. The proceeds of the issue were used for the various financing activities of L&T Finance, including lending and investments, the repayment of existing loans and for general business operations (such as meeting capital expenditure and working capital requirements). A tranche of the NCDs issued had a tenor of up to 10 years, which we believe to be rare in the domestic market for NCDs in India. In addition, 35% of the allotment was to retail investors.

In March 2010, L&T Finance completed its second public offering of NCDs to domestic investors in India. The issue of 2010 A Series 2,500,000 secured redeemable NCDs with a face value of ₹ 1,000 each. The issue, which aggregated to ₹ 5,000 million, included an option to retain over-subscription for up to an additional ₹ 2,500 million, which was fully exercised. The proceeds of the issue were used for the various financing activities of L&T Finance, including lending and investments, the repayment of existing loans and for general business operations (such as meeting capital expenditure and working capital requirements). The NCDs issued had a tenor of three years, and 30% of the allotment was to retail investors.

Priority Sector Advances

Prior to April 1, 2011, some of L&T Finance's loans and advances were eligible to be offered as securities for the purpose of borrowings under the "priority sector" category from banks. As such, L&T Finance's borrowing from banks against priority sector assets resulted in a lower cost of funds for L&T Finance than would otherwise have been the case, given banks' requirements to meet minimum priority sector lending requirements. Furthermore, as at March 31, 2011, L&T Finance had borrowed ₹ 25,259.17 million (which represented 28.55 % of its total loan funds) from various banks against such priority sector loans.

However, the RBI's Monetary Policy Statement 2011-12 issued on May 3, 2011 and the RBI circular dated May 3, 2011 on 'Bank loans to Micro Finance Institutions (MFIs) – Priority Sector Status' ("**MFI Circular**") provides that, with effect from April 1, 2011, bank loans to NBFCs other than NBFC-MFIs would not be reckoned as priority sector loans. Also bank credit to NBFC MFIs extended on, or after, April 1, 2011 would be eligible for categorization as priority sector advance only if certain criteria (as mentioned in the MFI Circular are met). This would have an adverse effect on the cost of funds received from banks for L&T Finance.

The RBI's Monetary Policy Statement 2011-12 also states that RBI proposes to appoint a committee to re-examine the existing classification and suggest revised guidelines with regard to priority sector lending classification. The recommendations of the committee and the outcome of these revised guidelines which are awaited could have a potential impact our business, including an adverse impact on our cost of funds.

Nevertheless, we will continue to benefit from the priority sector loans we have made, and which are reflected on our balance sheet, as at March 31, 2011.

Capital Adequacy

Our Company (as an NBFC), L&T Infra (as an NBFC and IFC) and L&T Finance (as an NBFC and AFC) are subject to the capital adequacy requirements prescribed by the RBI. See the section titled "*Management's Discussion And Analysis Of Financial Condition And Results Of Operations – Capital*" on page 299 of this Prospectus, for a discussion of the capital adequacy position of each of our Company, L&T Infra and L&T Finance. Also, refer to the section titled "*Regulations and Policies in India*" on page 197 of this Prospectus, for a discussion of the capital adequacy requirements of the RBI to which we are subject.

OUR LOAN PORTFOLIO AND POLICIES

The principal focus of our Infrastructure Finance, Corporate Finance and Retail Finance Groups is the provision of loans and advances to our customers. Our loans are to a broad cross-section of Indian business and society, with products that range from microfinance loans to individuals in rural India, to asset-backed term loans to major corporate entities. The lending policies that we have in place are aimed at ensuring that our loan portfolio remains of a high quality. We also maintain prudent provisioning and write-off policies in respect of our NPAs.

Lending Policies

In light of the diverse nature of the products we offer and our customer-base, our lending policies are decentralized. As such, each of our Infrastructure Finance Group (through L&T Infra) and our Retail and Corporate Finance Groups (on a combined basis, through L&T Finance), maintains its own internal credit policies and approval processes, which are developed and implemented according to the underlying nature of their respective operations and the particular nature of their customers and products.

Infrastructure Finance Group: Investment and Credit Policy and Approval Process

Our Infrastructure Finance Group manages its own investment and credit approval process in accordance with its finance investment and credit policy, which were approved by the board of directors of L&T Infra. A dedicated Investment and Credit Committee ("**Infrastructure ICC**") oversees the application of, and compliance with, this policy, and retains the sole responsibility for approving advances made by our Infrastructure Finance Group at meetings which are generally convened once in every two week cycle.

Eligibility and Policy Objectives

Public sector and private sector companies, public-private sector SPVs under PPP initiatives, partnership firms, unincorporated joint ventures (but only where the joint venture partners are incorporated entities) and trusts and societies (aimed at establishing educational or medical facilities, or for commercial purposes) are eligible borrowers from our Infrastructure Finance Group.

The policy objectives of our Infrastructure Finance Group include, amongst others -

- building a business model in conformity with the RBI's policies and guidelines for NBFCs, and that would optimize the benefits thereof for our stakeholders;
- building a sound and diversified asset portfolio through risk-pricing based lending and growth-oriented early-stage investments, with the aim of earning superior returns on capital employed; and
- optimize the risk-return profile of the infrastructure loan portfolio with an emphasis on credit quality, supervision, timely collection and well-defined exit options from investments.

Project and Credit Assessment Process

Before presenting a proposal for approval to the Infrastructure ICC, a dedicated team within the project finance segment, appraises the proposed project for which funding is sought and conducts due diligence investigations on the project and project sponsor. The following aspects of the project are assessed:

- the project sponsor and the project group;
- the industry and sector in which the project is being undertaken;
- The nature of the project and structure of the concession;
- technical feasibility evaluation of the project;
- commercial and economic viability evaluation;
- credit checks and due diligence with the existing lenders and/or bankers of the sponsor(s) and or Credit Information Bureau (India) Limited;
- interaction with the key management personnel of the project group and sponsor to understand their perspective on the project and sector-specific commercial considerations and business dynamics;
- risk identification, risk allocation, risk mitigation and risk pricing of the transaction;
- site visits are undertaken by the appraising team to ascertain what local factors would have an impact on the project's viability;
- in the case of projects which require viability gap funding under a government scheme, we ensure that due commitments from the relevant government agencies for such a facility are in place;
- arrangements for the monitoring of the project and project assets by competent external technical agency, where considered necessary, are put in place; and
- in respect of specialized asset leases such as aircrafts, ships and oil rigs, an assessment of the residual values thereof is undertaken with the help of external agencies.

Once the proposal has been assessed, the Infrastructure ICC makes a determination on the size of the exposure to be taken, based on the findings of the assessment process, and by reference to the Infrastructure Finance Group's exposure norms to an individual company, group or industry. See the section titled "*Asset Composition – Concentration of Total Exposure*", below.

Our Infrastructure Finance Group has developed an internal ratings model, which is similar to models used by external rating agencies in terms of methodology and rating scales. Accordingly, all credit proposals are evaluated and their internal ratings presented to the ICC as an input for its decision-making process. Also, these internal ratings are periodically reviewed, based on operational performance and external developments, if any.

Repayment Schedule

The repayment of loans and facilities is normally fixed on a case-by-case basis, depending on the nature of the project, its projected cash flows and the maturity profile of our Infrastructure Finance Group's own funding mix. A pre-payment premium may be charged in case of early repayment of the facility. However, any post-approval changes in the repayment schedule would conform to the provisions of a "Schedule of Delegation of Powers for Investment and Credit approvals and Portfolio Management", as approved by the Infrastructure ICC.

Exit Options

A fundamental element of the projects that our Infrastructure Finance Group funds is the availability of clearly defined exit opportunities from the investments we make. As such, all of our equity investments, convertible instruments, mezzanine debt and any similar financial products, as well as operating leases, should necessarily have clearly identified (and agreed upon by the customer, where applicable) exit options. Any recommendation to exit - particularly when earlier than as provided for in the documentation - would be based on a detailed evaluation by our project finance team of the commercial merits of exiting the investment, and would conform to the provisions of the "Schedule of Delegation of Powers for Investment and Credit approvals and Portfolio Management" approved by the Infrastructure ICC.

In addition, and in the case of operating leases, due diligence is carried out in conjunction with technical teams on the status of the assets and its residual values at the time of exercising such exit options.

Security

The project assets typically form the security for the credit facilities we provide. The details of the security to be charged in favour of our Infrastructure Finance Group, are stipulated by the Infrastructure ICC and suitably reflected in the security documents in the credit approval process. The security package for each facility is structured in such a manner so as to adequately cover the risks associated with the facility.

In the case of structured products, facilities can be approved by the Infrastructure ICC without requiring conventional security on the basis of a suitable financing structure and with comfort from other covenants such as a ceiling on overall debt-equity ratio, escrow account mechanism, negative lien agreement, pledge of shares, assignment of rights or corporate guarantees. In cases of funding which are serviced entirely from project revenues, escrow and/or water-fall arrangements are acceptable to support the security provided.

In the case of loans made for specific infrastructure assets, the security is normally an exclusive, *pari passu* or first charge on the underlying assets to be financed. For short-term interim loans such as bridge finance facilities for infrastructure projects and/or the acquisition of assets, the security is generally in the form of a hypothecation of movables, corporate/personal guarantees and/or pledges of shares, as well as other forms of security considered sufficient by the Infrastructure ICC.

Appropriate processes to create enforceable security in the form of a mortgage and or hypothecation are rigorously followed.

The margin requirements for different types of security are decided by the Infrastructure ICC from time to time, and exceptions, if any, will be handled in accordance with the guidelines of the Infrastructure ICC.

Documentation

Our Infrastructure Finance Group only makes disbursements on the completion of all requisite legal documentation.

The documentation process seeks to ensures that:

- our customers' obligations are clearly defined and established by the documents;

- the charges created on our customers' assets as security for the debt and/or other facilities provided are suitably registered and maintained, such that it is enforceable at all times during the term of the loan provided; and

- our rights to enforce the security for the recovery of the debt and/or facilities provided (including committed return thereon, if any), through a court of law or other applicable forum, is as extensive and unambiguous as possible under relevant statutes of limitations in jurisdictions of India as well as in the countries where the assets are registered or located. Going forward, and as a PFI, we will also be eligible to take action under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, and the Recovery of Debts Due to Banks and Financial Institutions Act, 1993, which we believe will streamline and expedite the debt recovery process. For more information on L&T Infra's status as a PFI, see the section titled "*Regulations and Policies in India*", on page 197 of this Prospectus.

We evolve and adopt standard documentation and commitment processes for various products and services we offer. For each structured finance facility, specific covenants are designed in consultation with our legal counsel. Where any deviation from the terms of the standard facility documents is warranted, approval of the appropriate authority in accordance with the "Schedule of Delegation of Powers for Investment & Credit Approvals and Portfolio Management" approved by the Infrastructure ICC, is obtained. In addition, the Schedule prescribes specific procedures for the execution of standard facility agreements and documentation in respect of the creation of interim and final security. Such documentation, aimed at protecting our rights to recourse against the underlying security, is completed and in the process, all prevailing laws and regulations of relevant jurisdictions are observed and reflected in the documentation.

In addition, we also ensure that comprehensive insurance of the secured assets is in place, and that such insurance policies are kept updated and valid. The insurance policies are typically issued to our infrastructure customers, and assigned in favour of L&T Infra and any co-financiers sharing the security on a *pari passu* basis, where applicable, as the loss-payees.

Retail and Corporate Finance Group: Credit Policy and Approval Process

L&T Finance has credit appraisal policies in place in order to manage the credit risks associated with the loans made by our Retail Finance Group and Corporate Finance Group. Various aspects of credit risk management are addressed by different processes and teams within L&T Finance, and are designed to manage risks at different stages of the financing process, *i.e.* both pre- and post-disbursement.

Credit Assessment Process

We have a centralized credit team which is responsible for the development of a framework use for the evaluation and sanctioning of loan proposals across both our Retail Finance Group and Corporate Finance Groups.

All new products developed are vetted by the credit team, and are presented to L&T Finance's Board of Directors for approval.

Further, an authorization matrix is prepared by the credit team in consultation with the relevant business group, and is presented to the L&T Finance's Board of Directors for approval. This matrix sets out the relevant exposure and authorization limits. Depending on the value of the proposal, the approval tiers are defined and duly authorized persons to whom authority has been delegated (in accordance with the authorization matrix) have the power to approve the proposal.

In our Retail Finance Group, scorecards play a vital role in the lending decision. A comprehensive score card is developed by the credit team, and takes into account all relevant parameters that assist in the evaluation of the credit-worthiness of the borrower. The focus of the credit decision is the asset being financed, related cash flows and the risks associated with the asset and the borrower. The scorecard typically includes aspects such as:

- the demographic profile of the borrower;

- financial position;

- risk factors; and

- asset/security related information.

The credit team then prepares a credit approval memorandum ("**CAM**"), which is designed to capture all the relevant aspects of the loan proposal that are required for the evaluation and authorization of a loan. The CAM serves as the basis for the loan approval. The scorecards have minimum cut-off scores, which have to be met in order for the proposal to be processed at that approval tier, else it moves to the next higher approval tier for processing.

In our Corporate Finance Group, owing to the relatively larger size (compared to our retail products) of loan proposals, detailed appraisal notes are prepared by the credit team, which cover the following aspects of a loan proposal relevant to the borrower:

- industry (elements such as the nature of industry, regulations, growth potential and entry barriers);
- market position (elements such as the size of the company and order book details);
- operational efficiency (elements such as competitiveness and technical expertise);
- management quality (elements such as experience, promoter background and their past track record); and
- financial strength (elements such as balance sheet size, key ratios and financial flexibility).

These parameters and their constituent elements are indicative and may vary from deal to deal based on the loan proposal.

In the case of asset finance loans, the asset being financed typically form the basis of security for loans and advances extended by both our Retail Finance Group and Corporate Finance Group. Further, the asset's value and income-generating capability forms an integral component of the credit assessment process.

For all cases, due diligence is undertaken in respect of Know Your Customer policies, credit references and banking history.

Following the preparation of appraisal notes, the credit team presents the proposal to the respective approving authorities (based on the authorization matrix) for a decision, and communicates the decision to the relevant business group for further processing.

Once a proposal is approved, a specific CAM number is generated by the credit team for that proposal, and an approved copy of the proposal together with the CAM number (as well as any loan sanctioning conditions) is communicated to the relevant business group. If there are any sanction conditions, the operations team ensures that all such sanction conditions are complied with before the loan is disbursed. Any condition requiring our legal team's involvement is also addressed by them before disbursement.

Collection and Recovery

We have a dedicated asset management team whose responsibility is to streamline the asset management activities across all the asset finance segments (primarily, the Retail Finance Group), given the growing book size of L&T Finance. We believe that this helps the business groups to focus on business generation and collections while an expert team deals with NPA management, repossessions and resales of assets in as timely and efficient a manner as possible. We also believe that this enables the timely involvement of recovery experts in the debtor management process.

The asset management team has a collection function which manages all accounts moving into the delinquency stage. These accounts are managed through either the collection of dues or the repossession and resale of assets through appropriate legal measures. In addition, the team is responsible for identifying signs of delinquency at an early stage, implementing appropriate recovery measures in order to prevent the degradation of accounts, repossession of assets in cases of wilful default, storing and valuation of asset, obtaining best possible prices on resale, minimizing repossession sale losses, instituting appropriate legal action (in conjunction with the legal team) and obtaining property details of the customer for attachment of the assets.

The repossession of assets typically only takes place when recovery is not possible. Repossession is undertaken by an appointed panel of repossession agents, and in accordance with the guidelines prescribed by L&T Finance. Once the asset is repossessed, the customer is given an opportunity to clear any outstanding amounts and take back possession of the asset, failing which we proceed with the sale of the asset. Asset liquidation is normally done within 45-60 days of repossession to ensure minimal depreciation and a higher price on resale. Any shortfall on sale of assets is recovered from the customer through arbitration loss recovery.

Asset Composition

In our Infrastructure Finance Group, the total loans made to our infrastructure finance customers amounted to ₹ 71,864.90 million as at March 31, 2011, compared to ₹ 42,884.99 million as at March 31, 2010, which represents an increase of 67.58%.

In our Retail and Corporate Finance Groups, the loans and advances to our retail and corporate finance customers amounted to ₹ 101,567.28 million as at March 31, 2011, compared to ₹ 69,820.53 million as at March 31, 2010, which represents an increase of 45.47%.

The following table sets out the distribution of our total loans and advances by core business group as at March 31, 2011:

Product Type	**As at March 31, 2011**	
	Total Loans and Advances	**Percentage of Total Loans and Advances (%)**
	(in ₹ million)	
Infrastructure Finance Group[1]	71,864.90	40.05
Retail Finance Group[2]	65,787.91	36.66
Corporate Finance Group[2]	35,779.37	19.94
Other[3]	5,999.59	3.34
TOTAL	**179,431.77**	**100.00**

[1] *L&T Infra*

[2] *L&T Finance*

[3] *Includes loans and advances made by our other group companies, including IIDL (Refer to the section titled "*Our Group Structure and Subsidiaries*", above).*

Concentration of Total Exposure

As an NBFC, and in accordance with RBI norms, our policy is to limit our exposure to a single "group" of borrowers (based on a commonality of management and effective control) and a single "borrower" to the prescribed percentages of our owned funds (which comprises share capital and free reserves), respectively.

For our Infrastructure Finance Group, as a result of L&T Infra being classified as an IFC by the RBI, our single borrower limit for loans has been increased by an additional 10% of L&T Infra's owned fund and our single group limit for loans has been increased by an additional 15% of L&T Infra's owned fund (refer to the section titled "*Regulations and Policies in India*", on page 197 of this Prospectus).

Infrastructure Finance Group Exposures

The following table sets forth the 10 largest single and group exposures of our Infrastructure Finance Groups (through L&T Infra) as determined by the RBI guidelines, as at March 31, 2011:

	Exposure (₹ million)	**Percentage of Total Exposure (%)**	**Percentage of Owned Funds* (%)**
Borrower 1	2,500.00	3.48%	20.27
Borrower 2	2,500.00	3.48%	20.27
Borrower 3	2,305.42	3.21%	18.69
Borrower 4	2,000.00	2.78%	16.22
Borrower 5	2,000.00	2.78%	16.22

	Exposure (₹ million)	Percentage of Total Exposure (%)	Percentage of Owned Funds* (%)
Borrower 6	1,928.57	2.68%	15.64
Borrower 7	1,750.00	2.44%	14.19
Borrower 8	1,600.00	2.23%	12.97
Borrower 9	1,600.00	2.23%	12.97
Borrower 10	1,568.00	2.18%	12.71
TOTAL	**19,751.99**	**27.48**	**160.16**

	Exposure (₹ million)	Percentage of Total Exposure (%)	Percentage of Owned Funds* (%)
Group 1	3,873.42	5.39%	31.41
Group 2	3,112.00	4.33%	25.23
Group 3	3,000.00	4.17%	24.33
Group 4	2,675.00	3.72%	21.69
Group 5	2,606.26	3.63%	21.13
Group 6	2,500.00	3.48%	20.27
Group 7	2,500.00	3.48%	20.27
Group 8	2,046.60	2.85%	16.60
Group 9	2,022.40	2.81%	16.40
Group 10	2,000.00	2.78%	16.22
TOTAL	**26,335.68**	**36.65**	**213.55**

* *Owned Fund as defined in the RBI guidelines.*

Retail and Corporate Finance Group Exposures

As at March 31, 2011, the top 10 largest single exposures of our Retail and Corporate Finance Groups (through L&T Finance) as determined by the RBI guidelines was in aggregate ₹ 6,434.83 million, which accounted for 6.34% of the total exposure of our Retail and Corporate Finance Group, and 37.15% of our owned funds.

Industry Exposures

For details of our Infrastructure Finance Group's industry exposure, see "*Our Business and Operations – Our Infrastructure Finance Group – Industry and Sector Focus*", above. According to our Infrastructure Finance Group's investment and credit policy, exposures to any single infrastructure industry segment (such as energy or telecommunications) is limited to 35% of our loan portfolio value. In the event that any single industry exposure is to exceed 35% in a given year, L&T Infra board approval is required.

Our Retail Finance Group and Corporate Finance Group do not measure industry-specific exposures, owing to the diverse nature of their product and services offerings and customer profile.

Classification of Assets

Our Infrastructure Finance Group, Retail Finance Group and Corporate Finance Group classify their respective assets (including leases) in accordance with RBI guidelines. In accordance with these guidelines, assets are regarded as "non-performing" if any amount of interest or principal remains overdue for more than 180 days.

Accordingly, the assets of our Infrastructure Finance Group, Retail Finance Group and Corporate Finance Group are classified as follows:

Class of Asset	Definition
Standard Assets:	Assets that do not display any problems or which do not carry more than the normal risk attached to the business of the borrower.
Sub-standard Assets:	Assets that are non-performing for a period not exceeding 18 months.
Doubtful Assets:	Assets that are not performing for more than 18 months.
Loss Assets:	Assets where loss has been identified and the amount has been written off, wholly or partly. Such an asset is considered "not recoverable" and of such little value that its continuance as a bankable asset is not warranted, although there may be some salvage or recovery value.

Provisioning and Write-off Policies

Our Infrastructure Finance Group (through L&T Infra) and Retail and Corporate Finance Groups (through L&T Finance), have developed and apply separate provisioning and write-off policies (as part of their respective investment and credit policies) for NPAs. Both sets of policies meet or exceed those which are prescribed by applicable RBI guidelines.

Infrastructure Finance Group

Our Infrastructure Finance Group categorizes its assets based on the classification prescribed by the RBI.

The table below sets out the provisioning requirements applied for loans and other credit facilities provided by our Infrastructure Finance Group:

Class of Asset	Provisioning Requirement
Standard Assets:	A general provision of 0.25% of the outstanding standard assets.
Sub-standard Assets:	A general provision of 10% of the total outstanding amount.
Doubtful Assets:	• 100% provision to the extent to which the loan is not covered by the realizable value of the security to which we have valid recourse. • For the secured portion, depending upon the period for which the asset has remained doubtful, provision is made at the following rates: • Up to one year: 20% • Up to three years: 30% • More than three years: 50%
Loss Assets:	The entire asset is written-off. If the assets are permitted to remain on our books for any reason, 100% of the outstanding amount.

As a matter of prudence, L&T Infra makes provisions against standard assets over and above RBI norms.

The table below sets out the provisioning requirements applied for finance and operating leases provided by our Infrastructure Finance Group:

Class of Asset	Provisioning Requirement
Where any amounts of hire charges or lease rentals are overdue for a period of up to 12 months:	Nil
Standard Assets	A general provision of 0.25% of the outstanding standard assets.
Sub-standard Assets:	Where any amounts of hire charges or lease rentals are overdue for more than 12 months but up to 24 months – 10% of the book value

Class of Asset	Provisioning Requirement
Doubtful Assets:	• Where any amounts of hire charges or lease rentals are overdue for more than 24 months but up to 36 months **– 40%** of the net book value. • Where any amounts of hire chares or lease rentals are overdue for more than 36 months but up to 48 months **– 70%** of the net book value.
Loss Assets:	Where any amounts of hire charges or lease rentals are overdue for more than 48 months – **100%** of the net book value.

Retail Finance Group and Corporate Finance Group

The provisioning and write-off policies of our Retail and Corporate Finance Groups are more stringent and conservative than those prescribed by the RBI for NBFCs. We believe that this will ensure that the losses in any given year will not have a significant impact on the profitability of our Retail and Corporate Finance Groups, particularly in years with low asset growth.

For the purposes of provisioning, we classify the products of our Retail and Corporate Finance Groups into three sub-categories, as the table below reflects:

NPA Provisioning Policy	Retail and Corporate Finance Group Products
Asset-backed Loans	**Retail Finance Group:** • Kisan Gaurav and Kisan Bandhu • transportation equipment finance • construction equipment loans (retail). **Corporate Finance Group:** • term loans • receivables discounting • capital markets products
Non Asset-backed Loans	**Retail Finance Group;** • TracFin • Microfinance[1] **Corporate Finance Group** • vendor finance • dealer finance
Lease and Hire Purchase	**Corporate Finance Group:** • finance leases • operating leases • hire purchase

[1] *For microfinance products, any account in respect of which the equated monthly instalments are greater than 180 days is fully provisioned.*

For Asset-backed Loans, the maximum of the provisioning requirements of the RBI guidelines and the principal amount at risk less the notional asset (which forms the security for the loan) value is used for provisioning purposes. As such, it is necessary that we conduct a due and proper valuation of each asset financed, which includes an assessment of the asset's original equipment manufacturer, its year of manufacture, capacity and location. The table below sets out the provisioning requirements applied for Asset-backed Loans provided by our Retail and Corporate Finance Groups:

Period for which the loan is not performing	Provisioning requirement
180 to 540 days	Maximum of: • 10% of principal amount outstanding + principal component of debt and • Principal amount outstanding + principal component of debt – notional asset value
More than 540 days	If underlying asset is repossessed Maximum of: • 10% of principal amount outstanding + principal component of debt and • Principal amount outstanding + principal component of debt – notional asset value • If underlying asset is not repossessed: • 100% of principal amount outstanding + principal component of debt.

The table below sets out the provisioning requirements applied for Non Asset-backed Loans provided by our Retail and Corporate Finance Groups:

Period for which the loan is not performing	Provisioning requirement
180 – 365 days	10% of principal amount outstanding + principal component of debt.
More than 365 days	100% of principal amount outstanding + principal component of debt.

The table below sets out the provisioning requirements applied for lease and hire-purchase products provided by our Retail and Corporate Finance Groups:

Period for which the lease is not performing:	Provisioning requirement:
180 – 540 days	50% of principal amount outstanding + principal component of debt.
More than 540 days	100% of principal amount outstanding + principal component of debt.

In accordance with the recent amendment to the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, with effect from January 17, 2011, L&T Finance makes a general provision of 0.25% of all its outstanding standard assets.

Non-Performing Assets

The following table sets out information about the NPA portfolio of L&T Infra (our Infrastructure Finance Group) as at March 31, 2011, 2010, 2009 and 2008, respectively:

	As at March 31,			
	2011	**2010**	**2009**	**2008**[1]
		(in ₹ million)		
Total Loans:	**71,864.90**	**42,884.99**	**22,660.47**	**18,331.81**
Gross NPAs	483.84	789.24	0	0
Less: Provision for NPAs[2]	104.15	79.00	0	0
Net NPAs	379.69	710.24	0	0
Gross NPA Ratio (%)	**0.67**	**1.84**	**0**	**0**
Net NPA Ratio (%)	**0.53**	**1.66**	**0**	**0**

[1] *The financial year of L&T Infra ended March 31, 2008 consisted of a nine month period from July 1, 2007. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations - Note Regarding Non-Comparable Fiscal Periods and Unconsolidated Financial Statements*", on page 267 of this Prospectus.*

[2] *We have made provisions of ₹ 284.31 million and ₹ 251.60 million on standard assets as at March 31, 2011 and 2010 respectively. Note that, in accordance with the amendment to the Non-Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, provisions on standard assets will not be taken into account at arriving at net NPAs with effect from January 17, 2011. Accordingly, provisions on standard assets need not be netted from gross advances but shown separately as 'Contingent Provisions against Standard Assets' in the balance sheet.*

The following table sets out information about the NPA portfolio of L&T Finance (our Retail and Corporate Finance Groups) as at March 31, 2011, 2010, 2009 and 2008, respectively:

	As at March 31,			
	2011	**2010[1]**	**2009**	**2008**
	(in ₹ million)			
Total Loans and Advances:	**101,567.28**	**69,820.53**	**50,418.83**	**44,428.87**
Gross NPAs[2]	1,433.80	1,938.88	1,292.13	451.40
Less: Provision for NPAs[2]	645.70	749.65	227.36	89.17
Net NPAs	788.10	1,189.23	1,064.77	362.23
Gross NPA Ratio (%)	**1.42**	**2.78**	**2.56**	**1.02**
Net NPA Ratio (%)	**0.78**	**1.70**	**2.11**	**0.82**

[1] *There were no NPAs for the microfinance segment as at March 31, 2011.*

[3] *As at March 31, 2011, L&T Finance held repossessed assets worth ₹ 187.17 million (based on internal valuation estimates). We believe that realisation from the resale of these assets could have a positive impact on our Net NPAs.*

RISK MANAGEMENT

In the course of our business operations, we are exposed to a number of risks in conducting our core business operations across our Infrastructure Finance Group, Retail Finance Group and Corporate Finance Group. Our general risk management strategy is to actively manage and hedge our interest rate and maturity positions that may create liquidity or market risk to our business.

Our core business groups face the following risks in the course of their operations:

- *Credit Risk* - credit risk is the risk that our customers will fail to discharge their repayment obligations under a loan or lease instrument, and thereby cause us to incur a financial loss.
- *Liquidity Risk* – liquidity risk is the risk that we will be unable to meet our net funding requirements. This can be caused by market disruptions or credit downgrades which may cause certain sources of funding to become unavailable.
- *Interest Rate Risk* – interest rate risk is the risk arising from repricing and/or maturing mismatches between our assets and liabilities, thus impairing our net interest income.
- *Operating and other Risks* – operating risk is the risk of loss arising from inadequate or failed internal process, people, systems and/or from external events, including legal risk. In addition, we also face risks arising from yield-curve or mismatch risk, strategic risk and reputational risk.

Our Infrastructure Finance Group (through L&T Infra) and Retail and Corporate Finance Group (through L&T Finance) maintain separate credit and interest rate risk management policies and principles, and both adhere to the RBI's ALM Guidelines for NBFCs in relation to their management of liquidity risk.

Credit Risk

Infrastructure Finance Group

The credit risk of our Infrastructure Finance Group is managed through comprehensive policies and processes that ensure adequate identification, measurement, monitoring and control as well as reporting of credit risk exposure. Refer to the sections titled "*Our Loan Portfolio and Policies – Lending Policies*", "*Concentration of Total Exposure*" and "*Provisioning and Write-off Policies*", above, for a discussion of these policies.

Retail and Corporate Finance Groups

As with our Infrastructure Finance Group, the credit risk of our Retail and Corporate Finance Group is managed through comprehensive policies and processes that ensure adequate identification, measurement, monitoring and control as well as reporting of credit risk exposure. Refer to the sections titled "*Our Loan Portfolio and Policies – Lending Policies*", "*Concentration of Total Exposure*" and "*Provisioning and Write-off Policies*", above, for a discussion of these policies.

Interest Rate Risk

Infrastructure Finance Group

Asset-liability management addresses two of our Infrastructure Finance Group's major risk types, namely liquidity risk and interest rate risk. The Infrastructure Finance Group's Asset-Liability Management Committee ("**Infrastructure ALCO**") is responsible for the formulation, revision and administration of the L&T Infra asset-liability management policy and reports directly to the board of directors of L&T Infra.

For effective MIS reporting, L&T Infra considers, evaluates and implements a suitable data management system optimally capable of meeting ALM reporting needs.

The Infrastructure ALCO has a dedicated support function which generates a variety of reports used in managing the interest rate risk of the Infrastructure Finance Group.

The principal report used to fulfill this function is the Gap Management Report, which provides data used by the Infrastructure ALCO to measure risk to net interest income arising from the re-pricing of assets and liabilities over time. As such, the assets and liabilities of the Infrastructure Finance Group are organized into re-pricing "buckets". This analysis allows the Infrastructure Finance Group to determine the effect on income due to a change in the interest rates.

In addition to the Gap Management Report, the Infrastructure ALCO also runs simulations (or "stress tests") in order to measure the possible impact of rate and scenario changes on the net income of the Infrastructure Finance Group.

The following table sets out an analysis of the maturity profile of certain of L&T Infra's interest-bearing assets and interest-bearing liabilities across time buckets as at March 31, 2011, 2010 and 2009:

	1 month	**Over 1 month to 2 months**	**Over 2 months up to 3 months**	**Over 3 months up to 6 months**	**Over 6 months up to 1 year**	**Over 1 year to 3 years**	**Over 3 years to five years**	**Over 5 years**	**Total**
					(₹ million)				
LIABILITIES:									
Borrowings from Banks:									
March 31, 2011	—	83.30	100.00	233.30	2,181.30	9,966.20	19,009.30	2,499.70	34,073.10
March 31, 2010	—	50.00	125.00	2,917.50	1,683.36	5,866.40	6,825.30	450.00	17,917.56
March 31, 2009	—	—	50.00	224.20	1,613.30	7,242.30	5,744.60	837.60	15,712.00
Market Borrowings:									
March 31, 2011	250.00	3,500.00	750.00	4,750.00	3,500.00	4,800.00	7,399.60	2,912.60	27,862.20
March 31, 2010	1,100.00	—	250.00	500.00	1,550.00	11,050.00	—	—	14,450.00
March 31, 2009	500.00	500.00	—	—	—	1,000.00	—	—	2,000.00

	1 month	Over 1 month to 2 months	Over 2 months up to 3 months	Over 3 months up to 6 months	Over 6 months up to 1 year	Over 1 year to 3 years	Over 3 years to five years	Over 5 years	Total
					(₹ million)				
ASSETS:									
Advances:									
March 31, 2011	776.58	1,572.04	959.58	5,457.63	10,774.26	24,055.35	14,163.76	14,105.70	71,864.90
March 31, 2010	1,835.30	635.10	625.80	1,653.90	6,500.90	15,766.70	9,188.50	6,678.79	42,884.99
March 31, 2009	1,931.50	692.40	223.50	1,536.50	3,465.10	7,580.80	3,816.70	3,413.97	22,660.47
Investments:									
March 31, 2011	0.00	0.00	0.00	0.00	0.00	660.00	340.00	2,500.00	3,500.00
March 31, 2010	—	—	—	—	—	—	—	250.00	250.00
March 31, 2009	900.00	—	—	—	—	—	—	250.00	1,150.00

The Infrastructure Finance Group aims to reduce risk to earnings from adverse movements in interest rates. The Infrastructure ALCO has devised a prime lending rate (the "**Infrastructure PLR**"), and which is a floating rate of interest applied to the loans of our Infrastructure Finance Group that is calculated by reference to the cost of borrowing, prevailing interest rate and market risk (as a function of loan tenors and the interest rate outlook), and the minimum return on capital which our Infrastructure Finance Group would seek to achieve on a given loan. The Infrastructure PLR is reviewed periodically by the Infrastructure ALCO and re-priced based on prevailing movements in interest rates, and their impact on returns on capital. Accordingly, the Infrastructure PLR reflects movements in money markets and interest rates generally, and allows our Infrastructure Finance Group to take such movements into account when pricing its loans.

In addition to the Infrastructure PLR, our Infrastructure Finance Group can also create assets which are linked to some other established benchmark as may be approved by the Infrastructure ALCO. The interest rate on assets are linked to such benchmarks, so that any increase/decrease in interest cost can be passed on to borrowers. The Infrastructure Finance Group's gap and interest rate exposure is compiled and reviewed on a monthly basis.

Retail and Corporate Finance Groups

Our Retail and Corporate Finance Groups have a formal written risk management policy in order to manage interest rate and liquidity risk. The Retail and Corporate Finance Groups' Asset-Liability Management Committee (the "**Finance ALCO**") is responsible for the formulation, revision and administration of the L&T Finance risk management policy, and reports directly to the board of directors of L&T Finance.

The combination of principles are as follows:

Borrowing Mix

The loan assets of our Retail and Corporate Finance Groups are divided into long-term and short-term loan assets.

Short-term loan assets are those loans and advances with maturities of between 30 days and 364 days, and typically have an average maturity of 90 days. Short-term loan assets are priced using a floating rate of interest, and are re-priced on a quarterly basis by reference to prevailing market rates. Long-term loan assets are those loans and advances with maturities of 365 days or more, and usually vary between one year and seven years. The average maturity of long-term assets is typically 28 months. Long-term loan assets are all priced on the basis of a fixed rate of interest.

In light of this maturity profile of the loan assets of our Retail and Corporate Finance Groups, the Finance ALCO aims to ensure that the borrowings of our Retail and Corporate Finance Groups comprise short-term borrowings of 35-40%, and long-term borrowings of 60-65% of our total borrowings.

We believe that this enables us to effectively match the yields and maturities of our loan assets with those of our borrowings.

Pricing Matrix

The Finance ALCO has established a pricing matrix which reflects the marginal cost of borrowing. This pricing matrix is published every two weeks and communicated to the various business heads of our Retail and Corporate Finance Groups, who use the pricing matrix to price the incremental disbursements of their respective business segments.

We believe that the use of this pricing matrix ensures that interest rate movements are taken into account when pricing both the short- and long-term loans and advances of our Retail and Corporate Finance Groups.

Pricing Mechanism

The Finance ALCO has devised a prime lending rate (the "**Finance PLR**"), which is a floating rate of interest applied to the loans and advances of our Retail and Corporate Finance Groups that is calculated based on L&T Finance's average cost of funds. The Finance PLR is reviewed periodically by the Finance ALCO and re-priced based on prevailing movements in interest rates, and their impact on our average cost of funds. Accordingly, the Finance PLR reflects movements in money markets and interest rates generally, and allows our Retail and Corporate Finance Groups to take such movements into account when pricing the loans and advances of our Retail and Corporate Finance Groups.

Other Control Principles

When L&T Finance borrows on the basis of a floating rate of interest, as a matter of policy we only do so where such floating rate of interest is limited by reference to pre-determined caps and floors. This enables us to maintain control and visibility of interest rate movements in our borrowings. In addition, interest rate swaps and hedging position are taken in the event of mismatches occurring between floating rate borrowings and fixed rate loan assets.

As with the Infrastructure ALCO, the Finance ALCO utilizes a gap management report, which provides data used by the Finance ALCO to measure risk to net interest income arising from the re-pricing of assets and liabilities over time. As such, the assets and liabilities of the Infrastructure Finance Group are organized into re-pricing "buckets". This analysis allows the Retail and Corporate Finance Groups to determine the effect on income due to a change in the interest rates.

The following table sets out an analysis of the maturity profile of certain of L&T Finance's interest-bearing assets and interest-bearing liabilities across time buckets as at March 31, 2011, 2010 and 2009:

	To day to 30/31	Over 1 month to 2 months	Over 2 months up to 3 months	Over 3 months up to 6 months	Over 6 months up to 1 year	Over 1 year to 3 years	Over 3 years to five years	Over 5 years	Total
					(₹ million)				
LIABILITIES:									
Borrowings from Banks:									
March 31, 2011...	4,000.00	1,430.00	2,062.50	5,557.50	6,995.00	35,897.50	—	—	55,942.50
March 31, 2010...	4,250.00	—	1,658.40	1,958.30	4,054.11	13,989.32	—	—	25,910.14
March 31, 2009...	1,650.00	1,460.00	3,412.50	3,712.50	2,825.00	14,985.80	250.00	0.00	28,295.80
Market Borrowings:									
March 31, 2011.......	3,180.00	4,250.00	810.00	5,517.50	98.28	6,776.00	5,179.86	6,720.14	32,531.78
March 31, 2010.......	749.99	3,999.99	1,839.99	1,024.98	7,757.68	10,499.98	5,679.89	6,720.08	38,272.63
March 31, 2009.......	500.00	2,200.00	1,850.00	3,550.00	665.00	6,700.00	0.00	750.00	16,215.00
ASSETS:									
Advances: March 31, 2011...	3,293.71	5,058.02	4,035.73	6,487.02	10,894.65	44,342.42	22,160.63	4,718.91	100,991.09
March 31, 2010...	1,755.63	2,462.03	3,948.26	2,975.50	7,882.07	3,408.26	1,404.72	2,436.35	69,589.71

	To day to 30/31	Over 1 month to 2 months	Over 2 months up to 3 months	Over 3 months up to 6 months	Over 6 months up to 1 year	Over 1 year to 3 years	Over 3 years to five years	Over 5 years	Total
March 31, 2009...	3,685.30	2,713.50	4,274.80	3,954.40	7,079.90	28,765.50	4,070.50	0.00	54,543.90
Investments:									
March 31, 2011...	1.10	—	—	—	253.91	967.37	—	1,865.60	3,087.98
March 31, 2010...	—	—	—	—	44.94	—	—	1,650.64	1,695.59
March 31, 2009...	69.70	0.00	0.00	0.00	0.00	0.00	0.00	0.50	70.20

Liquidity Risk

Our Infrastructure Finance Group's aim is to maintain an adequate level of liquid assets to meet the contractual maturity of existing funding, to fund investment opportunities, to satisfy credit demands and to provide cover against contingent liquidity risks derived from unforeseen events.

The determination of the adequacy of our Infrastructure Finance Group's liquidity position is based upon an analysis of the existing liquidity position relative to the following factors:

- historical funding requirements;
- current liquidity position;
- anticipated future funding needs;
- present and anticipated asset quality;
- present and future earnings capacity; and
- available sources of funds.

Suitable contingency plans are put in place by the Infrastructure ALCO in order to meet any liquidity shortfalls.

For measuring and managing net funding requirements, our Infrastructure Finance Group uses the "maturity ladder approach", and makes appropriate contingency plans to meet unexpected shortfalls. The cumulative surplus or deficit of funds at selected maturity dates are calculated. A statement of structural liquidity exposure is produced by calculating our Infrastructure Finance Group's net liquidity gap, and by comparing current ratios with targets.

The maturity profile set out in the statement of structural liquidity is used for measuring the future cash flows in different time buckets. The time buckets are as follows:

- 1 day to 1 month;
- Over 1 month and up to 2 months;
- Over 2 months and up to 3 months;
- Over 3 months and up to 6 months;
- Over 6 months and up to 1 year;
- Over 1 year and up to 1.5 years;
- Over 1.5 years and up to 2 years;
- Over 2 years and up to 3 years;
- Over 3 years and up to 5 years;
- Over 5 years and up to 7 years; and
- Over 7 years.

These time buckets are managed in accordance with the ALM Guidelines for NBFCs, issued by the RBI from time to time.

A cash credit facility of the value of 10% of the average asset size is in place at all times in order to manage mismatches.

The net liquidity gap and tolerance levels are estimated by taking the following factors into account:

- preparing the statement of structured liability (all cash inflows and outflows are placed in the maturity ladder according to the expected timing);

- a dynamic liability statement is produced, and by reference to which the Infrastructure ALCO estimates the short-term liquidity profiles on the basis of business projections and other commitments;

- a tolerance level is calculated based on relevant factors such as disbursements, asset-liability base, nature of business and future strategy.

The net liquidity gap is then calculated as being:

$$\textit{Net Liquidity Gap} = \frac{(\textit{Inflows} - \textit{Outflows})}{\textit{Outflows}}$$

Based on the above, our Infrastructure Finance Group also prepares periodic scenario analysis with different degrees of rollovers and different levels of asset securitization, asset sale and other realizations to develop and test our contingency funding requirements. Pursuant to such analysis, a plan is prepared to meet liquidity requirements in the event of such contingency eventuating, as well as the cost of meeting such a contingency. The Infrastructure ALCO reviews the results of this exercise periodically.

OUR BUSINESS SUPPORT SERVICES

We believe that the commercial success of our diverse finance operations is largely dependent upon strong and seamless business support services. As such, the following are the key elements of business support to our Infrastructure Finance Group, Corporate Finance Group, Retail Finance Group and Investment Management Group:

Each of the business groups have dedicated resources to support them, and are supervised and guided by a common head of support service.

Credit Analysis

Both our Infrastructure Finance Group and Retail and Corporate Finance Groups maintain dedicated credit committees to manage and implement their respective credit and investment policies, and which comprise some of the directors and personnel from senior management of each of L&T Infra and L&T Finance. Refer to the sub-section titled "*Our Loan Portfolio and Policies – Lending Policies*", above, for a discussion of our credit policies.

Legal

We have an in-house legal department, with a dedicated team of qualified and experienced advocates, lawyers and consultants who specialize in various aspects of an NBFC's and mutual fund's operations. The legal department extends its services to all the operational and business heads of the Infrastructure Finance Group, Corporate Finance Group, Retail Finance Group and Investment Management Group, and provides advice on all legal and commercial issues and in the drafting of various agreements which we may enter into from time to time. The legal department is also responsible for monitoring and advising management with respect to changes in legislation, statutory rules and regulations, judicial precedent set by courts, updates of current legal practices, and news, journals and reviews regarding the industry. The legal department also provides advice on the means and modes of recovery of outstanding loans, and initiating recovery proceedings.

In addition, our Investment Management Group also retains a dedicated compliance department which is responsible for ensuring compliance with laws, rules and regulations specific to the mutual fund business.

Internal Audit and Compliance

The audit and compliance department of our Infrastructure Finance Group and Retail and Corporate

Finance Groups is responsible for evaluating the effectiveness of governance, risk management and controls within the organization as a whole, as well as ensuring compliance with respect to RBI and other Indian statutory guidelines and regulations. Our audit team carries out various types of audits, such as concurrent audits, operational and management audits, compliance audits and special assurance audits. Reports are disseminated by the audit team to the business departments directly or indirectly related to the audit. The audit team provides suggestions to the audit committee on the composition of the panel of external audit firms for conducting audits.

The compliance department of the Investment Management Group is primarily responsible for ensuring compliance with the SEBI (Mutual Fund) Regulations, 1996, SEBI (Portfolio Managers) Regulations, 1993, circulars and guidelines issued by the Association of Mutual Funds in India and other applicable laws, rules, regulations governing the operations of a mutual fund and portfolio management business generally. In particular, the compliance department drafts scheme information documents, statements of additional information, key information memoranda of our various schemes; ensures compliance with applicable laws (when we launch new schemes and/or advertise and/or distribute publications); drafts manuals (such as compliance manuals and insider trading policies); monitors the implementation of policies and communications with regulators; and provides general regulatory advice to the other internal departments of our Investment Management Group.

Process

Our Retail and Corporate Finance Groups maintain a dedicated process department, which was constituted in Fiscal Year 2009, with the objective of ensuring standardized operating procedures (for example, know-your-customer and documentation) for various products and geographies of our Retail and Corporate Finance Groups. We believe this contributes substantially in the training of our employees and enhances compliance and risk management as well as customer services.

Corporate Strategy and Analytics

With effect from Fiscal Year 2009, a new support group, corporate strategy and analytics, has been constituted to serve our Infrastructure Finance Group and Retail and Corporate Finance Groups. Their role is to analyze business data within our company and provide business intelligence by observing trends, deviations, shortcomings, and high performing areas with reference to various performance parameters like productivity, profitability, potential risk areas and delinquencies.

They also facilitate important processes such as benchmarking with competitors and peers and the design and implementation of risk management tools.

Treasury

Treasury performs the functions of procurement, deployment, disbursement, collection and disposal of funds. The responsibility of treasury department is classified into borrowing and underlying research; securitization, money market and derivatives research; ratings, management information systems and compliance documentation; and trade finance and cash management.

To cater to the growing complexities in terms of product structures and also to meet control and reporting requirements, our Infrastructure Finance Group and Retail and Corporate Finance Groups have put in place an automated treasury software solution. This enables monitoring of the debt position on a daily basis and also provides critical reports for decision-making. This software solution also caters to the daily cash management activity, thereby ensuring efficient management of funds. A separate software solution has also been implemented which meets the ALM requirements and provides value added reports such as statements of structural liquidity and interest rate sensitivity reports. See the section titled "*Risk Management*", above. This system support has automated most of the routine treasury procedures and has provided us with reliable support in the operations of our group-wide borrowing program, with suitable internal controls in place.

Our Investment Management Group maintains a dedicated treasury department which monitors the inflows to, and outflows from, our various schemes on a daily basis. Any scheme can have inflows in the form of subscriptions from investors, the sale or maturity of securities held in the portfolio of the scheme and dividend and interest payments in relation to any securities in the portfolio. Similarly, outflows can take the form of redemption payouts to investors, the purchase of securities for the scheme, brokerage or any other expenses relating to the scheme. In addition, the department also monitors the confirmation of various transactions with counterparties and monitors intraday limits with banks.

Corporate Accounts and Operations Department

The corporate accounts and operations department of our Infrastructure Finance Group and Retail and Corporate Finance Groups is responsible for accounts, assessing and computing direct and indirect taxation and RBI regulatory compliance in respect of our Infrastructure Finance Group and Retail and Corporate Finance Groups. Our back office administration is managed by a dedicated operations department. Operations personnel are present at all major business centres, and through a combination of ERP solutions and maintaining a presence close to the markets, they are able to deliver optimum service and support to the business function and to customers.

Our Investment Management Group maintains a dedicated fund accounting department which retains responsibility for the timely calculation and declaration of the net asset value of the schemes of L&T Mutual Fund. It is also responsible for valuing the securities and other instruments held in the portfolio of the schemes, and for the preparation and publication of the unaudited results of the schemes (on a half yearly basis), the preparation of financial statements and notes to accounts of the schemes on (an annual basis), and interacting with the internal and statutory auditors.

Information Technology

We believe that the IT department performs a crucial function in creating and maintaining scalable, cost-effective and sustainable operating models for our various business groups and segments. We have built, and continue to enhance, our IT systems in order to create competitive advantages for our organization, and enable us to achieve and maintain optimum levels of customer service and operational efficiency.

Our operations are geographically dispersed and the nature of our various businesses leads to a large volume of transactions on a daily basis. Our Infrastructure Finance Group and Retail and Corporate Finance Groups have implemented appropriate application and solutions to manage the timeliness, accuracy and reliability of data captured across the geographies in which we operate. Our IT department is responsible for the functioning and maintenance of the ERP solutions, and also IT hardware requirements for our field operations. In addition to the ERP solution, our IT department is also responsible for the maintenance and management of our networking technologies and various business applications and the implementation of our new customer interaction and relationship application, which we believe will enhance service delivery to our customers and opportunities for our groups and segments to increase cross-selling initiatives.

Our Investment Management Group's IT department is responsible for maintaining the overall IT infrastructure of the business group, as well as implementing IT solutions aimed at automation of our business processes and improving productivity. In addition, our IT department conducts data mining and generates a variety of management information systems reports which are used to evaluate emerging trends in investor behaviour, and which we use to make adjustments to our marketing and product strategies accordingly.

Corporate Secretarial

The corporate secretarial department is responsible for handling the corporate and secretarial activities of our Infrastructure Finance Group and Retail and Corporate Finance Groups, including formulating and ensuring good secretarial practices, maintaining high standards of corporate governance, convening and conducting meetings, processing documents, the creation and registration of charges, the maintenance of statutory registers, filing of forms and returns with statutory authorities, and ensuring compliance with various laws, rules and regulations, and liaising with appropriate Indian government departments at the Central and State levels, as well as regulatory and statutory authorities such as the RBI and SEBI.

The Investment Management Group's secretarial department is responsible for handling the corporate and secretarial activities of the Investment Management Group, which includes both L&TIM and L&T Mutual Fund Trustee Limited, including convening and conducting meetings, maintaining of statutory registers, filing of forms and returns with statutory authorities, and ensuring compliance with various laws, rules and regulations, in conjunction with the Investment Management Group's compliance department (see above).

Human Resources

The human resources ("**HR**") department of our Infrastructure Finance Group and Retail and Corporate Finance Groups is responsible for overseeing all matters involving our employees, including developing and implementing our talent acquisition plan and strategy; establishing a performance management plan and compensation; and implementing employee engagement and people development initiatives. We emphasize a performance driven culture by focusing on key performance indicators ("**KPI**") and competency assessments. Our HR department has instituted KPIs at both the organizational level and department level to motivate employees to focus on both organization and group performance. Employees are also subject to periodic individual assessments, and given attribute ratings to capture competencies and potential. Overall, there is a high level of transparency in the appraisal process. All promotions are based on an assessment by a panel, with compensation periodically benchmarked and corrected to market standards.

The Investment Management Group's HR department retains responsibility for assessing and managing staffing needs, recruitment, training, performance Management and ensuring staff compliance with various employee policies. It is also responsible for managing remuneration and benefits of all employees of the Investment Management Group.

SALES AND MARKETING

As at May 31, 2011, we had 837 points-of-presence across 23 states in India, comprising 117 branch offices, 269 meeting centers, 37 KGSK centers (a point of presence dedicated exclusively to the distribution of the *Kisan Gaurav* product in the rural products segment of our Retail Finance Group) and 414 customer care centers across all of our business groups and segments. In the last few years, we have increased our geographic coverage from 226 points-of-presence in August 2006 to 837 points-of-presence as at May 31, 2011. Our investment management business alone has increased its number of branch offices from 19 to 58 since January 2010, when we acquired L&TIM. Our workforce, comprising full-time employees, outsources personnel and personnel retained on a contractual basis, has been increased more than 3 times in order to support this physical and geographic growth, up from a head-count of 1,214 in March 2008 to 4,395 as at May 31, 2011.

Infrastructure Finance Group

We place substantial emphasis on the L&T "ecosystem" (being the network of customers and suppliers of, and companies within, the L&T Group, particularly with interests in infrastructure-related industries such as engineering and construction) as a source of industry/domain knowledge/expertise for the project finance and financial advisory services segments.

In the project finance segment, we conduct regular meetings with established industry participants and existing customers to identify their requirements, and actively identify new customers by targeting growing developments and contractors. We obtain a significant number of transactions from our existing client base. In addition, we regularly advertise in industry magazines, and also sponsor infrastructure-related conferences. We also maintain corporate membership of organizations such as the Confederation of Indian Industry and the Federation of Indian Chambers of Commerce and Industry and the Indian Merchant Chamber.

In the financial advisory services segment, we use a variety of direct marketing methods such as conducting client pitches and presentations.

Corporate and Retail Finance Groups

We originate our retail and corporate transactions either through our network of dealers, or through direct sales by our in-house sales team. We believe that dealers form the most important point of contact for our Retail and Corporate Finance Groups' businesses.

All of the individual business segments of each of our Retail and Corporate Finance Groups do not maintain a physical presence at every location where we have a point-of-presence. For example, we may have a point-of-presence in respect of the construction equipment finance segment in one location, but not necessarily also in respect of transportation equipment finance or rural product finance. However, we believe that this presents advantages of scale owing to our active cross-selling of the products and services of our Retail and Corporate Finance Groups, as, in the example above, the construction equipment finance segment will actively seek out new opportunities and leads for new transactions on behalf of transportation equipment finance and rural product finance (as well as our other business groups and segments). As such, we believe that this directly contributes to our profit as the incremental revenues generated arise at minimal marginal cost.

In addition:

- we actively leverage our existing customer database to extract leads for potential new customers. The diverse nature of our products and services, together with our cross-selling initiatives, helps us to actively address all of the financing requirements that existing and potential new customers may have;

- we participate in various industry-wide events which we believe serves as a platform to showcase our offerings to prospective customers. In addition to being a source of new business, participation in these events also provides us with marketing opportunities to increase our visibility in the market place;

- we have tie-up arrangements in place with various original equipment manufacturers, who refer new transactions to us; and

- In addition, we have approximately 50 Smartrupee® Investment Centers across various Larsen and Toubro locations in India, and which are aimed at accessing the vast base of Larsen and Toubro employees. These centers also help to create financial awareness among Larsen and Toubro employees whilst also exploiting opportunities to provide investment solutions through third party products.

Microfinance

The sales and distribution of the products of our microfinance segment is divided into different regions, with each region functioning independently of the other. Employees are responsible for business in specific locations, and business sourcing generally happens through the input of regional teams who have specific insights into the behaviour of borrowers in a specific zone or area.

Our regional teams visit various villages in a given region in order to ascertain the specific characteristics pertinent to the village. These are then mapped against our microfinance credit guidelines. If the village satisfies this appraisal process, prospective customers are then individually appraised as to their creditworthiness. Creditworthy customers are encouraged to form JLGs within themselves, with efforts towards ensuring that people from the same community are not a part of the same group.

Investment Management Group

Our Investment Management Group's funds are sold directly to both retail and institutional customers. Our Investment Management Group has dedicated sales persons (which include both full-time and part-time employees) who are solely responsible for managing relationships with retail and institutional customers. Our funds are also sold through non-exclusive distributors, which include banks, financial advisory companies and independent financial advisors with a pan-India presence. These distributors typically receive commission payments from our Investment Management Group and L&T Mutual Fund. In addition, our Investment Management Group publishes monthly fun factsheets, newsletters, investor updates and product brochures as part of its marketing activities.

COMPETITION

Given the diversity of our four core business groups, and the products and services which each of those offer, we face competition from the full spectrum of public sector banks, private sector banks (including foreign banks), financial institutions and other NBFCs who are active in infrastructure, retail and corporate finance. In relation to the advisory services we offer across our four core business groups, we also face competition from investment banks and consulting organizations.

We also face significant competition in the asset management and microfinance businesses which we have acquired or established over the last few years. Our competitors in these businesses may be substantially larger and have considerably greater financing resources than those available to us. Also, some of our competitors may have greater technical, marketing and other resources and greater experience in these businesses. Such competitors also compete with us for management and other human resources and operational resources and capital.

EMPLOYEES

Our workforce consists of employees, outsourced personnel and personnel retained on a contractual basis. As at May 31, 2011, our workforce comprised 1,752 employees and 2,643 outsourced personnel and personnel retained on a contractual basis (such as for specific assignments, and those on retainer for business development purposes). Our full-time employees are employed by L&T Infra, L&T Finance and L&TIM, as the case may be, and are entitled to statutory employment benefits, such as retirement benefits.

The following tables sets out a breakdown of our employees and contractors by business group as at May 31, 2011:

Business Group	Full-time Employees	Outsourced Personnel/ Contract-based Personnel
Infrastructure Finance Group	83	3
Retail and Corporate Finance Groups	1,528	2,485
Investment Management Group	141	153
TOTAL:	**1,752**	**2,643**

INTELLECTUAL PROPERTY

Our Company's subsidiary, L&T Finance, has seven registered trademarks in India. Further, the "L&T" trademark is registered in favour of our Promoter. Refer to the section titled *"Risk Factors - Risks Relating to our Group. We do not own the "L&T" trademark and logo. In addition, we may be unable to adequately protect our intellectual property since a number of our trademarks, logos and other intellectual property rights may not be registered and therefore do not enjoy any statutory protection. Further, we may be subject to claims alleging breach of third party intellectual property rights."* on page 26 of this Prospectus for a description of the trademark license agreement we have entered into with our Promoter. Refer to the section titled "*Government and Other Approvals*" on page 387 of this Prospectus for a description of our trademarks.

PROPERTIES

Our Company does not lease or own any properties. Our Company's subsidiaries, L&T Finance, L&T Infra, L&TIM and IIDL have several premises which are owned, leased or rented in various locations across India, details of which are set forth below, as at May 31, 2011:

Properties of L&T Finance:

No.	Details of Properties	Owned or Leased
1.	1st Floor, H Wing, Tex Centre, Near HDFC Bank Limited, Off Saki Vihar Road, Chandivali, Mumbai.	Owned
2.	3B, Laxmi Towers, 2nd Floor, C-25, G Block, Bandra - Kurla Complex, Bandra (East), Mumbai.	Owned
3.	802, 8th Floor, Swastik Chambers, CST Road, Chembur, Mumbai.	Owned
4.	Plot 177, CST Road, Near Mercedes Showroom, Kalina, Santacruz – East, Mumbai – 400 098.	Owned
5.	Third Floor, 5-C, Laxmi Towers, G-block, Behind ICICI Bank, BKC, Bandra (East), Mumbai.	Leased
6.	608, Sakar – III, Opposite Old High Court, Behind C. U. Shah College, Off Ashram Road, Near Income Tax Crossroad, Ahmedabad.	Leased
7.	508, Sakar – III, Opposite Old High Court, Behind C. U. Shah College, Off Ashram Road, Near Income Tax Crossroad, Ahmedabad.	Leased
8.	1st Floor, Yamuna Tarang Commercial Complex, N. H. No. 6, Near Radha Krishna Theater, Akola.	Leased
9.	Om Jee Center, 14, Tej Mandi, Station Road, Opposite Gaushala, Alwar.	Leased
10.	3rd Floor, Kandi Center, Above Kotak Mahindra Bank, Jalna Road, Aurangabad.	Leased
11.	Monarch Ramani, No. 3/E, 4th Floor, 7 C Main, 3rd Cross, 3rd Industrial	Leased

No.	Details of Properties	Owned or Leased
	Block, Koramangala, Bangalore.	
12.	Panchabati, Barbil-Joda Highway, Near Utkal Automobiles Limited, Barbil.	Leased
13.	2nd Floor, 131/3, M. P. Nagar, Major Shopping Center, Zone 2, Scheme No. 13, Bhopal.	Leased
14.	Plot No. 428/3818, 2nd Floor, Eastern Block, Jaidev Nagar, Bhubaneshwar.	Leased
15.	2nd Floor, Sewa's Laxmipur, Burdwan.	Leased
16.	2nd Floor,Trade Link complex, Mankave Junction,Chalappuram Road, Calicut.	Leased
17.	47, Montieth Plaza, Montieth Road, Chennai.	Leased
18.	Kovai Towers, 2nd Floor, 44, Balasundaram Road, R T O Office Road, Coimbatore.	Leased
19.	Spanco House, Plot No. 322, 322/1, B. S. Deoshi Marg, Deonar, Mumbai.	Leased
20.	B-27, Biplabi Rashbihari Basu Sarani, Bidhan Nagar, Sector – 2A, Durgapur.	Leased
21.	Sunder Park, Office No. 311, 2nd Floor, Tagore Road, Plot No. 95, Sector 8, Gandhidham.	Leased
22.	Naik Villa, 5th Floor, Dr. Dada Vaidya Road, Opposite Sakhardande Apartment, Panjim, Goa.	Leased
23.	B-109, 1st Floor, Arjun Centre, B. S. Deoshi Marg, Deonar, Mumbai.	Leased
24.	B-106, 1st Floor, Arjun Centre, B. S. Deoshi Marg, Deonar, Mumbai.	Leased
25.	Mehta Complex, Mehta Compound, Court Road, Behind Mini Vidhansoudha, Gulbarga.	Leased
26.	D. No. 12-12-48, Old Club Road, Kothapet, Guntur.	Leased
27.	2nd Floor, Plot No. 230/232, Main Saat Rasta, Hoshangabad.	Leased
28.	W. B. Plaza, 1st Floor, N. C. Market, Hubli.	Leased
29.	201, 2nd Floor, Dega Towers, 6-3-1085, Raj Bhavan Road, 6-3-1085, Somajiguda, Hyderabad.	Leased
30.	502, 5th Floor, Dega Towers, 6-3-1085, Raj Bhavan Road, 6-3-1085, Somajiguda, Hyderabad.	Leased
31.	404/405, 4th Floor, Dega Towers, 6-3-1085, Raj Bhavan Road, 6-3-1085, Somajiguda, Hyderabad.	Leased
32.	Survey No. 176/2 & 3, Tarbund X Roads, Satya Towers, Secunderabad.	Leased
33.	Milinda Manor, 2, 3rd Floor, Ravindranath Tagore Marg, Indore.	Leased
34.	46, Ahuja Tower, 2nd Floor, Nepier Town, Opposite Rani Durgamati Museum, Jabalpur.	Leased
35.	2nd Floor, Roshan Towers, Ajmer Road, Jaipur.	Leased
36.	2nd Floor, SCO3, PUDA, Near Bus Stand, G.T. Road, Jalandhar.	Leased
37.	4th Floor, Meghdeep, Q Road, Bistupur, Jamshedpur.	Leased
38.	D. No. 1/1626, 1st Floor, Railway Station Road, Opposite Tank Bund, Near P. F. Office, Kadapa.	Leased
39.	209, Harjinder Nagar, Kanpur.	Leased
40.	2nd Floor, #8-6-185/A, Lakshmi Towers, Kothirampur, Hyderabad Road, Karimnagar.	Leased
41.	Ventura, Anjumana, NH47 By Pass, Kochi.	Leased
42.	1st Floor, Anant Tower, Sai Senx, Rajarampuri Main Road, Kolhapur.	Leased
43.	3rd Floor & 4th Floor, 8, Beckbagan Row, Kolkata.	Leased
44.	77-2-2-10, KSR Complex, Opposite Eedga Masjid, New Bus Stand Road,	Leased

No.	Details of Properties	Owned or Leased
	Kurnool.	
45.	1st Floor, Tilak Nagar, Behind Hotel Panchavati, Latur.	Leased
46.	1st Floor, J. C. Complex, Plot No. 1, Kailash Kunj, Next to Arora Petrol Pump, Faizabad Road, Lucknow.	Leased
47.	SCO 122, 5th Floor, Feroze Gandhi Market, Ludhiana.	Leased
48.	489, Vinayaga Nagar Colony, K.K.Nagar, Madurai.	Leased
49.	328/13, Sauli Khad, Mandi.	Leased
50.	No. 14-4-511/50, 3rd Floor, Balmata Road, Hampanakatta, Mangalore.	Leased
51.	Manikanta Agencies, H. No. 3-9-128/2, Autonagar, Medak.	Leased
52.	H.No. 19-434 to 438, 2nd Floor, M B Akkaiah Complex, Sagar Road, Miryalguda.	Leased
53.	No. 1037, Devaparthiva Road, Off. M. G. Road, Chamarajapuram, Mysore.	Leased
54.	M. G. House, 316, Ravindranath Tagore Road, Civil Lines, Nagpur.	Leased
55.	Shop No. 10, Kapadia Commercial Complex, Opposite Janalaxmi Bank, Old Agra Road, Nashik.	Leased
56.	Venkatao Reddy Nagar, 2nd Floor, 26/11/1375, Vedaya Palem, Nellore.	Leased
57.	DLF 1, Ground Floor, Industrial Area, Najafgarh Road, Moti Nagar, New Delhi.	Leased
58.	Municipal Bearing No.1-4-5, Ward No.1, Block No.4, Phulong, Vinayak Nagar, Nizamabad.	Leased
59.	S.C.O. 356, Second Floor, Sector 9, Panchakula.	Leased
60.	1st Floor, Chetna Building, Narayan Chawl Chowk, Station Road, Parbhani.	Leased
61.	1st Floor & 2nd Floor, M. K. Complex, Dulhousie Road, Near Cargo Motors, Pathankot.	Leased
62.	Subhadra Bhavan, 2nd Floor, Apte Road, Deccan, Pune.	Leased
63.	1st Floor, Office No. FF-08, Avinash House, Maruti Business Park, G. E. Road, Raipur.	Leased
64.	7-26-21, Maturivari Street, T. Nagar, Rajahmundry.	Leased
65.	908 & 909, 9th Floor, Aalap - B, Opposite Shashtry Maidan, Limda Chowk, Rajkot.	Leased
66.	Satyam, Ma Durga Motor, Hamru Road, Ranchi.	Leased
67.	Top Floor, Empire Arcade, 356/1, Omalur Main Road, Opposite New Bus Stand, Salem.	Leased
68.	Jagadamba Complex, Opposite Professor's Colony, Buddharaja, Sambalpur.	Leased
69.	341, 1st Floor, Behind Parijat Niwas, Bamhanganwa, Rewa Road, Satna.	Leased
70.	1st Floor, Amber Ville, Ghowda Chowki, Near Dee-Park Hotel, On Shimla-Chandigarh Road, Below H. P. Printing Press, Shimla.	Leased
71.	3rd Floor, Sevoke Road, Siliguri.	Leased
72.	House No. 6-1-2128(N), Sheshasayana Complex, 2nd Floor, Gangavati Road, Opposite Indian Oil Petrol Pump, Sindhanur.	Leased
73.	Shri. Prakash Ratna Complex, Ground Floor, Opposite Punjab National Bank, Barnala Road, Sirsa.	Leased
74.	2nd Floor, City Pride, Railway Line, Solapur.	Leased
75.	21st Century, 610 B, 6th Floor, Ring Road, Surat.	Leased
76.	Sterling Biz Park, C - 86, Fort Station Road, North East Extension, Thillai Nagar, Trichy.	Leased

No.	Details of Properties	Owned or Leased
77.	Uthardam Properties, 3rd Floor, Station Road, Thiruvananthapuram.	Leased
78.	1st Floor, Shriram Hospital and Research Centre, 46/3, Madhuban, Udaipur.	Leased
79.	1st Floor, Sargam House, Govardhan Apartments, Near Bank of Baroda, Kerlibaug, Vadodara.	Leased
80.	City Centre, 10, Ward No. 27, Hospital Road, Vidisha.	Leased
81.	2-5-35/1, Nakkalagutta, Hanmakonda, Warangal.	Leased
82.	Ground Floor, Palace Compound, Thakur Anil Krishna Sarani, Agartala.	Leased
83.	1st Floor, Vimal Vinayak, Above Bank of Baroda, A-B Road, Guna.	Leased
84.	1st Floor, Shree Pratap Tower, Jaljog Circle, Residency Road, Jodhpur.	Leased
85.	Plot No. 152 & 153, PO India, PS = Kharagpur, West Medinipur.	Leased
86.	Plot No. 11, 1st Floor, Above LIC Satellite Office, Near Gumanpura Thana, Jhalawar Road, Kota.	Leased
87.	3004, 3rd Floor, Grand Plaza, Frazer Road, Patna.	Leased
88.	2nd Floor, Vishawas Plaza, Rani Bazar Circle, Bikaner.	Leased
89.	1st Floor, Prince Hotel Complex, Ranchi Patna Road, Near Axis Bank, Hazaribagh.	Leased
90.	1st Floor, Ramashree Apartment, Behind J M Road, 1206/30 A, Deccan Gymkhana, Pune.	Leased
91.	Sector - 19, Ambagan, Rourkela.	Shared with L&T
92.	Door No. 40-5-6/1, Brundavana Colony, Tikkil Road, Labbipeta, Vijaywada.	Shared with L&T
93.	Flat no. 305,D.No. 10-1-9/1, Vinayagar Heights, Waltair Main Road, Vishakapatnam.	Shared with L&T
94.	Milanpur Road, Bamuni Maidan, Guwahati.	Shared with L&T
95.	The Metropolitan, E Block, Bandra Kurla Complex, Bandra East, Mumbai.	Shared with L&T
96.	C/o L&T HED – Hazira works, ADM Block, 2nd Floor, Surat Hazira Road, Hazira.	Shared with L&T
97.	Ground Floor, SCF – 123, GT Road, Bhatinda	Leased
98.	Ground Floor, Shop No. 1 & 11, Hermes Atrium, Plot No. 57, Sector No. 11, CBD Belapur, Navi Mumbai	Leased
99.	1st Floor, No. 144, 100 feet Road, ECR Main Road, Pakkamudayanpet Lawspet, Pondichery - 8	Leased
100.	No. 306, A. Katpadi Main Road, Viruthampet, Near Palar Bridge, Vellore	Leased

Properties of L&T Infra:

No.	Details of Properties	Leased or Owned
1.	Flat no. 411-415, 4th Floor, Narain Manzil, 23, Barakhamba Road, Connought Place, New Delhi.	Leased
2.	3B, 2nd Floor, Laxmi Tower, Bandra Kurla Complex, Bandra (East), Mumbai - 400 51	Leased
3.	3B, 1st Floor, Laxmi Tower, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	Leased
4.	2nd Floor, Montieth Place, No. 47, Montieth Road, Egmore, Chennai -600 008	Leased
5.	1355A, Road No 45, Above HDFC Bank, Jubilee Hills, Hyderabad - 500 033	Leased

Properties of L&TIM:

No.	Details of Properties	Leased or Owned
1.	309, Trade Centre, 3rd Floor, Near Bandra Kurla Telephone Building, Bandra Kurla Complex (B KC), Mumbai.	Leased
2.	12/22, Bake House, Ground Floor, Maharashtra Chamber of Commerce Lane, Next to Rampart Business Centre, Opposite Maharashtra State Co-operative Bank, Fort, Mumbai.	Leased
3.	Shop No. 5, Annant Raj Plaza, 132 B/28, Mahatma Gandhi Marg, Opposite Rana Jewellers, Civil Lines, Allahabad.	Leased
4.	S-411, 2nd Floor, West Minster, No. 13, Cunningham Road, Bengaluru.	Leased
5.	SCO 487-488, Cabin No. 9-10, Second Floor, Sector 35 C, Chandigarh.	Leased
6.	717/7th Floor, Kan Chambers, 14/113 Civil Lines, Kanpur.	Leased
7.	Gooptu Court, 7A/1A, Middleton Street, 1st Floor, Kolkata-700 071Success Centre, 8, Beckbagan Row, 3rd Floor, Kolkata.	Leased
8.	Office No. 106, 1st Floor, Sky High Chambers, 5 Park Road, Lucknow.	Leased
9.	5th Floor, SCO - 122, Firoz Gandhi Market, Ludhiana.	Leased
10.	9 B, 9th Floor, Hansalya Building, Barakhamba Road, New Delhi.	Leased
11.	2nd Floor, Dhanlaxmi Tower, Above IDBI Bank, Chopasni Road, Jodhpur.	Leased
12.	Office no F /C-6 1st flr, block no 4/41B, Friends tower, Sanjay Palace, Agra - 282002Care Of Govind Chauhan, 1 Deep Nagar, Shastri Nagar, Khandari, Agra.	Leased
13.	39C, Green Avenue, Amritsar.	Leased
14.	C42nd Floor, Office No.3, Urvashi Complex, Sigra, Varanasi-221010C4/142 A, Sarai Goverdhan, Chetganj, Varanasi.	Leased
15.	N 12/ 306-12-12 Janak Nagar Colony, Kakarmatta DLW, Varanasi.	Leased
16.	7D/C, Gandhi Nagar, Near Valmiki Chowk, Jammu-18000429 B/C, Green Belt Park, Near Service Collection, Gandhi Nagar, Jammu.	Leased
17.	2nd Floor, J J Plaza, Huzrat Chouraha, Lashkar, Gwalior.	Leased
18.	650, Indra Nagar Colony, Seema Dwar Road, Dehradun.	Leased
19.	508, Sakar 3, Near C U Shah College, Near Old High Court, Ashram Road, Ahmedabad.	Shared with L&T Finance
20.	Plot No. 428/3818, 2nd Floor, Eastern Block, Jaidev Nagar, Bhubaneshwar.	Shared with L&T Finance
21.	4/1, Goverdhan Apartment, Near Utkarsh Petrol Pump, Muktanand Char Rasta, Karelibaug, Baroda.	Shared with L&T Finance
22.	2nd Floor, 131/3, M.P. Nagar, Major Shopping Centre, Zone 2, Scheme No. 13, Bhopal.	Shared with L&T Finance
23.	Montieth Palace, 4th Floor, 47 Montieth Road, Egmore, Chennai.	Shared with L&T Finance
24.	2nd Floor, Ventura, Edapally Bye Pass Road, Edapally, P.O. Cochin.	Shared with L&T Finance
25.	Kovai Towers, 2nd Floor, 44, Balasundram Road (RTO Office Road), Coimbatore.	Shared with L&T Finance
26.	B-27, Biplabi Rashbihari Basu Sarani, Bidhan Nagar, Sector 2 A, Durgapur.	Shared with L&T Finance
27.	5th Floor, Naik Villa, Dr. Dada Vaidya Road, Opposite Sakhardande Apartments, Panjim, Goa.	Shared with L&T Finance
28.	1st Floor, W B Plaza, Opposite Traffic Police Station, New Cotton Market, Hubli, Karnataka.	Shared with L&T Finance

No.	Details of Properties	Leased or Owned
29.	502, 5th Floor, Dega Towers, 6-3-1085, Rajbhavan Road, Somajiguda, Hyderabad.	Shared with L&T Finance
30.	307/4, Milandas Minor, 2 RNT Mart, Indore.	Shared with L&T Finance
31.	2nd Floor, Roshan Tower, Opposite Anchor Mall, Ajmer Road, Jaipur.	Shared with L&T Finance
32.	SCO 3, 2nd Floor, Puda Complex, Jalandhar.	Shared with L&T Finance
33.	Meghdeep Building, 4th Floor, Q Road, Bitsupur, Jamshedpur.	Shared with L&T Finance
34.	1st Floor, Anant Towers, Sai Section, Rajarampuri Main Road, Kolhapur.	Shared with L&T Finance
35.	489, 1st Floor, West First Street, K K Nagar, Madurai.	Shared with L&T Finance
36.	No. 14-4-511-50, 3rd Floor, Crystal- ARC, Balmata Road, Hampanakatta, Mangalore.	Shared with L&T Finance
37.	316, 4th Floor, M G House, Ravindranath Tagore Road, Civil Line, Nagpur.	Shared with L&T Finance
38.	Shop No. 10, 1st Floor, Kapadia Commercial Complex, Opposite Janalaxmi Bank (HO), Old Agra Road, Nashik.	Shared with L&T Finance
39.	1st Floor, 1240-A, Subhadra Bhavan, Apte Road, Deccan, Pune.	Shared with L&T Finance
40.	9th Floor, Aalap - B, Opposite Shastry Maidan, Limda Chowk, Rajkot.	Shared with L&T Finance
41.	1st Floor, Office No. FF 08, Avinash House, Maruti Business Park, G E Road, Raipur, Chattisgarh.	Shared with L&T Finance
42.	C/o Sona Wheels, 3rd Floor, Sevoke Road, Siliguri.	Shared with L&T Finance
43.	21st Century, 610 B, 6th Floor, Ring Road, Surat.	Shared with L&T Finance
44.	2nd Floor, Sterling Biz Park, C-86, North East Extension, Fort Station Road, Thillai Nagar, Trichy.	Shared with L&T Finance
45.	Uthradam Properties, TC26/1309, 3rd Floor, RBI Station Road, Panavilla Junction, Thiruvananthapuram.	Shared with L&T Finance
46.	1st Floor, 45 Gari Khana, Near PNB., Harmu Road, Ranchi 834 001.Satyam, Ma Durga Motor, Hamru Road, Ranchi.	Shared with L&T Finance
47.	No. 1037, Devaparthiva Road, Chamarajapuram, Mysore.	Shared with L&T Finance
48.	3004, 3rd Floor, Grand Plaza, Fraser Road, Near Dakbungalow Chouraha, Patna.	Shared with L&T Finance
49.	Sector - 19, Ambagan, Rourkela.	Shared with L&T
50.	Door No. 40-5-6/1, Brundavana Colony, Tikkil Road, Labbipeta, Vijaywada.	Shared with L&T
51.	Door No. 48-8-16, Dwaraka Nagar, Vishakhapatnam.	Shared with L&T
52.	Milanpur Road, Bamuni Maidan, Guwahati.	Shared with L&T
53.	SPANCO House, BS Deoshi Marg, Plot No.322, 322/1, Deonar, Mumbai 400 088.	Shared with L&T Finance
54.	Manisha Plaza,Plot No-1050, 1st Floor,Link Road, Arundaya Market, Cuttack-753012.	Leased
55.	1st Floor , Rathod Mansion, Bank More , Dhanbad-826001	Leased
56.	Shop No 20, 2nd Floor, Cross road The Mall,, Bank road, Gorakhpur-273001	Leased
57.	G 43,Ground Floor, Madhav Plaza, Opp SBI Bank, Near Lal Banglow, Jamnagar 361001	Leased
58.	8, Panchsheel Colony, Gadh Road, Meerut – 250 005	Leased
59.	Shop No.FF -5, Gopi Arcade, Waghawadi Road, Bhavnagar-364002	Leased

Properties of IIDL:

Sr. No.	Details of Property	Leased or Owned
1.	39-E Nandishwar Housing Complex, New Sama Road, Baroda.	Owned

LITIGATION

There are legal proceedings and claims pending against us which have arisen in the ordinary course of business. A discussion of such litigation is set out in the section titled "*Outstanding Litigation and Material Developments*" on page 310 of this Prospectus.

REGULATIONS AND POLICIES IN INDIA

The following description is a summary of some of the relevant regulations and policies as prescribed by the central and state governments in India that are applicable to our business. The information detailed in this section has been obtained from publications available in the public domain. The regulations set out below are not exhaustive, and this section is only intended to provide general information to the investor and is neither designed nor intended to be a substitute for professional legal advice.

Our Company is an NBFC-ND-SI registered with the RBI and on June 20, 2011 has applied to the RBI to be granted registration as a CIC-ND-SI. Our Company's subsidiaries L&T Finance and L&T Infra are also NBFC-ND-SIs registered with the RBI. L&T Finance has been classified as an "Asset Finance Company" and L&T Infra has been classified as an "Infrastructure Finance Company". L&T Infra has also been notified as a PFI under section 4A of the Companies Act. Our business activities are governed by the rules, regulations, notifications and circulars issued by the Reserve Bank of India applicable to non-deposit accepting NBFCs. Our investment management business is regulated by the SEBI. L&TIM is an AMC and has a portfolio management license granted by SEBI.

The Reserve Bank of India Act, 1934

The RBI is entrusted with the responsibility of regulating and supervising activities of NBFCs by virtue of powers vested to it through Chapter III B of the RBI Act. Section 45-I (f) of the RBI Act defines an NBFC as:

- a financial institution which is a company;
- a non-banking institution which is a company and which has as its principal business the receiving of deposits, under any scheme or arrangement or in any other manner, or lending in any manner; or
- such other non-banking institution or class of such institutions as the RBI may, with the previous approval of the Central Government and by notification in the Official Gazette, specify.

As per the RBI Act, a financial institution has been defined as a non-banking institution carrying on as its business or part of its business, amongst other activities, the financing, whether by way of making loans or advances or otherwise, of any activity, other than its own, the acquisition of shares, stock, bonds, debentures or securities issued by a government or local authority or other marketable securities of a like nature, or the carrying on of any class of insurance business.

Any company which carries on the business of a non-banking financial institution as its principal business is to be treated as an NBFC. The RBI, pursuant to a press release dated April 8, 1999, has further indicated that in order to identify a particular company as an NBFC, it will consider both the assets and the income pattern as evidenced from the last audited balance sheet of the company to determine its principal business. A company would be categorized as an NBFC if its financial assets were more than 50% of its total assets (netted off by intangible assets) and income from financial assets is more than 50% of the gross income. Both these tests are required to be satisfied as the determinant factor for classifying the principal business of a company as that of an NBFC.

With effect from January 9, 1997, NBFCs are not permitted to commence or carry on the business of a non-banking financial institution without obtaining a Certificate of Registration (CoR). Further, with a view to imparting greater financial soundness and achieving the economies of scale in terms of efficiency of operations and higher managerial skills, the RBI raised the requirement of minimum net owned fund from ₹ 2.5 million to ₹ 20 million for an NBFC commencing business on or after April 21, 1999. Further, every NBFC is required to submit to the RBI a certificate, from its statutory auditor within one month from the date of finalization of the balance sheet and in any case not later than December 30 of that year, stating that it is engaged in the business of non-banking financial institution and it held a valid CoR.

Capital Reserve fund

Pursuant to Section 45-IC of the RBI Act, every NBFC is required to create a reserve fund and transfer thereto a sum not less than 20% of its net profit every year, as disclosed in the profit and loss account and before any dividend is declared. Such a fund is to be created by every NBFC including an NBFC not accepting/holding public deposit. Further, no appropriation can be made from such fund by the NBFC except for the purposes specified by the RBI from time to time and every such appropriation shall be reported to the RBI within 21 days from the date of such withdrawal.

Prudential Norms Directions

The RBI has issued the Non Banking Financial (Non-Deposit Accepting or Holding) Companies

Prudential Norms (Reserve Bank) Directions, 2007, as amended ("**Prudential Norms Directions**"), which contain detailed directions on prudential norms for an NBFC-ND. The Prudential Norms Directions, amongst other requirements prescribe guidelines regarding income recognition, asset classification, provisioning requirements, constitution of audit committee, capital adequacy requirements, concentration of credit/investment and norms relating to infrastructure loans. In terms of the Prudential Norms Directions, all NBFCs-ND with an asset size of ₹ 1,000 million or more as per their last audited balance sheet will be considered as an NBFC-ND-SI.

Asset Classification

The Prudential Norms Directions require that every NBFC shall, after taking into account the degree of well defined credit weaknesses and extent of dependence on collateral security for realisation, classify its lease/hire purchase assets, loans and advances and any other forms of credit into the following classes:

- Standard assets;
- Sub-standard assets;
- Doubtful assets; and
- Loss assets.

Further, such class of assets would not be entitled to be upgraded merely as a result of rescheduling, unless it satisfies the conditions required for such upgradation.

Provisioning Requirements

An NBFC-ND, after taking into account the time lag between an account becoming non performing, its recognition, the realization of the security and erosion overtime in the value of the security charged, shall make provisions against sub-standard assets, doubtful assets and loss assets in the manner provided for in the Prudential Norms Directions.

Disclosure Requirements

An NBFC-ND is required to separately disclose in its balance sheet the provisions made in terms of the above paragraph without netting them from the income or against the value of the assets. These provisions shall be distinctly indicated under separate heads of accounts and shall not be appropriated from the general provisions and loss reserves held, if any, by it. Further every NBFC-ND-SI shall disclose the following particulars in its balance sheet (i) capital to risk assets ratio (CRAR), (ii) exposure to real estate sector, both direct and indirect, and (iii) maturity pattern of assets and liabilities.

Exposure Norms

The Prudential Norms Directions prescribe credit exposure limits in respect of the loans granted and investments undertaken by an NBFC-ND-SI. An NBFC-ND-SI shall not lend money exceeding 15% of its owned fund to any single borrower and the lending to any single group of borrowers shall not exceed 25% of the NBFC-ND-SI's owned fund. As regards investments, an NBFC-ND-SI shall not invest in the shares of a company exceeding 15% of its owned fund, while the investment in the shares of a single group of companies shall not exceed 25% of its owned fund.

The loans and investments of NBFC-ND-SI taken together should not exceed 25% of its owned fund to or in a single party and 40% of its owned fund to or in a single group of parties. However, this prescribed ceiling shall not be applicable to an NBFC-ND-SI for investments in the equity capital of an insurance company to the extent specifically permitted by the RBI. Further, an NBFC-ND-SI, which is classified as AFC, may in exceptional circumstances, exceed the above ceilings on credit / investment concentration to a single party or a single group of parties by 5% of its owned fund, with the approval of its board of directors (See the section titled *"Risk Factors – Risks Relating to Our Group – As a consequence of being regulated as an NBFC, an AFC, an IFC and a CIC, we will have to adhere to certain individual and borrower group exposure limits under the RBI regulations and are subject to periodic RBI inspection and supervision. In the event that any of our companies is unable to comply with the exposure norms within the specified time limit, or at all, such company may be subject to regulatory actions by the RBI including the levy of fines or penalties and/or the cancellation of registration as an NBFC, AFC, IFC or CIC, as the case may be. Any such action may adversely affect our business, prospects, results of operations, financial condition and the trading price of our Equity Shares."*, on page 28 of this Prospectus).

NBFCs-ND-SI may exceed the concentration of credit and investment norms, as specified above, by 5% for any single party and by 10% for a single group of parties, if the additional exposure is on account of infrastructure loan (as defined in the Prudential Norms Directions) and/ or investment.

IFCs may exceed the concentration of credit norms specified above for NBFCs-ND-SI in lending to any single borrower by an additional 10% of their owned fund and any single group of borrowers by 15% of their owned fund. The loans and investments of IFCs taken together may exceed the credit concentration norms specified above by an additional 5% of their owned fund to a single party and an additional 10% of their owned fund to a single group of parties.

Any NBFC-ND-SI not accessing public funds, either directly or indirectly may make an application to the RBI for modifications in the prescribed ceilings. Further, every NBFC-ND-SI is required to formulate a policy in respect of exposures to a single party/a single group of parties.

Pursuant to the RBI notification RBI/2010-11/453 dated March 30, 2011 NBFCs have been prohibited from contributing capital to any partnership firm or to be partners in any partnership firm. In case of existing partnerships NBFCs may seek early retirement from partnership firms.

Capital Adequacy Norms

As per the Prudential Norms Directions, every NBFC-ND-SI is subject to capital adequacy requirements. A minimum capital ratio consisting of Tier I and Tier II capital of not less than 15% of its aggregate risk weighted assets on balance sheet and of risk adjusted value of off-balance sheet items is required to be maintained. "Tier I" capital means owned fund as reduced by investment in shares of other non-banking financial companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, 10% of the owned fund and perpetual debt instruments issued by an NBFC-ND-SI in each year to the extent it does not exceed 15% of the aggregate Tier I capital of such company as on March 31 of the previous accounting year; and "Tier II" capital includes (a) preference shares other than those which are compulsorily convertible into equity; (b) revaluation reserves at discounted rate of 55%; (c) general provisions and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets; (d) hybrid debt capital instruments; (e) subordinated debt; and (f) perpetual debt instruments issued by an NBFC-ND-SI which is in excess of what qualifies for Tier I capital, to the extent the aggregate does not exceed Tier I capital.

Currently, the RBI requires that such ratio shall not be less than 15% by March 31, 2011. Also, the total of Tier II capital of an NBFC–ND-SI at any point of time shall not exceed 100% of Tier I capital.

Information to be furnished in relation to certain changes

As per the Prudential Norms Directions, an NBFC-ND is required to furnish the following information to the Regional Office of the Department of Non-Banking Supervision of the RBI within one month of the occurrence of any change: (i) complete postal address, telephone/fax number of the registered/corporate office, (ii) name and residential address of the directors of the company, (iii) names and official designations of its principal officers, (iv) names and office address of its auditors, and (v) specimen signatures of the officers authorized to sign on behalf of the company.

Norms applicable to AFCs

AFC would be defined as any company which is a financial institution carrying on as its principal business the financing of physical assets supporting productive/economic activity, such as automobiles, tractors, lathe machines, generator sets, earth moving and material handling equipments, moving on own power and general purpose industrial machines. Principal business for this purpose is defined as aggregate of financing real/physical assets supporting economic activity and income arising therefrom is not less than 60% of its total assets and total income respectively.

The above type of companies may be further classified into those accepting deposits or those not accepting deposits.

Norms applicable to NBFCs classified as Infrastructure Finance Companies

On February 12, 2010, the RBI introduced a new classification of NBFCs termed as 'Infrastructure Finance Companies' ("**IFC**"), with a view to encouraging a greater flow of capital into infrastructure development.

To qualify and maintain its status as an IFC, among other conditions, an NBFC must satisfy the following:

- at least 75.0% of the NBFC's total assets should be deployed in infrastructure loans (as defined in the Prudential Norms Directions);
- the NBFC must have net owned funds of at least ₹ 3.0 billion;
- the NBFC must have a minimum credit rating of "A" or its equivalent from any of CRISIL, CARE, FITCH or ICRA or a comparable rating from any other credit rating agency accredited by the RBI;
- the NBFC must have a minimum CRAR of 15.0% (with a minimum Tier 1 capital of 10.0%); and
- the NBFC must not accept deposits.

IFCs are entitled to various benefits such as:

- lower risk weight on their bank borrowings, from 100.0% to as low as 20.0% for AAA rated borrowers;
- higher permissible bank borrowings (both lending and investment, including off balance sheet expenses), increased from 10.0% of its capital funds that a bank may lend to an NBFC to 15.0% of capital funds as per its last audited balance sheet that it may lend to an IFC, provided that such bank exposure may be increased to 20% if the exposure is on account of funds on-lent by the IFC to the infrastructure sector;
- they are permitted to raise external commercial borrowings (ECBs) for on-lending to the infrastructure sector under the automatic route (subject to compliance with the applicable prudential guidelines and hedging of the currency risk in full) up to 50% of their owned funds; and
- they are permitted to exceed the concentration of credit norms specified above for NBFCs-ND-SI in lending to any single borrower by an additional 10% of their owned fund and any single group of borrowers by 15% of their owned fund. The loans and investments of IFCs taken together may exceed the credit concentration norms specified above by an additional 5% of their owned fund to a single party and an additional 10% of their owned fund to a single group of parties.

Norms applicable to Core Investment Companies

The regulatory framework for core investment companies was first notified pursuant to an RBI notification dated August 12, 2010 ("**August 12 Notification**"). Subsequently, the RBI notified the Core Investment Companies (Reserve Bank) Directions, 2011 on January 5, 2011 in continuation of the August 12 Notification.

NBFCs carrying on the business of acquisition of shares and securities which satisfy the following conditions as on the date of the last audited balance sheet are eligible to be classified as core investment companies ("**CICs**") under the Core Investment Companies (Reserve Bank) Directions, 2011:

- it holds not less than 90% of its net assets in the form of investment in equity shares, preference shares, bonds, debentures, debt or loans in group companies;
- its investments in the equity shares (including instruments compulsorily convertible into equity shares within a period not exceeding 10 years from the date of issue) in group companies constitutes not less than 60% of its net assets;
- Net assets, for the purpose of this clause, would mean total assets excluding, (i) cash and bank balances; (ii) investment in money market instruments and money market mutual funds; (iii) advance payments of taxes; and (iv) deferred tax payment.
- it does not trade in its investments in shares, bonds, debentures, debt or loans in group companies except through block sale for the purpose of dilution or disinvestment;
- it does not carry on any other financial activity referred to in Section 45 I(c) and 45 I(f) of the RBI Act, 1934, except investment in bank deposits, money market instruments including money market mutual funds, government securities, bonds or debentures issued by the group companies, loans granted to group companies or guarantees issued on behalf of group companies.

CICs with an asset size ₹ 1 billion or more either individually or in aggregate along with other Core Investment Companies in the group and raises or holds public funds will be considered as Systemically Important Core Investment Companies ("**CIC-ND-SI**") and would be required to obtain a certificate of registration from RBI under Section 45-IA of the Reserve Bank of India Act, 1934.

Every CIC-ND-SI is required to ensure that at all times it maintains a minimum Capital Ratio whereby its adjusted net worth shall not be less than 30% of its aggregate risk weighted assets on balance sheet and risk adjusted value of off-balance sheet items as on the date of the last audited balance sheet as at the end of the financial year.

Every CIC-ND-SI is required to ensure that its outside liabilities at all times shall not exceed 2.5 times its adjusted net worth as on the date of the last audited balance sheet as at the end of the financial year.

Every CIC-ND-SI that complies with the conditions described in the preceding two paragraphs, is exempt from complying with the requirements of maintaining the statutory minimum Net Owned Fund and certain requirements of the Prudential Norms Directions, including requirements of capital adequacy and exposure norms.

Norms applicable to Micro Finance Institutions in the state of Andhra Pradesh

The Andhra Pradesh Government has enacted the Andhra Pradesh Micro Finance Institutions (Regulation of Money Lending) Ordinance, 2010 ("**MFI Ordinance**") to protect women Self Help Groups ("**SHGs**") in the state of Andhra Pradesh from exploitation by Micro Finance Institutions ("**MFIs**"). Under the provisions of the MFI Ordinance all MFIs operating in the state of Andhra Pradesh and providing financial support of any nature to low income population require registration with the government of the state of Andhra Pradesh. Subsequently, with effect from January 1, 2011, the Government of Andhra Pradesh introduced the Andhra Pradesh Micro Finance Institutions (Regulation of Money Lending) Act, 2011 (Act No. 1 of 2011) (the "**MFI Act**"). The main object of the MFI Act is to protect women SHGs in the state of Andhra Pradesh from exploitation by microfinance institutions. The MFI Act provides for *inter alia* registration and cancellation of registration of microfinance institutions, filing of periodic returns by microfinance institutions, limits on interest recoverable by microfinance institutions, prohibition on security for loans provided to SHGs and prior approval for grant of further loans to SHGs. Below are certain key features of the MFI Act:

- MFIs cannot grant any loans or recover any loans to SHGs without registration with the government of the state of Andhra Pradesh;
- MFIs cannot seek any security for loans or for any kind of financial help to SHGs;
- No MFI shall recover from the borrower towards interest in respect of any loans advanced by it, whether before or after the commencement of the MFI Act, an amount in excess of the principal amount;
- MFIs to seek the approval of the registering authority of the government of the state of Andhra Pradesh before lending to a SHG which has an outstanding bank loan;
- All MFIs are required to file a monthly return with the registering authority of the government of the state of Andhra Pradesh;
- Constitution of fast track courts for dispute resolution between SHGs, their members and MFIs;
- Section 16 of the MFI Act provides for punishment of up to three years of imprisonment and/ or penalty of up to ₹ 100,000 to the persons connected with and responsible for the day-to-day control, business and management of MFIs including the partners, directors and employees of the MFIs, who resort to any kind of coercive practices against SHGs, their members or their family members;
- Punishment of up to three years imprisonment and penalty of up to ₹ 100,000 to the persons connected with and responsible for the day-to-day control, business and management of MFIs including the partners and directors of the MFIs, if, among others, the MFIs carry on business of providing loans as defined under the MFI Act, without obtaining registration under Section 3 of the MFI Act;
- Punishment of up to six months imprisonment and/ or penalty of up to ₹ 10,000 to any person contravening any provisions of the MFI Act other than Sections 3 and 16 of the MFI Act.

Draft MFI Bill

The Central Government has, on July 6, 2011, released the proposed draft of the Micro Finance Institutions (Development and Regulation) Bill, 2011, (the "**Draft MFI Bill**") aimed at providing access to financial services for the rural and urban poor and promoting the growth and development and regulation of micro finance institutions. The Draft MFI Bill proposes to make it mandatory for all microfinance institutions to be registered with the RBI subject to certain conditions.

Any micro finance institution, in existence at the time of commencement of the proposed Micro Finance Institutions (Development and Regulation) Act, and engaged in providing microfinance services will be required to, before the expiry of three months from such commencement, apply in writing to the RBI for a certificate of registration. Furthermore, any company registered as an NBFC with the RBI and engaged in the activity of extending micro finance services, will be required to apply for registration as a micro finance institution under the proposed Micro Finance Institutions (Development and Regulation) Act.

In addition, the Draft MFI Bill seeks to set up a Micro Finance Development Council, to advise the Central Government, on formulation of policies, schemes and other measures in relation to the micro finance sector. Furthermore, the Central Government may, by issue of a notification, establish State

Advisory Councils for micro finance to advise on the progress achieved in implementing policy initiatives.

The Draft MFI Bill is subject to public comment and further, is subject to the approval of the Indian Parliament as well as the assent of the President of India. The provisions of the Draft MFI Bill may undergo changes pursuant to receipt of such public comment and approval. There is no certainty that the Draft MFI Bill will come into force in its current form and there can be no assurance that there will be no further changes to the Draft MFI Bill that may adversely affect our business.

Report of the Sub-Committee of the Central Board of Directors of Reserve Bank of India to Study Issues and Concerns in MFI Sector.

The board of directors of the RBI, at their meeting held on October 15, 2010 formed a sub-committee of the board (the "**Malegam Committee**") to study issues and concerns in the microfinance sector in so far as they related to the entities regulated by the RBI.

The terms of reference of the Malegam Committee included, amongst other things, review of the definitions of 'microfinance' and 'micro finance institutions' for the purpose of regulation of NBFCs undertaking microfinance; examination of the prevalent practices of MFIs in regard to interest rates, lending and recovery practices to identify trends that impinge on borrowers' interests; delineation of the objectives and scope of regulation of NBFCs undertaking microfinance and the regulatory framework needed to achieve those objectives, examination of applicability of money lending legislation of the States and other relevant laws to NBFCs/MFIs and the role that associations and bodies of MFIs could play in enhancing transparency disclosure and best practices; examination of the conditions under which loans to MFIs can be classified as priority sector lending and make appropriate recommendations *etc.*

In this regard, the Malegam Committee submitted its report on the issues and concerns in the MFI sector on January 19, 2011. Some of the key recommendations set out in the report are as follows:

- A separate category be created for NBFCs operating in the microfinance sector, such NBFCs being designated as NBFC-MFI.
- An NBFC-MFI may be defined as "A company (other than a company licensed under Section 25 of the Companies Act, 1956) which provides financial services pre-dominantly to low-income borrowers with loans of small amounts, for short-terms, on unsecured basis, mainly for income-generating activities, with repayment schedules which are more frequent than those normally stipulated by commercial banks and which further conforms to the regulations specified in that behalf".
- NBFC-MFIs should satisfy the conditions that, amongst other things, (1) not less than 90% of its total assets (other than cash and bank balances and money market instruments) are in the nature of 'qualifying assets'. A "qualifying asset" shall mean a loan which satisfies the following criteria:- (a) the loan is given to a borrower who is a member of a household whose annual income does not exceed ₹50,000; (b) the amount of the loan does not exceed ₹25,000 and the total outstanding indebtedness of the borrower including this loan also does not exceed ₹25,000; (c) the tenure of the loan is not less than 12 months where the loan amount does not exceed ₹15,000 and 24 months in other cases with a right to the borrower of prepayment without penalty in all cases; (d) the loan is without collateral; (e) the aggregate amount of loans given for income generation purposes is not less than 75% of the total loans given by the MFIs; (f) the loan is repayable by weekly, fortnightly or monthly instalments at the choice of the borrower; and (2) the income it derives from other services is in accordance with the regulation specified in that behalf.
- An NBFC which does not qualify as an NBFC-MFI should not be permitted to give loans to the microfinance sector, which in the aggregate exceed 10% of its total assets.
- All NBFC-MFIs should have a minimum net worth of ₹150 millions.
- There should be only three components in the pricing of the loan, namely (i) a processing fee, not exceeding 1% of the gross loan amount (ii) the interest charge and (iii) the insurance premium.
- NBFC-MFIs should be required to maintain a capital adequacy ratio of 15% and, all of the net owned funds should be in the form of Tier I Capital. MFIs should be encouraged to issue preference capital with a ceiling on the coupon rate and this can be treated as part of Tier II capital subject to capital adequacy norms. There should be a "margin cap" of 10% in respect of MFIs which have an outstanding loan portfolio at the beginning of the year of ₹1000 millions and a "margin cap" of 12% in respect of MFIs which have an outstanding loan portfolio at the beginning of the year of an amount not exceeding ₹1,000 millions. There should also be a cap of 24% on individual loans.
- MFIs should lend to an individual borrower only as a member of a JLG and should have the responsibility of ensuring that the borrower is not a member of another JLG.
- A borrower cannot be a member of more than one SHG/JLG.

- Not more than two MFIs should lend to the same borrower.
- There must be a minimum period of moratorium between the grant of the loan and the commencement of its repayment.
- The regulator should monitor whether MFIs have a proper code of conduct and proper systems for recruitment, training and supervision of field staff to ensure the prevention of coercive methods of recovery.
- Bank advances to MFIs shall continue to enjoy “priority sector lending” status. However, advances to MFIs which do not comply with the regulation should be denied “priority sector lending” status.
- If the Committee’s recommendations are accepted, the need for a separate Andhra Pradesh Micro Finance Institutions (Regulation of Money Lending) Act will not survive.
- 1st April 2011 may be considered as a cut- off date by which time the recommendations of Malegam Committee, if accepted, must be implemented. In particular, the recommendations as to the rate of interest must, in any case, be made effective to all loans given by an MFI after March 31, 2011.
- As regards the other arrangements, Reserve Bank of India may grant such extension of time as it considers appropriate in the circumstances. In particular, this extension may become necessary for entities which currently have activities other than microfinance lending and which may need to form separate entities confined to microfinance activities
- The recommendations of the Committee were discussed with all stakeholders, including the Government of India, select State Governments, major NBFCs working as MFIs, industry associations of MFIs working in the country, other smaller MFIs, and major banks. Pursuant to feedback received, the RBI monetary policy 2011-2012 declared that the RBI would issue detailed guidelines with respect to MFIs.

Further to the above, the RBI vide notification RBI/2010-11/505 dated May 3, 2011 provided that the bank credit to MFIs extended on, or after, April 1, 2011 for on-lending to individuals and also to members of SHGs / JLGs will be eligible for categorisation as priority sector advance under respective categories *viz.*, agriculture, micro and small enterprise, and micro credit (for other purposes), as indirect finance, provided not less than 85% of total assets of MFI (other than cash, balances with banks and financial institutions, government securities and money market instruments) are in the nature of “qualifying assets”. In addition, aggregate amount of loan, extended for income generating activity, is not less than 75% of the total loans given by MFIs. A qualifying asset has been defined in the circular to mean a loan disbursed by an MFI, which satisfies the following criteria:
(i) The loan is to be extended to a borrower whose household annual income in rural areas does not exceed ₹ 60,000 while for non-rural areas it should not exceed ₹ 1,20,000;
(ii) Loan does not exceed ₹ 35,000 in the first cycle and ₹ 50,000 in the subsequent cycles;
(iii) Total indebtedness of the borrower does not exceed ₹ 50,000;
(iv) Tenure of loan is not less than 24 months when loan amount exceeds ₹ 15,000 with right to borrower of prepayment without penalty;
(v) The loan is without collateral; and
(vi) Loan is repayable by weekly, fortnightly or monthly instalments at the choice of the borrower.

In addition to be eligible to qualify as ‘priority sector’ loans MFI must also comply with the following:
(i) Margin cap at 12% for all MFIs. The interest cost is to be calculated on average fortnightly balances of outstanding borrowings and interest income is to be calculated on average fortnightly balances of outstanding loan portfolio of qualifying assets;
(ii) Interest cap on individual loans at 26% per annum for all MFIs to be calculated on a reducing balance basis;
(iii) Only three components are to be included in pricing of loans *viz.*, (a) a processing fee not exceeding 1% of the gross loan amount, (b) the interest charge and (c) the insurance premium;
(iv) The processing fee is not to be included in the margin cap or the interest cap of 26%;.
(v) Only the actual cost of insurance *i.e.* actual cost of group insurance for life, health and livestock for borrower and spouse can be recovered; administrative charges to be recovered as per IRDA guidelines;
(vi) There should not be any penalty for delayed payment; and
(vii) No Security Deposit/ Margin are to be taken

Other Regulations

Monthly Return

As per the RBI circulars dated September 6, 2005 and June 4, 2009, all NBFC–ND-SIs with an asset size of ₹ 1,000 million and above are required to submit a monthly return on the important financial parameters to the RBI. It has been clarified by the RBI that the asset size as stated aforesaid may be less than ₹ 1,000 million as on the balance sheet date, but may subsequently add on assets before the next balance sheet due to several reasons, including business expansion. Once the asset size of the NBFC reaches ₹ 1,000 million or above, it shall come under the regulatory requirement of the NBFC-ND-SI despite not having such assets as on the last balance sheet.

It has been further clarified by the RBI that if the asset size of the NBFC falls below ₹ 1,000 million in any given month (which may be due to temporary fluctuations and not due to actual downsizing), then such an NBFC shall continue to submit the monthly returns on the important financial parameters to the RBI until the submission of the next audited balance sheet to the RBI and a specific dispensation is received in this regard.

Asset Liability Management

The RBI has prescribed the Guidelines for Asset Liability Management ("**ALM**") System in relation to NBFCs ("**ALM Guidelines**") that are applicable to all NBFCs through a Master Circular on Miscellaneous Instructions to All Non-Banking Financial Companies dated July 1, 2011. As per this Master Circular, the NBFCs (engaged in and classified as equipment leasing, hire purchase finance, loan, investment and residuary non-banking companies) meeting certain criteria, including, an asset base of ₹ 1,000 million, irrespective of whether they are accepting / holding public deposits or not, are required to put in place an ALM system. The ALM system rests on the functioning of ALM information systems within the NBFC, ALM organization including an Asset Liability Committee ("**ALCO**") and ALM support groups, and the ALM process includes liquidity risk management, management of marketing risk, funding and capital planning, profit planning and growth projection, and forecasting/ preparation of contingency plans. It has been provided that the management committee of the board of directors or any other specific committee constituted by the board of directors should oversee the implementation of the system and review its functioning periodically. The ALM Guidelines mainly address liquidity and interest rate risks. In case of structural liquidity, the negative gap (*i.e.* where outflows exceed inflows) in the 1 to 30/31 days time-bucket should not exceed the prudential limit of 15% of outflows of each time-bucket and the cumulative gap of up to one year should not exceed 15% of the cumulative cash outflows of up to one year. In case these limits are exceeded, the measures proposed for bringing the gaps within the limit should be shown by a footnote in the relevant statement.

For further details, please refer to the section titled "*Our Business*" on page 142 of this Prospectus.

Fair Practices Code

On September 28, 2006 the RBI prescribed broad guidelines towards a fair practices code that was required to be framed and approved by the board of directors of all NBFCs. On July 1, 2011 the RBI issued a Master Circular on fair practices and has required that the Fair Practices Code of each NBFC is to be published and disseminated on its website. Among others, the code prescribes the following requirements, to be adhered to by NBFCs:

- Inclusion of necessary information affecting the interest of the borrower in the loan application form.
- Devising a mechanism to acknowledge receipt of loan applications and establishing a time frame within which such loan applications are to be disposed.
- Conveying, in writing, to the borrower the loan sanctioned and terms thereof. The acceptance of such terms should be kept on record by the NBFC.
- Giving notice to the borrower of any change in the terms and conditions and ensuring that changes are effected prospectively.
- Refraining from interfering in the affairs of the borrowers except for the purposes provided in the terms and conditions of the loan agreement.
- Not resorting to undue harassment in the matter of recovery of loans, and an appropriate grievance redressal mechanism for resolving disputes in this regard is to be established.
- Periodical review of the compliance of the fair practices code and the functioning of the grievances redressal mechanism at various levels of management, a consolidated report whereof may be submitted to the board of directors.

KYC Guidelines

The RBI has issued a Master Circular on KYC guidelines dated July 1, 2011 and advised all NBFCs to adopt such guidelines with suitable modifications depending upon the activity undertaken by them and ensure that a proper policy framework on KYC and anti-money laundering measures is put in place. The KYC policies are required to have certain key elements such as customer acceptance policy, customer identification procedures, monitoring of transactions and risk management, adherence to KYC guidelines by the persons authorized by the NBFCs' and including brokers/ agents, due diligence of persons authorized by the NBFCs and customer service in terms of identifiable contact with persons authorized by NBFCs.

Corporate Governance Guidelines

In order to enable NBFCs to adopt best practices and greater transparency in their operations, the RBI introduced corporate governance guidelines on May 8, 2007. The RBI consolidated the corporate governance guidelines issued by it from time to time in the Master Circular dated July 1, 2011. As per this Master Circular, all NBFCs-ND-SI are required to adhere to certain corporate governance norms, including:

- Constitution of an audit committee;
- Constitution of a nomination committee to ensure fit and proper status of the proposed and existing Directors;
- Constitution of asset liability management committee to monitor the asset gap and strategize actions to mitigate the associated risk. Further a risk management committee may also be formed to manage the integrated risk;
- Informing the Board of Directors, at regular intervals, the progress made in having a progressive risk management system, a risk management policy and the strategy being followed. The Board of Directors also needs to be informed about compliance with corporate governance standards, including in relation to the composition of various committees and their meetings; and
- Frame internal guidelines on corporate governance for enhancing the scope of the guidelines.

Rating of Financial Product

Pursuant to the RBI circular dated February 4, 2009, all NBFCs with an asset size of ₹ 1,000 million and above are required to furnish at the relevant regional office of the RBI, within whose jurisdiction the registered office of the NBFC is functioning, information relating to the downgrading and upgrading of assigned rating of any financial products issued by them within 15 days of such change.

Norms for Excessive Interest Rates

The RBI, through its circular dated May 24, 2007, directed all NBFCs to put in place appropriate internal principles and procedures in determining interest rates and processing and other charges. In addition to the aforesaid instruction, the RBI has issued a Master Circular on Fair Practices Code dated July 1, 2011 for regulating the rates of interest charged by the NBFCs. These circulars stipulate that the board of each NBFC is required to adopt an interest rate model taking into account the various relevant factors including cost of funds, margin and risk premium. The rate of interest and the approach for gradation of risk and the rationale for charging different rates of interest for different categories of borrowers are required to be disclosed to the borrowers in the application form and expressly communicated in the sanction letter. Further, this is also required to be made available on the NBFCs website or published in newspapers and is required to be updated in the event of any change therein. Further, the rate of interest would have to be an annualized rate so that the borrower is aware of the exact rates that would be charged to the account.

Enhancement of Capital funds Raising Option

Pursuant to the RBI circular on Enhancement of NBFCs' Capital Raising Option for Capital Adequacy Purposes dated October 29, 2008, NBFCs-ND-SI have been permitted to augment their capital funds by issuing perpetual debt instruments ("**PDI**") in accordance with the prescribed guidelines provided under the circular. Such PDI will be eligible for inclusion as Tier I capital to the extent of 15% of the total Tier I capital as on March 31 of the previous accounting year. Any amount in excess of the amount admissible as Tier I capital will qualify as Tier II capital within the eligible limits. The minimum investment in each issue/tranche by any single investor shall not be less than ₹ 0.5 million. It has been clarified that the amount of funds so raised shall not be treated as public deposit within the meaning of clause 2 (1) (xii) of the Non Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.

Supervisory Framework

In order to ensure adherence to the regulatory framework by NBFCs-ND-SI, the RBI has directed such NBFCs to put in place a system for submission of an annual statement of capital funds, and risk asset ratio *etc.* as at the end of March every year, in a prescribed format. This return is to be submitted electronically within a period of three months from the close of every financial year. Further, a NBFC is required to submit a certificate from its statutory auditor that it is engaged in the business of non banking financial institution requiring to hold a CoR under the RBI Act. This certificate is required to be submitted within one month of the date of finalization of the balance sheet and in any other case not later than December 30 of that particular year. Further, in addition to the auditor's report under Section 227 of the Companies Act, the auditors are also required to make a separate report to the Board of Directors on certain matters, including correctness of the capital adequacy ratio as disclosed in the return NBS-7 to be filed with the RBI and its compliance with the minimum CRAR, as may be prescribed by the RBI.

Anti Money Laundering

The Prevention of Money Laundering Act, 2002 ("**PMLA**") was enacted to prevent money-laundering and to provide for confiscation of property derived from or involved in, money-laundering and for matters connected therewith or incidental thereto. The Government of India under PMLA has issued the Prevention of Money-laundering (Maintenance of Records of the Nature and Value of Transactions, the Procedure and Manner of Maintaining and Time for Furnishing Information and Verification and Maintenance of Records of the Identity of the Clients of the Banking Companies, Financial Institutions and Intermediaries) Rules, 2005, as amended ("**PML Rules**"). PMLA & PML Rules extends to all banking companies, financial institutions, including NBFCs and intermediaries.

The RBI has issued a Master Circular dated July 1, 2011 to ensure that a proper policy frame work for the PMLA and PML Rules is put into place. Pursuant to the provisions of PMLA, PML Rules and the RBI guidelines, all NBFCs are advised to appoint a principal officer for internal reporting of suspicious transactions and cash transactions and to maintain a system of proper record (i) for all cash transactions of value of more than ₹ 1 million; (ii) all series of cash transactions integrally connected to each other which have been valued below ₹ 1 million where such series of transactions have taken place within one month and the aggregate value of such transaction exceeds ₹ 1 million.

All NBFCs are required to take appropriate steps to evolve a system for proper maintenance and preservation of account information in a manner that allows data to be retrieved easily and quickly whenever required or when requested by the competent authorities. NBFCs are also required to maintain for at least ten years from the date of transaction between the NBFCs and the client, all necessary records of transactions, both domestic or international, which will permit reconstruction of individual transactions (including the amounts and types of currency involved if any) so as to provide, if necessary, evidence for prosecution of persons involved in criminal activity. Further, NBFCs shall exercise ongoing due diligence with respect to the business relationship with every client and closely examine the transactions in order to ensure that they are consistent with their knowledge of the client, his business and risk profile and where necessary, the source of funds.

Additionally, NBFCs should ensure that records pertaining to the identification of their customers and their address are obtained while opening the account and during the course of business relationship, and that the same are properly preserved for at least ten years after the business relationship is ended. The identification records and transaction data is to be made available to the competent authorities upon request.

Norms Applicable to Public Financial Institutions

The Ministry of Corporate Affairs, Government of India has issued ‘Guidelines for declaring financial institutions as PFI under Section 4A of the Companies Act, 1956’ dated June 2, 2011 (“PFI Guidelines”). The PFI Guidelines provide that for declaring any financial institutions as a PFI under Section 4A of the Companies Act, the financial institution shall be in compliance with the following requirements:-

a) A company or corporation should be established under a special act or the Companies Act, being Central Act;
b) The main business of the company should be industrial/infrastructural financing;
c) The company must be in existence for at least three years and its financial statement should show that its income from industrial/ infrastructural financing exceeds 50% of its income;
d) The net-worth of the company should be ₹ 10,000 million;
e) The company should be registered as an Infrastructure Finance Company (IFC) with the RBI or as a Housing Finance Company (“HFC”) with the National Housing Bank;

Applicable Foreign Investment Regime

FEMA Regulations

Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications thereunder, and the policy prescribed by the Department of Industrial Policy and Promotion, GoI, ("**FDI Policy**") and the FDI Policy issued by the DIPP (circular 1 of 2011, with effect from April 1, 2011).

The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended ("**FEMA Regulations**") to prohibit, restrict or regulate, transfer by or issue of security to a person resident outside India. As specified by the FEMA Regulations, no prior consent and approval is required from the FIPB or the RBI, for FDI under the "automatic route" within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI.

Foreign Direct Investment

FDI is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the approval route, depending upon the sector in which FDI is sought to be made. Investors are required to file the required documentation with the RBI within 30 days of such issue/ acquisition of securities. Under the approval route, prior approval of the FIPB and/or RBI is required. FDI for the items/activities not under the automatic route (other than in prohibited sectors) may depend upon the activity be brought in through the approval route. Further:

(a) As per the sector specific guidelines of the Government of India, 100% FDI/ NRI investments are allowed under the automatic route in certain NBFC activities subject to compliance with guidelines of the RBI in this regard. FDI in an NBFC that is an "Investing Company", such as our Company, is not under the automatic route and requires prior approval of the Government of India.

(b) Minimum Capitalisation Norms for fund-based NBFCs are the following:
   1. For FDI up to 51% - US$ 0.5 million (₹ 22.30 million) to be brought upfront;
   2. For FDI above 51% and up to 75% - US$ 5 million (₹ 222.95 million) to be brought upfront; and
   3. For FDI above 75% and up to 100% - US$ 50 million (₹ 2,229.50 million) out of which US$ 7.5 million (₹ 334.43 million) to be brought upfront and the balance in 24 months.

(c) Minimum capitalization norm of US$ 0.5 million (₹ 22.30 million) is applicable in respect of all permitted non-fund based NBFCs with foreign investment.

(d) Foreign investors can set up 100% operating subsidiaries without the condition to disinvest a minimum of 25% of its equity to Indian entities, subject to bringing in US$ 50 million (₹ 2,229.50 million) specified in (b) (iii) above (without any restriction on number of operating subsidiaries without bringing in additional capital).

(e) Joint ventures operating NBFC's that have 75% or less than 75% foreign investment will also be allowed to set up subsidiaries for undertaking other NBFC activities, subject to the subsidiaries also complying with the applicable minimum capital inflow, *i.e.*, (b) and (c) above.

Where FDI is allowed on an automatic basis without FIPB approval, the RBI would continue to be the primary agency for the purposes of monitoring and regulating foreign investment. In cases where FIPB approval is obtained, the prior approval of the RBI may also be required.

NBFC's having FDI are required to submit a certificate from the statutory auditors on half yearly basis certifying compliance with the terms and conditions of the FDI regulations. Such certificate should be submitted not later than one month from the close of the half year to which the certificates pertains to the regional office of the RBI in whose jurisdiction the head office of the Company is registered.

Calculation of Total Foreign Investment in Indian Companies

On February 13, 2009, the Indian Government issued two press notes setting out guidelines for foreign investment in India. Press Note 2 of 2009 prescribes the guidelines for the calculation of total foreign investment (direct and indirect) in Indian companies. Press Note 3 of 2009 prescribes the transfer of ownership or control of Indian companies in sectors with caps from resident Indian citizens to non-resident entities. Additionally, Press Note 4 of 2009 issued on February 25, 2009 clarifies the guidelines on downstream investments by Indian companies. These press notes have been consolidated by the Government of India through the FDI Policy issued by the Department of Industrial Policy & Promotion (Circular 1 of 2011, with effect from April 1, 2011). The FDI Policy is expected to be reviewed every six months.

Our Company has obtained an approval from the FIPB dated December 16, 2010, further amended on June 7, 2011, permitting eligible non-resident investors *i.e.* FIIs, NRIs, FVCIs registered with SEBI, multilateral and bilateral development financial institutions and other eligible non-resident investors to participate in this Issue to the extent of 20% of the post Issue paid-up Equity Share capital of our

Company and subject to the inflow of FDI pursuant to the Issue being less than ₹ 10,000 million.

Laws relating to the Insurance Sector

Any person including companies registered under the Companies Act and any NBFC registered with the RBI desirous to act as a corporate agent or composite corporate agent is required to obtain a license from the Insurance Regulatory and Development Authority of India under the provisions of the Insurance Regulatory and Development Authority (Licensing of Corporate Agents) Regulations, 2002, as amended. Further, pursuant to the RBI circular dated February 10, 2004, NBFCs registered with RBI may take up insurance agency business subject to its obtaining requisite permission from the IRDA and compliance with the IRDA regulations. Further, administration of group insurance policies are subject to the guidelines on Group Insurance Policies issued by IRDA on July 14, 2005. These guidelines prescribe, amongst other stipulations, formulation of a 'group' and guidelines on the premium to be charged and benefits admissible to each member of such group, commission to be paid to the agent or corporate agent, and restrictions on payment of any description to the agent or corporate agent or group organizer or group manager, administering such group policies.

Laws relating to our Mutual Funds operations

The SEBI Act provides that in India mutual fund business can only be carried on by the person who has obtained the certificate of registration from SEBI under the provisions on the SEBI (Mutual Funds) Regulations, 1996. The SEBI (Mutual Funds) Regulations, 1996, *inter alia*, govern:
1. approvals required for and the functioning of the asset management company, trustees and custodians;
2. floating of schemes by the mutual fund;
3. investment and valuation criteria to be adhered by the mutual fund; and
4. limitations on the fees charged by asset management company.

Pursuant to SEBI Circular No. SEBI/IMD/CIR No. 4/ 168230/09 dated June 30, 2009, the entry load was banned for all the schemes of mutual funds with effect from August 1, 2009 and pursuant to SEBI Circular dated July 29, 2010, it is clarified that AMCs shall not collect any additional management fees referred to in Regulation 52(3) of SEBI Mutual Funds Regulation, 1996. In case of investments made by the Sponsor(s), no brokerage or commission shall be paid.

In order to empower investors in deciding the commission paid to distributors in accordance with the level of service received, it has been decided that:
1. There shall be no entry load for all Mutual Fund schemes;
2. The scheme application forms shall carry a suitable disclosure to the effect that the upfront commission to distributors will be paid by the investor directly to the distributor, based on his assessment of various factors including the service rendered by the distributor;
3. Of the exit load or CDSC charged to the investor, a maximum of 1% of the redemption proceeds shall be maintained in a separate account which can be used by the AMC to pay commissions to the distributor and to take care of other marketing and selling expenses. Any balance shall be credited to the scheme immediately; and
4. The distributors should disclose all the commissions (in the form of trail commission or any other mode) payable to them for the different competing schemes of various Mutual Funds from amongst which the scheme is being recommended to the investor.

These guidelines are applicable for:
1. Investments in mutual fund schemes (including additional purchases and switch-in to a scheme from other schemes) with effect from August 1, 2009;
2. Redemptions from mutual fund schemes (including switchout from other schemes) with effect from August 1, 2009;
3. New mutual fund schemes launched on or after August 1, 2009;
4. Systematic Investment Plans (SIP) registered on or after August 1, 2009; and
5. The AMCs are required to bring the contents of these guidelines to the notice of their distributors and monitor compliance.

There has been a waiver of load for direct applications by a SEBI Circular No. SEBI/IMD/CIR No.10/112153/07 dated December 31, 2007. SEBI has decided that with effect from January 4, 2008 no entry load shall be charged for applications received directly by the AMC(s) through the internet or submitted directly to the AMC(s) or collection center/investor service centre and not routed through any distributor or agent or broker. This waiver was applicable to both additional purchases under the same folio and 'switch in' to a scheme from other schemes also done directly by the investor. AMCs shall follow the provisions pertaining to informing the unit holders upon a change in load structure.

Subsequently, SEBI vide its circular no. SEBI/IMD/CIR No.16/ 193388/2010 dated February 02, 2010 revised the provisions regarding valuation of money market and debt instruments. The same is to ensure that the value of these instruments in the portfolio of Mutual Fund Schemes reflect the current market scenario.

According to AMFI circular nos. 35/MEM-COR/54/10-11 dated August 16, 2010 and 35/MEM-COR/62/10-11 dated October 7, 2010 all AMCs are requested to initiate necessary steps to ensure KYC compliance in accordance with the SEBI Circular dated February 12, 2010 (Master Circular on Anti-Money Laundering/ Combating Financing of Terrorism) irrespective of the amount of investment for Corporate, Partnership Firms, Trusts, HUF, NRIs and investors coming through Channel Distributors with effect from October 1, 2010. In respect for reduction of threshold amount for individual investors the same is effective from January 1, 2011.

AMFI Best Practice Guidelines Circular No.16/2010-11 dated August 16, 2010 all AMC are advised w.e.f. November 15, 2010 not to accept subscriptions with third-party payments except in the following exceptional situations:

a. Payment by Parents/Grand-Parents/related persons on behalf of a minor in consideration of natural love and affection or as gift for a value not exceeding ₹ 50,000/- (each regular purchase or per SIP installment).
b. Payment by Employer on behalf of employee under Systematic Investment Plans through Payroll deductions.
c. Custodian on behalf of an FII or a Client.

In case of above exceptions, AMC are advised to obtain additional documents.

Competition Act, 2002 (the "Competition Act")

The Competition Act aims to prevent anti-competitive practices that cause or are likely to cause an appreciable adverse effect on competition in the relevant market in India. The Competition Act regulates anti-competitive agreements, abuse of dominant position and combinations. The Competition Act, although enacted in 2002, is being brought into force in a phased manner. Provisions relating to anti-competitive agreements and abuse of dominant position were brought into force with effect from May 20, 2009 and thereafter the Competition Commission of India ("Competition Commission") became operational from May 20, 2009. Further, the GoI has issued certain notifications dated March 4, 2011 pursuant to which Section 5 and Section 6 of the Competition Act (dealing with combinations, mergers and acquisitions) have become effective from June 1, 2011.

Under the Competition Act, the Competition Commission has powers to pass directions / impose penalties in cases of anti-competitive agreements, abuse of dominant position and combinations. In the event of failure to comply with the orders or directions of the Competition Commission, without reasonable cause, such person is punishable with a fine extending to ₹ 0.1 million for each day of such non-compliance, subject to a maximum of ₹ 100.0 million. If there is a continuing non-compliance the person may be punishable with imprisonment for a term extending up to three years or with a fine which may extend up to ₹ 250.0 million or with both. In case of offences committed by companies, the persons responsible for the conduct of the business of the company as well as the company will be liable under the Competition Act, except when the offence was committed without their knowledge and they had exercised due diligence to prevent it. Where the contravention committed by the company took place with the consent or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary or other officer of the company, such person is liable to be punished. The Competition Act also provides that the Competition Commission has the jurisdiction to inquire into and pass orders in relation to an anticompetitive agreement, abuse of dominant position or a combination, which even though entered into, arising or taking place outside India or signed between one or more non-Indian parties, but causes or is likely to cause an appreciable adverse effect in the relevant market in India. The Lok Sabha has passed a bill to transfer the pending monopolies and restrictive trade practices cases under the Consumer Protection Act, 1986 to the Competition Appellate Tribunal. Once this bill is notified the Competition Appellate Tribunal will take up the pending cases of unfair trade practices under the Consumer Protection Act, 1986. This bill will replace the ordinance which was introduced on October 14, 2009 to make the Monopolies and Restrictive Trade Practice Commission non functional.

Laws relating to Employment

Shops and Establishments Legislations in Various States

The provisions of various Shops and Establishments legislations, as applicable, regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work.

Labour Laws

The Company is required to comply with various labour laws, including the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, the Payment of Wages Act, 1936, the Payment of Gratuity Act, 1972, Employees State Insurance Act, 1948 and the Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

Laws relating to Intellectual Property

The Trade Marks Act, 1999 and the Copyright Act, 1957, amongst others, govern the law in relation to intellectual property, including brand names, trade names and service marks and research works.

Other regulations

In addition to the above, the Company is required to comply with the provisions of the Companies Act, FEMA, different state legislations, various tax related legislations and other applicable statutes for its day-to-day operations.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was originally incorporated as L&T Capital Holdings Limited on May 1, 2008 under the Companies Act, as a public limited company, to carry on the business of investment/finance. Our Company received the certificate of commencement of business on May 15, 2008. Our Company subsequently changed the name of our Company to L&T Finance Holdings Limited pursuant to a special resolution passed by the shareholders at a general meeting dated September 1, 2010. Pursuant to the change of name, a fresh certificate of incorporation was granted to our Company by the RoC on September 6, 2010.

Our Company was registered with the RBI under Section 45-IA of the Reserve Bank of India Act, 1934, as a non-banking financial institution without accepting public deposits by a certificate of registration no. N-13.01925 dated March 31, 2009.

The Company is promoted by Larsen & Toubro Limited as a holding company for its financial services business.

For details of the business being carried out by our Company and its Subsidiaries please refer to the section titled "*Our Business*" on page 142 of this Prospectus.

Changes in the Registered Office of our Company

There have not been any changes in the registered office since our Company's incorporation.

Capital raising (Debt / Equity)

For details of the equity capital raising of our Company, please refer to the section titled "*Capital Structure*" on page 98 of this Prospectus. For details of the debt issuances of our Subsidiaries, please refer to the section titled "*Financial Indebtedness*" on page 302 of this Prospectus.

As of the date of this Prospectus, our Company has ten holders of Equity Shares.

Main objects of our Company

"To carry on the business of Investment/finance Company in all its branches and to invest, sell, purchase, exchange, surrender, extinguish, relinquish, subscribe, acquire, undertake, underwrite, hold, auction, convert or otherwise deal in any shares, stocks, debentures, debenture stock, bonds, negotiable instruments, hedge instruments, warrants, certificates, premium notes, treasury Bills, obligations, inter corporate deposits, call money deposits, public deposits, commercial papers, options futures, money market securities, marketable or non marketable securities, derivatives and other instruments and securities issued, guaranteed or given by any government, semi-government, local authorities, public sector undertakings, companies, corporations, co-operative societies, trusts, funds, State, Dominion sovereign, Ruler, Commissioner, Public body or authority, Supreme, Municipal, Local or otherwise and other organisations/entities persons and to acquire and hold controlling and other interests in the securities or loan capital of any issuer, company or companies."

Changes in the Memorandum of Association of our Company

The following changes have been made to the Memorandum of Association of our Company since its incorporation:

Date of shareholders' approval	Nature of change
January 6, 2009	The authorised share capital of our Company was increased to ₹ 22,500,000 (divided into 2,250,000 equity shares of ₹ 10 each) from ₹ 20,000,000.
March 25, 2009	The authorised share capital of our Company was increased to ₹ 15,000,000,000 (divided into 1,500,000,000 equity shares of ₹ 10 each) from ₹ 22,500,000.
March 29, 2010	The authorised share capital of our Company was increased to ₹ 50,000,000,000 (divided into 5,000,000,000 equity shares of ₹ 10 each) from ₹ 15,000,000,000.

Key events and milestones of our Company and its Subsidiaries

Year	Milestone
1994	L&T Finance was incorporated
	L&T Finance commences business with focus on offering lease, hire purchase solutions for SMEs
2004	L&T Finance starts financing of rural assets – tractors and farm equipments
2006-2007	L&T Infra was incorporated in 2006 and received its certificate of registration from the RBI in 2007
	L&T Finance starts financing of commercial vehicles
2008	L&T Finance makes foray into Microfinance
	L&T Finance commences distribution of financial products
	L&T Finance starts financing of capital market products
2009-2010	L&T Finance taps retail sources to raise funds for the first time – successful back-to-back NCD issuances
2010	L&T Finance acquires DBS Cholamandalam Asset Management Limited and DBS Cholamandalam Trustees Limited, foraying into mutual funds business
	L&T Infra receives 'Infrastructure Finance Company' status from RBI
	L&T Infra closes a public issue of long term infrastructure bonds
2011	L&T Infra closes a second public issue of long term infrastructure bonds
	L&T Infra is notified as a PFI under Section 4A of the Companies Act by Government of India.
	Pre-IPO Placement of 57,768,000 Equity Shares and 2,232,000 Equity Shares to MACE CIPEF Limited and MACE CGPE Limited, respectively, for an aggregate consideration of ₹ 3,300,000,000 at a subscription price of ₹ 55 per Equity Share.

Shareholders agreement

There are no shareholders' agreements currently subsisting where our Company is a party. However, our Company has entered into a share subscription agreement dated July 5, 2011 (the "**SSA**") amongst MACE CIPEF Limited ("**CIPEF**"), MACE CGPE Limited ("**CGPE**") and Capital International Private Equity Fund VI L.P. ("**Capital**" and collectively, with CIPEF and CGPE, referred to as the "**Investors**") in the Pre-IPO Placement pursuant to which CIPEF and CGPE have been allotted 57,768,000 Equity Shares and 2,232,000 Equity Shares, respectively, at a subscription price of ₹ 55 per Equity Share aggregating to ₹ 3,300,000,000 on July 7, 2011. The key terms of the SSA are set out below:

- In the event the Issue is not concluded within a period of one year from the date of this Agreement, our Company shall ensure that the Articles are restated, in form and substance agreed amongst our Company and the Investors, are adopted in accordance with applicable law.

- In the event that, at any time prior to the Issue, our Company intends to issue any Equity Shares or any other shares, rights, options, warrants, appreciation rights or other instruments or securities entitling the holder to receive any Equity Shares of our Company or any options to purchase or rights to subscribe for securities by their terms convertible into or exchangeable for Equity Shares except as provided under the ESOP Scheme and/or pursuant to the Issue (each, a "**Dilution Instrument**"), our Company shall first notify each of the Investors in writing of the issue price and other terms and conditions (collectively, the "**Proposed Issue Terms**") of such issue. If the Investors agree to the Proposed Issue Terms by giving notice thereof to our Company within 30 days after receipt of the Proposed Issue Terms, the Investors (or affiliates of the Investors nominated by the Investors) shall be entitled to subscribe up to such number of Dilution Instruments such that their aggregate shareholding in our Company does not exceed 10% of the issued and paid up share capital of our Company (assuming that all Dilution Instruments have been issued) on the Proposed Issue Terms, and our Company may offer the Dilution Instruments not subscribed to by the Investors to any other person only on the Proposed Issue Terms. Alternatively, if the Investors notify our Company that they do not agree to the Proposed Issue Terms or do not respond to our Company within the aforementioned 30 days period, our Company may offer such Dilution Instruments at a consideration per Dilution Instrument not lower than the Proposed Issue Terms to any person, provided that each Investor (directly or through an Affiliate nominated by such Investor) shall be entitled to subscribe to up to the entire number of Dilution Instruments, multiplied by a fraction, the numerator of which is the number of Equity Shares held by such Investor and the denominator of which is the total number of Equity Shares then outstanding, subject to the Investors' aggregate shareholding in our Company not exceeding 10% of the issued and paid up share capital of our Company (assuming that all Dilution Instruments have been issued). However, in the event that, the Investors' and their Affiliates' aggregate shareholding becomes less than 1% of the issued and outstanding share capital of our Company solely as a result of a transfer of Equity Shares by the Investors and/or their Affiliates, the Investors shall not be entitled to these pre-emptive rights.

- Untill the earlier of the third anniversary of the completion of the Pre-IPO Placement or the termination of the SSA, Capital, on behalf of the Investors, shall be entitled to appoint or, as the case may be, have removed from or replaced on the Board, one individual at a given time as a rotational Director (the "**Investor Director"**), which individual shall be, during the first 18 months from the completion date of the Pre-IPO Placement, of independent status and not an employee (whether directly or indirectly) of the Investors or any of their Affiliates. At any time after the expiry of the aforesaid 18 months period (provided the Issue has not been completed), such Investor may appoint an individual in substitution of the earlier appointed Investor Director, who is not of independent status and may be an employee of the Investors or any of their Affiliates as the Investor Director, provided however that the existing Investor Director appointed is removed by the Investor and the obligation to remove such person shall be that of the Investor.

- Until completion of the Issue, our Company shall not undertake any of the following actions without the prior written consent of the Investors: (i) any dissolution, winding-up or liquidation of our Company; (ii) any dissolution, winding-up or liquidation of L&T Finance Limited, L&T Infrastructure Finance Company Limited, India Infrastructure Developers Limited, L&T Investment Management Limited or L&T Mutual Fund Trustee Limited; (iii) any disposal or transfer of any material business or asset by our Company to an entity that is not directly or indirectly majority owned by our Company; (iv) any disposal by our Company of a substantial part of the shares of L&T Finance Limited, L&T Infrastructure Finance Company Limited, India Infrastructure Developers Limited, L&T Investment Management Limited or L&T Mutual Fund Trustee Limited; or (v) any action which has a similar effect as aforesaid, other than as required by law (collectively referred to as the "**Reserved Items"**).

- At least 10 days notice of a meeting of the Board shall be given to all Directors, provided always that a meeting may be convened by a notice shorter than 10 days with the consent of the majority of the Directors, which majority shall include the Investor Director when any Reserved Item is on the agenda at a meeting.

- Our Company shall use the proceeds of the Pre-IPO Placement for the purpose of operating and developing the business of being a financial holding company offering a diverse range of financial products and services across the corporate, retail and infrastructure finance sectors, as well as mutual fund products and investment management services, through direct and indirect wholly-owned subsidiaries.

- Capital shall have the right to hold quarterly meetings with the chief executive officers of our Company, its subsidiaries, or such of its other executives as the Investor may request to discuss the strategy, business, finance and operations of our Company and its subsidiaries.

- Upon completion of the Pre-IPO Placement, the Investors will only be minority financial investors and not acquire any control or management of our Company, whether pursuant to this SSA or otherwise. Our Company will ensure that the Investors shall not be considered or classified to be a 'promoter' of our Company under applicable laws for any reason whatsoever.

- The SSA is liable to be terminated after completion of the Pre-IPO Placement upon the Investors ceasing to hold at least 1% of the share capital of our Company only as a result of their transferring more than 75% of the total number of Equity Shares collectively held by the Investors and/or their Affiliates on completion of the Pre-IPO Placement, subject to any adjustments for any combination of shares, bonus shares, share dividends, shares split or on similar events affecting the share capital of our Company after completion of the Pre-IPO Placement.

Technology arrangements

For details of our technology arrangements, please refer to the section titled "*Our Business*" on page 142 of this Prospectus.

Trademark license agreements

Our Company, L&T, LTF, L&T Infra, L&T MFTL and L&TIM have entered into a trademark license agreement dated December 1, 2010, further amended on July 4, 2011 (the "**Trademark License Agreement**"), by way of which L&T has granted a non-exclusive non-transferable license to our Company, L&T Finance, L&T Infra, L&T MFTL and L&TIM (collectively referred to as the "**Licensees**") to use the L&T monogram and 'L&T' globally in connection with each of the Licensees' businesses and corporate names unless terminated by the parties to the Trademark License Agreement in accordance with its terms. The consideration payable by each of the licensees amounts up to 0.15% of the assets, or 5% of the PAT of each of the licensees, whichever is lower plus, service tax. The payment of such consideration shall be made on an annual basis, unless otherwise agreed amongst the parties. This consideration is payable to our Promoter from Fiscal Year 2012 onwards. The Trademark License Agreement can be terminated by, *inter alia*, any party upon change in management control of any of the Licensees or upon breach of the terms of the Trademark License Agreement by any of the Licensees.

Acquisition of business/undertakings

On January 20, 2010, L&T Finance acquired 100% of the equity share capital of DBS Cholamandalam Asset Management Limited ("**DCAM**") and DBS Cholamandalam Trustees Limited ("**DCTL**"), previously held by Cholamandalam DBS Finance Limited. This marked the foray of L&T Finance in the mutual fund industry. After obtaining the approval of the Registrar of Companies, Tamil Nadu, Chennai, the names of DCAM and DCTL were changed to L&T Investment Management Limited and L&T Mutual Fund Trustee Limited, respectively in February 2010.

LTM Limited, L&T Equipment Leasing Company Limited, L&T Netcom Limited and L&T Trade.com Limited were merged with L&T Finance pursuant to a scheme of amalgamation sanctioned by the High Courts at Chennai and Mumbai with effect from May 5, 2004. The appointed date for the said scheme was April 1, 2003. Pursuant to the scheme, 26,691,500 equity shares were issued to the shareholders of the merged entities on May 6, 2004.

L&T Power Investments Private Limited merged with IIDL pursuant to an order of the Bombay High Court dated May 25, 2006.

Divestments of business/undertakings

Our Company has not divested any business/undertakings since the last audited financials.

Managerial competence

For details on managerial competence, please refer to the section titled "*Our Management*" on page 226 of this Prospectus.

Defaults or rescheduling of borrowing

The Company has not defaulted or rescheduled its borrowing. Furthermore, none of our Company's loans have been converted into equity in the past.

Injunctions or restraining orders

There are no injunctions / restraining orders that have been passed against our Company.

Strategic and financial partners

We have no strategic or financial partners.

Standing of our Company *vis-à-vis* its prominent competitors

For details of the standing of our Company with reference to its prominent competitors, refer to the section titled "*Our Business*" on page 142 of this Prospectus.

Qualification as a Core Investment Company and observance of key applicable norms as set forth by the Reserve Bank of India for a CIC

Our Company is currently registered with the RBI as an NBFC-ND-SI pursuant to a certificate of registration bearing no. N-13.01925, dated March 31, 2009, issued by the RBI, under section 45-IA of the RBI Act.

The Prudential Norms Directions provide that 'systemically important non-deposit taking non-banking financial company', means a non-banking financial company not accepting / holding public deposits and having total assets of ₹ 1,000 million and above as shown in the last audited balance sheet. Under, the Prudential Norms Directions, our Company has been submitting a certificate issued by its statutory auditor to the RBI on a yearly basis indicating its financial position, including with respect to the year ended as on March 31, 2011 ("**Continuity Certificate**"), thereby and affirming its eligibility for classification as an NBFC-ND-SI.

Prior to the RBI notification dated August 12, 2010 notifying the regulatory framework for CICs ("**August 12 Notification**"), companies meeting the criteria for being classified as a CIC (as was subsequently prescribed by way of the August 12 Notification) were not required to register under section 45 IA of the RBI Act and, therefore, were not required to comply with the provisions of the Prudential Norms Directions and requirement of maintenance of the statutory minimum net owned fund. The August 12 Notification made it mandatory for companies fulfilling the criteria for being classified as a CIC and having total assets of ₹ 1,000 million, to seek registration with the RBI as a CIC-ND-SI. Under the August 12 Notification, companies complying with the criteria for being classified as a CIC and applying for obtaining registration as a CIC-ND-SI enjoy the benefit of being exempted from complying with certain provisions of the Prudential Norms Directions, *i.e.* submission of a certificate from the statutory auditor that it is engaged in the business of an NBFC requiring it to hold a CoR under section 45-IA of the RBI Act; capital adequacy calculations requiring deduction of group investments from net worth; and ceilings on investment and lending, and requirements of maintenance of a statutory minimum net owned fund.

Our Company has been involved in discussions with the RBI and had, in terms of the draft CIC guidelines published in April 2010, and the August 12 Notification, also applied to RBI for being granted a certificate of registration ("**CoR**") as a CIC-ND-SI, by way of its letters dated July 19, 2010 and November 23, 2010. The RBI had, by way of its letter dated November 26, 2010, advised our Company to await finalization of the application format for registration as a CIC-ND-SI. Subsequently, the RBI notified the Core Investment Companies (Reserve Bank) Directions, 2011 on January 5, 2011 by Notification No. DNBS. (PD) 219 / CGM(US)-2011 ("**CIC Circular**") wherein the RBI has granted a time period of six months, for existing CIC-ND-SIs to file their applications for being granted a CoR as a CIC-ND-SI and has advised that in the meantime, such companies may continue their business as a CIC. Pursuant to the CIC Circular, our Company has filed an application with RBI for being granted a CoR as a CIC-ND-SI, by way of its letter dated June 20, 2011.

Our Company believes that it is in compliance with all the applicable conditions as specified in the CIC Circular. A table illustrating our Company's compliance with the various norms of the CIC Circular, making it eligible for registration as a CIC-ND-SI, is given below:

Particulars	Requirements under CIC Circular	Company's Compliance
Nature of business and eligibility as a CIC	Core Investment Company means a non-banking financial company carrying on the business of acquisition of shares and securities and which satisfies the following conditions as on the date of the last audited balance sheet	Our Company is in compliance with these conditions as at March 31, 2010 and March 31, 2011 as explained below:
	(i) it holds not less than 90% of its net assets in the form of investment in equity shares, preference shares, bonds, debentures, debt or loans in group companies;	As at March 31, 2011, our Company holds 92% of its net assets in the form of investment in equity shares of Group Companies (90% as at March 31, 2010).
	(ii) its investments in the equity shares (including instruments compulsorily convertible into equity shares within a period not exceeding 10 years from the date of issue) in group companies constitutes not less than 60% of its net assets as mentioned in clause (i) above;	As at March 31, 2011, our Company holds 92% of its net assets in the form of investment in equity shares of Group Companies (90% as at March 31, 2010).
	(iii) it does not trade in its investments in shares, bonds, debentures, debt or loans in group companies except through block sale for the purpose of dilution or disinvestment;	Our Company has not traded in its investments in Group Companies.

Particulars	Requirements under CIC Circular	Company's Compliance
	(iv) it does not carry on any other financial activity referred to in Section 45I(c) and 45I(f) of the Reserve Bank of India Act, 1934 except a) investment in 1. bank deposits, 2. money market instruments, including money market mutual funds 3. government securities, and 4. bonds or debentures issued by group companies, b) granting of loans to group companies and c) issuing guarantees on behalf of group companies.	Our Company is in compliance with this condition as on March 31, 2010 and March 31, 2011.
Capital Requirements	Adjusted Net Worth of a CIC-ND-SI shall at no point of time be less than 30% of its aggregate risk weighted assets on balance sheet and risk adjusted value of off-balance sheet items as on the date of the last audited balance sheet as at the end of the financial year.	The CRAR computed on the basis of Adjusted Net Worth to risk Weighted Assets of our Company was 90% as at March 31, 2011 and 104% as at March 31, 2010.
Leverage Ratio	The outside liabilities of a CIC-ND-SI shall at no point of time exceed 2.5 times its Adjusted Net Worth as on the date of the last audited balance sheet as at the end of the financial year.	Our Company's outside liabilities were 0.20 times its Adjusted Net Worth as at March 31, 2011. It had no outside liabilities as at March 31, 2010. Therefore, our Company is compliant with the Leverage Ratio norms as applicable to a CIC-ND-SI.
Submission of Annual Statutory Auditors Certificate	Every CIC-ND-SI shall submit an annual certificate from its statutory auditors regarding compliance with the requirements of these directions within a period of one month from the date of finalisation of the balance-sheet.	This certificate would be filed commencing from balance sheet date March 31 after our Company is registered as a CIC.

It is clarified that in the event the RBI refuses to grant CIC-ND-SI status to our Company, our Company would need to comply with the applicable NBFC norms as it would cease to be eligible for the exemptions available to a CIC-ND-SI.

Details of our Company's subsidiaries

Our Company has seven subsidiaries: L&T Finance Limited, L&T Infrastructure Finance Company Limited, L&T Investment Management Limited, L&T Mutual Fund Trustee Limited, India Infrastructure Developers Limited, L&T Unnati Finance Limited and L&T Infra Investment Partners Advisory Private Limited. Unless otherwise specifically stated, none of our Subsidiaries (i) has its equity shares listed on any stock exchange; (ii) has completed any public issue of equity shares since the date of its incorporation; (iii) has become a sick company under SICA; (iv) is under winding-up; or (v) had negative net worth as of March 31, 2011. Additionally, we have accounted for the accumulated profits and losses of all the subsidiaries in our restated consolidated summary statements for Fiscal Years 2009, 2010 and 2011.

L&T Finance Limited ("L&T Finance")

Corporate Information

L&T Finance was incorporated as a public limited company under the Companies Act on November 22, 1994, in India, to provide a comprehensive range of financial products and services. L&T Finance was registered with RBI under Section 45-IA of the RBI Act, as a non-banking financial institution without accepting public deposits vide Certificate of Registration No.B-13.00602 dated April 2, 1998. Based on the revised regulatory framework prescribed by RBI for NBFCs, L&T Finance was re-classified under the category "Asset Finance Company-Non Deposit Taking" by RBI vide fresh Certificate of Registration bearing No.B-13.00602 dated March 21, 2007.

Interests of the Promoters

Our Company, which is a subsidiary of L&T, holds 230,922,269 equity shares in L&T Finance (including 7 shares held jointly with other nominee shareholders), aggregating to 100% of the issued and paid up equity share capital of L&T Finance.

Registered Office

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

Board of Directors

Mr. Y. M. Deosthalee
Mr. N. Sivaraman
Mr. R. Shankar Raman
Mr. S. Raghavan
Mr. Subramaniam N.
Mr. P.V. Bhide

Shareholding pattern as on July 1, 2011

Name	**No. of equity shares (face value of ₹ 10 each)**	**%**
L&T Finance Holdings Limited	230,922,262	100.00
Mr. A. M. Naik*	1	0.00
Mr. J. P. Nayak*	1	0.00
Mr. Y. M. Deosthalee*	1	0.00
Mr. K. Venkataraman*	1	0.00
Mr. Ram Nath Mukhija*	1	0.00
Mr. K. V. Rangaswami*	1	0.00
Mr. N. Hariharan*	1	0.00
Total..	**230,922,269**	**100.00**

* *Held jointly with L&T Finance Holdings Limited as nominees of L&T Finance Holdings Limited.*

Financial Performance in the last three fiscal years

Sr. No.	**Particulars**	**For the year ended**		
		March 31, 2011	**March 31, 2010**	**March 31, 2009**
		(₹ in million, except share data)		
1.	Equity Capital...	2,309.22	2,121.71	1,866.92
2.	Reserves (excluding revaluation reserves) and surplus..	15,014.52	9,147.58	6,337.67
3.	Income including other income	13,975.35	9,657.30	8,302.77

Sr. No.	Particulars	For the year ended		
4.	Profit / (Loss) after tax..	2,304.45	1,564.72	988.30
5.	Basic Earnings per share (face value ₹ 10) (in ₹)...	10.85	7.79	5.29
6.	Diluted Earnings per share (face value ₹ 10) (in ₹)	10.65	7.79	5.29
7.	Net asset value per share (in ₹)	75.02	53.11	43.95

Capital structure as on July 1, 2011

A. **Authorised share capital**

₹ 20,000,000,000.

B. **Issued, subscribed and paid-up share capital**

₹ 2,309,222,690

L&T Infrastructure Finance Company Limited ("L&T Infra")

Corporate Information

L&T Infra was incorporated under the Companies Act on April 18, 2006, in India. L&T Infra is involved in the business of providing total financial solutions for infrastructure development. L&T Infra received a Certificate of Registration No. N-07-00759 dated January 10, 2007 from the RBI under section 45-IA of the RBI Act, registering the company as a non-banking financial institution without accepting public deposits. L&T Infra received a certificate from the RBI dated July 7, 2010 classifying L&T Infra as an Infrastructure Finance Company. Pursuant to notification dated June 10, 2011 published in the Gazette of India, L&T Infra has been notified as a PFI as defined under Section 4A of the Companies Act, by the Government of India.

Interests of the Promoters

Our Company, which is a subsidiary of L&T, holds 702,150,000 equity shares in L&T Infra (including 6 shares held jointly with other nominee shareholders), aggregating to 100% of the issued and paid up equity share capital of L&T Infra.

Registered Office

Mount Poonamallee Road, Manapakkam, Chennai – 600 089.

Board of Directors

Mr. Y. M. Deosthalee
Mr. N. Sivaraman
Mr. B. V. Bhargava
Dr. R. H. Patil

Shareholding pattern as on July 1, 2011

Names of the shareholders	No. of shares held	% holding
L&T Finance Holdings Limited	702,149,994	100.00
Mr. Y. M. Deosthalee*	1	0.00
Mr. K. V. Rangaswami*	1	0.00
Mr. N. Sivaraman*	1	0.00
Mr. K. Venkatesh*..	1	0.00
Mr. B. Ramakrishnan*	1	0.00

Names of the shareholders	No. of shares held	% holding
Mr. T. S. Sundaresan[*]	1	0.00
Total..	**702,150,000**	**100.00**

[*] *Held jointly with L&T Finance Holdings Limited as nominees of L&T Finance Holdings Limited*

Financial Performance in the last three fiscal years

Sr. No.	Particulars	For the year ended		
		March 31, 2011	**March 31, 2010**	**March 31, 2009**
		(₹ in millions, except share data)		
1.	Equity Capital#..	7,021.50	6,834.00	5,000.00
2.	Reserves (excluding revaluation reserves) and surplus#..	5,855.81	3,271.01	1,211.83
3.	Income including other income**	7,039.75	4,504.23	2,959.89
4.	Profit / (Loss) after tax#	2,022.30	1,142.18	840.00
5.	Basic Earnings per share (face value ₹ 10) (in ₹)#.	2.96	2.28	1.68
6.	Diluted Earnings per share (face value ₹ 10) (in ₹)	2.96	2.28	1.68
7.	Net asset value per share (in ₹)#	17.58	14.79	12.42

 # As Restated

*** As Audited*

Capital structure as on July 1, 2011

A. **Authorised share capital**

₹ 20,000,000,000.

B. **Issued, subscribed and paid-up share capital**

₹ 7,021,500,000

L&T Investment Management Limited ("L&TIM")

Corporate Information

L&TIM, an AMC, was incorporated under the Companies Act on April 25, 1996, in India as Cholamandalam Cazenove AMC Limited. L&TIM is regulated by SEBI under the SEBI (Mutual Funds) Regulations, 1996. The name of Cholamandalam Cazenove AMC Limited was changed to DBS Cholamandalam Asset Management Limited on May 9, 2006. DBS Cholamandalam Asset Management Limited received its certificate of commencement of business on May 20, 1996 from the Registrar of Companies, Tamil Nadu. A fresh certificate of incorporation was issued by the Registrar of Companies, Tamil Nadu, Chennai, Andaman & Nicobar Islands upon change of name from DBS Cholamandalam Asset Management Limited to L&T Investment Management Limited on February 15, 2010. L&TIM is also registered as a portfolio manager under the SEBI (Portfolio Managers) Regulations, 1993.

Interests of the Promoters

L&T Finance Limited, a wholly owned subsidiary of L&T Finance Holdings Limited (which in turn is a subsidiary of Larsen & Toubro Limited), holds as on July 1, 2011, 150,000,000 equity shares (including 7 shares held jointly by nominee shareholders), aggregating to 100% of the issued and paid up equity share capital of L&TIM.

Registered Office

Dare House, No. 2, N.S.C. Bose Road, Parrys, Chennai – 600 001*.

**We have, by way of an application dated May 28, 2010, applied to the Company Law Board to change the registered office from state of Tamil Nadu to state of Maharashtra. Subsequently, the Company Law Board passed an order vide its letter no. 1583/17/CB/2010 dated September 24, 2010 confirming the change of registered office of L&TIM and accordingly, L&TIM has filed relevant forms with the Registrar of Companies, Tamil Nadu for final approval, which is pending.*

Board of Directors

Dr. R. H. Patil
Mr. N. Sivaraman
Mr. R. Shankar Raman
Mr. Sunil V. Patel
Mr. R. Sankaran

Shareholding pattern as onMarch 31, 2011

Names of the shareholders	No. of shares held	% holding
L&T Finance Limited	149,999,993	100.00
Mr. Y. M. Deosthalee*	2	0.00
Mr. R. Shankar Raman*	1	0.00
Mr. N. Sivaraman*	1	0.00
Mr. V. J. Shukla*	1	0.00
Mr. N. Hariharan*	1	0.00
Mr. Subhodh Shetty*	1	0.00
Total	**150,000,000**	**100.00**

* *Held jointly with L&T Finance Limited as nominees of L&T Finance Limited.*

Financial Performance in the last three fiscal years

Sr. No.	Particulars	For the year ended		
		March 31, 2011	**March 31, 2010**	**March 31, 2009**
		(₹ in million, except share data)		
1.	Equity Capital	1,500	1,100	750
2.	Reserves (excluding revaluation reserves) and surplus	-	-	-
3.	Income including other income	86.08	43.68	49.79
4.	Profit / (Loss) after tax	(395.77)	(271.87)	(377.64)
5.	Earnings per share (face value ₹ 10) (in ₹)	(3.20)	(3.22)	(7.40)
6.	Net asset value per share (in ₹)	1.70	2.29	2.31

Capital structure as on July 1, 2011

A. **Authorised share capital**

₹ 1,600,000,000

B. **Issued, subscribed and paid-up share capital**

₹ 1,500,000,000.

L&T Mutual Fund Trustee Limited ("L&T MFTL")

Corporate Information

L&T MFTL, a trustee company for our mutual fund business, was incorporated under the Companies Act on April 30, 1996, in India as Cholamandalam Cazenove Trustee Company Limited. Cholamandalam Cazenove Trustee Company Limited received its certificate of commencement of business on May 15, 1996 from the Registrar of Companies, Tamil Nadu. The name of Cholamandalam Cazenove Trustee Company Limited was changed to DBS Cholamandalam Trustees Limited on May 2, 2006.

A fresh certificate of incorporation was issued by the ROC, Tamil Nadu, Chennai, Andaman & Nicobar Islands upon change of name from DBS Cholamandalam Trustees Limited to L&T Mutual Fund Trustee Limited on February 11, 2010.

On January 20, 2010, L&T Finance Limited acquired 100% of the equity share capital of L&T MFTL.

L&T MFTL has altered the provisions of its Memorandum of Association by special resolution with respect to the place of the Registered Office by changing it from the State of Tamil Nadu to the State of Maharashtra and such alteration has been confirmed by an order of CLB, Southern Region Bench, Tamil Nadu dated September 24, 2010. L&T MFTL has received Certificate of Registration of Company Law Board order for Change of State dated December 24, 2010 from Registrar of Companies, Maharashtra, Mumbai.

Interests of the Promoters

L&T Finance Limited, a wholly owned subsidiary of L&T Finance Holdings Limited (which in turn is a subsidiary of Larsen & Toubro Limited), holds 50,000 equity shares (including 7 shares held jointly by nominee shareholders), aggregating to 100% of the issued and paid up equity share capital of L&T MFTL.

Registered Office

L&T House, Ballard Estate, P.O. Box 278, Mumbai 400001, Maharashtra.

Board of Directors

Mr. Y. M. Deosthalee
Mr. M. J. Subbaiah
Mr. V. Natarajan
Mr. M. R. Mayya

Shareholding pattern as on July 1, 2011

Names of the shareholders	No. of shares held	% holding
L&T Finance Limited	49,993	99.99
Mr. Y. M. Deosthalee*	2	0.01
Mr. R. Shankar Raman*	1	0.00
Mr. N. Sivaraman*	1	0.00
Mr. V. J. Shukla*	1	0.00
Mr. N. Hariharan*	1	0.00
Mr. Subhodh Shetty*	1	0.00
Total	**50,000**	**100.00**

* *Held jointly with L&T Finance Limited as nominees of L&T Finance Limited.*

Financial Performance in the last three fiscal years

Sr. No.	Particulars	For the year ended		
		March 31, 2011	March 31, 2010	March 31, 2009
		(₹ in million, except share data)		
1.	Equity Capital	0.50	0.50	0.50
2.	Reserves (excluding revaluation reserves) and surplus	(0.06)	0.31	0.31
3.	Income including other income	0.54	0.52	0.63
4.	Profit / (Loss) after tax	(0.382)	(0.002)	0.04
5.	Earnings per share (face value ₹ 10) (in ₹)	(7.64)	(0.04)	0.88
6.	Net asset value per share (in ₹)	8.88	16.24	16.27

Capital structure as on July 1, 2011

A. **Authorised share capital**

₹ 500,000

B. **Issued, subscribed and paid-up share capital**

₹ 500,000

India Infrastructure Developers Limited ("IIDL")

Corporate Information

IIDL was originally incorporated as L&T- Samsung Telecom Limited on May 21, 1997. Consequently the name was changed to India Infrastructure Developers Limited by a fresh certificate of incorporation dated November 6, 1998.

Interests of the Promoters

Our Company holds 101,060,000 equity shares (including 600 shares held jointly by nominee shareholders), aggregating to 100% of the issued and paid up equity share capital of IIDL.

Registered Office

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

Board of Directors

Mr. N. Sivaraman
Mr. N. Hariharan
Mr. P. S. Kapoor.

Shareholding pattern as on July 1, 2011

Names of the shareholders	No. of shares held	% holding
L&T Finance Holdings Limited	10,10,59,400	100.00
Mr. A. M. Naik*	100	0.00
Mr. J. P. Nayak*	100	0.00
Mr. Y. M. Deosthalee*	100	0.00
Mr. K. Venkataramanan*	100	0.00
Mr. K. V. Rangaswami*	100	0.00

Names of the shareholders	No. of shares held	% holding
Mr. V. K. Magapu*	100	0.00
Total	**101,060,000**	**100.00**

* *Held jointly with L&T Finance Holdings Limited as nominees of L&T Finance Holdings Limited.*

Financial Performance in the last three fiscal years

Sr. No.	Particulars	For the year ended		
		March 31, 2011	**March 31, 2010**	**March 31, 2009**
		(₹ in million, except share data)		
1.	Equity Capital	1,010.60	560.60	560.60
2.	Reserves (excluding revaluation reserves) and surplus	58.65	(69.79)	(97.78)
3.	Income including other income	50.00	33.04	57.44
4.	Profit / (Loss) after tax	11.14	27.98	33.17
5.	Basic Earnings per share (face value ₹ 10) (in ₹)	0.20	0.49	0.59
6.	Diluted Earnings per share (face value ₹ 10) (in ₹)	0.20	0.49	0.59
7.	Net asset value per share (in ₹)	9.42	8.76	8.26

Capital structure as on July 1, 2011

A. **Authorised share capital**

₹ 1,020,000,000.

B. **Issued, subscribed and paid-up share capital**

₹ 1,010,600,000.

L&T Unnati Finance Limited ("L&T Unnati")

Corporate Information

L&T Unnati was incorporated under the Companies Act on June 16, 2011, in India.

Interests of the Promoters

Our Company, which is a subsidiary of L&T, holds 49,994 equity shares in L&T Unnati aggregating to 100% of the issued and paid up equity share capital of L&T Unnati.

Registered Office

Mount Poonamallee Road, Manapakkam, Chennai – 600 089.

Board of Directors

Mr. N. Sivaraman
Mr. D. M. Dubhashi
Mr. J. Roy

Shareholding pattern as on July 1, 2011

Names of the shareholders	No. of shares held	% holding
L&T Finance Holdings Limited	49,994	100.00
Mr. Y. M. Deosthalee	1	0.00
Mr. R. Shankar Raman	1	0.00
Mr. N. Sivaraman..	1	0.00
Mr. D. M. Dubhashi..	1	0.00
Mr. A. R. Vaidya..	1	0.00
Mr. S. K. Maheshwari..	1	0.00
Total..	**50,000**	**100.00**

Financial Performance in the last three fiscal years

L&T Unnati was incorporated on June 16, 2011, therefore, the financial results of L&T Unnati are not available.

Capital structure as on July 1, 2011

A. **Authorised share capital**

₹ 500,000

B. **Issued, subscribed and paid-up share capital**

₹ 500,000

L&T Infra Investment Partners Advisory Private Limited ("L&T Infra Investment")

Corporate Information

L&T Infra Investment was incorporated under the Companies Act on May 30, 2011, in India.

Interests of the Promoters

L&T Infra, which is a subsidiary of our Company, holds 9,999 equity shares in L&T Infra Investment, aggregating to 100% of the issued and paid up equity share capital of L&T Infra Investment.

Registered Office

3B, Laxmi Towers, C – 25, 'G' Block, Bandra Kurla Complex, Bandra East, Mumbai – 400051, India.

Board of Directors

Mr. Y. M. Deosthalee
Mr. N. Sivaraman
Mr. S. K. Maheshwari
Mr. A. A. Singh

Shareholding pattern as on July 1, 2011

Names of the shareholders	No. of shares held	% holding
L&T Infrastructure Finance Company Limited	9,999	100.00
Mr. N. Sivaraman..	1	0.00
Total..	**10,000**	**100.00**

Financial Performance in the last three fiscal years

L&T Infra Investment was incorporated on May 30, 2011, therefore, the financial results of L&T Infra Investment are not available.

Capital structure as on July 1, 2011

A. **Authorised share capital**

₹ 20,000,000.

B. **Issued, subscribed and paid-up share capital**

₹ 100,000.

OUR MANAGEMENT

Board of Directors

Under the Articles of Association, our Company is required to have not less than three Directors and not more than 12 Directors. Our Company currently has nine Directors. For further details refer to the section titled "*Main Provisions of our Articles of Association*" on page 457 of this Prospectus.

The following table sets forth details of the Board of Directors as of the date of this Prospectus:

Name, father's/spouse's name, address, designation, occupation and term	Nationality	Date of appointment as Director	Age (years)	Director's Identification Number	Other directorships/ partnership
Yeshwant Moreshwar Deosthalee (*S/o Mr. Moreshwar Trimbak Deosthalee*) *Address*: 1001, Prabhu Kutir, 15, Altamount Road, Mumbai 400026, Maharashtra, India *Designation*: Chairman and Non-executive Director* *Occupation*: Company executive of L&T and L&T group companies *Term*: Liable to retire by rotation	Indian	May 1, 2008	64	00001698	1. Larsen & Toubro Limited; 2. Larsen & Toubro Infotech Limited; 3. L&T Infrastructure Finance Company Limited; 4. L&T Infrastructure Development Projects Limited; 5. L&T General Insurance Company Limited; 6. L&T Finance Limited; 7. The Dhamra Port Company Limited; 8. L&T Metro Rail (Hyderabad) Limited; 9. L&T Mutual Fund Trustee Limited; and 10. L&T Infra Investment Partners Advisory Private Limited.
N. Sivaraman (*S/o Late Venkataraman Narayanaswamy*) *Address*: Flat no. 43, Kalpataru Residency, Tower A, Near Cine Planet, Sion East, Mumbai, 400022, Maharashtra, India *Designation*: President and Whole-time Director *Occupation*: Company executive *Term*: Liable to retire by rotation	Indian	May 1, 2008	53	00001747	1. India Infrastructure Developers Limited; 2. L&T Infrastructure Finance Company Limited; 3. L&T Finance Limited; 4. L&T General Insurance Company Limited; 5. NAC Infrastructure Equipment Limited; 6. BSCPL Infrastructure Limited; 7. L&T Investment Management Limited; 8. Feedback Ventures Private Limited; 9. L&T Trustee Company Private Limited; 10. L&T Infra Investment Partners Advisory Private Limited; and 11. L&T Unnati Finance Limited.
R. Shankar Raman (*S/o Late E. D. Ramamurti*) *Address*: Flat No. 123, 12th Floor, Kalpataru Royale, Plot No. 110, Road No. 29, Sion (East), Mumbai,	Indian	May 1, 2008	52	00019798	1. L&T Infrastructure Development Projects Limited; 2. L&T General Insurance Company Limited; 3. L&T Finance Limited; 4. L&T Investment Management Limited;

Name, father's/spouse's name, address, designation, occupation and term	Nationality	Date of appointment as Director	Age (years)	Director's Identification Number	Other directorships/ partnership
400022, Maharashtra, India *Designation*: Non-executive Director *Occupation*: Company executive of L&T and L&T group companies *Term*: Liable to retire by rotation					5. L&T Power Development Limited; and 6. Offshore International FZC.
S. V. Haribhakti *(S/o Vishnubhai Bhagwandas Haribhakti)* *Address*: Flat No. 228, 'B' Wing, Kalpataru Habitat, 22nd Floor, Dr. S. S. Rao Road, Parel, Mumbai, Maharashtra India 400012 *Designation*: Independent Director *Occupation*: Chartered Accountant *Term*: Liable to retire by rotation	Indian	September 25, 2010	55	00007347	1. Pantaloon Retail (India) Limited; 2. Hexaware Technologies Limited; 3. Ambuja Cements Limited; 4. Raymond Limited; 5. ACC Limited; 6. Mahindra Life Space Developers Limited; 7. Blue Star Limited; 8. The Dhanlaxmi Bank Limited; 9. J K Paper Limited; 10. Everest Kanto Cylinder Limited; 11. Future Value Retail Limited; 12. Torrent Pharmaceuticals Limited; 13. Fortune Finance Services (India) Limited; 14. BDO Consulting Private Limited; 15. Advantage Moti India Private Limited; 16. Quadrum Solutions Private Limited; 17. J M Financial Asset Reconstruction Company Private Limited; 18. Milestone Ecofirst Advisory Services (India) Private Limited; 19. Planet People & Profit Consulting Private Limited; 20. Haribhakti SME Transformation & Support Solutions Private Limited; 21. Hercules Hoists Limited ; 22. M/s Haribhakti & Co, Chartered Accountants; and 23. Future Capital Holdings Limited.
B. V. Bhargava (*S/o* Vidyanath Bhargava) *Address*: B/1201, Gulmohar Apartments,	Indian	September 25, 2010	75	00001823	1. CRISIL Limited; 2. Excel Corp Care Limited; 3. Grasim Industries Limited; 4. ICICI Lombard General Insurance Company Limited;

Name, father's/spouse's name, address, designation, occupation and term	Nationality	Date of appointment as Director	Age (years)	Director's Identification Number	Other directorships/ partnership
Ceaser Road, Amboli, Andheri (West), Mumbai, Maharashtra India 400058 *Designation*: Independent Director *Occupation*: Services *Term*: Liable to retire by rotation					5. J.K. Lakshmi Cement Limited; 6. Supreme Industries Limited; 7. L&T Infrastructure Finance Company Limited; 8. Grasim Bhiwani Textiles Limited; and 9. Lakshmi Precision Screws Limited.
Subramaniam N. (*S/o* RV Narayanan) *Address*: Flat No. 1309 A, Beverly Park II, Mehrauli Gurgaon Road, DLF Phase II, Gurgaon, Haryana, India 122002 *Designation*: Independent director *Occupation*: Services *Term*: Liable to retire by rotation	Indian	September 25, 2010	49	00166621	1. RSA Corporate Consultants Private Limited; 2. B&M Hot Breads Private Limited; 3. NS Equity Advisors Private Limited; 4. M Cap Fund Advisors Private Limited; 5. L&T Finance Limited; 6. Avon Solutions & Logistics Private Limited; and 7. Avon Mobility SolutionPrivate Limited
Mr. Ajit Kumar Jain Address: C9, NDSE, Part II, New Delhi, 110049, Delhi, India *Designation*: Independent director *Occupation*: IAS (Retd.) *Term*: Liable to retire by rotation	Indian	September 25, 2010	65	02155213	1. Larsen & Toubro Limited; and 2. ITI Limited.
M. Venugopalan (S/o of Late Achutan Nair) Address: Block No. 34, Flat No. 201, Heritage City, M G Road, DLF II, Gurgaon 122 002 *Designation*: Independent Director *Occupation*: Banker	Indian	October 25, 2010	66	00255575	1. Kerela State Industrial Development Corporation Limited; 2. Vishwa Infrastructures and Services Private Limited; 3. Neighbourhood Agribusiness Solutions Private Limited; 4. Sunedison Energy Private Limited; 5. LICHFL Asset Management Company Limited; and 6. Shreyas Shipping and

Name, father's/spouse's name, address, designation, occupation and term	Nationality	Date of appointment as Director	Age (years)	Director's Identification Number	Other directorships/ partnership
Term: Liable to retire by rotation					Logistics Limited
P. V. Bhide Address: B-1/ 8, Vasant Vihar, New Delhi – 110 057 *Designation*: Independent director *Occupation*: IAS (Retd.) *Term*: Liable to retire by rotation	Indian	March 22, 2011	61	03304262	1. NOCIL Limited; 2. Heidelberg Cement India Limited; 3. Tube Investments of India Limited; 4. GlaxoSmithKline Pharmaceuticals Limited; 5. A.P.I.D.C. Venture Capital Private Limited; 6. L&T Finance Limited; and 7. BILT Paper Plc

* *The Board of Directors of our Company held a meeting on October 25, 2010 and approved the nomination of Mr. Y. M. Deosthalee, who is currently a non executive Chairman of our Company, as the Chairman and Managing Director ("**CMD**") of our Company. His appointment as CMD will be effective from the date of listing of the Equity Shares of our Company pursuant to the Issue and his remuneration will be finalized upon such appointment.*

Neither any Director nor any company in which the Director was or is a promoter, director or person in control is debarred or prohibited from accessing the capital markets by SEBI or any other authority.

Brief profiles of our Directors

Mr. Y. M. Deosthalee – Non-executive director

Mr. Y. M. Deosthalee, aged 64, is the chief financial officer and member of the board of L&T. He is a chartered accountant by profession. He has a degree in law. He is also a member on the board of several subsidiary and associate companies of the L&T Group. He has been with L&T for the past 36 years. In addition to the finance function, he is also responsible for personnel and human resource functions, risk management, mergers and acquisitions, concessions business, shared services centre, providing strategic inputs and helps in business-building of L&T Infotech, amongst other things. He has been instrumental in promoting the Financial Services business of the L&T Group. In 2008, he was appointed as a member on the Advisory Committee for liquidity management set up by the Finance Ministry. In 2009, he was appointed as a member of the Takeover Regulations Advisory Committee which has been constituted by SEBI to examine the regulations and suggest amendments. He is the Co-Chairman of FICCI's Corporate Finance Committee, member of the National Council on Infrastructure of the Confederation of Indian Industry and a member of the National Council on Corporate Governance of the Confederation of Indian Industry. He has also won several awards including the-Best CFO of the Year and also Best CFO in the Capital Goods Sector at the CNBC TV18 Business Leaders Awards in 2009. He has over 40 years of work experience.

The Board of Directors of our Company held a meeting on October 25, 2010 and approved the nomination of Mr. Y. M. Deosthalee, who is currently a non executive Chairman of our Company, as the Chairman and Managing Director ("**CMD**") of our Company. His appointment as CMD will be effective from the date of listing of the Equity Shares of our Company pursuant to the Issue.

Mr. N. Sivaraman – President and whole-time director

Mr. N. Sivaraman, aged 53, is the president and whole-time director of our Company. He has a bachelor's degree in commerce from Madras University. He is a chartered accountant by profession and is a fellow member of the Institute of Chartered Accountants of India. He has an overall experience of approximately 28 years with L&T. He has varied experience in all aspects of finance and accounts, mergers and acquisition and investor relations. Currently, he is heading the financial services business of L&T. As the head of the financial services business he is responsible for and oversees the following entities: L&T Finance Limited, L&T Infrastructure Finance Company Limited, L&T Investment Management Limited and L&T General Insurance Company Limited. During his career at L&T, Mr. Sivaraman played a key role in structuring the demerger of the cement business of L&T and inducting private equity investors in L&T Infrastructure Development Projects Limited.

Mr. R. Shankar Raman - Non-executive director

Mr. R. Shankar Raman, aged 52, is the senior vice president (finance and legal) at the corporate finance department at L&T. He is a non-executive director on the Board of our Company and L&T Finance. Mr. Shankar Raman has a bachelor's degree in commerce from Madras University. He is a chartered and cost accountant by profession. He is a Chartered Accountant by profession. He has approximately 27 years of experience in the field of finance. He has experience in other varied areas such as audit, accounts, treasury, capital markets, corporate finance, project finance and general management. He joined the L&T Group in 1994 for setting up L&T Finance. After six years with L&T Finance, he moved to L&T to oversee the Finance & Accounting functions. He is on the board of several companies including international subsidiaries within the L&T Group. Currently, he is in charge of finance and treasury, corporate accounts, taxation, insurance, risk management, legal and investor relations at L&T.

Mr. S. V. Haribhakti – Independent director

Mr. S. V. Haribhakti, aged 55, is the managing partner of Haribhakti & Co., an accounting firm and Chairman of BDO Consulting Private Limited. He is a chartered accountant by profession. He has been awarded 'The Best Non-Executive Independent Director - 2007' award by The Asian Centre for Corporate Governance. He is also a member of the NSE in the Futures and Options Committee and the Securities and Exchange Board of India Committee on Disclosures and Accounting Standards. Mr. Haribhakti is a senior member of The Associated Chambers of Commerce and Industry of India (ASSOCHAM). He is a member of the CII National Council on Corporate Governance & Regulatory Affairs since April 2006.

Mr. B. V. Bhargava – Independent director

Mr. B.V. Bhargava, aged 75, has had a career in development banking and project finance. Currently, Mr. Bhargava is Chairman of the Rating Committee of CRISIL Limited. A post graduate in commerce and a law graduate from the University of Bombay, Mr. Bhargava has had varied and multifaceted experience which began with the Tariff Commission of India, where he was involved with various industries including cement, sugar and paper. His next assignment was with the Indian Investment Centre, where as Assistant Director in New York, he was closely involved with the promotion of joint ventures. He joined ICICI in 1968 in the project appraisal department and rose to head various departments including the projects department and the Regional Office at Delhi. He retired from ICICI with effect from May 1, 1996 as Vice Chairman and Managing Director. At ICICI he was closely involved with ICICI's innovative efforts in developing financial instruments and mechanisms tailored to the contemporary needs of Indian industry. He was also actively involved in raising foreign currency and rupee resources for ICICI. During his tenor with ICICI he has acquired deep knowledge of Indian industry and the problems of industrial development. In the telecommunications sector, Mr. Bhargava was the chairman of the ICICI telecom group, a special group constituted by ICICI to advise the Government on key issues pertaining to reform of the telecommunications sector such as the creation of independent regulatory body and the entry conditions for private sector in telecom services. Mr. Bhargava has participated in a number of seminars on project evaluation and management and has addressed several forums on this topic. He is also on the board of various large companies' including CRISIL.

Mr. Subramaniam N. – Independent director

Mr. Subramaniam N., aged 49, is an independent director on the board of our Company. Mr. Subramaniam N. has a post-graduate diploma in management from the Indian Institute of Management, Ahmedabad. He is a fellow of the Institute of Chartered Accountants of India, an FCS and ICWA. He is experienced in the areas of private equity, investment management, banking, finance, accounts, risk management, system implementation and corporate governance, MIS and human resource management. He is the managing partner of MCAP Fund Advisors.

Mr. Ajit Kumar Jain – Independent director

Mr. Ajit Kumar Jain, aged 65, is a B.Com (Honours) graduate and holds a Master's Diploma in Public Administration from the Indian Institute of Public Administration. He completed his graduation in commerce from the University of Delhi. Mr. Jain is a nominee of the Specified Undertaking of the Unit Trust of India on the board of Larsen & Toubro Limited. A retired Indian Administrative Service officer, he held important posts in the Government of India, including those of director, Ministry of Finance; joint secretary, Ministry of Finance (Banking Division); secretary to the Government of India, Ministry of

Finance (Department of Disinvestment); special secretary, Ministry of Power; *etc.* Furthermore, he has served as a director on the boards of several central and state PSUs including Cochin Shipyard Limited, The Industrial Finance Corporation of India Limited, ITI, *etc.* Mr. Jain has served as a member of the ADB Institute Advisory Council, of the Asian Development Bank, for a tenure of two years, from September 11, 2006 to September 10, 2008 and as a Member of Advisory Board on Bank, Commercial & Financial Frauds, constituted by Central Vigilance Commission, Government of India.

Mr. M. Venugopalan – Independent director

Mr. M. Venugopalan, aged 66, is an independent director on the Board of our Company. He has worked as a commercial banker for nearly four and a half decades and holds a bachelor of commerce degree from Kerala University. He has held various posts including that of executive director, Union Bank of India and Chairman and Managing Director, Bank of India. In May 2005, he joined Federal Bank as a managing director and chief executive officer. Mr. Venugopalan was runner up for the E & Y Entrepreneur of the Year 2009 award.

Mr. P. V. Bhide – Independent director

Mr. P. V. Bhide, aged 61, is an independent director on the Board of our Company. Mr. Bhide holds MBA, L.L.B and B.Sc. degrees. Mr. Bhide is a retired Indian Administrative Service officer has held various post including Additional Secretary, Ministry of Home Affairs, Secretary to the Department of Disinvestment for the period 2007 – 2010, Secretary, Department of Revenue, Ministry of Finance, Government of India and Managing Director, Godavari Fertilisers and Chemicals Limited.

Terms and conditions of employment of the executive director

The terms and conditions of the employment of Mr. N. Sivaraman were finalized by the Nomination & Remuneration Committee in its meeting held on November 4, 2010, and were noted by the Board in the Board Meeting held on December 3, 2010. Our Company has, on July 4, 2011, entered into an agreement with Mr. N. Sivaraman in relation to his employment as the President and Whole-time Director. The following are the key terms and conditions of employment of Mr. N. Sivaraman as of from October 25, 2010 so long as the President & Whole-time Director performs his services:

(a) Basic Salary:

₹325,000/- per month.

(b) Variable Remuneration:

Up to ₹5,000,000 per annum

The actual variable remuneration will be decided, based on parameters set periodically by the Board, which will include the performance of the individual, the Company and its subsidiaries.

(c) House Rent Allowance:

₹50,000 per month

(d) Car Reimbursement:

Up to 330 liters of petrol per month

Maintenance Expenses: ₹11,200 per month

(e) Special Allowance:

₹40,000 per month

(f) Family Travel Allowance:

₹200,000 per annum

The President and Whole-time Director shall be entitled to perquisites including medical reimbursement, medical and personal accident insurance, *etc.* in accordance with the rules of Larsen & Toubro Limited.

For the purpose of calculating the above ceiling, the perquisites shall be evaluated as per Income-Tax Rules, 1962, wherever applicable.

The President and Whole-time Director shall be entitled to Company's contribution to Provident Fund, Superannuation Fund and Annuity Fund up to the tax exempt limit, benefits of Gratuity and Pension Scheme for Senior Management Staff, earned leave and encashment of earned leave at the end of the tenure and long service awards, as per the rules of the Company and Larsen & Toubro Limited. These shall not be included in the computation of perquisites. Telephone and other communication facilities at residence, will not be considered as perquisites.

The above perquisites will exclude value of Stock Option benefits computed as per Income Tax Act/Rules, which will be borne by the Company.

Terms and conditions of employment of the non-executive directors

No service contracts have been entered into by the Directors providing for benefits upon termination of employment.

Common directorships of our Directors in companies whose shares are/were suspended from trading on the BSE and/ or the NSE for a period beginning five years prior to the date of the Draft Red Herring Prospectus until the date of the Prospectus

None of the Directors of our Company are/have been directors in companies whose shares are/were suspended from trading on the BSE/NSE, for a period beginning five years prior to the date of the Draft Red Herring Prospectus until the date of this Prospectus.

Common directorships of our Directors in listed companies that have been/ were delisted from stock exchanges in India

None of the Directors of our Company are/have been directors in companies which have been/were delisted from stock exchange(s) in India.

Remuneration of the non-executive Directors

Other than ₹ 20,000 payable to non-executive Directors as sitting fees for each meeting of the Board or any of its committees, no other remuneration is paid.

Terms and conditions of Manager's appointment

Mr. N. Suryanarayanan was appointed as the Manager of L&TFH for a period of five years without any remuneration by the Board of Directors on May 14, 2009.

He was also appointed as the Chief Accounts Officer of our Company by the Board of Directors on September 25, 2010.

The Board of Directors of our Company held a meeting on October 25, 2010 and approved the nomination of Mr. Y.M. Deosthalee, who is currently a non executive Chairman of our Company, as the Chairman and Managing Director ("**CMD**") of the company. His appointment as CMD will be effective from the date of listing of the Equity Shares of our Company pursuant to the Issue and his remuneration will be finalized upon such appointment. Mr. N. Suryanarayanan will cease to be the Manager of our Company upon appointment of Mr. Y. M. Deosthalee as the CMD coming into effect from the date of listing of the Equity Shares of our Company pursuant to the Issue.

Borrowing powers of the Board

In terms of our Articles, the Board of Directors may, from time to time, at its discretion by a resolution passed at its meeting raise or borrow or secure the payment of any sum or sums of money for the purposes of our Company. However, if the moneys sought to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from our Company's bankers in the ordinary course of business) should exceed the aggregate of the paid-up capital of our Company and its free reserves (not being reserves set apart for any specific purpose), the Board of Directors is required to obtain the consent of our Company in a general meeting prior to undertaking such borrowing.

Corporate governance

The provisions of the Listing Agreements to be entered into with BSE and NSE and the SEBI ICDR Regulations in respect of corporate governance will be applicable to our Company immediately upon the listing of the Company‘s Equity Shares on the Stock Exchanges. We have complied with the requirements of corporate governance contained in the Listing Agreements to be entered into with the

Stock Exchanges, particularly those in relation to the composition of the Board of Directors, constitution of committees such as Audit Committee, Nomination, Compensation & Remuneration Committee and Shareholders/ Investors Grievance Committee.

Our Company undertakes to take all necessary steps to comply with all the requirements of the SEBI ICDR Regulations on corporate governance and adopt the corporate governance code as per Clause 49 of the Listing Agreements to be entered into with the Stock Exchanges.

Currently our Board has nine Directors, and the Chairman of the Board is a non-executive non-independent Director. In compliance with the requirements of Clause 49 of the Listing Agreements, our Board consists of (i) not less than 50% non-executive Directors and (ii) at least 50% Independent Directors. Our Board has constituted the following committees:

(a) Audit Committee;

(b) Shareholders'/Investors' Grievance Committee;

(c) Nomination & Remuneration Committee;

(d) IPO Committee;

(e) Risk Management Committee;

(f) Asset Liability Committee; and

(g) Committee of Directors.

Audit Committee

The Audit Committee of our Board was reconstituted by our Board by a resolution dated September 25, 2010 pursuant to Section 292A of the Companies Act. The Audit Committee comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. S. V. Haribhakti	Chairman	Independent
Mr. R. Shankar Raman	Member	Non-executive
Mr. B. V. Bhargava	Member	Independent

The primary objective of the Audit Committee is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate timely and proper disclosers and transparency, integrity and quality financial reporting. The composition, procedures, powers and role/functions of the Audit Committee constituted by our Company is to comply with the requirements of Listing Agreements.

Terms of reference of the Audit Committee includes:

1. oversight of our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

2. recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;

3. approval of payment to statutory auditors for any other services rendered by the statutory auditors.

4. review with the management of, the annual financial statements before submission to the Board for approval, with particular reference to:

   i. matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act;

   ii. changes, if any, in accounting policies and practices and reasons for the same;

   iii. major accounting entries involving estimates based on the exercise of judgment by the management;

iv. significant adjustments made in the financial statements arising out of audit findings;

v. compliance with listing and other legal requirements relating to financial statements;

vi. disclosure of any related party transactions;

vii. qualifications in the draft audit report;

5. review with the management of the quarterly financial statements before submission to the Board for approval;

6. review with the management of the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, *etc.*), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

7. review with the management of the performance of the statutory and internal auditors, and adequacy of the internal control systems;

8. review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

9. discussion with the internal auditors of any significant findings and follow up there on;

10. review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

11. discussion with statutory auditors before the audit commences about the nature and scope of the audit as well as post-audit discussion to ascertain any area of concern;

12. to look into the reasons for substantial defaults, if any, in the payment to the debenture holders, shareholders (in case of non payment of declared dividends) and creditors;

13. review of the functioning of the whistle blower mechanism, if any;

14. approval of appointment of CFO (*i.e.*, the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, *etc.* of the candidate; and

15. any other function mentioned in the terms of reference of the Audit Committee.

Nomination & Remuneration Committee

The Nomination & Remuneration Committee was constituted by our Directors by a board resolution dated September 25, 2010 and reconstituted pursuant to a Board resolution dated October 25, 2010. The Nomination & Remuneration Committee comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. S. V. Haribhakti	Chairman	Independent
Mr. Subramaniam N.	Member	Independent
Mr. Y. M. Deosthalee	Member	Non-executive
Mr. M. Venugopalan	Member	Independent

To avoid conflicts of interest, the Nomination & Remuneration Committee would recommend to the Board, with agreed terms of reference, the Company's policy on specific remuneration packages and other terms and conditions of the Directors of the Company and senior executives one level below the Board of Directors.

Terms of reference of the Nominations and Remuneration Committee includes:

1. to review the overall compensation policy, service agreements and other employment conditions

of Executive Directors and senior executives just below the Board of Directors and make appropriate recommendations to the Board of Directors;

2. to review the overall compensation policy for Non-Executive Directors and Independent Directors and make appropriate recommendations to the Board of Directors;

3. to make recommendations to the Board of Directors on the increments in the remuneration of the Directors;

4. to assist the Board in developing and evaluating potential candidates for senior executive positions and to oversee the development of executive succession plans;

5. to review and approve on an annual basis the corporate goals and objectives with respect to compensation for the senior executives and make appropriate recommendations to the Board of Directors;

6. to evaluate at least once a year the senior executive officer’s performance in light of these established goals and objectives and based upon these evaluations, set the senior executive officer’s annual compensation, including salary, bonus and equity and non-equity incentive compensation;

7. to review and make appropriate recommendations to the Board of Directors on an annual basis the evaluation process and compensation structure for the Company’s officers just below the level of the Board of Directors;

8. to evaluate the performance of the Company’s senior executives just below the level of the Board of Directors and to recommend to the Board of Directors the annual compensation, including salary, bonus and equity and non-equity incentive compensation, for such senior executives, based on initial recommendations from the Managing Director;

9. to provide oversight of management’s decisions concerning the performance and compensation of other officers of the Company;

10. to review incentive compensation arrangements to confirm that incentive pay does not encourage unnecessary risk taking and to review and discuss, at least annually, the relationship between risk management policies and practices, corporate strategy and senior executive compensation;

11. to maintain regular contact with the leadership of the Company, including interaction with the Company’s human resource department, review of data from the employee survey and regular review of the results of the annual leadership evaluation process; and

12. to formulate the Employee Stock Option Scheme, decide the terms and conditions, make appropriate recommendations to the Board of Directors and administer and superintend ESOS.

Shareholders'/Investors' Grievance Committee

The Shareholders'/Investors' Grievance Committee is responsible for the redressal of shareholders and investors' grievances such as non-receipt of share certificates, annual report and payment and receipt of dividend.

The Shareholders'/Investors' Grievance Committee was constituted by our Directors by a board resolution dated September 25, 2010 and comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Ajit Kumar Jain	Chairman	Independent
Mr. R. Shankar Raman	Member	Non-executive
Mr. Subramaniam N.	Member	Independent

IPO Committee

The IPO Committee of our Company was constituted by the Directors at their Board meeting held on September 25, 2010 and handles matters related to the proposed IPO of our Company such as the appointment of various intermediaries including merchant bankers, registrars, printers, advertisement and publicity agents, legal counsels and bankers to the Issue, submission of applications and documents to statutory and other authorities from time to time, determination of the price band and the issue price and other aspects related thereto, as may be delegated by the Board in this regard.

IPO Committee comprises of:

Name of the Director	Designation in the Committee	Designation in our Company
Mr. Y. M. Deosthalee	Chairman	Non-executive
Mr. N. Sivaraman	Member	Whole Time Director
Mr. Suneet Maheshwari	Member	Chief Executive - Subsidiary

Risk Management Committee

The Risk Management Committee of our Company was constituted by the Directors at their Board meeting held on April 26, 2011. This Committee would meet the applicable regulatory provisions of RBI.

The Board at its aforesaid meeting authorized Mr. Y. M. Deosthalee, Mr. N. Sivaraman and Mr. R. Shankar Raman to formalize their recommendations for the approval of the Board.

Asset Liability Committee

The Asset Liability Committee of our Company was constituted by the Directors at their Board meeting held on April 26, 2011. The ALCO would, be responsible for monitoring market risk management systems, compliance with the asset liability *inter alia* management policy and prudent gaps and tolerance limits and reporting systems set out by the Board of Directors and ensuring adherence to the RBI Guidelines issued in this regard from time to time. The Board at its aforesaid meeting authorized Mr. Y. M. Deosthalee, Mr. N. Sivaraman and Mr. R. Shankar Raman to formalize their recommendations for the approval of the Board.

Committee of Directors

The Committee of Directors of our Company was constituted by the Directors at their Board meeting held on April 26, 2011. The Committee of Directors comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Y. M. Deosthalee	Member	Non-executive
Mr. N. Sivaraman	Member	Whole Time Director
Mr. R. Shankar Raman	Member	Non-executive

Shareholding of our Directors in our Company

As per our Articles of Association, our Directors are not required to hold any qualification Equity Shares in our Company. Save and except as stated below, our Directors do not hold any Equity Shares in our Company, in their personal capacity, as of the date of filing of this Prospectus:

Name of Directors	No. of Equity Shares	% of pre-Issue equity share capital
Mr. Y. M. Deosthalee*	1	0.00
Mr. R. Shankar Raman*	1	0.00
Mr. N. Sivaraman*	1	0.00

**Held jointly with L&T*

Interest of our Directors

All our Directors, including independent directors, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof, as well as to the extent of other remuneration and reimbursement of expenses payable to them pursuant to our Articles of Association and to the extent of remuneration paid to them for services rendered as officers of our Company.

All our Directors, including independent Directors, may also be deemed to be interested to the extent of Equity Shares, if any, already held by them or that may be subscribed for and allotted to them pursuant to the Issue in terms of the Prospectus and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares. Our Directors, including independent directors, may also be regarded as interested in the Equity Shares, if any, held by or that may be subscribed by and allotted to the companies, firms and trusts, in which they are interested as directors, members, partners or trustees and promoters pursuant to this Issue.

Some of our Directors may be deemed to be interested to the extent of consideration received/paid or any loans or advances provided to any body corporate, including companies, firms, and trusts, in which they are interested as directors, members, partners or trustees. For details, refer to the section titled "*Financial Information – Related Party Transactions*" on page F-24 of this Prospectus.

Except as stated in the section titled "*Financial Information*" on page F-1 of this Prospectus and to the extent of compensation and commission, if any, and their shareholding in our Company, our Directors do not have any other interest in our business or that of any of our subsidiaries.

Our Directors have no interest in any property acquired or proposed to be acquired by our Company or our Subsidiaries in the preceding two years of filing this Prospectus with RoC nor do they have any interest in any transaction regarding the acquisition of land, construction of buildings and supply of machinery, *etc.* with respect to our Company or our Subsidiaries.

Changes in our Board in the three years preceding the date of filing of this Prospectus are as follows:

Name of the Director	Date of appointment	Date of cessation	Reason
Mr. N. Sivaraman	May 1, 2008	October 25, 2010	Redesignation as President & Whole-time Director
Mr. B. V. Bhargava	September 25, 2010	N/A	Appointment
Mr. S. V. Haribhakti	September 25, 2010	N/A	Appointment
Mr. Subramaniam N.	September 25, 2010	N/A	Appointment
Mr. Ajit Kumar Jain	September 25, 2010	N/A	Appointment
Mr. N. Sivaraman	October 25, 2010	N/A	Redesignation as President & Whole-time Director
Mr. M. Venugopalan	October 25, 2010	N/A	Appointment
Mr. P. V. Bhide	March 22, 2011	N/A	Appointment

Management organization chart

Our Company, being a holding company with no business operations, does not have an organization chart. The President & Whole Time Director and the Manager of our Company functions under the overall supervision of the Board of Directors.

Our Key Management Personnel

Except for Mr. N. Sivaraman, our President and whole-time Director, our Company has no key management personnel given that it is a holding company with no business operations.

Manager of our Company

Mr. N. Suryanarayanan is the Manager and Chief of Accounts of our Company. He is a chartered accountant, cost accountant, company secretary and a law graduate. Mr. Suryanarayanan has over 25 years of experience in finance, accounts, secretarial and human resources. He has been associated with L&T for over 19 years and held various positions in various units / departments.

Mr. N. Suryanarayanan will cease to be the Manager of our Company upon appointment of Mr. Y. M.

Deosthalee as the CMD *i.e.* from the date of listing of the Equity Shares of our Company pursuant to the Issue.

Except as disclosed in this Prospectus and statutory payments made by our Company, our Company has not paid any sum to our employees in connection with superannuation and/or ex gratia payments or rewards and has not paid any non-salary amount or benefit to any of our officers. Except as stated in the section titled "*Financial Information*" on page F-1 of this Prospectus, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

Relationship between the Directors

None of the Directors are related to each other.

OUR PROMOTER

Our Promoter

The Promoter of our Company is Larsen & Toubro Limited.

Larsen & Toubro Limited

L&T was incorporated on February 7, 1946. The registered office of the company is at L&T House, Ballard Estate, Mumbai - 400 001.

L&T's PAN number is AAACL0140P.

L&T does not have any identifiable promoters and is a widely held and professionally managed company.

Brief history

L&T was formed as a partnership in 1938 by Henning Holck-Larsen and Soren Kristian Toubro, Danish engineers, who came to India as representatives of a global cement company. In 1946, the partnership was incorporated as a private limited company, and in 1950 converted to a public limited company. L&T's business originally consisted of trading and indigenous manufacture of equipment. L&T rapidly entered new fields – including construction, project execution and manufacture of switchgear. L&T's heavy fabrication facilities at Powai, Mumbai were continuously and substantially expanded to meet emerging needs in the 1960's and 1970's. L&T entered the business of cement manufacture in the early 1980s. In 1987, L&T established a fabrication facility on the waterfront at Hazira, which has enhanced its ability to fabricate large equipment. Additionally, L&T has strengthened its manufacturing capabilities by setting up several new facilities, including those at Ahmednagar in Maharashtra, Mysore in Karnataka, Coimbatore in Tamil Nadu and Talegaon in Maharashtra. L&T currently has a manufacturing footprint in India, China, Oman, Saudi Arabia, UAE, Malaysia, Indonesia and Australia. Design engineering facilities are part of L&T's campuses at several locations including Mumbai, Vadodara, Faridabad, Chennai, Bengaluru and Mysore. With a view to focus on its core strengths of engineering and construction, and as part of a continuing review of its business portfolio, L&T has either discontinued or divested its stake in several business lines including dairy equipment, packaging equipment and tractor manufacturing among others. The cement business was de-merged in 2004.

Shareholding pattern as on March 31, 2011

No.	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in de materialized form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					% of shares (A+B)[1]	% of shares (A+B+C)	Number of shares	% No. of shares
(A)	**Shareholding of Promoter and Promoter Group**							
1	**Indian**							
(a)	Individuals/ Hindu Undivided Family	0	0	0	0	0	0	0
(b)	Central Government/ State Government(s)	0	0	0	0	0	0	0
(c)	Bodies Corporate	0	0	0	0	0	0	0
(d)	Financial Institutions/ Banks	0	0	0	0	0	0	0
(e)	Any Other (specify)							
	Sub-Total (A)(1)	0	0	0	0.00	0.00	0.00	0.00
2	**Foreign**							
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0	0	0	0
(b)	Bodies Corporate	0	0	0	0	0	0	0

No.	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in de materialized form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					% of shares (A+B)[1]	% of shares (A+B+C)	Number of shares	% No. of shares
(c)	Institutions	0	0	0	0	0	0	0
(d)	Any Other (specify)							
	Sub-Total (A)(2)	0	0	0	0.00	0.00	0.00	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	0	0	0	0.00	0.00	0.00	0.00
(B)	**Public shareholding[3]**							
1	**Institutions**							
(a)	Mutual Funds/ UTI	306	78524454	78472538	13.37	12.90	0	0
(b)	Financial Institutions/ Banks	151	118948485	118919347	20.26	19.54	0	0
(c)	Central Government/ State Government(s)	0	0	0	0	0	0	0
(d)	Venture Capital Funds	0	0	0	0	0	0	0
(e)	Insurance Companies	5	30860449	30860449	5.26	5.07	0	0
(f)	Foreign Institutional Investors	730	92407708	92380796	15.74	15.18	0	0
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00	0	0
(h)	Any Other (specify)							
	Foreign Bank	8	17241	17241	0.00	0.00		
	Sub-Total (B)(1)	1200	320758337	320650371	54.62	52.68	0	0
2	**Non-institutions**						N.A.	N.A,
(a)	Bodies Corporate	6751	41754375	41520674	7.11	6.86	0	0
(b)	Individuals							
(i)	Individual shareholders holding nominal share capital up to ₹ 1 lakh	829943	133722286	115931332	22.77	21.96	0	0
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	61	6259271	6259271	1.07	1.03	0	0
(c)	Any Other (specify)							
	Foreign Companies	8	4118	1830	0.00	0.00		
	Trust	3	74404116	74392272	12.67	12.22		
	Directors & Relatives	22	5100566	5098230	0.87	0.84		
	Foreign Nationals	13	258888	243188	0.04	0.04		
	Non - Residents	15483	4944110	4544998	0.84	0.81		
	Sub-Total(B)(2)	852284	266447730	247991795	45.38	43.76	0	0
	Total Public Shareholding (B)= (B)(1)+(B)(2)	853484	587206067	568642166	100	96.44	N.A.	N.A.
	TOTAL(A)+(B)	853484	587206067	568642166	100	96.44	0	0

No.	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in de materialized form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					% of shares (A+B)[1]	% of shares (A+B+C)	Number of shares	% No. of shares
(C)	**Shares held by Custodians and against which Depository Receipts have been issued**							
C1	Promoter and Promoter group	0	0	0		0	0	0
C2	Public	1	21646059	21646059		3.56	N.A.	N.A.
	Total C=C1+C2	1	21646059	21646059		3.56	0	0
	GRAND TOTAL (A)+(B)+(C)	853485	608852126	590288225		100	0	0

Notes:

1. *The Company has no identifiable Promoter Group.*
2. *The Directors along with their relatives hold 51, 10, 566 shares (0.84%).*
3. *L&T Employee Welfare Foundation holds 74,404,116 shares i.e. 12.22% but does not exercise "Control"*

Board of directors

The board of directors of L&T consists of Mr. A. M. Naik, Mr. Y. M. Deosthalee, Mr. K. Venkataramanan, Mr. K. V. Rangaswami, Mr. V. K. Magapu, Mr. M. V. Kotwal, Mr. Ravi Uppal, Mr. S. Rajgopal, Mr. S. N. Talwar, Mr. M. M. Chitale, Mr. Thomas Mathew T, Mr. N. Mohan Raj, Mr. Subodh Bhargava, Mrs. Bhagyam Ramani, Mr. A. K. Jain and Mr. J. S. Bindra. There has been no change in the controlling interest of L&T in the last three years.

Other understandings and confirmations

We confirm that the PAN, bank account numbers, company registration numbers and the address of the registrar of companies of the Promoters have been submitted to the Stock Exchanges at the time of filing the Draft Red Herring Prospectus with the Stock Exchanges.

Our Promoter, the members of the Group Companies and relatives of the Promoter have confirmed that they have not been identified as willful defaulters by the RBI or any other governmental authority.

Except as disclosed in the section titled "*Outstanding Litigation and Material Developments*" on page 310 of this Prospectus, no violations of securities laws have been committed by our Promoter or members of our Group Companies in the past or are pending against them. None of (i) our Promoter, Promoter Group or the Group Companies; or (ii) the companies with which the Promoter is or was associated as a promoter, directors or persons in control, are debarred or prohibited from accessing the capital markets for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.

Common Pursuits

The Promoter does not have an interest in any venture that is involved in any activities similar to those conducted by us. However, L&T Capital Company Limited, one of our Group Companies is also a registered portfolio manager with the SEBI. For further details, please see the section titled "*Risk Factors-Our Promoter and/or our Directors and related entities may be subject to conflicts of interest because of their interests in other portfolio management companies which could have a material adverse effect on our operations*" on page 21 of this Prospectus.

Interest of our Promoter

The shareholding of our Promoter in our Company is set forth in the section titled "*Capital Structure*" on page 98 of this Prospectus. Other than as our shareholders and as disclosed in this Prospectus, our Promoter does not have any other interest in our Company other than in ordinary course of business.

Interest in Property, Land and Construction

Our Promoter and the Group Companies do not have any interest in any property acquired by our Company or our Subsidiaries within two years preceding the date of filing this Prospectus. Our Promoters and the Group Companies currently do not have interest in any transaction in acquisition of land, construction of building and supply of machinery.

However, our Promoter and the Group Companies, in their normal course of business may enter into agreement with us for construction or development of any property which we own or acquire in future.

Payment of benefits to our Promoter during the last two years

Except as stated in the section titled "*Financial Information*" on page F-1 of this Prospectus, there have been no amounts or benefits paid or given or intended to be paid or given to our Promoter or the Promoter Group within the two years preceding the date of filing of this Prospectus.

Litigation

For details regarding litigation involving our Promoter and Group Companies, refer to the section titled "*Outstanding Litigation and Material Developments*" on page 310 of this Prospectus.

Related Party Transactions

For details of (i) payments or benefits to the Promoter and the Promoter Group during the two years preceding the date of filing of this Prospectus; (ii) sales or purchases between our Company, its Subsidiaries and the Group Companies where such sales or purchases exceed in value in the aggregate 10% of the total sales or purchases of our Company; and (iii) business interests of Group Companies and the Subsidiaries, refer to the section titled "*Financial Information*" on page F-1 of this Prospectus.

GROUP COMPANIES

Unless otherwise stated, none of the companies forming part of the Group Companies have been declared as a sick company under the SICA, no winding-up proceedings have been initiated against any of them and none of them have negative net worth. Further, the equity shares of our Group Companies are not listed on any stock exchanges and none of the Group Companies raised capital by way of a public issue of equity shares in the preceding three years.

In addition to our Subsidiaries, the following entities form part of our Group Companies:

1. L&T Infocity Limited
2. Tractor Engineers Limited
3. Larsen & Toubro Infotech Limited
4. L&T Western India Tollbridge Limited
5. L&T Infrastructure Development Projects Limited
6. Larsen & Toubro International FZE
7. Bhilai Power Supply Company Limited
8. L&T-Sargent & Lundy Limited
9. Larsen & Toubro (Wuxi) Electric Company Limited
10. Spectrum Infotech Private Limited
11. L&T Power Ltd.
12. Larsen & Toubro Qatar LLC
13. L&T Transportation Infrastructure Limited
14. Narmada Infrastructure Construction Enterprise Limited
15. Larsen & Toubro LLC
16. L&T Capital Company Limited
17. Larsen & Toubro Infotech, GmbH
18. Larsen & Toubro Information Technology Canada Ltd.
19. Hyderabad International Trade Expositions Limited
20. Raykal Aluminium Company Private Limited
21. L&T Tech Park Limited
22. L&T Panipat Elevated Corridor Limited
23. L&T Krishnagiri Thopur Toll Road Limited
24. L&T Western Andhra Tollways Limited
25. L&T Vadodara Bharuch Tollway Limited
26. L&T Interstate Road Corridor Limited
27. L&T Overseas Projects Nigeria Limited
28. Larsen & Toubro (Oman) LLC
29. Larsen & Toubro (East Asia) SDN.BHD

30. Larsen & Toubro Electromech LLC
31. International Seaports (India) Private Limited
32. L&T Urban Infrastructure Limited
33. L&T Modular Fabrication Yard LLC
34. Larsen & Toubro Saudi Arabia LLC
35. Larsen & Toubro Readymix Concrete Industries LLC
36. L&T Infrastructure Development Projects Lanka (Private) Limited
37. L&T Electricals Saudi Arabia Company Limited, LLC
38. Larsen & Toubro Kuwait Construction General Contracting Company, WLL
39. Larsen &Toubro (Qingdao) Rubber Machinery Company Limited
40. Larsen & Toubro (Jiangsu) Valve Company Limited
41. L&T - MHI Boilers Private Limited
42. L&T Uttaranchal Hydropower Limited
43. L&T Bangalore Airport Hotel Limited
44. L&T MHI Turbine Generators Private Limited
45. Offshore International FZC
46. L&T Vision Ventures Limited
47. L&T South City Projects Limited
48. GDA Technologies Inc.
49. GDA Technologies Limited
50. CSJ Infrastructure Private Limited
51. L&T-Valdel Engineering Limited
52. L&T Hitech City Limited
53. L&T Arun Excello Commercial Projects Private Limited
54. Larsen & Toubro ATCO Saudia Company LLC
55. L&T Power Development Limited
56. L&T Shipbuilding Limited
57. L&T Realty Private Limited
58. L&T Electricals and Automation Limited (formerly L&T Strategic Management Limited)
59. L&T General Insurance Company Limited
60. Qingdao Larsen & Toubro Trading Company Limited
61. TAMCO Switchgear (Malaysia) SDN. BHD
62. TAMCO Electrical Industries Australia Pty Limited
63. PT TAMCO Indonesia

64. L&T-Gulf Private Limited
65. L&T Realty FZE
66. L&T Transco Private Limited
67. L&T Arun Excello IT SEZ Private Limited
68. L&T Siruseri Property Developers Limited
69. L&T Chennai – Tada Tollway Limited
70. L&T Seawoods Private Limited
71. HI Tech Rock Products & Aggregates Limited
72. L&T Natural Resources Limited
73. L&T Port Kachchigarh Limited
74. Larsen & Toubro Heavy Engineering LLC
75. L&T Ahmedabad - Maliya Tollway Limited
76. L&T Halol - Shamlaji Tollway Limited
77. L&T Rajkot - Vadinar Tollway Limited
78. Sutrapada SEZ Developers Limited
79. Sutrapada Shipyard Limited
80. L&T Electrical & Automation FZE
81. Kesun Iron and Steel Company Private Limited
82. PNG Tollway Limited
83. Peacock Investments Limited
84. Mango Investments Limited
85. Lotus Infrastructure Investments Limited
86. Chennai Vision Developers Private Limited
87. L&T Real Estate India Fund
88. L&T Asset Management Company Limited
89. L&T Plastics Machinery Limited
90. L&T Technologies Limited
91. L&T Special Steels and Heavy Forgings Private Limited
92. L&T Trustee Company Private Limited
93. Pathways FZE
94. Larsen & Toubro Infotech LLC
95. L&T Aviation Services Private Limited
96. Nabha Power Limited
97. L&T Samakhiali Gandhidham Tollway Ltd.

98. Larsen & Toubro Consultoria E Projecto Ltda.

99. L&T Devihalli Hassan Tollway Limited

100. L&T Howden Private Limited

101. L&T Himachal Hydropower Limited

102. L&T Arunachal Hydropower Limited

103. L&T Solar Limited

104. L&T Krishnagiri Walajahpet Tollway Limited

105. L&T Metro Rail (Hyderabad) Limited

106. L&T Sapura Shipping Private Limited

107. L&T Sapura Offshore Private Limited

108. L&T Powergen Limited

109. L&T Kobelco Machinery Private Limited

110. L&T Infotech Financial Services Technologies Inc.

111. Larsen & Toubro T&D SA (Pty) Limited

112. L&T Cassidian Limited

113. L&T BPP Tollway Private Limited

114. Audco India Limited

115. Ewac Alloys Limited

116. L&T - Chiyoda Limited

117. L&T - Komatsu Limited

118. L&T - Ramboll Consulting Engineers Limited

119. Gujarat Leather Industries Limited (under liquidation)

120. Larsen & Toubro Qatar & HBK Contracting LLC

121. The Dhamra Port Company Limited

122. L&T Arun Excello Realty Private Limited

123. IndIran Engineering Projects & Systems Kish (PJSC)

124. L&T Camp Facilities LLC

Trusts

1. Larsen & Toubro Public Charitable Trust

A. **Details of the Group Companies**

The top five Group Companies on the basis of total turnover are as follows:

Larsen & Toubro Infotech Limited ("L&T Infotech")

Corporate Information

L&T Infotech was incorporated under the Companies Act on December 23, 1996, having its registered office in the city of Mumbai. L&T Infotech is involved in the business of software development.

Interests of the Promoters

Larsen & Toubro Limited, along with its nominees holds 32,250,000 equity shares, aggregating to 100% of the issued and paid up equity share capital of L&T Infotech.

Financial Performance

The summary audited financial information of L&T Infotech for the last three fiscal years is as follows:

		For the year ended		
Sr. No.	**Particulars**	**March 31, 2011**	**March 31, 2010**	**March 31, 2009**
		(₹ in million, except share data)		
1.	Equity Capital..	161.25	161.25	158.44
2.	Reserves (excluding revaluation reserves) and surplus..	11,014.96	9,672.86	5,738.21
3.	Income including other income	23,549.04	18,117.37	19,753.63
4.	Profit / (Loss) after tax	3,129.15	2,811.37	2,648.22
5.	Earnings per share (face value ₹ 5) (in ₹)........	97.03	87.73	83.79
6.	Net asset value per share (in ₹)	346.55	304.93	186.09

Larsen and Toubro (Oman) LLC ("L&T Oman")

Corporate Information

L&T Oman was incorporated on January 29, 1994, in Sultanate of Oman. L&T Oman is involved in the business of construction and project related activity.

Interests of the Promoters

Larsen & Toubro International FZE, Sharjah, UAE, a wholly owned subsidiary of Larsen & Toubro Limited holds 473,572 equity shares, aggregating to 65% of the issued and paid up equity share capital of L&T Oman.

Financial Performance

The summary audited financial information of L&T Oman for the last three fiscal years is as follows:

		For the year ended		
Sr. No.	**Particulars**	**December 31, 2010**	**December 31, 2009**	**December 31, 2008**
		(₹ in million, except share data)		
1.	Equity Capital...	89.80	89.80	45.69
2.	Reserves (excluding revaluation reserves) and surplus	3,772.68	2,631.89	1,763.73
3.	Income including other income	16,637.16	15,487.83	14,907.56
4.	Profit / (Loss) after tax...................................	1,100.92	988.87	567.93
5.	Earnings per share (face value Omani Riyal 1) (in ₹)	1,511.06	1357.27	779.52
6.	Net asset value per share (in ₹)	5,301.45	3,735.64	2,483.52

L&T Komatsu Limited ("LTK")

Corporate Information

LTK was incorporated under the Companies Act on July 29, 1997 in India and is involved in the business of manufacture of Hydraulic Excavators and other associated hydraulic components.

Interests of the Promoters

Larsen & Toubro Limited holds 60,000,000 equity shares, aggregating to 50% of the issued and paid up equity share capital of LTK.

Financial Performance

The summary audited financial information of LTK for the last three fiscal years is as follows:

Sr. No.	Particulars	For the year ended March 31, 2011	March 31, 2010	March 31, 2009
		(₹ in million, except share data)		
1.	Equity Capital (including share application money)	1200.00	1200.00	1200.00
2.	Reserves (excluding revaluation reserves) and surplus..	1936.66	1636.48	1,316.87
3.	Income including other income............................	13,569.15	11,240.43	10,787.58
4.	Profit / (Loss) after tax	607.01	655.45	189.88
5.	Earnings per share (face value ₹ 10) (in ₹).........	5.06	5.46	1.58
6.	Net asset value per share (in ₹)............................	26.14	23.64	20.97

L&T–MHI Turbine Generators Private Limited ("L&T – MHI Turbine")

Corporate Information

L&T – MHI Turbine was incorporated under the Companies Act on December 27, 2006, in India and is involved in the business of manufacture of steam turbine and generators.

Interests of the Promoters

Larsen & Toubro Limited holds 127,551,000 equity shares, aggregating to 51% of the issued and paid up equity share capital of L&T – MHI Turbine.

Financial Performance

The summary audited financial information of L&T MHI Turbine Generators Private Limited for the last three fiscal years is as follows:

Sr. No.	Particulars	For the year ended March 31, 2011	March 31, 2010	March 31, 2009
		(₹ in million, except share data)		
1	Equity Capital (including share application money)	2,501.00	1,501.00	1,001.00
2.	Reserves (excluding revaluation reserves) and surplus..	(955.99)	(760.38)	(44.63)
3.	Income including other income	11,410.88	4,276.02	67.55
4.	Profit / (Loss) after tax	(285.20)	(649.01)	(44.63)
5.	Earnings per share (face value ₹ 10) (in ₹).........	(1.80)	(4.88)	(0.99)
6.	Net asset value per share (in ₹)	6.18	4.93	19.09

L&T–MHI Boilers Private Limited ("L&T- MHI Boilers")

Corporate Information

L&T – MHI Boilers was incorporated under the Companies Act on October 09, 2006 in India and is involved in the business of manufacture of Supercritical Boilers.

Interests of the Promoters

Larsen & Toubro Limited holds 112,251,000 equity shares, aggregating to 51% of the issued and paid up equity share capital of L&T – MHI Boilers.

Financial Performance

The summary audited financial information of L&T-MHI Boilers for the last three fiscal years is as follows:

Sr. No.	Particulars	For the year ended March 31, 2011	March 31, 2010	March 31, 2009
		(₹ in million, except share data)		
1.	Equity Capital (including share application money)	2,201.00	1,501.00	1,001.00
2.	Reserves (excluding revaluation reserves) and surplus...	(1,045.38)	(564.22)	(211.99)
3.	Income including other income............................	10,465.83	337.97	6.80
4.	Profit / (Loss) after tax	(523.56)	(282.82)	(211.99)
5.	Earnings per share (face value ₹ 10) (in ₹).........	(3.39)	(2.29)	(2.84)
6.	Net asset value per share (in ₹)...........................	5.25	6.24	15.75

B. **Group Companies with negative net worth**

L&T Natural Resources Limited ("L&T NRL")

Corporate Information

L&T NRL was incorporated under the Companies Act on May 23, 2008, in Mumbai, India. L&T NRL is involved in the business of Mining Development.

Interests of the Promoters

Larsen & Toubro Limited holds 50,000 equity shares, aggregating to 100% of the issued and paid up equity share capital of L&T NRL.

Financial Performance

The summary audited financial information of L&T NRL for the last three fiscal years is as follows:

Sr. No.	Particulars	For the year ended March 31, 2011	March 31, 2010	March 31, 2009
		(₹ in million, except share data)		
1.	Equity Capital...	0.50	0.50	0.50
2.	Reserves (excluding revaluation reserves) and surplus	(62.62)	(53.27)	(17.57)
3.	Income including other income	0.00	1.11	0.00
4.	Profit / (Loss) after tax...	(9.35)	(35.69)	(17.57)
5.	Earnings per share (face value ₹ 10) (in ₹)..........	(187.06)	(713.84)	(351.50)
6.	Net asset value per share (in ₹)	(1242.39)	(1055.33)	(341.50)

GDA Technologies Inc. ("GDA Tech")

Corporate Information

GDA Tech was incorporated on March 15, 2007, in USA. GDA Tech is involved in the business of Software Development.

Interests of the Promoters

Larsen & Toubro Infotech Limited a wholly owned subsidiary of Larsen & Toubro Limited holds 10 equity shares, aggregating to 100% of the issued and paid up equity share capital of GDA Tech.

Financial Performance

The summary audited financial information of GDA Tech for the last three fiscal years is as follows:

		For the year ended		
Sr. No.	**Particulars**	**March 31, 2011**	**March 31, 2010**	**March 31, 2009**
		(₹ in million, except share data)		
1.	Equity Capital..	51.45	51.45	51.45
2.	Reserves (excluding revaluation reserves) and surplus...	(238.70)	(261.33)	(312.05)
3.	Income including other income..............................	303.16	656.47	604.60
4.	Profit / (Loss) after tax	21.67	24.94	(13.32)
5.	Earnings per share (face value ₹ 10) (in ₹)	2167187.00	2493906.00	(1332446.00)
6.	Net asset value per share (in ₹).............................	(18725109.20)	(20987727.70)	(26060258.40)

L&T Vadodara Bharuch Tollway Limited ("L&T VBTL")

Corporate Information

L&T VBTL was incorporated under the Companies Act on December 23, 2005, in India. L&T VBTL is involved in the business of infrastructure project on BOT basis.

Interests of the Promoters

L&T Infrastructure Development Projects Limited a subsidiary of Larsen & Toubro Limited holds 43,500,000 equity shares, aggregating to 100% of the issued and paid up equity share capital of L&T VBTL.

Financial Performance

The summary audited financial information of L&T VBTL for the last three fiscal years is as follows:

		For the year ended		
Sr. No.	**Particulars**	**March 31, 2011**	**March 31, 2010**	**March 31, 2009**
		(₹ in million, except share data)		
1.	Equity Capital..	435.00	435.00	435.00
2.	Reserves (excluding revaluation reserves) and surplus...	(1513.60)	(727.81)	2.40
3.	Income including other income..............................	1921.83	1358.18	3.47
4.	Profit / (Loss) after tax	(785.79)	(730.20)	3.01
5.	Earnings per share (face value ₹ 10) (in ₹)	(18.06)	(16.79)	0.07

Sr. No.	Particulars	For the year ended March 31, 2011	March 31, 2010	March 31, 2009
6.	Net asset value per share (in ₹)	(24.80)	(6.73)	10.06

L&T Panipat Elevated Corridor Limited ("L&T Panipat")

Corporate Information

L&T Panipat was incorporated under the Companies Act on July 21, 2005 in India. L&T Panipat is involved in the business of infrastructure project on BOT basis.

Interests of the Promoters

L&T Infrastructure Development Projects Limited, a subsidiary of Larsen & Toubro Limited holds 84,300,000 equity shares, aggregating to 100% of the issued and paid up equity share capital of L&T Panipat.

Financial Performance

The summary audited financial information of L&T Panipat for the last three fiscal years is as follows:

		For the year ended		
Sr. No.	Particulars	March 31, 2011	March 31, 2010	March 31, 2009
		(₹ in million, except share data)		
1.	Equity Capital..	843.00	843.00	843.00
2.	Reserves (excluding revaluation reserves) and surplus	(1219.17)	(757.87)	(310.54)
3.	Income including other income	387.53	356.38	257.62
4.	Profit / (Loss) after tax..	(461.29)	(447.33)	(310.54)
5.	Earnings per share (face value ₹ 10) (in ₹)...........	(5.47)	(5.31)	(3.68)
6.	Net asset value per share (in ₹)	(4.46)	1.01	6.32

L&T Transco Private Limited ("L&T Transco")

Corporate Information

L&T Transco was incorporated under the Companies Act on February 5, 2008 in India. L&T Transco is involved in the business infrastructure development project.

Interests of the Promoters

L&T Infrastructure Development Projects Limited a subsidiary of Larsen & Toubro Limited holds 10,000 equity shares, aggregating to 100% of the issued and paid up equity share capital of L&T Transco.

Financial Performance

The summary audited financial information of L&T Transco for the last three fiscal years is as follows:

		For the year ended		
Sr. No.	Particulars	March 31, 2011	March 31, 2010	March 31, 2009
		(₹ in million, except share data)		

		For the year ended		
Sr. No.	Particulars	March 31, 2011	March 31, 2010	March 31, 2009
		(₹ in million, except share data)		
1.	Equity Capital..	0.10	0.10	0.10
2.	Reserves (excluding revaluation reserves) and surplus	(165.05)	(136.46)	(52.17)
3.	Income including other income	0.47	0.33	0.20
4.	Profit / (Loss) after tax..	(28.59)	(84.29)	(52.17)
5.	Earnings per share (face value ₹ 10) (in ₹)...........	(2858.67)	(8428.93)	(5217.24)
6.	Net asset value per share (in ₹)	(16494.84)	(13636.17)	(5207.24)

L&T Port Kachchigarh Limited ("L&T Port Kachchigarh ")

Corporate Information

L&T Port Kachchigarh was incorporated under the Companies Act on April 30, 2008 in India. L&T Port Kachchigarh is involved in the business Port development.

Interests of the Promoters

L&T Infrastructure Development Projects Limited a subsidiary of Larsen & Toubro Limited holds 3,500,000 equity shares, aggregating to 100% of the issued and paid up equity share capital of L&T Port Kachchigarh.

Financial Performance

The summary audited financial information of L&T Port Kachchigarh for the last three fiscal years is as follows:

		For the year ended		
Sr. No.	Particulars	March 31, 2011	March 31, 2010	March 31, 2009
		(₹ in million, except share data)		
1.	Equity Capital..	41.60	41.60	35.00
2.	Reserves (excluding revaluation reserves) and surplus	(41.81)	(9.09)	(0.70)
3.	Income including other income	0.00	0.00	0.02
4.	Profit / (Loss) after tax..	(32.72)	(8.39)	(0.70)
5.	Earnings per share (face value ₹ 10) (in ₹)...........	(9.35)	(2.40)	(4.36)
6.	Net asset value per share (in ₹)	(0.06)	9.29	171.49

Chennai Vision Developers Private Limited ("Chennai Vision Developers ")

Corporate Information

Chennai Vision Developers was incorporated under the Companies Act on August 14, 2008 in India. Chennai Vision Developers is involved in the business of Real estate development.

Interests of the Promoters

L&T Realty Private Limited, a subsidiary of Larsen & Toubro Limited holds 10,000 equity shares, aggregating to 100% of the issued and paid up equity share capital of Chennai Vision Developers.

Financial Performance

The summary audited financial information of Chennai Vision Developers for the last three fiscal years is as follows:

		For the year ended		
Sr. No.	**Particulars**	**March 31, 2011**	**March 31, 2010**	**March 31, 2009**
		(₹ in million, except share data)		
1.	Equity Capital..	0.10	0.10	0.10
2.	Reserves (excluding revaluation reserves) and surplus	(0.10)	(0.07)	(0.04)
3.	Income including other income	0.00	0.00	0.00
4.	Profit / (Loss) after tax..	(0.04)	(0.03)	0.00
5.	Earnings per share (face value ₹ 10) (in ₹)...........	(3.77)	(2.90)	(5.90)
6.	Net asset value per share (in ₹)	(0.39)	3.38	6.28

International Seaports (India) Private Limited ("ISPL")

Corporate Information

ISPL was incorporated under the Companies Act on May 1, 1997, in Chennai, India. ISPL is involved in the business of Seaport Service Activity.

Interests of the Promoters

L&T Infrastructure Development Projects Limited a subsidiary of Larsen & Toubro Limited holds 2,500,580 equity shares, aggregating to 100% of the issued and paid up equity share capital of ISPL.

Financial Performance

The summary audited financial information of ISPL for the last three fiscal years is as follows:

		For the year ended		
Sr. No.	**Particulars**	**March 31, 2011**	**March 31, 2010**	**March 31, 2009**
		(₹ in million, except share data)		
1.	Equity Capital...	25.01	25.01	25.01
2.	Reserves (excluding revaluation reserves) and surplus...	(39.21)	(39.06)	(38.97)
3.	Income including other income..............................	0.00	0.00	0.01
4.	Profit / (Loss) after tax	(0.16)	(0.08)	(0.12)
5.	Earnings per share (face value ₹ 10) (in ₹)	(0.06)	(0.03)	(0.05)
6.	Net asset value per share (in ₹).............................	(5.68)	(5.62)	(5.59)

Larsen and Toubro Qatar LLC ("L&T Qatar")

Corporate Information

L&T Qatar was incorporated on March 13, 2004, in Qatar. L&T Qatar is involved in the business of Construction and Project Related Activity.

Interests of the Promoters

Larsen & Toubro International FZE, Sharjah, UAE a wholly owned subsidiary of Larsen & Toubro Limited holds 98 equity shares, aggregating to 49% of the issued and paid up equity share capital of L&T Qatar.

Financial Performance

The summary audited financial information of L&T Qatar for the last three fiscal years is as follows:

Sr. No.	Particulars	For the year ended December 31, 2010	December 31, 2009	December 31, 2008
		(₹ in million, except share data)		
1.	Equity Capital	2.39	2.39	2.39
2.	Reserves (excluding revaluation reserves) and surplus	(290.83)	(310.07)	(220.66)
3.	Income including other income	10.59	3.65	41.36
4.	Profit / (Loss) after tax..	7.61	(79.47)	(8.79)
5.	Earnings per share (face value Qatari Riyal 1,000) (in ₹)...	38032.45	(397354.10)	(43962.00)
6.	Net asset value per share (in ₹)	(1442190.80)	(1538399.09)	(1091352.51)

Larsen and Toubro Saudi Arabia LLC ("L&T Saudi")

Corporate Information

L&T Saudi was incorporated on June 22, 1999, in Saudi Arabia. L&T Saudi is involved in the business of Construction and Project Related Activity.

Interests of the Promoters

Larsen & Toubro International FZE, Sharjah and Tractor Engineers Limited, wholly owned subsidiaries of Larsen & Toubro Limited hold 4,000 equity shares, aggregating to 100% of the issued and paid up equity share capital of L&T Saudi.

Financial Performance

The summary audited financial information of L&T Saudi for the last three fiscal years is as follows:

Sr. No.	Particulars	For the year ended December 31, 2010	December 31, 2009	December 31, 2008
		(₹ in million, except share data)		
1.	Equity Capital	46.35	46.35	46.35
2.	Reserves (excluding revaluation reserves) and surplus...	(241.97)	228.66	(1721.34)
3.	Income including other income..............................	4.97	8.07	5.14
4.	Profit / (Loss) after tax	(20.89)	(145.60)	(45.20)
5.	Earnings per share (face value Qatari Riyal 1,000) (in ₹)	(5222.70)	(36399.76)	(11300.57)
6.	Net asset value per share (in ₹).............................	(48904.29)	68752.01	(418747.93)

Larsen & Toubro ATCO Saudia Company LLC ("L&T ATCO")

Corporate Information

L&T ATCO was incorporated on July 8, 2007, in Saudi Arabia. L&T ATCO is involved in the business of Construction Activity in Hydrocarbon, Power & Infrastructure Sector.

Interests of the Promoters

Larsen & Toubro International FZE, Sharjah, UAE a wholly owned subsidiary of Larsen & Toubro Limited holds 490 equity shares, aggregating to 49% of the issued and paid up equity share capital of L&T ATCO.

Financial Performance

The summary audited financial information of L&T ATCO for the last three fiscal years is as follows:

Sr. No.	Particulars	For the year ended December 31, 2010	December 31, 2009	December 31, 2008
		(₹ in million, except share data)		
1.	Equity Capital	10.82	10.82	10.82
2.	Reserves (excluding revaluation reserves) and surplus	(76.14)	(79.72)	(44.53)
3.	Income including other income	247.85	67.79	10.06
4.	Profit / (Loss) after tax..	0.89	(38.17)	(30.91)
5.	Earnings per share (face value SR 1,000) (in ₹)....	798.65	(38173.73)	41468.00
6.	Net asset value per share (in ₹)	(65324.74)	(68899.68)	(33712.51)

PT TAMCO Indonesia ("TAMCO Indonesia")

Corporate Information

TAMCO Indonesia was incorporated under the Companies Act on November 22, 1994, in India. TAMCO Indonesia is involved in the business of financial services.

Interests of the Promoters

Larsen & Toubro International FZE, Sharjah, a wholly owned subsidiary of Larsen & Toubro Limited holds 250,000 equity shares, aggregating to 99% of the issued and paid up equity share capital of TAMCO Indonesia.

Financial Performance

The summary audited financial information of TAMCO Indonesia for the last three fiscal years is as follows:

Sr. No.	Particulars	For the year ended December 31, 2009	December 31, 2008	December 31, 2007
		(₹ in million, except share data)		
1.	Equity Capital	2.21	2.21	2.21
2.	Reserves (excluding revaluation reserves) and surplus	(16.88)	17.53	19.17
3.	Income including other income	181.18	247.77	91.48
4.	Profit / (Loss) after tax..	3.99	(106.60)	(154.45)
5.	Earnings per share (face value IDR 2,010) (in ₹)..	15.96	(426.40)	(617.79)
6.	Net asset value per share (in ₹)	(1501.53)	(1379.85)	(946.90)

* *From June 1, 2007 to December 31, 2007*

Peacock Investments Limited ("Peacock")

Corporate Information

Peacock was incorporated on September 11, 2008, in Mauritius. Peacock is involved in the business of financial services.

Interests of the Promoters

MITCO on behalf of Larsen & Toubro International FZE, Sharjah, a wholly owned subsidiary of Larsen & Toubro Limited holds 1 equity share, aggregating to 100% of the issued and paid up equity share capital of Peacock.

Financial Performance

The summary audited financial information of Peacock for the last three fiscal years is as follows:

		For the year ended		
Sr. No.	**Particulars**	**December 31, 2010**	**December 31, 2009**	**December 31, 2008**
		(₹ in million, except share data)		
1.	Equity Capital (including share application money)	0.39	0.05	0.00
2.	Reserves (excluding revaluation reserves) and surplus	(1.10)	(0.60)	0.00
3.	Income including other income	0.00	0.00	0.00
4.	Profit / (Loss) after tax..	(0.53)	(0.62)	0.00
5.	Earnings per share (face value USD 1) (in ₹)........	(61.91)	(622844.00)	0.00
6.	Net asset value per share (in ₹)	(83.23)	(552079.00)	0.00

Lotus Infrastructure Investments Limited ("Lotus")

Corporate Information

Lotus was incorporated on September 11, 2008, in Mauritius. Lotus is involved in the business of financial services.

Interests of the Promoters

MITCO on behalf of Larsen & Toubro International FZE, Sharjah, a wholly owned subsidiary of Larsen & Toubro Limited, holds one equity share, aggregating to 100% of the issued and paid up equity share capital of Lotus.

Financial Performance

The summary audited financial information of Lotus for the last three fiscal years is as follows:

		For the year ended		
Sr. No.	**Particulars**	**December 31, 2010**	**December 31, 2009**	**December 31, 2008**
		(₹ in million, except share data)		
1.	Equity Capital (including share application money)	0.39	0.05	0.00
2.	Reserves (excluding revaluation reserves) and surplus	(1.10)	(0.60)	0.00
3.	Income including other income	0.00	0.00	0.00
4.	Profit / (Loss) after tax...	(0.53)	(0.62)	0.00

Sr. No.	Particulars	For the year ended December 31, 2010	December 31, 2009	December 31, 2008
5.	Earnings per share (face value USD 1) (in ₹).......	(61.91)	(622844.00)	0.00
6.	Net asset value per share (in ₹)	(83.23)	(552079.00)	0.00

Mango Investments Limited ("Mango")

Corporate Information

Mango was incorporated on September 11, 2008, in Mauritius. Mango is involved in the business of financial services.

Interests of the Promoters

MITCO on behalf of Larsen & Toubro International FZE, Sharjah, a wholly owned subsidiary of Larsen & Toubro Limited, holds one equity share, aggregating to 100% of the issued and paid up equity share capital of Mango.

Financial Performance

The summary audited financial information of Mango for the last three fiscal years is as follows:

Sr. No.	Particulars	For the year ended December 31, 2010	December 31, 2009	December 31, 2008
		(₹ in million, except share data)		
1.	Equity Capital (including share application money)	0.39	0.05	0.00
2.	Reserves (excluding revaluation reserves) and surplus	(1.10)	(0.60)	0.00
3.	Income including other income	0.00	0.00	0.00
4.	Profit / (Loss) after tax...	(0.53)	(0.62)	0.00
5.	Earnings per share (face value USD 1) (in ₹).......	(61.91)	(622844.00)	0.00
6.	Net asset value per share (in ₹)	(83.23)	(552079.00)	0.00

Pathways FZE ("Pathways")

Corporate Information

Pathways was incorporated on August 2, 2009, in UAE. Pathways is involved in the business of IT services.

Interests of the Promoters

Larsen & Toubro International FZE, Sharjah, UAE a wholly owned subsidiary of Larsen & Toubro Limited holds 1 equity share, aggregating to 100% of the issued and paid up equity share capital of Pathways.

Financial Performance

The summary audited financial information of Pathways for the last three fiscal years is as follows:

Sr. No.	Particulars	For the year ended December 31, 2010	December 31, 2009	December 31, 2008

		(₹ in million, except share data)		
1.	Equity Capital (including share application money)	1.98	1.98	N.A.
2.	Reserves (excluding revaluation reserves) and surplus	(2.15)	(1.06)	N.A.
3.	Income including other income	0.00	0.00	N.A.
4.	Profit / (Loss) after tax	(1.08)	(1.02)	N.A.
5.	Earnings per share (face value AED 150,000) (in ₹)	(1082419.00)	(1021137.00)	N.A.
6.	Net asset value per share (in ₹)	(175588.00)	919019.00	N.A.

Kesun Iron and Steel Company Private Limited ("Kesun") (formerly L&T Engserve Private Limited)

Corporate Information

Kesun was incorporated under the Companies Act on January 16, 2009, in India. Kesun is involved in the business of iron and steel.

Interests of the Promoters

Larsen & Toubro Limited holds 9,500 equity shares, aggregating to 95% of the issued and paid up equity share capital of Kesun.

Financial Performance

The summary audited financial information of Kesun for the last three fiscal years is as follows:

		For the year ended		
Sr. No.	**Particulars**	**March 31, 2011**	**March 31, 2010**	**March 31, 2009**
		(₹ in million, except share data)		
1.	Equity Capital..	0.10	0.10	0.10
2.	Reserves (excluding revaluation reserves) and surplus	(2.29)	(2.15)	(0.04)
3.	Income including other income	0.00	0.14	0.00
4.	Profit / (Loss) after tax	(0.01)	(2.11)	(0.04)
5.	Earnings per share (face value ₹ 10) (in ₹)...........	(1.41)	(210.95)	(18.87)
6.	Net asset value per share (in ₹)	(219.23)	(204.82)	6.12

L&T Asset Management Company Limited ("L&T AMC")

Corporate Information

L&T AMC was incorporated on March 25, 2009, in Mauritius. L&T AMC is involved in the business of financial services.

Interests of the Promoters

L&T Capital Company Limited, a wholly owned subsidiary of Larsen & Toubro Limited, holds 1 equity share, aggregating to 100% of the issued and paid up equity share capital of L&T AMC.

Financial Performance

The summary audited financial information of L&T AMC for the last three fiscal years is as follows:

		For the year ended		

Sr. No.	Particulars	December 31, 2010	December 31, 2009	December 31, 2008
		(₹ in million, except share data)		
1.	Equity Capital (including share application money)	0.00005	0.00005	N.A.
2.	Reserves (excluding revaluation reserves) and surplus	(1.06)	(0.57)	N.A.
3.	Income including other income	0.00	0.00	N.A.
4.	Profit / (Loss) after tax..	(0.52)	(0.60)	N.A.
5.	Earnings per share (face value USD 1) (in ₹)........	(521610.00)	(597864.00)	N.A.
6.	Net asset value per share (in ₹)	(1062163.62)	(574598.50)	N.A.

L&T Real Estate India Fund ("L&T Real Estate")

Corporate Information

L&T Real Estate was incorporated on March 24, 2009, in Mauritius. L&T Real Estate is involved in the business of financial services.

Interests of the Promoters

L&T Capital Company Limited, a wholly owned subsidiary of Larsen & Toubro Limited, holds 1 equity share, aggregating to 100% of the issued and paid up equity share capital of L&T Real Estate.

Financial Performance

The summary audited financial information of L&T Real Estate for the last three fiscal years is as follows:

		For the year ended		
Sr. No.	Particulars	December 31, 2010	December 31, 2009	December 31, 2008
		(₹ in million, except share data)		
1.	Equity Capital (including share application money)	0.00005	0.00005	0.00
2.	Reserves (excluding revaluation reserves) and surplus	(1.91)	(1.04)	0.00
3.	Income including other income	0.00	0.00	0.00
4.	Profit / (Loss) after tax...	(0.92)	(1.08)	0.00
5.	Earnings per share (face value USD 1) (in ₹).......	(919151.00)	(1081964.00)	0.00
6.	Net asset value per share (in ₹)	(1905636.00)	(1039898.50)	0.00

Losses incurred by our Group Companies in the last three years:

	Profit/(Loss) after tax		
	For the year ended March 31		
Name of Group Company	2009	2010	2011
	(₹ in million)		
L&T Natural Resources Limited	(17.57)	(35.69)	(9.35)
HI Tech Rock Products and Aggregate Limited	(0.99)	1.11	3.75
Tractor Engineers Limited	(238.00)	6.75	87.62
L&T General Insurance Company Limited	(7.72)	(73.14)	(593.20)

Name of Group Company	Profit/(Loss) after tax For the year ended March 31 2009	2010	2011
		(₹ in million)	
L&T Trustee Company Private Limited	0.00	(0.02)	(0.01)
L&T Panipat Elevated Corridor Limited	(310.54)	(447.34)	(461.29)
L&T Krishnagiri Thopur Toll Road Limited	(54.88)	(300.76)	(245.16)
L &T Western Andhra Toll ways Limited	(18.56)	(207.44)	(201.96)
L&T Vadodara Bharuch Tollway Limited	2.40	(730.20)	(785.79)
L&T Interstate Road Corridor Limited	(1.24)	77.81	52.19
L&T Arun Excello IT SEZ Private Limited	(3.15)	(29.86)	(215.76)
L&T Arun Excello Commercial Projects Private Limited	(0.41)	(15.77)	(15.38)
Hyderabad International Trade Expositions Limited	(8.10)	0.72	28.29
Andhra Pradesh Expositions Private Limited	(0.01)	(0.09)	0.00
L&T Hitech City Limited	(4.48)	(14.46)	(77.97)
L&T South City Projects Limited	(0.75)	(6.00)	128.93
L&T Siruseri Property Developers Limited	(0.04)	(0.02)	(0.04)
L&T Bangalore Airport Hotel Limited	(0.37)	(0.85)	(1.86)
CSJ Infrastructure Private Limited	(4.68)	(5.08)	(10.49)
L&T Vision Ventures Limited	(0.75)	(2.87)	(18.99)
L&T Tech Park Limited	(18.91)	(40.00)	51.32
International Seaports (India) Private Limited	(0.12)	(0.08)	(0.16)
L&T Uttaranchal Hydropower Limited	(7.63)	1.09	0.93
L&T - Plastics Machinery Limited	(64.70)	57.54	44.32
L&T Power Development Limited	(33.97)	26.13	23.08
L&T Shipbuilding Limited	(21.83)	(0.56)	(9.68)
L&T-Gulf Private Limited	(0.43)	(40.09)	3.45
Raykal Aluminium Company Private Limited	(5.57)	(0.61)	(0.67)
L&T Electricals and Automation Limited (Earlier known as L&T Strategic Management Limited)	(0.04)	(0.01)	(0.01)
L&T Transco Private Limited	(52.17)	(84.29)	(28.59)
PNG Tollway Limited	(0.61)	(8.28)	(0.49)
Sutrapada SEZ Developers Limited	(0.02)	(0.06)	(0.16)
Sutrapada Shipyard Limited	(0.02)	(0.06)	(0.16)
L&T Port Kachchigarh Limited	(0.70)	(8.39)	(32.72)
L&T Chennai - Tada Tollway Limited	(1.61)	0.03	(0.28)
L&T Seawoods Private Limited	(17.70)	(17.53)	(8.21)
L&T Realty Private Limited	(35.70)	5.61	(2.27)
Chennai Vision Developers Private Limited	(0.04)	(0.03)	(0.04)
L&T - M HI Boilers Private Limited	(211.99)	(282.82)	(523.56)
L&T - M HI Turbine Generators Private Limited	(44.63)	(649.01)	(285.20)
L&T Power Limited	(5.41)	(7.38)	60.76

Name of Group Company	Profit/(Loss) after tax For the year ended March 31 2009	2010	2011
		(₹ in million)	
L&T Ahmedabad-Maliya Tollway Limited	(0.51)	(6.15)	(0.77)
L&T Halol-Shamlaji Tollway Limited	(0.59)	(3.73)	(2.38)
L&T Rajkot-Vadinar Tollway Limited	(0.52)	(2.35)	(2.96)
Kesun Iron & Steel Company Private Limited	(0.04)	(2.11)	(0.14)
L&T Aviation Services Private Limited	0.00	(0.52)	(16.57)
Nabha Power Limited	0.00	(5.09)	20.03
L&T Technologies Limited	0.00	(0.03)	(0.01)
L&T Special Steels and Heavy Forging Private Limited	0.00	(46.55)	(47.72)
GDA Technologies Inc.	(13.32)	24.94	21.67
L&T Infrastructure Development Projects Lanka (Private) Limited	0.00	(35.33)	0.00
L&T Investment Management Limited	(377.64)	(271.87)	(395.77)
L&T Mutual Fund Trustee Limited	0.05	(0.00)	(0.37)
L&T Asset Management Company Limited	0.00	(0.59)	(0.52)
L&T Real Estate India Fund	0.00	(1.06)	(0.92)
L&T Samakhiali Gandhidham Tollway Limited	0.00	0.00	(52.30)
L&T Western India Tollbridge Limited	30.09	31.92	(1.22)
L&T Devihalli Hassan Tollway Limited	0.00	0.00	(4.66)
L&T Metro Rail (Hyderabad) Limited	0.00	0.00	(14.01)
L&T Arunachal Hydropower Limited	0.00	0.00	(0.69)
L&T Himachal Hydropower Limited	0.00	0.00	(3.47)
L&T Concrete Private Limited	(0.02)	(0.01)	0.00
L&T Infra & Property Development Private Limited	(0.02)	(0.01)	0.00
L&T EmSyS Private Limited	0.00	(0.85)	0.00
L&T Howden Private Limited	0.00	0.00	(36.18)
L&T Solar Limited	0.00	0.00	(0.03)
L&T Powergen Limited	0.00	0.00	(0.03)
L&T Kobelco Machinery Private Limited	0.00	0.00	(4.12)
L&T Arun Excello Realty Private Limited	(0.28)	1.16	(0.23)
NAC Infrastructure Equipment Limited	(46.02)	(53.95)	(60.79)
The Dhamra Port Company Limited	(10.10)	(8.77)	(1.93)

Name of Group Company	Profit/(Loss) after tax For the year ended December 31 2008	2009	2010
		(₹ in million)	

	Profit/(Loss) after tax		
	For the year ended December 31		
Name of Group Company	2008	2009	2010
		(₹ in million)	
Larsen & Toubro (East Asia) SDN.BHD	5.08	(1.21)	(3.41)
Larsen and Toubro International FZE	(3,024.83)	92.61	285.41
Larsen and Toubro Qatar LLC	(8.79)	(79.47)	7.61
L&T Overseas Projects Nigeria Limited	(0.06)	(0.37)	(0.03)
Larsen & Toubro Kuwait Construction General Contracting Company, WL	(24.93)	9.86	(31.26)
Larsen and Toubro (Jiangsu) Valve Company Limited	(41.97)	(32.24)	(56.27)
Larsen and Toubro Readymix Concrete Industries LLC	151.80	159.99	(23.09)
Larsen and Toubro Saudi Arabia LLC	(45.20)	(145.60)	(20.89)
Offshore International FZC	(83.06)	(88.12)	196.49
Larsen & Toubro ATCO Saudia Company LLC	(30.91)	(38.17)	0.89
Larsen and Toubro Heavy Engineering LLC	(38.06)	(154.58)	(314.11)
TAMCO Electrical Industries Australia Pty Limited	(54.88)	70.05	94.04
PT TAMCO Indonesia	(106.60)	3.99	0.00
Peacock Investments Limited	—	(0.62)	(0.53)
Lotus Infrastructure Investments Limited	—	(0.62)	(0.53)
Mango Investments Limited	—	(0.62)	(0.53)
Pathways FZE	—	(1.02)	(1.08)
L&T Camp Facilities LLC	9.03	(21.29)	(58.42)

Nature and Extent of Interest of Group Companies

In the promotion of our Company

None of the Group Companies have any interest in the promotion of our Company.

In the properties acquired in the past two years before filing this Prospectus or proposed to be acquired by our Company

The Company has not acquired nor does it propose to acquire any properties from its Group Companies.

Related Business Transactions within the Group Companies and Significance on the Financial Performance of our Company

For details, refer to the section titled "*Financial Information - Related Party Transactions*" on page F-24 of this Prospectus.

Sale / Purchase between Group Companies and Subsidiaries

For details, refer to the section titled "*Financial Information - Related Party Transactions*" on page F-24 of this Prospectus.

Business Interest of Group Companies and Subsidiaries in our Company

None of the Group Companies and Subsidiaries has any business interest in our Company.

Companies with which the Promoter has disassociated in the last three years

The Promoter has disassociated from the following companies by way of sale of equity shares during the *preceding three years:*

1. HPL Cogeneration Limited
2. Voith Paper Technology (India) Limited
3. UltraTech Cement Limited
4. Salzer Cables Limited (merged with Salzer Electronics Limited)
5. Kakinada Seaports Limited
6. Gammon – L&T MRTS Limited
7. L&T Phoenix Infoparks Private Limited
8. International Seaports Pte. Ltd. Singapore (liquidated)
9. Bangalore International Airport Limited
10. Second Vivekananda Bridge Tollway Company Private Limited
11. L&T Infocity Infrastructure Limited
12. John Deere Equipment Private Limited
13. GDA Systems Private Limited (merged with GDA Technologies Limited)
14. L&T Bombay Developers Private Limited
15. Cyberpark Development & Construction Limited
16. L&T Infocity Lanka Private Limited
17. L&T Crossroads Private Limited
18. L&T Case Equipment Private Limited
19. TAMCO Shanghai Switchgear Co. Limited

Further, none of our Group Companies have any significant notes to accounts made by the auditors in the audited financial statements.

Other than in respect of their shareholding and representation on the board, the Promoter does not have any interest in any of the Group Companies.

Sick companies

None of the Group Companies have been declared as a sick company under the SICA. There are no winding-up proceedings against any of the Group Companies, except for Gujarat Leather Industries Limited.

Defunct companies

Other than as disclosed below, none of the Group Companies have remained defunct nor have any applications been made to the relevant registrar of companies to have the name of the Group Companies struck off during the five years preceding the date of filing the Draft Red Herring Prospectus with SEBI.

The following companies were defunct, and were subsequently struck off pursuant to the Easy Exit Scheme, 2010:

Sr. No.	Name of the Company
1.	Andhra Pradesh Expositions Private Limited
2.	L&T Infra & Property Development Private Limited
3.	L&T Emsys Private Limited

Sr. No.	Name of the Company
4.	L&T Concrete Private Limited

Common pursuits of the Group Companies

None of the Group Companies have an interest in any venture that is involved in activities similar to those conducted by our Company. However, L&T Capital Company Limited is also a registered portfolio manager with the SEBI.

DIVIDEND POLICY

Under the Companies Act, our Company can pay dividends upon a recommendation by its Board and approval by a majority of its shareholders at the annual general meeting. The dividends may be paid out of profits of our Company in the year in which the dividends are declared or out of the undistributed profits or reserves of previous fiscal years or out of both. The Articles of Association also give the Board the discretion to declare and pay interim dividends without shareholder approval at an annual general meeting.

The Company has not paid any dividends in the past.

Our Company does not have any formal dividend policy for the Equity Shares. The declaration and payment of dividend are governed by the applicable provisions of the Companies Act and the Articles of Association of our Company and will depend on a number of other factors, including the results of operations, financial condition, capital requirements and surplus, the performance of our Subsidiaries, contractual restrictions on our Company and its Subsidiaries and other factors considered relevant by the Board.

SECTION V: FINANCIAL INFORMATION

L&T FINANCE HOLDINGS LIMITED (CONSOLIDATED)
(formerly L&T Capital Holdings Limited)

AUDITORS' REPORT

The Board of Directors
L&T Finance Holdings Limited
(formerly L&T Capital Holdings Limited)
L&T House,
Ballard Estate,
Mumbai-400 001

Dear Sirs,

We have examined the attached audited restated consolidated financial statements of **L&T Finance Holdings Limited** *(formerly L&T Capital Holdings Limited)* ('the Company') annexed to this report, which is included in the Offer Document in connection with its Initial Public Offer ('IPO'). Such financial information which has been approved by the IPO Committee of the Company which has been prepared in accordance with the requirements of:

a. paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 ('the Act') , and

b. the Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations 2009, as amended (the Regulations) issued by the Securities and Exchange Board of India ('SEBI'), as amended from time to time in pursuance of Section 11 of the Securities and Exchange Board of India Act, 1992.

We have examined such financial information taking into consideration:

a. the terms of reference vide our engagement letter dated 27th April 2011 to carry out work on such financial information, included in the Offer Document of the Company in connection with its IPO; and

b. the Guidance Note on Reports in Company Prospectuses (Revised) issued by the Institute of Chartered Accountants of India.

1. Financial Information as per Restated Audited Consolidated Financial Statements of the Company

We have examined the following attached statements of the Company:

a) the "Statement of Restated Assets and Liabilities (Consolidated)" as at 31st March,2011, 31st March, 2010 and 31st March, 2009 (Annexure 1) and the Schedules forming part thereof;

b) the "Statement of Restated Profit and Loss Account (Consolidated)" for each of the years ended 31st March, 2011, 31st March, 2010 and for the period from 1st May 2008 to 31st March, 2009 (Annexure 2) and the Schedules forming part thereof, and

c) the "Statement of Restated Cash Flows (Consolidated)" for each of the years ended 31st March, 2011, 31st March, 2010 and for the period from 1st May, 2008 to 31st March, 2009 (Annexure 3), together referred to as "Summary Statements".

These Summary Statements have been extracted from the Restated Consolidated Financial Statements of the Company and based on our examination of these Summary Statements, we state that:

a) These Summary Statements have been presented in "Rupees in Million" solely for the convenience of the readers;

b) These Summary Statements have to be read in conjunction with the relevant Accounting Policies of the Company as per Annexure 10 along with the notes forming part of accounts given as per Annexure 11;

c) The figures of earlier years have been regrouped wherever necessary, to conform to the classification adopted for the Summary Statements;

d) There are extra-ordinary items that need to be disclosed separately in the Summary Statements which have been disclosed appropriately; and

e) There are no qualifications in the auditor's reports that require adjustments to the figures in the Summary Statements;

f) There are no material amounts relating to adjustments for previous years that need to be identified and adjusted in arriving at the profits of the year to which they relate, except for the adjustments which have been incorporated in restated statements of L&T Infrastructure Finance Company Limited;

g) There has been no change in the accounting policies of the Company for the years ended 31st March, 2011, 31st March, 2010 and for period from 1st May 2008 to 31st March, 2009, except for the change in the accounting policy as per restated statements of L&T Infrastructure Finance Company Limited;

h) The accounting policies followed by the Company are correct and hence re-computation of Summary Statements is not required and

i) In view of the foregoing, we confirm compliance with provisions of paragraph 9 of clause (IX) (B) of the Schedule VIII (Part B) of the Regulations including paragraphs 9(b), 9(c) and 9(d), to the extent applicable.

2. **Other Financial Information of the Company**

We have examined the following Other Financial Information of the Company for each of the years ended 31st March, 2011, 31st March, 2010 and for the period from 1st May 2008 to 31st March, 2009 included in the Offer Document and annexed to this report:

a) Statement of Other Income (Consolidated) - (Schedule 11)

b) Statement of Secured Loans (Consolidated) (Schedule 3)

c) Statement of Unsecured Loans (Consolidated) (Schedule 4)

d) Statement of Sundry Debtors (Consolidated) - (Schedule 8)

e) Statement of Loans and Advances (Consolidated) - (Schedule 7 and 8)

f) Statement of principal terms of secured loans and assets charged as security (Consolidated) - (Annexure 8)

g) Capitalization Statement (Consolidated) - (Annexure 5)

h) Statement of Restated Accounting Ratios (Consolidated) - (Annexure 4)

i) Statement of Adjustments on account of changes in accounting policies of subsidiary L&T Infrastructure Finance Company Limited - (Annexure 6)

j) Disclosures pertaining to transactions with Related Parties (Consolidated)- (Annexure 7)

Financial Information as per Audited Financial Statements of the Subsidiaries

3. We have examined the Unconsolidated "Statement of Assets and Liabilities" (Annexure 1) of **L&T Finance Limited ("L&T Finance"),** a wholly-owned subsidiary of the Company as at 31st March, 2011, 31st March, 2010, 31st March, 2009, 31st March, 2008 and 31st March, 2007 and the Unconsolidated "Statement of Profits and Losses" (Annexure 2) for the years ended 31st March, 2011, 31st March, 2010, 31st March, 2009, 31st March, 2008 and 31st March, 2007 and the Unconsolidated "Statement of Cash Flows" (Annexure 3) for each of the years ended 31st March, 2011, 31st March, 2010, 31st March, 2009, 31st March, 2008 and 31st March, 2007 and the Schedules forming part thereof, together referred to as "Summary Statements". The above statements have to be read in conjunction with the relevant Accounting Policies (Annexure 9) of L&T Finance along with the notes forming part of the financial statements. (Annexure 10);

Based on our examination of these statements, we state that:

a) These Summary Statements have been presented in "Rupees in Million" solely for the convenience of the readers;

b) The figures of earlier years have been regrouped wherever necessary, to conform to the classification adopted for the Summary Statements;

c) There are extra-ordinary items that need to be disclosed separately in the Summary Statements which have been disclosed appropriately;

d) There are no qualifications in the auditor's reports that require adjustments to the figures in the Summary Statements;

e) There are no material amounts relating to adjustments for previous years that need to be identified and adjusted in arriving at the profits for the year;

f) There has been no change in the accounting policies of L&T Finance for the years ended 31st March, 2011, 31st March, 2010, 31st March, 2009, 31st March, 2008 and 31st March, 2007;

g) The accounting policies followed by L&T Finance are not incorrect and hence re-computation of Summary Statements is not required and

h) In view of the foregoing, we confirm compliance with provisions of paragraph 9 of clause (IX) (B) of the Schedule VIII (Part B) of the Regulations, to the extent applicable.

We have examined the following Other Unconsolidated Financial Information of L&T Finance for each of the years ended 31st March, 2011, 31st March, 2010, 31st March, 2009, 31st March, 2008 and 31st March, 2007 included in the Offer Document and annexed to this report:

a) Statement of Other Income - (Schedule 11)

b) Statement of Secured Loans (Schedule 3)

c) Statement of Unsecured Loans (Schedule 4)

d) Statement of Sundry Debtors - (Schedule 7)

e) Statement of Loans and Advances - (Schedule 7)

f) Statement of principal terms of secured loans and assets charged as security -(Annexure 8A)

g) Details of Unsecured loans - (Annexure 8B)

h) Capitalization Statement - (Annexure 5)

i) Statement of Accounting Ratios - (Annexure 4)

j) Statement of Tax Shelter - (Annexure 6)

k) Disclosures pertaining to transactions with Related Parties - (Annexure 7)

4. We have examined the Unconsolidated "Statement of Assets and Liabilities" (Annexure 1) of **L&T Finance Holdings Limited** *(formerly L&T Capital Holdings Limited)* as at 31st March, 2011, 31st March, 2010 and 31st March, 2009 and the Unconsolidated "Statement of Profits and Losses" (Annexure 2) for the years ended 31st March, 2011, 31st March, 2010 and for the period from 1st May, 2008 to 31st March, 2009 and the Unconsolidated "Statement of Cash Flows" (Annexure 3) for each of the year ended 31st March, 2011, 31st March, 2010 and for the period from 1st May, 2008 to 31st March, 2009 and the Schedules forming part thereof, together referred to as "Summary Statements". The above statements have to be read in conjunction with the relevant Accounting Policies (Annexure 10) of the Company along with the notes forming part of the financial-statements (Annexure 11).

Based on our examination of these statements, we state that:

a) These Summary Statements have been presented in "Rupees in Million" solely for the convenience of the readers;

b) The figures of earlier years have been regrouped wherever necessary, to conform to the classification adopted for the Summary Statements;

c) There are extra-ordinary items that need to be disclosed separately in the Summary Statements which have been disclosed appropriately;

d) There are no qualifications in the auditor's reports that require adjustments to the figures in the Summary Statements;

e) There are no material amounts relating to adjustments for previous years that need to be identified and adjusted in arriving at the profits for the year;

f) There has been no change in the accounting policies of the Company for the years ended 31st March, 2011, 31st March, 2010 and period from 1st May, 2008 to 31st March, 2009;

g) The accounting policies followed by the Company are not incorrect and hence re-computation of Summary Statements is not required and

h) In view of the foregoing, we confirm compliance with provisions of para 9 of clause (IX) (B) of the Schedule VIII (Part B) of the Regulations, to the extent applicable.

We have examined the following Other Unconsolidated Financial Information of L&T Finance Holdings Limited for each of the years ended 31st March, 2011, 31st March, 2010 and period from 1st May, 2008 to 31st March, 2009 included in the Offer Document and annexed to this report:

a) Statement of Unsecured Loans (Schedule 3)

b) Statement of Loans and Advances - (Schedule 5)

c) Details of Unsecured loans - (Annexure 9)

d) Capitalization Statement - (Annexure 5)

e) Statement of Accounting Ratios - (Annexure 4)

f) Statement of Tax Shelter - (Annexure 6)

g) Disclosures pertaining to transactions with Related Parties - (Annexure 7)

5. We have not examined the Unconsolidated "Statement of Assets and Liabilities" of **L&T Infrastructure Finance Company Limited ("L&T Infra")**, a wholly-owned subsidiary of the Company as at 31st March, 2011, 31st March, 2010, 31st March, 2009, 31st March, 2008 and 30th June, 2007 the "Statement of Profit and losses" for the periods/years ended 31st March, 2011, 31st March, 2010, 31st March, 2009, 31st March, 2008 and 30th June, 2007 and the "Statement of Cash Flows" for the periods/years ended 31st March, 2011, 31st March, 2010, 31st March, 2009, 31st March, 2008 and 30th June, 2007 and the Schedules forming part thereof. The above statements have to be read in conjunction with the relevant Accounting Policies of L&T Infra along with the notes forming part of the financial-statements.

We have not examined the Other Financial Information of **L&T Infra** for the periods/years ended 31st March, 2011, 31st March 2010, 31st March, 2009, 31st March, 2008 and 30th June, 2007. This statement/information has been audited/examined by other auditors whose audit reports have been furnished to us and our opinion, insofar as it relates to the amounts included in respect of this subsidiary is based solely on the reports of the other auditors.

6. In our opinion, the 'Financial Information as per Restated Audited Consolidated Financial Statements of the Company' and 'Other Financial Information of the Company' mentioned above for the years ended 31st March, 2011, 31st March, 2010 and period from 1st May, 2008 to 31st March, 2009 and the Audited Unconsolidated Financial Statement of L&T Finance Limited and Other Financial Information of L&T Finance Limited and the Audited Unconsolidated Financial Statement of L&T Finance Holdings Limited and the Other Financial Information of L&T Finance Holdings Limited have been prepared in accordance with Paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ('the Regulations') issued by ('SEBI'), as amended from time to time, in pursuance of Section 11 of the Securities and Exchange Board of India Act, 1992.

7. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports nor should this be construed as a new opinion on any of the financial statements referred to herein.

8. This report is intended solely for your information and for inclusion in the Offer Document in connection with the IPO of the company and is not to be used, referred to or distributed for any other purposes without our prior written consent.

SHARP & TANNAN
Chartered Accountants
Registration No: 109982W
by the hand of

MILIND P. PHADKE
Partner
Membership No. 33013

Mumbai,
4th July, 2011

L&T FINANCE HOLDINGS LIMITED (CONSOLIDATED)
(formerly L&T Capital Holdings Limited)

ANNEXURE 1

STATEMENT OF RESTATED AUDITED ASSETS AND LIABILITIES (CONSOLIDATED)

₹ Million

	Particulars	Schedule	As at 31st March,		
			2011	**2010**	**2009**
A	**Assets**	5			
	Fixed Assets – Gross block		9,954.80	9,378.52	7,404.26
	Less : Depreciation		3,243.62	3,044.80	2,730.72
	Net Block		6,711.18	6,333.72	4,673.54
	Less : Lease adjustment		2,362.89	2,362.89	2,362.89
	Net Block after lease adjustment		4,348.29	3,970.83	2,310.65
	Capital Work-in-progress including capital advances		180.36	13.70	120.09
			4,528.65	3,984.53	2,430.74
B	**Goodwill** (on consolidation)		416.01	464.98	167.47
C	**Investments**	6	7,324.18	3,087.60	1,690.22
D	**Deferred Tax Assets (net)**		56.66	-	-
E	**Loans & Advances towards financing activities**	7	174,112.32	109,490.87	70,984.32
F	**Current Assets, Loans and Advances**	8			
	Sundry Debtors		3,671.59	3,888.33	1,795.18
	Cash and Bank Balances		1,634.65	1,168.95	721.08
	Loans and Advances		4,394.42	1,934.71	1,809.15
	Other Current Assets		1,204.04	638.18	416.04
			10,904.70	7,630.17	4,741.45
G	**Liabilities and Provisions**				
	Secured Loans	3	131,777.76	74,467.62	41,547.81
	Unsecured Loans	4	27,386.90	22,805.81	20,654.63
	Deferred Tax Liabilities (net)		-	89.76	257.58
	Current Liabilities	9	7,253.17	2,906.67	1,791.21
	Provisions		2,019.12	921.91	426.67
			168,436.95	101,191.77	64,677.90
H	**Net Worth (A+B+C+D+E+F-G)**		**28,905.57**	**23,466.38**	**15,336.30**
	Represented by				
	Shareholder's funds				
	- Share Capital	1	14,170.24	13,535.92	20.50
	- Share application money		-	2,750.00	10,765.42
	- Employee stock options outstanding		12.26	-	-
	- Reserves and Surplus	2	14,723.07	7,180.46	4,550.38
	Less : Revaluation Reserve		-	-	-
	Reserves (net of Revaluation Reserve)		14,723.07	7,180.46	4,550.38
	Net Worth		**28,905.57**	**23,466.38**	**15,336.30**

ANNEXURE 2
STATEMENT OF RESTATED AUDITED PROFIT AND LOSS ACCOUNT (CONSOLIDATED)

₹ Million

Particulars	Schedule	For the year ended 31st March, 2011	For the year ended 31st March, 2010	From 1st May 2008 to 31st March 2009
Income				
Income from operations	10	20,863.76	14,055.96	-
Other income	11	284.67	183.19	0.26
Total		**21,148.43**	**14,239.15**	**0.26**
Expenditure				
Employee cost	12	962.38	596.81	-
Administration and other expenses	13	2,163.24	1,504.19	0.03
Provisions and contingencies	14	1,109.18	948.61	-
Interest and other finance charges	15	10,206.55	6,747.08	-
Depreciation and amortisation		542.10	475.45	-
Amortisation of goodwill		48.98	24.79	-
Preliminary expenses written off		-	0.52	0.39
Total		**15,032.43**	**10,297.45**	**0.42**
Net profit before tax, before exceptional item, prior period item & subsidiaries/associates effect		**6,116.00**	**3,941.70**	**(0.16)**
Current tax (including wealth tax)		(2,286.42)	(1,523.41)	(0.01)
Deferred tax		153.40	182.50	-
Provision for fringe benefit tax (prior period)		0.01	(0.04)	-
Net profit after tax before exceptional item, prior period item & subsidiaries/associates effect		**3,982.99**	**2,600.75**	**(0.17)**
Profit /(Loss) on sale of subsidiaries / associate share of profit/(loss)		(11.35)	16.21	-
Net profit after tax and subsidiaries/associate effects & before exceptional items and prior period items		**3,971.64**	**2,616.96**	**(0.17)**
Exceptional items		(59.95)	(15.41)	-
Prior period items (Income tax of earlier years)		-	(5.08)	-
Net Profit after extra-ordinary items		**3,911.69**	**2,596.47**	**(0.17)**
Adjustments, if any (Changes in accounting policy)		21.00	43.22	-
Tax impact on adjustments		(6.97)	(9.61)	-
Total adjustments, net of tax impact		14.03	33.61	-
Net Profit, as Restated		**3,925.72**	**2,630.08**	**(0.17)**
Balance brought forward from previous year		**1,004.37**	**(18.19)**	**-**
		4,930.09	**2,611.89**	**(0.17)**
Appropriations				
Transfer to Reserve u/s 45-IC of RBI Act, 1934		865.30	546.72	-
Transfer to Reserve under Section 36(1)(viii) of the Income Tax Act, 1961		116.50	60.80	-
Transfer to Debenture Redemption Reserve		2,200.00	1,000.00	-
Share in opening profit / (loss) of Associate		-	-	(18.02)
Balance carried to Balance Sheet		**1,748.29**	**1,004.37**	**(18.19)**

ANNEXURE 3
STATEMENT OF RESTATED AUDITED CASH FLOWS (CONSOLIDATED)

₹ Million

	2010-11	**2009-10**	**From 1st May 2008 to 31st March 2009**
A. Cash flow from operating activities			
Profit before tax and exceptional items, as restated	6,137.00	3,984.92	(0.16)
Adjustment for:			
Depreciation	542.10	475.45	-
(Profit)/ Loss on sale of investments (net)	(32.76)	(37.99)	-
(Profit)/ Loss on sale of fixed assets	50.98	16.74	-
Income tax refund	1.28	-	-
Interest and dividend received on investments	(227.75)	(144.86)	(0.05)
Provision for leave encashment	12.03	7.60	-
Provision for gratuity	0.94	-	-
Exchange difference on items grouped under financing activities	4.45	(44.34)	-
Cumulative interest on long term NCDs, payable at maturity	125.69	-	-
Obsolescence of Tangible Assets	0.16	-	-
Provision for diminution in value of investments	(0.32)	(10.76)	-
Provision on standard assets	302.72	174.60	-
Amortisation of goodwill	48.98	24.79	-
Exceptional items	(59.95)	(15.41)	-
Provision for non performing assets/write offs	806.78	784.78	-
Operating profit before working capital changes	**7,712.33**	**5,215.52**	**(0.21)**
Adjustment for :			
Investment in Preference Shares	(2,250.00)	-	-
(Increase)/ Decrease loans and advances towards financing activities	(62,084.35)	(40,484.92)	-
(Increase)/ Decrease in trade and other receivables and advances	(4,134.15)	(1,860.42)	-
Increase/ (Decrease) in trade and other payables	4,146.13	1,544.92	0.14
Cash generated from operations	**(56,610.04)**	**(35,584.90)**	**(0.07)**
Direct taxes paid	(2,409.96)	(1,555.11)	-
Net cash flow from operating activities (A)	**(59,020.00)**	**(37,140.01)**	**(0.07)**
B. Cash flows from investing activities			
Add : Inflows from investing activities			
Proceeds/Adjustments from sale of fixed assets	197.51	151.93	-
Sale of investments	140,364.44	76,032.06	-
Cash acquisition at the time of merger	-	0.85	700.61
Sale of shares of subsidiaries and associate company	10.00	0.50	-
Interest or dividend received on investments	227.75	150.14	0.05
	140,799.70	76,335.48	700.66
Less : Outflow from investing activities			
Purchase of fixed assets (including capital work in progress)	1,334.87	2,182.08	-
Consideration paid on acquisition of subsidiaries	-	448.89	10,720.42
Purchase of shares of associate company	-	-	45.00
Cash disposal at the time of sale of subsidiary	10.00	-	-
Purchase of investments	142,999.82	77,265.36	-
	144,344.69	79,896.33	10,765.42
Net cash from investing activities (B)	**(3,544.99)**	**(3,560.85)**	**(10,064.76)**

ANNEXURE 3 (Contd.)

STATEMENT OF RESTATED AUDITED CASH FLOWS (CONSOLIDATED)

₹ Million

	2010-11	**2009-10**	**From 1st May 2008 to 31st March 2009**
C. Cash flows from financing activities			
Add : Inflows from financing activities			
Secured loans	57,310.13	36,893.05	-
Proceeds from issue of share capital including securities premium	1,500.00	5,500.00	10,785.91
Unsecured loans	4,581.09	1,250.00	-
	63,391.22	43,643.05	10,785.91
Less : Outflows from financing activities			
Debenture issue expenses	360.53	-	-
Unsecured loans	-	2,494.32	-
	360.53	2,494.32	-
Net cash generated (used in) / from financing activities (C)	63,030.69	41,148.73	10,785.91
Net cash increase/(decrease) in cash and cash equivalents (A+B+C)	465.70	447.87	721.08
Cash and cash equivalents as at beginning of the year/period #	1,168.95	721.08	-
Cash and cash equivalents as at end of the year/period #	1,634.65	1,168.95	721.08

Schedules forming part of Consolidated Financial Statements

₹ Million

	As at 31st March,		
	2011	**2010**	**2009**
SCHEDULE – 1 **Share Capital**			
Authorised 5,000,000,000 *(as on 31.3.2010 - 5,000,000,000)* Equity shares of ₹ 10 each	50,000	50,000	15,000
	50,000	**50,000**	**15,000**
Issued subscribed and paid-up 1,417,024,426 *(as on 31.03.2010 - 1,353,591,591)* Equity shares of ₹ 10 each	14,170.24	13,535.92	20.50
Of the above 1,417,024,221 *(as on 31.03.2010 - 1,353,591,386)* Equity shares of ₹ 10 each fully paid up are held by Larsen & Toubro Limited, the holding company and its nominees			
Total	**14,170.24**	**13,535.92**	**20.50**

₹ Million

	As at 31st March,		
	2011	**2010**	**2009**
SCHEDULE – 2 **Reserves and Surplus**			
Reserve u/s 45-IC of RBI Act, 1934			
As per last Balance Sheet	1,663.58	1,116.86	-
Add : Transferred from profit and loss account/acquired during the year	865.30	546.72	1,116.86
	2,528.88	1,663.58	1,116.86
Reserve u/s 36(1)(viii) of Income Tax Act			
As per last Balance Sheet	98.80	38.00	-
Add : Transferred from profit and loss account/acquired during the year	116.50	60.80	38.00
	215.30	98.80	38.00
Debenture Redemption Reserve			
As per last Balance Sheet	1,000.00	-	-
Add: transferred from profit and loss account	2,200.00	1,000.00	-
	3,200.00	1,000.00	-
Capital Reserve on consolidation	3,413.71	3,413.71	3,413.71
Securities Premium Account	3,615.67	-	-
General Reserve			
As per last Balance Sheet	-	-	-
Add: Created during the year	1.22	-	-
	1.22	-	-
Retained Earnings	1,748.29	1,004.37	(18.19)
Total	**14,723.07**	**7,180.46**	**4,550.38**

Schedules forming part of Consolidated Financial Statements (contd.)

₹ Million

	As at 31st March,		
	2011	**2010**	**2009**
SCHEDULE – 3			
Secured Loans			
Redeemable Non Convertible Debentures	44,762.16	35,350.00	10,000.00
From banks :			
Term loan	84,959.20	34,693.30	28,244.10
Bank overdraft	756.40	2,359.26	2,165.40
Foreign currency loan	1,200.00	1,765.06	638.31
From financial institutions	100.00	300.00	500.00
Total	**131,777.76**	**74,467.62**	**41,547.81**

₹ Million

	As at 31st March,		
	2011	**2010**	**2009**
SCHEDULE –4			
Unsecured Loans			
From Banks	8,000.00	4,710.00	12,160.00
From Promoter group companies & Associates			
L&T Capital Company Limited	54.28	7.71	65.03
L&T SUCG JV	177.50	215.00	-
Metro Tunelling Group	-	-	179.60
Larsen & Toubro Ltd.	5,060.00	2,223.10	-
	5,291.78	2,445.81	244.63
CPs	13,345.12	14,050.00	6400
Redeemable NCDs	750.00	1,600.00	1850
Total	**27,386.90**	**22,805.81**	**20,654.63**

Schedules forming part of Consolidated Financial Statements (contd.)

SCHEDULE - 5 FIXED ASSETS

₹ Million

Particulars	GROSS BLOCK (at cost)				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01.04.2010	Additions	Sale / Adjustment	As at 31.03.2011	Upto 31.03.2010	For the year	Deduction / Adjustment	Upto 31.03.2011	As at 31.03.2011	As at 31.03.2010
Intangible Assets										
Goodwill (on consolidation)	489.78	-	-	**489.78**	24.79	48.98	-	**73.77**	**416.01**	464.98
Specialised software	146.86	45.55	-	**192.41**	73.16	44.05	-	**117.21**	**75.20**	73.70
(A)	636.64	45.55	-	**682.19**	97.95	93.03	-	**190.98**	**491.21**	538.68
Tangible Assets										
Owned Assets										
Land - freehold	1,470.03	89.31	-	**1,559.34**	-	-	-	**-**	**1,559.34**	1,470.03
Buildings	370.60	-	-	**370.60**	50.70	6.04	-	**56.74**	**313.86**	319.90
Office Equipments	70.24	9.83	3.60	**76.47**	27.04	5.82	1.78	**31.08**	**45.39**	43.20
Furniture and fixtures	113.69	16.29	1.22	**128.76**	13.23	10.21	1.04	**22.40**	**106.36**	100.46
Computers	163.10	74.35	1.17	**236.28**	70.63	33.80	0.78	**103.65**	**132.63**	92.47
Motor car	9.50	0.70	3.91	**6.29**	1.61	0.83	0.81	**1.63**	**4.66**	7.89
Owned Assets Leased out										
Buildings	106.13	-	-	**106.13**	35.06	-	-	**35.06**	**71.07**	71.07
Plant and Machinery	4,880.59	386.48	112.12	**5,154.95**	1,994.96	107.99	32.78	**2,070.17**	**3,084.78**	2,885.63
Office Equipment	2.72	1.18	-	**3.90**	0.56	0.29	-	**0.85**	**3.05**	2.16
Furniture and fixtures	90.89	40.04	-	**130.93**	8.03	7.35	0.17	**15.21**	**115.72**	82.86
Motor car	1,433.39	359.28	339.79	**1,452.88**	510.59	222.13	207.03	**525.69**	**927.19**	922.80
Vehicles	15.98	89.20	14.70	**90.48**	15.01	6.93	14.70	**7.24**	**83.24**	0.97
Computers	504.79	56.01	115.41	**445.39**	244.21	96.66	84.17	**256.70**	**188.69**	260.58
Lease adjustment	-	-	-	**-**	-	-	-	**-**	**(2,362.89)**	(2,362.89)
(B)	9,231.65	1,122.67	591.92	**9,762.40**	2,971.63	498.05	343.26	**3,126.42**	**4,273.09**	3,897.13
(A) + (B)	9,868.29	1,168.22	591.92	**10,444.59**	3,069.58	591.08	343.26	**3,317.40**	**4,764.30**	4,435.81
Previous year	7,616.84	2,610.30	358.84	9,868.30	2,757.43	500.24	188.08	3,069.59		
Add : Capital work-in- progress / advances									**180.36**	13.70
									4,944.66	4,449.51

Schedules forming part of Consolidated Financial Statements (contd.)

SCHEDULE - 5 FIXED ASSETS

₹ Million

	GROSS BLOCK (at cost)				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01.04.2009	Additions	Sale/ Adjustment	As at 31.03.2010	Upto 31.03.2009	For the year	Deduction/ Adjustment	Upto 31.03.2010	As at 31.03.2010	As at 31.03.2009
Intangible Assets										
Goodwill (on consolidation)	167.47	322.31	-	**489.78**	-	24.79	-	**24.79**	**464.99**	167.47
Specialised software	101.00	45.86	-	**146.86**	41.61	31.55	-	**73.16**	**73.70**	55.69
(A)	268.47	368.17	-	**636.64**	41.61	56.34	-	**97.95**	**538.69**	223.16
Tangible Assets										
Owned Assets										
Land–freehold	-	1,470.03	-	**1,470.03**	-	-	-	**-**	**1,470.03**	-
Buildings	476.73	-	-	**476.73**	79.72	6.04	-	**85.76**	**390.97**	397.01
Plant and machinery	4,878.61	108.94	34.01	**4,953.54**	1,934.55	93.26	5.26	**2,022.55**	**2,930.99**	2,941.16
Furniture and fixtures	170.53	34.67	0.61	**204.59**	8.00	13.62	0.35	**21.27**	**183.32**	162.07
Motor car	1,176.22	448.72	191.55	**1,433.39**	418.41	196.25	104.07	**510.59**	**922.80**	757.81
Vehicles	25.48	-	-	**25.48**	13.85	2.78	-	**16.63**	**8.85**	3.56
Computers	620.58	179.78	132.46	**667.90**	261.13	131.91	78.19	**314.85**	**353.05**	356.17
Lease adjustment	-	-	-	**-**	-	-	-	**-**	**(2,362.89)**	(2,362.89)
(B)	7,348.15	2,242.14	358.63	**9,231.66**	2,715.66	443.86	187.87	**2,971.65**	**3,897.12**	2,254.89
Assets taken on lease										
Vehicles	0.21	-	0.21	**-**	0.14	0.04	0.18	**-**	**-**	0.07
(C)	0.21	-	0.21	-	0.14	0.04	0.18	-	-	0.07
(D)=(A)+(B)+(C)	**7,616.83**	**2,610.31**	**358.84**	**9,868.30**	**2,757.41**	**500.24**	**188.05**	**3,069.60**	**4,435.81**	2,478.12
Previous year	9,311.81	1,055.61	2,795.69	7,571.73	3,055.15	580.17	904.60	2,730.72		
Add: Capital work-in-progress									**13.70**	120.09
									4,449.51	**2,598.21**

Schedules forming part of Consolidated Financial Statements (contd.)

₹ Million

	As at 31st March,		
	2011	**2010**	**2009**
SCHEDULE –6			
Investments (At cost)			
(A) Long term investments:			
Government securities	-	0.08	-
Debentures	2,190.05	670.00	-
Fully paid equity shares	2,353.70	1,844.37	276.98
Preference shares	2,250.00	-	-
Others	241.15	246.05	-
	7,034.90	2,760.50	276.98
(B) Current investments:			
Fully paid equity shares	6.16	50.88	86.43
Mutual fund units	288.73	282.15	1,343.50
	294.89	333.03	1,429.93
Total A + B	7,329.79	3,093.53	1,706.91
Less: Provision for diminishing in value of investments	5.61	5.93	16.69
Total	**7,324.18**	**3,087.60**	**1,690.22**

Schedules forming part of Consolidated Financial Statements (contd.)

₹ Million

	As at 31st March,		
	2011	**2010**	**2009**
SCHEDULE – 7			
Loans & Advances towards financing activities			
Secured			
Considered good			
Loans against pledge of shares and securities	7,884.99	4,839.05	3,641.70
Other loans	137,897.15	90,945.55	57,075.07
Debentures	8,657.88	-	-
Less : Provision for standard assets	105.85	251.60	77.00
	154,334.17	95,533.00	60,639.77
Considered doubtful			
Other loans	279.81	878.84	1,571.56
Less : Provision for non-performing assets	279.81	373.93	80.16
	-	504.91	1,491.40
Unsecured			
Considered good			
Bills discounted	2,670.65	1,843.13	2199.71
Other loans	17,107.50	11,553.90	6,647.59
	19,778.15	13,397.03	8,847.30
Considered doubtful			
Other loans	562.71	69.43	6.50
Less : Provision for non-performing assets	562.71	13.50	0.65
	-	55.93	5.85
Total	**174,112.32**	**109,490.87**	**70,984.32**

Please refer to Annexure 7 related party disclosure for amounts due from promoters / promoter group companies/ directors/ relatives of directors/ associate companies.

Schedules forming part of Consolidated Financial Statements (contd.)

₹ Million

	As at 31st March,		
	2011	**2010**	**2009**
SCHEDULE – 8			
Current Assets, Loans and Advances			
Sundry Debtors			
Secured			
Debts outstanding for a period exceeding six months	641.17	515.03	277.61
Other debts	1,774.31	1,598.25	1,391.08
Less : Provision for doubtful debts	381.58	412.10	143.28
	2,033.90	1,701.18	1,525.41
Unsecured			
Debts outstanding for a period exceeding six months	190.98	43.99	60.90
Other debts	1,816.69	2,172.28	212.15
Less : Provision for doubtful debts	369.98	29.12	3.28
	1,637.69	2,187.15	269.77
	3,671.59	3,888.33	1,795.18
Cash and Bank Balances			
Cash in hand	0.52	0.54	0.80
Balances with Scheduled Banks			
- on current account	1,580.03	1,116.68	698.10
- on deposit account	54.10	51.73	22.18
(pledged with sales tax authorities as security and with banks as margin money against guarantees issued)			
	1,634.65	1,168.95	721.08
Loans and Advances			
Advances recoverable in cash or in kind or for value to be received	4,394.42	1,934.71	1,809.15
Other current assets			
Interest accrued	1,204.04	638.18	416.04
Total	**10,904.70**	**7,630.17**	**4,741.45**

Please refer to Annexure 7 related party disclosure for amounts due from promoters / promoter group companies/ directors/ relatives of directors/ associate companies.

Schedules forming part of Consolidated Financial Statements (contd.)

₹ Million

	As at 31st March,		
	2011	**2010**	**2009**
SCHEDULE – 9 **Current Liabilities and Provisions**			
Liabilities Sundry creditors			
Micro and small enterprises	-	-	-
Others	3,872.36	1,523.88	1,321.44
Security deposits	166.80	70.08	47.71
Interest accrued but not due	1,606.09	891.56	258.07
Advance from customers	-	5.29	-
Income received in advance	369.48	234.64	163.99
Other liabilities	1,238.44	181.22	-
	7,253.17	2,906.67	1,791.21
Provisions for :			
Current taxes	1,520.42	890.45	403.12
Fringe benefit tax	-	-	5.71
Gratuity	11.50	4.76	4.11
Compensated absences/Leave encashment	38.73	26.70	13.73
Contingent provisions against standard assets	448.47	-	-
	2,019.12	921.91	426.67
Total	**9,272.29**	**3,828.58**	**2,217.88**

₹ Million

	For the year ended 31st March,		From 1st May 2008 to 31st March 2009
	2011	**2010**	
SCHEDULE – 10 **Income from operations**			
Lease and hire purchase	656.20	477.23	-
Interest on Infrastructure loan	6,437.66	4,391.92	-
Fees	240.46	95.25	-
Bills discounting	460.27	287.45	-
Term loan and other financing activities	12,811.76	8,745.33	-
Networking activity	2.11	2.29	-
Investment Management Fees	66.01	14.78	-
Trusteeship fees	0.50	0.10	-
Portfolio management services fees	9.60	-	-
Other operational income	179.19	41.61	-
Total	**20,863.76**	**14,055.96**	**-**

Schedules forming part of Consolidated Financial Statements (contd.)

₹ Million

	For the year ended 31st March,		From 1st May 2008 to 31st March 2009	Nature	Related/ Not-Related
	2011	2010			
SCHEDULE – 11 **Other income**					
Income from investments (trade)					
- Interest and dividend on securities	226.65	102.76	0.05	Recurring	Related
- Profit on sale/redemption of investments (net)	32.76	66.38	0.21	Recurring	Related
Others	25.26	14.05	-	Recurring	Not-Related
Total	**284.67**	**183.19**	**0.26**		

₹ Million

	For the year ended 31st March,		From 1st May 2008 to 31st March 2009
	2011	2010	
SCHEDULE – 12 **Employee cost**			
Salaries	852.53	530.29	-
Contribution to and provision for:			
Provident fund and Pension fund	34.70	21.17	-
Gratuity fund	10.56	3.71	-
Superannuation fund	2.45	0.88	-
Compensated absences/ leave encashment	11.16	7.49	-
Welfare and other expenses	50.98	33.27	-
Total	**962.38**	**596.81**	**-**

Schedules forming part of Consolidated Financial Statements (contd.)

₹ Million

	For the year ended 31st March, 2011	For the year ended 31st March, 2010	From 1st May, 2008 to 31st March 2009
SCHEDULE – 13			
Administration and other expenses			
Travelling and conveyance	150.99	89.97	0.01
Printing and stationery	38.84	27.32	-
Telephone, postage and telegrams	91.93	65.00	-
Directors' sitting fees	1.93	0.63	-
Brokerage and service charges	37.12	20.18	-
Advertising and publicity	49.33	27.86	-
Repairs and maintenance - Plant and machinery	2.52	1.26	-
- Others	84.75	54.15	-
Rent	232.59	183.79	-
Rates and taxes	34.03	38.54	-
Electricity charges	28.34	19.23	-
Insurance	12.93	9.48	-
Legal and Professional Fees	545.97	277.71	-
Auditors remuneration			
Audit fees	2.40	1.28	0.01
Tax audit fees	0.41	0.33	-
Certification	5.76	1.60	0.01
Expenses reimbursed	0.05	0.05	-
Sales promotion expenses	137.56	52.63	
Loss on Foreclosure	607.13	574.45	
Miscellaneous expenses	98.66	58.73	-
Total	**2,163.24**	**1,504.19**	**0.03**

₹ Million

	For the year ended 31st March, 2011	For the year ended 31st March, 2010	From 1st May 2008 to 31st March 2009
SCHEDULE – 14			
Provisions and contingencies			
Provision for standard assets	302.72	174.60	-
Provision for non performing assets / writeoffs	806.78	784.77	-
Provision for diminution in value of investments	(0.32)	(10.76)	-
Total	**1,109.18**	**948.61**	**-**

Schedules forming part of Consolidated Financial Statements (contd.)

₹ Million

	For the year ended 31st March,		From 1st May 2008 to 31st March 2009
	2011	2010	
SCHEDULE – 15			
Interest and other finance charges			
Fixed loans	8,573.71	5,807.49	-
Others	1,632.84	939.59	-
Total	**10,206.55**	**6,747.08**	**-**

ANNEXURE 4
STATEMENT OF RESTATED ACCOUNTING RATIOS

Particulars	As at 31st March		
	2011	2010	2009
Weighted average number of equity shares of ₹10/- each			
i) Number of shares at the beginning of the year	1,353,591,591	2,050,000	-
ii) Number of shares at the end of the year/period	1,417,024,426	1,353,591,591	2,050,000
iii) Weighted average number of outstanding equity shares	1,387,132,789	1,219,936,113	467,808
iv) Share application money (₹ million)	-	2,750.00	10,765.42
v) Weighted average number of outstanding equity shares (Diluted)	1,406,722,877	1,220,273,467	3,417,237
Net Profit/ (loss) after tax available for equity shareholders before exceptional items (₹ Million)	3,985.67	2,645.49	(0.17)
Net Profit/ (loss) after tax available for equity shareholders after exceptional items (₹ Million)	3,925.72	2,630.08	(0.17)
Basic Earnings Per Share(before exceptional items) (EPS) (₹)	2.87	2.17	(0.36)
Dilutive EPS (before exceptional items) (₹)	2.83	2.17	(0.05)
Return on Net Worth (%)	13.58	11.21	-
Net Asset Value per Equity Share (₹)	20.40	15.31	2229.70

Earnings Per share (Basic) = Net profit attributable to Equity Shareholders (before exceptional items) / Weighted Average number of Equity shares outstanding during the year/period

Earnings Per share (Diluted) = Net profit attributable to Equity Shareholders (before exceptional items) / Weighted Average number of diluted Equity shares outstanding during the year/period

Return on Net worth (%) = Net profit after Tax (after excluding revaluation reserves) / Net worth at the end of the year/period

Net asset value per share (₹) = Net worth at end of the year (excluding share application and revaluation reserves) / Equity share outstanding at the end of the year/period

ANNEXURE 5

CAPITALISATION STATEMENT (CONSOLIDATED)

Particulars	**Pre Issue as at 31st March, 2011**	**Adjusted for the issue ***
Secured Loans	131,777.76	
Unsecured Loans	27,386.90	
Total Debt	**159,164.66**	
Shareholders' funds		
Share Capital **(A)**		
- Equity	14,170.24	
- Share application money	-	
- Employee stock options outstanding	12.26	
Less : Calls-in-arrears	-	
- Preference	-	
Reserves and surplus **(B)**	14,723.07	
Less : Miscellaneous expenditure not written off	-	
Total Shareholders' funds [A + B]	**28,905.57**	
Debt to Equity Ratio (Number of times)	**5.51**	

***** Will be finalized upon determination of pricing in the issue

Note : The Company has issued/ allotted additional 63,432,835 equity shares of ₹10 each for cash @ premium of ₹57 per share aggregating to ₹ 4,250.00 million on 20th September, 2010.

ANNEXURE 6

Adjustments on account of changes in accounting policies of subsidiary, L&T Infrastructure Finance Company Limited

₹ Million

	For the year ended 31st March, 2011	**For the year ended 31st March, 2010**
Accounting for recognition of interest income on loans	21.00	43.22
Accounting for miscellaneous expenditure	-	-
Total Accounting policy adjustments	**21.00**	**43.22**
Tax impact of adjustments for changes in accounting policies	(6.97)	(14.69)
Tax related to earlier years	-	5.08
Total Tax Adjustments	**(6.97)**	**(9.61)**
Total Adjustments, net of tax impact	**14.03**	**33.61**

ANNEXURE 7

Related Party Disclosure: AS 18

i. List of related parties over which control exists:

1.	L&T Finance Ltd.	Subsidiary Company
2.	L&T Infrastructure Finance Company Ltd.	Subsidiary Company
3.	India Infrastructure Developers Ltd.	Subsidiary Company
4.	L&T Investment Management Ltd.	Subsidiary's subsidiary
5.	L&T Mutual Fund Trustee Ltd.	Subsidiary's subsidiary
6.	L&T Aviation Services Pvt. Ltd.*	Subsidiary's subsidiary
7.	NAC Infrastructure Equipment Ltd.	Associate Company

* Sold during the year 2010-11

ii. Names of the related parties with whom transactions were carried out during the period and descriptions of relationship:

1.	Larsen & Toubro Ltd.	Holding Company
2.	Larsen & Toubro Infotech Ltd.	Fellow Subsidiary Company
3.	L&T Infrastructure Development Projects Ltd.	Fellow Subsidiary Company
4.	L&T Power Development Ltd.	Fellow Subsidiary Company
5.	Tractors Engineers Ltd.	Fellow Subsidiary Company
6.	L&T General Insurance Company Ltd.	Fellow Subsidiary Company
7.	L&T Valdel Engineering Ltd.	Fellow Subsidiary Company
8.	L&T - Sargent & Lundy Ltd.	Fellow Subsidiary Company
9.	L&T Capital Company Ltd.	Fellow Subsidiary Company
10.	L&T MHI Boilers Pvt. Ltd.	Fellow Subsidiary Company
11.	L&T Transco Pvt. Ltd.	Fellow Subsidiary Company
12.	L&T Seawoods Pvt. Ltd.	Fellow Subsidiary Company
13.	L&T Shipbuilding Ltd.	Fellow Subsidiary Company
14.	L&T Uttaranchal Hydropower Ltd.	Fellow Subsidiary Company
15.	L&T Special Steels & Heavy Forgings Pvt. Ltd.	Fellow Subsidiary Company
16.	L&T Devihalli Hassan Tollway Pvt Ltd	Fellow Subsidiary Company
17.	L&T Bangalore Airport Hotels Ltd.	Fellow Subsidiary Company
18.	Nabha Power Ltd.	Fellow Subsidiary Company

ii. Description of nature of transactions:

₹ Million

No.	Name of Company	Relation-ship	Nature of transaction	2010-11			2009-10			From 1st May 2008 to 31st March 2009		
				Amount	Amount due to	Amount due from	Amount	Amount due to	Amount due from	Amount	Amount due to	Amount due from
1	Larsen & Toubro Limited	Holding Company	**Transaction**									
			Equity shares issued	4,250.00	--	--	135.15	--	--	20.50	--	--
			Share application money	--	--	--	2,750.00	--	--	10,765.42	--	--
			Purchase of Investments	--	--	--	253.55	--	--	--	--	--
			ICD borrowed	64,010.00	1,500.00	--	2,750.00	2,750.00	--	10,050.00	--	--
			ICD Repaid	3,900.00	--	--	--	--	--	--	--	--
			ICD lent	--	--	--	443.50	--	--	443.50	--	--
			Secured NCD issued	1,750.00	3,750.00	--	2,000.00	2,000.00	-	-	-	-
			Sale of investments	--	--	--	0.50	--	--	215.00	--	--
			Assignment of Receivables	4,990.29	--	--	--	--	--	--	--	--
			Sale of Fixed Assets	--	--	--	--	--	--	366.47	--	--
			VAT on Sale	--	--	--	--	--	--	44.20	--	--
			Lease finance given	--	--	--	--	--	--	0.01	--	--
			Subscription to public issue NCD's	--	--	--	843.17	--	--	--	--	--
			Accounts receivable	13.48	--	--	--	6.03	--	--	--	--
			Operating lease	7.72	--	--	--	--	--	--	--	--
			Expenditure									
			Interest on ICD borrowed	226.65	--	--	28.92	--	--	132.33	--	--
			Interest on secured NCD	299.52	--	--	23.84	--	--	--	--	--
			Interest on NCD's	--	--	--	23.95	--	--	--	--	--
			Service charges	61.35	2.12	--	44.76	9.67	--	68.37	25.12	--
			Salary, cost of employees on deputation	29.93	2.83	--	14.79	--	--	23.48	2.02	--
			Other Expenses	3.87	--	--	0.92	0.08	--	--	--	--

₹ Million

No.	Name of Company	Relation-ship	Nature of transaction	2010-11			2009-10			From 1st May 2008 to 31st March 2009		
				Amount	Amount due to	Amount due from	Amount	Amount due to	Amount due from	Amount	Amount due to	Amount due from
			Income									
			Interest on ICD lent	--	--	--	13.12	--	--	7.58	--	--
			Lease finance charges	--	--	--	--	--	0.21	0.63	--	0.69
			Operating lease rental	7.52	--	1.01	65.49	--	10.58	684.07	--	131.75
			Salary, cost of employees on deputation	8.88	--	--	8.01	--	0.83	5.80	--	--
			Service charges	--	--	--	2.29	--	--	14.58	--	--
			Interest	--	--	--	--	--	--	18.73	--	18.73
2	Larsen & Toubro Infotech Limited	Fellow Subsidiary Company	**Transactions**									
			Operating Lease	0.98	--	--	2.35	--	0.06	--	--	--
			Expenditure									
			Service Charges	22.37	9.47	--	4.63	--	--	1.25	13.81	--
			Salary, cost of employees on deputation	0.36	--	--	--	--	--	--	--	--
			Income									
			Lease finance charges	--	--	--	--	--	--	0.15	--	0.72
			Operating lease rentals	1.11	--	--	0.37	--	--	20.53	--	8.21
3	Tractors Engineers Limited	Fellow Subsidiary Company	**Income**									
			Operating lease rentals	0.48	--	--	0.03	--	--	0.85	--	--
			Service charges	--	--	--	--	--	--	--	--	0.46
4	L&T General Insurance Company Limited	Fellow Subsidiary Company	**Transactions**									
			Share application money	--	--	--	20.00	--	--	--	--	--
			ICD borrowed	334.00	--	--	31.50	--	--	--	--	--
			Accounts Receivables (Reimbursement)	196.06	--	2.46	22.94	--	3.31	--	--	--
			Income									
			Overheads charges	--	--	--	--	--	--	--	--	--
			Expenditure									
			Interest on ICD borrowed	0.55	--	--	0.33	--	--	--	--	--
5	L&T Valdel Engineering Limited	Fellow Subsidiary Company	**Transactions**									
			Sale of fixed assets	--	--	--	1.45	--	--	--	--	--
			Expenditure									
			Service charges	--	--	--	--	--	--	8.41	--	--
			Income									
			Operating lease rental	0.01	--	--	0.30	--	--	1.29	--	0.17

₹ Million

No.	Name of Company	Relation-ship	Nature of transaction	2010-11			2009-10			From 1st May 2008 to 31st March 2009		
				Amount	**Amount due to**	**Amount due from**	**Amount**	**Amount due to**	**Amount due from**	**Amount**	**Amount due to**	**Amount due from**
6	L&T - Sargent & Lundy Limited	Fellow Subsidiary Company	**Income**									
			Lease finance charges	0.01	--	--	--	--	0.07	0.51	--	0.89
7	L&T Capital Company Ltd	Fellow Subsidiary Company	**Transaction**									
			ICD borrowed	218.57	54.28	--	151.21	7.71	--	52.00	65.00	--
			Purchase of investment	--	--	--	1,237.65	--	--	--	--	--
			Account receivables	0.02	--	0.02	--	--	--	--	--	--
			Income									
			Operating lease rentals	0.01	--	--	0.35	--	--	0.32	--	0.11
			Rent recovered	0.79	--	--	--	--	--	--	--	--
			Fees	0.22	--	0.22	--	--	--	--	--	--
			Salary cost of employee on deputation	1.37	--	1.37	--	--	--	--	--	--
			Expenditure									
			Other Expenses	0.60	--	--	--	--	--	--	--	--
			Interest on ICD	4.90	--	--	7.67	--	--	0.61	--	--
8	L&T MHI Boilers Pvt Ltd	Fellow Subsidiary Company	**Income**									
			Deputation Cost and Other Expenses Recovered	1.06	--	--	0.84	--	0.26	--	--	--
9	L&T Transco Pvt Ltd	Fellow Subsidiary Company	**Income**									
			Deputation Cost and Other Expenses Recovered	1.09	--	--	1.37	--	--	--	--	--
10	L&T Seawoods Pvt Ltd	Fellow Subsidiary Company	**Income**									
			Fee Income	--	--	--	2.76	--	--	--	--	--
			Other Expenses Recovered	--	--	--	0.12	--	--	--	--	--
11	L&T Shipbuilding Ltd	Fellow Subsidiary Company	**Income**									
			Fee Income	39.10	--	--	39.10	--	--	--	--	--
			Other Expenses Recovered	0.17	--	--	0.32	--	--	--	--	--
12	L&T Uttaranchal Hydropower Ltd	Fellow Subsidiary Company	**Income**									
			Fee Income	19.43	--	--	1.10	--	--	--	--	--
			Expenses									
			Other Expenses	--	--	--	0.83	--	--	--	--	--

₹ Million

No.	Name of Company	Relation-ship	Nature of transaction	2010-11			2009-10			From 1st May 2008 to 31st March 2009		
				Amount	Amount due to	Amount due from	Amount	Amount due to	Amount due from	Amount	Amount due to	Amount due from
13	L&T Special Steels & Heavy Forgings Pvt Ltd	Fellow Subsidiary Company	**Income**									
			Fee Income	20.30	--	--	1.76	--	--	--	--	--
14	L & T Plastics Machinery Ltd	Fellow Subsidiary Company	**Expense**									
			Reimbursement of Staff Cost	--	--	--	--	--	--	0.01	--	--
15	L&T Infrastructure Development Projects Ltd	Fellow Subsidiary Company	**Income**									
			Fee Income	25.32	--	25.32	--	--	--	--	--	--
			Deputation Cost and others	5.90	--	--	5.30	--	--	--	--	--
16	L&T Devihalli Hassan Tollway Pvt. Ltd.	Fellow Subsidiary Company	**Income**									
			Fee	4.41	--	--	--	--	--	--	--	--
			Other Expenses	0.04	--	--	--	--	--	--	--	--
17	L&T Power Development Ltd.	Fellow Subsidiary Company	**Income**									
			Deputation Cost and Other Expenses Recovered	0.26	--	0.24	--	--	--	--	--	--
18	L&T Banglore Airport Hotel Ltd.	Fellow Subsidiary Company	**Income**									
			Fee Income	10.75	--	9.68	--	--	--	--	--	--
19	Nabha Power Ltd.	Fellow Subsidiary Company	**Income**									
			Fee Income	79.42	--	--	--	--	--	--	--	--
			Other Expenses	0.22	--	--	--	--	--	--	--	--

ANNEXURE 8
DETAILS OF SECURED LOANS AS ON 31ST MARCH 2011 (CONSOLIDATED)

₹ Million

	Nature of Loan	Sanction Amount	O/s Amount	Installment Amount	Frequency	Rate of Interest	Tenor (Months)	Nature of Security
L&T Finance Ltd.								
Redeemable NCDs								
Public Issue I								
Option I	NCD	-	1,066.38	-	-	9.51%	60	See Note # 1
Option II	NCD	-	2,963.48	-	-	9.62%	60	
Option III	NCD	-	1,263.20	-	-	9.95%	88	
Option IV	NCD	-	4,706.94	-	-	10.24%	120	
Public Issue II								
Option I	NCD	-	3,713.36	-	-	8.40%	36	
Option II	NCD	-	1,286.64	-	-	8.50%	36	
Private Placement								
SD-02/ 2008-2009	NCD	-	3,000.00	-	-	10.25%	36	
SD-01/ 2009-2010	NCD	-	2,500.00	-	-	8.10%	24	
SD-02/ 2009-2010	NCD	-	1,150.00	-	-	9.62%	60	
SD-01/ 2010-2011	NCD	-	1,750.00	-	-	7.45%	24	

Note # 1 Secured by the way of first/second charge, having pari passu rights, as the case may be, on the company's specified immovable properties and specified lease/ term loan receivables.

ANNEXURE 8
DETAILS OF SECURED LOANS AS ON 31ST MARCH, 2011 (CONSOLIDATED) (Contd.)

₹ Million

Particulars	Nature of Loan	Sanction Amount	O/s Amount	Installment Amount	Frequency	Rate of Interest	Tenor (Months)	Nature of Security
Term Loans								
Banks								
DBS BANK LTD	ECB	1,200.00	1,200.00	-	-	LIBOR+200 bps	36	See Note # 2
AXIS BANK	RL – INR	1,500.00	1,000.00	125.00	Quarterly	BASE RATE	36	
AXIS BANK	RL – INR	5,000.00	5,000.00	500.00	Quarterly	BASE RATE	36	
BNP PARIBAS	RL – INR	500.00	500.00	-	-	8.00%	24	
BNP PARIBAS	RL – INR	500.00	500.00	-	-	6.75%	24	
BNP PARIBAS	RL – INR	500.00	500.00	-	-	5.75%	24	
BNP PARIBAS	RL – INR	500.00	500.00	-	-	6.25%	24	
CENTRAL BANK OF INDIA	RL – INR	5,000.00	5,000.00	500.00	Quarterly	BASE RATE +50 bps	36	
DEUTSCHE BANK	RL – INR	2,000.00	2,000.00	-	-	BASE RATE +15 bps	24	
DEUTSCHE BANK	RL – INR	1,000.00	1,000.00	-	-	BASE RATE +115 bps	24	
FEDERAL BANK LTD	RL – INR	1,000.00	1,000.00	83.30	Quarterly	BASE RATE +75 bps	36	
HDFC BANK	RL – INR	1,000.00	666.67	83.30	Quarterly	5.70%	36	
HSBC	RL – INR	250.00	250.00	-	-	BASE RATE	24	
ICICI BANK LTD	RL – INR	10,000.00	10,000.00	-	-	BASE RATE	25	
INDIAN OVERSEAS BANK LTD	RL – INR	5,000.00	4,583.33	416.67	Quarterly	BASE RATE +25 bps	36	
ING VYSYA BANK	RL – INR	750.00	312.50	62.50	Quarterly	8.60%	36	
ING VYSYA BANK	RL – INR	1,500.00	875.50	125.00	Quarterly	6.50%	36	
ING VYSYA BANK	RL – INR	1,500.00	1,375.00	125.00	Quarterly	8.25%	36	
MIZUHO CORPORATE BANK	RL – INR	1,000.00	1,000.00	-	-	BASE RATE +90 bps	24	
PUNJAB & SIND BANK	RL – INR	600.00	180.00	60.00	Semi-Annual	5 Y GSEC+267 bps	60	
PUNJAB & SIND BANK	RL – INR	400.00	120.00	40.00	Semi-Annual	5 Y GSEC+273 bps	60	
PUNJAB & SIND BANK	RL – INR	3,000.00	3,000.00	250.00	Quarterly	BASE RATE +50 bps	36	
SHINHAN BANK	RL – INR	350.00	350.00	-	-	6.00%	24	

Note # 2 Secured by hypothecation of specified lease and term loan receivables

ANNEXURE 8
DETAILS OF SECURED LOANS AS ON 31ST MARCH, 2011 (CONSOLIDATED) (Contd.)

₹ Million

Particulars	Nature of Loan	Sanction Amount	O/s Amount	Installment Amount	Frequency	Rate of Interest	Tenor (Months)	Nature of Security
STANDARD CHARTERED BANK	RL - INR	1,000.00	1,000.00	-	-	6.50%	18	See Note # 2
STANDARD CHARTERED BANK	RL - INR	1,000.00	1,000.00	-	-	6.50%	24	
STANDARD CHARTERED BANK	RL - INR	1,000.00	1,000.00	-	-	6.50%	30	
STANDARD CHARTERED BANK	RL - INR	670.00	670.00	-	-	6.50%	18	
STANDARD CHARTERED BANK	RL - INR	670.00	670.00	-	-	6.50%	24	
STANDARD CHARTERED BANK	RL - INR	660.00	660.00	-	-	6.50%	30	
STANDARD CHARTERED BANK	RL - INR	1,460.00	1,430.00	-	-	5.25%	6	
STANDARD CHARTERED BANK	RL - INR	500.00	500.00	-	-	5.25%	6	
THE BANK OF NOVA SCOTIA	RL - INR	1,000.00	1,000.00	-	-	9.75%	12	
THE BANK OF NOVA SCOTIA	RL - INR	500.00	500.00	-	-	9.75%	12	
UBS	RL - INR	1,000.00	1,000.00	-	-	7.60%	12	
YES BANK	RL - INR	2,500.00	2,500.00	-	-	8.50%	25	
Others								
INFRASTRUCTURE DEVELOPMENT FINANCE COMPANY LIMITED	RL - INR	1,000.00	100.00			IMBMK+145 bps	60	
			76,342.50					

Note # 2 Secured by hypothecation of specified lease and term loan receivables

ANNEXURE 8
DETAILS OF SECURED LOANS AS ON 31ST MARCH, 2011 (CONSOLIDATED) (Contd.)

₹ Million

Name of the bank	Nature of loan	Sanction amount	Outstanding as on March 31, 2011	Installment amount	Rate of interest p.a. (%)	Repayment (months)	Securities offered
L&T Infrastructure Finance Company Ltd.							
Term Loan							
Bank of Baroda	Term Loan	5,000.00	1,000.00	Bullet Payment after 5 years from 1st Disbursement	11.00	Interest - Monthly Principal - Bullet (29.09.2014) or Put/ Call Option - At end of 3 year from date of 1st Disbursement i.e 29.12.2012	Specific receivables
Bank of Baroda	Term Loan		2,000.00		10.40		Specific receivables
Bank of Baroda	Term Loan		2,000.00		10.00	Interest - Monthly Principal - Bullet (30.03.2016) or Put/ Call Option - At end of 3 year from date of 1st Disbursement i.e 30.03.2014	Specific receivables
Central Bank of India	Term Loan	3,000.00	3,000.00	12 Equal Quarterly Installment of Rs. 250 million each.	9.50	Interest - Monthly Principal – 21.04.2013 to 21.01.2016	Specific receivables
Punjab and Sind Bank III	Term Loan	5,000.00	2,600.00	12 Equal quarterly Installments of ₹ 216.70 million each	10.00	Interest - Monthly Principal – 01.06.2013 to 01.03.2016	Specific receivables
IDBI Bank Limited	Term Loan	1,750.00	1,750.00	3 Equal Installments of ₹. 583.3 million	10.50	Interest - Monthly Principal - 01.01.2011, 01.01.2012 & 01.01.2013	Specific receivables
Kotak Mahindra Bank Ltd	Term Loan	1,000.00	900.00	Half yearly equal Installments of ₹ 125 million	10.50	Interest - Monthly Principal - 01.10.2011, 01.04.2012,1.10.2012, 01.04.2013,01.10.2013, 01.04.2014,01.10.2014, 30.03.2015,	Specific receivables

ANNEXURE 8
DETAILS OF SECURED LOANS AS ON 31ST MARCH, 2011 (CONSOLIDATED) (Contd.)

₹ Million

Name of the bank	Nature of loan	Sanction amount	Outstanding as on March 31, 2011	Installment amount	Rate of interest p.a. (%)	Repayment (months)	Securities offered
Punjab & Sind Bank	Term Loan	1,000.00	300.00	20 Quarterly Installments of ₹ 50 million from 90days of 1st disbursement	9.70	Interest - Monthly Principal - 01.01.2008 to 01.10.2012	Specific receivables
Punjab & Sind Bank – II	Term Loan	1,000.00	700.00	Half yearly equal Installments of ₹ 100 million.	9.21	Interest - Monthly Principal - 01.04.2010 to 01.10.2014	Specific receivables
State Bank of India	Term Loan	1,000.00	916.70	11 equal Quarterly installments of ₹ 83.3 million and last installment of ₹ 83.7	10.75	Interest - Monthly Principal - 28.02.2011 to 30.11.2013	Specific receivables
The Dhanalakshmi Bank Ltd	Term Loan	600.00	600.00	12 equal Quarterly installments of ₹ 50 million.	10.50	Interest - Monthly Principal - 25.06.2011 to 25.03.2014	Specific receivables
State Bank of Bikaner and Jaipur	Term Loan	2,000.00	2,000.00	16 Quarterly Installments of Rs. 125 million	9.50	Interest - Monthly Principal - 24.11.2011 to 24.08.2015	Specific receivables
Syndicate Bank	Term Loan	5,000.00	2,500.00	Repayable in 5 half yearly installments of ₹ 416.7 million each and last installment of ₹ 416.5 million	8.90	Interest - Monthly Principal - 30.12.2013 to 30.06.2016	Specific receivables
Syndicate Bank	Term Loan		650.00		8.90		
Syndicate Bank	Term Loan		1,850.00		9.05		

ANNEXURE 8
DETAILS OF SECURED LOANS AS ON 31ST MARCH, 2011 (CONSOLIDATED) (Contd.)

₹ Million

Name of the bank	Nature of loan	Sanction amount	Outstanding as on March 31, 2011	Installment amount	Rate of interest p.a. (%)	Repayment (months)	Securities offered
The South Indian Bank Ltd.	Term Loan	1,000.00	800.00	20 Quarterly Installments of Rs. 50 million from 2yrs of 1st disbursement	10.00	Interest - Monthly Principal - 03.06.11 to 03.03.15	Specific receivables
Syndicate Bank II	Term Loan	4,000.00	2,000.00	Half Yearly Installments of ₹. 333 million from the end of 3 year from 1st date of disbursement	10.10	Interest - Monthly Principal – 25.08.2014 to 25.02.2017	Specific receivables
Syndicate Bank II	Term Loan		1,750.00	Half Yearly Installments of ₹. 291.67 million from the end of 3 year from 1st date of disbursement	10.10	Interest - Monthly Principal – 29.09.2014 to 29.03.2017	Specific receivables
Indian Overseas Bank	Term Loan	5,000.00	5,000.00	12 Quarterly Installments from end of 2nd year from 1st date of disbursement	9.25	Interest - Monthly Principal - 15.03.2013 to 15.12.2015	Specific receivables
Federal Bank	Term Loan	1,000.00	1,000.00	Bullet Payment after 35 months from 1st Disbursement	9.75	Interest - Monthly Principal - Bullet Repayment after 35 months from the date of 1st disbursement	Specific receivables
Series A of FY09-10	Fixed Rate Secured Debentures	1,800.00	1,800.00	Bullet	9.00	Interest - Annual Principal - 01.06.2012	Specific receivables and an immoveable property

ANNEXURE 8
DETAILS OF SECURED LOANS AS ON 31ST MARCH, 2011 (CONSOLIDATED) (Contd.)

₹ Million

Name of the bank	Nature of loan	Sanction amount	Outstanding as on March 31, 2011	Installment amount	Rate of interest p.a. (%)	Repayment (months)	Securities offered
Series B of FY09-10	Fixed Rate Secured Debentures	750.00	750.00	Bullet	8.75	Interest - Annual Principal - 28.06.2011	Specific receivables and an immoveable property
Series C of FY09-10	Fixed Rate Secured Debentures	1,500.00	1,500.00	Bullet	8.75	Interest - Annual Principal - 08.07.2011	Specific receivables and an immoveable property
Series G of FY09-10	Fixed Rate Secured Debentures	1,000.00	1,000.00	Bullet	8.15	Interest - Half yearly Principal - 17.05.2011	Specific receivables and an immoveable property
Series K of FY09-10	Fixed Rate Secured Debentures	2,000.00	2,000.00	Bullet	7.50	Interest - Annual Principal - 02.02.2012	Specific receivables and an immoveable property
Series A of FY10-11	Fixed Rate Secured Debentures	750.00	750.00	Bullet	8.91	Interest - Annual Principal - 16 April 2012	Specific receivables and an immoveable property
Series B of FY10-11	Fixed Rate Secured Debentures	750.00	750.00	Bullet	8.91	Interest - Annual Principal - 16 April 2013	Specific receivables and an immoveable property
Series C of FY10-11	Fixed Rate Secured Debentures	750.00	750.00	Bullet	8.91	Interest - Annual Principal - 16 April 2014	Specific receivables and an immoveable property
Series D of FY10-11	Fixed Rate Secured Debentures	750.00	750.00	Bullet	8.91	Interest - Annual Principal - 16 April 2015	Specific receivables and an immoveable property
Series E of FY10-11	Fixed Rate Secured Debentures	750.00	750.00	Bullet	8.91	Interest - Annual Principal - 15 April 2016	Specific receivables and an immoveable property
Series F of FY10-11	Fixed Rate Secured Debentures	750.00	750.00	Bullet	8.91	Interest - Annual Principal - 14 April 2017	Specific receivables and an immoveable property

ANNEXURE 8
DETAILS OF SECURED LOANS AS ON 31ST MARCH, 2011 (CONSOLIDATED) (Contd.)

₹ Million

Name of the bank	Nature of loan	Sanction amount	Outstanding as on March 31, 2011	Installment amount	Rate of interest p.a. (%)	Repayment (months)	Securities offered
Series G of FY10-11	Fixed Rate Secured Debentures	750.00	750.00	Bullet	8.91	Interest - Annual Principal - 16 April 2018	Specific receivables and an immoveable property
Floating Rate Secured Debentures							
Series D of FY09-10	Floating Rate Secured Debentures	1,250.00	1,250.00	Bullet	8.25	Interest - Annual Principal - 05.08.2011	Specific receivables and an immoveable property
Series E of FY09-10	Floating Rate Secured Debentures	1,250.00	1,250.00	Bullet	8.30	Interest - Annual Principal - 05.09.2011	Specific receivables and an immoveable property
Fixed Rate Secured Infra Bonds							
2010 A series	Fixed Rate Secured	2,562.16	190.82	Bullet	7.75	Interest - Annual, Bullet after 10 Years, Buyback option at the end of 7 Years from the date of allotment	Specific receivables and an immoveable property
			471.72	Bullet	7.75	Interest - Cumulative, Bullet after 10 Years, Buyback option at the end of 7 Years from the date of allotment	
			628.98	Bullet	7.75	Interest - Annual, Bullet after 10 Years, Buyback option at the end of 5 Years from the date of allotment	
			1,270.64	Bullet	7.75	Interest - Cumulative, Bullet after 10 Years, Buyback option at the end of 5 Years from the date of allotment	

ANNEXURE 8
DETAILS OF SECURED LOANS AS ON 31ST MARCH, 2011 (CONSOLIDATED) (Contd.)

₹ Million

Name of the bank	Nature of loan	Sanction amount	Outstanding as on March 31, 2011	Installment amount	Rate of interest p.a. (%)	Repayment (months)	Securities offered
2011 A series	Fixed Rate Secured	4,000.00	906.93	Bullet	8.20	Interest - Annual, Bullet after 10 Years, Buyback option at the end of 5 and 7 Years from the date of allotment	Specific receivables and an immoveable property
			3,093.07	Bullet	8.30	Interest - Cumulative, Bullet after 10 Years, Buyback option at the end of 5 and 7 Years from the date of allotment	
Bank Overdraft							
Canara Bank	Cash Credit	250.00	--		12.00		Specific receivables
Citi Bank NA	Cash Credit	400.00	273.47		10.05		Specific receivables
City Union Bank Ltd	Cash Credit	100.00	99.83		10.00		Specific receivables
IDBI Bank Limited	Cash Credit	1,500.00	383.09		11.50		Specific receivables
YES Bank Limited	Cash Credit	1,000.00	0.01		11.00		Specific receivables
Total			**55,435.26**				

ANNEXURE 9

DETAILS OF UNSECURED LOANS AS ON 31ST MARCH, 2011 (CONSOLIDATED) (Contd.)

₹ Million

Particulars	Nature of Loan	Sanction Amount	O/s Amount	Instalment Amount	Frequency	Rate of Interest	Tenor
L&T Finance Holdings Limited							
Inter-Corporate Deposits – Ultimate Holding Company							
Larsen & Toubro Limited	ICD	-	3,560.00	-	-	9.00% p.a.	upto 364 days

ANNEXURE 9
DETAILS OF UNSECURED LOANS AS ON 31ST MARCH, 2011 (CONSOLIDATED) (Contd.)

₹ Million

Particulars	Nature of Loan	Sanction Amount	O/s Amount	Installment Amount	Frequency	Rate of Interest	Tenor
L&T Finance Limited							
Redeemable NCDs							
In form of Tier II Bonds							
Various Investors	NCD	-	750.00	-	-	10.50%	120 M
Term Loans – Banks							
Bank of Baroda	RL - INR	3000.00	3000.00	-	-	Base Rate + 20 bps	211 D
Commercial Papers							
SBI MF	CP	-	250.00	-	-	6.50%	364 D
IDFC MF	CP	-	500.00	-	-	6.50%	364 D
HSBC MF	CP	-	250.00	-	-	6.50%	364 D
SBI MF	CP	-	500.00	-	-	6.45%	360 D
HDFC MF	CP	-	750.00	-	-	6.45%	360 D
ICICI PRU MF	CP	-	500.00	-	-	6.45%	364D
DSPBLACKROCK MF	CP	-	500.00	-	-	6.30%	329D
UTI MF	CP	-	250.00	-	-	6.30%	346 D
HDFC MF	CP	-	500.00	-	-	6.43%	364 D
IDFC LTD	CP	-	250.00	-	-	6.43%	364 D
RBS	CP	-	1,000.00	-	-	6.78%	364 D
UTI MF	CP	-	500.00	-	-	6.78%	364 D
LIC MF	CP	-	500.00	-	-	6.50%	364 D
KOTAK MF	CP	-	900.00	-	-	9.35%	90 D
HDFC MF	CP	-	500.00	-	-	9.35%	90 D
HDFC MF	CP	-	500.00	-	-	10.13%	87 D
Inter-Corporate Deposits – Promoter group of Companies and Associates							
L&T CAPITAL COMPANY LIMITED	ICD		54.28	-	-	VARIOUS	upto 364 days
L&T SUCG JV	ICD		177.50	-	-	VARIOUS	upto 364 days
			12,131.78				

ANNEXURE 9
DETAILS OF UNSECURED LOANS AS ON 31ST MARCH, 2011 (CONSOLIDATED) (Contd.)

₹ Million

Particulars	Nature of Loan	Sanction Amount	O/s Amount	Installment Amount	Frequency	Rate of Interest	Tenor
L&T Infrastructure Finance Company Limited							
Commercial Papers							
UTI MUTUAL FUND	CP	-	100.00	Bullet	-	8.25%	30-Aug-11
UTI MUTUAL FUND	CP	-	400.00	Bullet	-	8.25%	30-Aug-11
BENCHMARK MUTUAL FUND-LINKED BEES INVESTMENT ACCOUNT	CP	-	250.00	Bullet	-	9.70%	29-Apr-11
SUNDARAM ULTRA SHORT TERM FUND	CP	-	750.00	Bullet	-	9.95%	29-Jul-11
HDFC TRUSTEE COMPANY LTD A/C HDFC LIQUID FUND	CP	-	500.00	Bullet	-	10.15%	2-May-11
HDFC TRUSTEE COMPANY LTD A/C HDFC CASH MANAGEMENT FUND- SAVING PLAN	CP	-	500.00	Bullet	-	10.15%	2-May-11
WIPRO LIMITED	CP	-	250.00	Bullet	-	10.35%	05-Aug-11
INDIA INFOLINE LIMITED	CP	-	50.00	Bullet	-	10.35%	05-Aug-11
INDIA FIRST LIFE INSURANCE COMPANY LIMITED	CP	-	100.00	Bullet	-	10.35%	05-Aug-11
WIPRO LIMITED	CP	-	500.00	Bullet	-	10.35%	05-Aug-11
NATIONAL STOCK EXCHANGE OF INDIA LTD	CP		100.00	Bullet	-	10.35%	05-Aug-11
BARCLAYS BANK PLC	CP	-	1,500.00	Bullet	-	10.13%	13-May-11
Term Loan							
Larsen & Toubro Limited (Ultimate Holding Company)	Term Loan	1,500.00	1,500.00	Bullet	-	7.50%	29-Dec-12
			6,500.00				

ANNEXURE 9
DETAILS OF UNSECURED LOANS AS ON 31ST MARCH, 2011 (CONSOLIDATED) (Contd.)

₹ Million

Particulars	Nature of Loan	Sanction Amount	O/s Amount	Installment Amount	Frequency	Rate of Interest	Tenor
<u>India Infrastructure Developers Limited</u>							
Commercial Papers							
RELIANCE CAPITAL TRUSTEE COMPANY LIMITED	CP	-	195.12	Bullet	-	10.25%	28-June-2011
Term Loan							
Larsen & Toubro Limited (Ultimate Holding Company)	Short Term Loan	5,000.00	5,000.00	Bullet	-	10.85%	14-May-2011
			5,195.12				

ANNEXURE 10

SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The Company maintains its accounts on accrual basis following the historical cost convention in accordance with Generally Accepted Accounting Principles ('GAAP') and in compliance with the provision of the Companies Act, 1956 and the Accounting Standards as specified in the Companies (Accounting Standard) Rules, 2006, prescribed by the Central Government.

The preparation of financial statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Differences, if any, between the actual results and estimates, is recognized in the period in which the results are known.

The accounts of subsidiaries & associates have been prepared in compliance with Accounting Standards as specified in the Companies (Accounting Standards) Rules, 2006, prescribed by the Central Government.

Necessary adjustments for differences in the accounting policies, wherever applicable, have been made in the consolidated financial statements.

B. Revenue Recognition

Revenue is recognized based on the nature of activity when consideration can be reliably measured and there exists reasonable certainty of its recovery.

The relevant Subsidiary Companies comply with the guidelines issued by the Reserve Bank of India in respect of prudential norms for income recognition.

i. Income from lease transactions is accounted on accrual basis, pro-rata for the period, at the rates implicit in the transaction. Income from bill discounting, advisory and syndication services and other financing activities is accounted on accrual basis.

ii. Based on the tenor of loans and volume of upfront fees collected amortisation of processing fees is done over the period of the loan. In case of short term loans & cases where volume of processing fees is not material, the same is accounted as income in the year of receipt. Interest from interest-bearing assets is recognised on accrual basis over the life of the asset based on the constant effective yield. The effective interest is determined on the basis of the terms of the cash flows under the contract including related fees, premiums, discounts or debt issuance costs, if any.

iii. Trusteeship fees are accounted on an accrual basis in accordance with the Trust deed and are dependent on the net asset value as recorded by the respective mutual fund schemes

iv. Income from investments is accounted on accrual basis.

v. Dividend income is accounted when the right to receive the income is established

vi. Other items of income are accounted as & when the right to receive arises.

C. Principles of Consolidation

i) The financial statements of the Parent Company and its Subsidiaries have been consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses, after eliminating intra-group balances and the unrealised profits / losses on intra-group transactions, and are presented to the extent possible, in the same manner as the Company's independent financial statements.

ii) Investments in associate companies have been accounted for, by using equity method whereby investment is initially recorded at cost and the carrying amount is adjusted thereafter for post acquisition change in the Company's share of net assets of the associate. The carrying amount of investment in associate companies is reduced to recognise any decline which is other than temporary in nature and such determination of decline in value, if any, is made for each investment individually.

D. Investments

Long-term investments – other than associates are carried at cost, after providing for any diminution in value, if such diminution is of other than temporary in nature.

Current investments are carried at the lower of cost or net realizable value. The determination of the carrying costs of such investments is done on the basis of specific identification. Investment in associate companies is accounted using "equity method" as stated in para C (ii) above.

E. The relevant subsidiary companies comply with the guidelines issued by the Reserve Bank of India in respect of Prudential Norms for Provisioning for Non-Performing Assets.

F. Scheme Expenses

Mutual Fund scheme expenses represent expenses incurred for the activities of the Mutual Fund schemes which are borne by the Company / debited to the Company by the schemes due to limitation of expenses stipulated in the offer document of the related schemes

G. Lease Equalisation:

Lease equalisation adjustment is the difference between capital recovery included in lease rentals and depreciation provided in books.

H. Foreign currency transactions, Forward contracts and Derivatives

The reporting currency of the company is the Indian Rupee

Foreign currency transactions are recorded on initial recognition in the reporting currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction.

Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are:

i) adjusted in the cost of fixed assets to which the exchange differences relate.

ii) recognised as income or expense in the period in which they arise, in cases other than (i) above.

Forward contracts other than those entered into to hedge foreign currency risk on unexecuted firm commitments or of highly probable forecast transactions are treated as foreign currency transactions and accounted accordingly. Exchange differences arising on such contracts are recognised in the period in which they arise and the premium paid/received is accounted as expenses/income over the period of the contract.

Cash flows arising on account of roll over/cancellation of forward contracts are recognised as income/expenses of the period in line with the movement in the underlying exposure.

Derivative contracts are recognized in financial statements and re-measured at fair value (mark to market) as on the balance sheet date. Wherever the test of effectiveness of the hedge is met, the effective portion of the resultant gain or loss is recognised in the profit and loss account in the period in which the hedged item affects the earnings. All other gains or losses on such contracts are recognized in the profit & loss account immediately.

I. Fixed Assets

Owned assets

Assets held for own uses are stated at original cost net of tax / duty credits availed, if any, less accumulated depreciation, accumulated amortization. Expenses that are specifically attributable to construction or acquisition of fixed assets or bringing the fixed assets to working condition are associated and capitalized as a part of the cost of the fixed assets.

Leased assets

Assets leased under finance lease are stated as Loans and Advances as required by Accounting Standard (AS) 19.

Assets under operating lease are stated at original cost less accumulated depreciation.

Assets taken on lease

Assets acquired under leases where the company has substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalised at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability of each period.

Operating Leases

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Profit and Loss Account on accrual basis.

Impairment of assets:

As at each balance sheet date, the carrying amount of assets is tested for impairment so as to determine:

i. the provision for impairment loss, if any, required; or
ii. the reversal, if any, required of impairment loss recognized in previous periods.

Impairment loss, if any, is recognized when the carrying amount of an asset or group of assets, as the case may be, exceeds the recoverable amount.

Recoverable amount is determined:

i. in the case of individual asset, at higher of the net selling price and the value in use;
ii. in the case of a cash generating unit (a group of assets that generates identified, independent cash flows), at higher of the cash generating unit's net selling price and the value in use.

Value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life.

J. Employee Benefits

i. Short Term Employee Benefits

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits like salaries, wages, short term compensated absences, etc. and the expected cost of bonus, ex-gratia, are recognized in the period in which the employee renders the related service.

ii. Post-Employment Benefits

a) **Defined Contribution Plans**: The Company's superannuation scheme, state governed provident fund scheme, insurance scheme and employee pension scheme are defined contribution plans. The contribution paid / payable under the schemes is recognized during the period in which the employee renders the related service.

b) **Defined Benefit Plans**: Employee's gratuity fund schemes, post-retirement medical care schemes, pension scheme and provident fund scheme managed by trust are the company's defined benefit plans. Wherever applicable, the present value of the obligation under a such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the market yield on government securities, of a maturity period equivalent to the weighted average maturity profile of the related obligations at the balance sheet date.

Actuarial gains and losses are recognised immediately in the Profit and Loss Account.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on the net basis.

Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Past service cost is recognised as expense on a straight-line basis over the average period until the benefits become vested.

iii. **Long Term Employee Benefits**

The obligation for long term employee benefits such as long term compensated absences, is recognised in the similar manner as in the case of defined benefit plans as defined benefit plans.

K. Borrowing Costs:

Borrowing costs that are attributable to the acquisitions, constructions or production of qualifying assets are capitalised as part of the cost of such assets till the time as the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

L. Depreciation

Owned assets

Depreciation on assets held for own use has been provided on straight-line basis as per Schedule XIV to the Companies Act, 1956, except for specialised software, computers & office equipment which are depreciated @ 33.33%, 20 % & 10 % per annum respectively. These rates are fixed in consonance with the expected useful life of the assets. Depreciation on assets acquired and given to employees under the hard furnishing scheme has been provided @ 18% per annum on straight line basis, except assets costing Rs. 5,000 or less which are depreciated on straight line basis as per Schedule XIV to the Companies Act, 1956. Depreciation for additions during the year is provided on pro-rata basis.

Assets given on lease

In respect of the assets given on finance lease, Accounting Standard (AS) 19 has been applied. Investment in leased assets is shown under loans and advances duly adjusted for recoveries during the lease period as required under the said Standard.

In respect of assets given on operating lease, depreciation is provided on straight line basis *pro-rata* from the month of acquisition/capitalization at the rates which have been determined on the basis of type of the asset, lease tenor, economic life of the asset, etc. These rates vary from 7% to 20% per annum.

Assets taken on lease

Accounting Standard (AS) 19 has been applied to the assets taken on lease on or after 1st April, 2001. These assets have been depreciated over the period of lease for a value net of its residual value implied in the transactions.

M. Intangible Assets and Amortisation

i. An Intangible is recognised if, and only if:

a) it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise; and

b) cost of the asset can be measured reliably.

ii. Goodwill represents the difference between the Group's share in the net worth of a subsidiary or an associate, and the cost of acquisition at each point of time of making the investment in the subsidiary or the associate. For this purpose, the Group's share of net worth is determined on the basis of the latest financial statements prior to the acquisition after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition. Capital Reserve on consolidation represents negative goodwill arising on consolidation.

Goodwill arising out of acquisition of equity stake in a subsidiary, an associate is amortised in equal amounts over a period of ten years from the date of first acquisition. In the event of cessation of operations of a subsidiary, associate or joint venture, the unamortised Goodwill is written off fully.

N. Taxes on Income:

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income-Tax Act 1961, and based on the expected outcome of assessments / appeals.

Deferred tax is recognised on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and the laws enacted or substantively enacted as on the balance sheet date.

Deferred tax assets are recognised and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Other deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

O. Provisions, Contingent liabilities and contingent assets:

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if

1. the company has a present obligation as a result of a past event,
2. a probable outflow of resources is expected to settle the obligation; and
3. the amount of the obligation can be reliably estimated.

Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received, if obligation is settled.

Contingent liability is disclosed in the case of

1. a present obligation arising from a past events when it is not probable that an outflow of resources will be required to settle the obligation
2. a present obligation when no reliable estimate is possible; and
3. a possible obligation arising from past events where the probability of outflow of resources is not remote

Contingent assets are neither recognised nor disclosed.

Provisions, Contingent liabilities and Contingent assets are reviewed at each balance sheet date.

P. Employee Stock Ownership Schemes

In respect of stock options granted pursuant to the Company's Stock Options Scheme, the excess of fair value of the share over the exercise price of the option is treated as discount and accounted as employee compensation cost over the vesting period.

ANNEXURE 11

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

1 Basis of preparation

a) The Consolidated Financial Statements (CFS) are prepared in accordance with Accounting Standard (AS) 21 "Consolidated Financial Statements", Accounting Standard (AS) 23 "Accounting for Investments in Associates in Consolidated Financial Statements" and as specified in the Companies (Accounting Standards) Rules, 2006. The CFS comprises the financial statements of L&T Finance Holdings Ltd., its subsidiaries and associates. Reference in these notes to L&T Finance Holdings Limited, Company, Companies or Group shall mean to include L&T Finance Holdings Limited or any of its subsidiaries and associates, unless otherwise stated.

b) The notes and significant policies to the CFS are intended to serve as a guide for better understanding of the Group's position. In this respect, the Company has disclosed such notes and policies which represent the required disclosure.

2 The list of subsidiaries & associates included in the consolidated financial statements are as under:-

Sr. No.	Name of subsidiary company	As at 31-3-2011		As at 31-3-2010		As at 31-3-2009	
		Proportion of ownership interest (%)	Proportion of voting power held (%)	Proportion of ownership interest (%)	Proportion of voting power held (%)	Proportion of ownership interest (%)	Proportion of voting power held (%)
1	L& T Finance Limited	100	100	100	100	100	100
2	L&T Infrastructure Finance Company Limited	100	100	100	100	100	100
3	India Infrastructure Developers Limited	100	100	100	100	100	100
4	L&T Investment Management Limited (formerly DBS Cholamandalam Asset Management Limited) (Refer Note 1)	100	100	100	100	-	-
5	L&T Mutual Fund Trustee Limited (formerly DBS Cholamandalam Trustees Limited) (Refer Note 1)	100	100	100	100	-	-
6	L&T General Insurance Company Limited (Refer Note 2)	-	-	-	-	100	100
7	L&T Aviation Services Private Limited (Refer Note 3)	-	-	100	100	-	-

Note 1	For the financial year 2009-10, accounts have been consolidated from 20th January, 2010 to 31st March, 2010.
Note 2	Stake sold during the financial year 2009-10.
Note 3	Stake sold during the financial year 2010-11.

Associate:

Name of Associate	As at 31-03-2011	As at 31-03-2010	As at 31-03-2009
NAC Infrastructure Equipment Ltd.	30%	30%	30%

3 **Amortisation of goodwill arising on acquisition of subsidiary companies:**

₹ Million

Particulars	**Year ended 31-03-2011**	**Year ended 31-03-2010**	**From 1st May 2008 to 31st March 2009**
Amortisation of goodwill	48.98	24.79	-

4 **Details of secured and unsecured redeemable non-convertible debentures**

<u>L&T Finance Ltd.</u>

Secured Redeemable Non-convertible Debentures -Public Issue (Balance as on 31st March 2011 and as on 31st March 2010):

Sr. No.	**Face Value (₹)**	**Date of Allotment**	**Amount ₹ Million**	**Interest**	**Redemption**
1	1000 each	17th September, 2009	1,066.38	9.51%	Redeemable at par at the end of 60 months from the date of allotment
2	1000 each	17th September, 2009	2,963.48	9.62%	Redeemable at par at the end of 60 months from the date of allotment
3	1000 each	17th September, 2009	1,263.20	9.95%	Redeemable at par at the end of 88 months from the date of allotment
4	1000 each	17th September, 2009	4,706.94	10.24%	Redeemable at par at the end of 120 months from the date of allotment
5	1000 each	10th March, 2010	3,713.36	8.40%	Redeemable at par at the end of 36 months from the date of allotment
6	1000 each	10th March, 2010	1,286.64	8.50%	Redeemable at par at the end of 36 months from the date of allotment
	Total		**15,000.00**		

Security: The Debentures are secured by way of first/second charge, having *pari passu* rights, as the case may be, on the company's specified immovable properties and specified Hire Purchase/Lease/Term Loan receivables.

Secured Redeemable Non-convertible Debentures – Others (as on 31st March 2011):

Sr. No.	**Face Value (₹)**	**Date of Allotment**	**Amount ₹ Million**	**Interest**	**Redemption**
1	1 million each	07/07/2008	3,000	10.25%	Redeemable at par at the end of 36 months from the date of allotment
2	1 million each	21/07/2009	2,500	8.10%	Redeemable at par at the end of 24 months from the date of allotment
3	1 million each	29/09/2009	1,150	9.62%	Redeemable at par at the end of 60 months from the date of allotment
4	1 million each	12/04/2010	1,750	7.45%	Redeemable at par at the end of 24 months from the date of allotment
	Total		**8,400**		

Security: The Debentures are secured by way of first/second charge, having *pari passu* rights, as the case may be, on the company's specified immovable properties and specified Lease/Term Loan receivables.

Secured Redeemable Non-convertible Debentures - Others (as on 31st March 2010):

Sr. No.	Face Value (₹)	Date of Allotment	Amount ₹ Million	Interest	Redemption
1	1 million each	12th June, 2007	700	10.92%	Redeemable at par at the end of 36 months from the date of allotment
2	1 million each	1st August, 2007	950	9.24%	Redeemable at par at the end of 36 months from the date of allotment
3	1 million each	26th May, 2008	1,000	NSE Mibor + 265 bps	Redeemable at par at the end of 24 months from the date of allotment
4	1 million each	7th July, 2008	3,000	10.25%	Redeemable at par at the end of 36 months from the date of allotment
5	1 million each	21st July, 2009	2,500	8.10%	Redeemable at par at the end of 24 months from the date of allotment
6	1 million each	29th September, 2009	1,650	9.62%	Redeemable at par at the end of 60 months from the date of allotment
	Total		**9,800**		

Security: The Debentures are secured by way of first/second charge, having *pari passu* rights, as the case may be, on the company's specified immovable properties and specified Hire Purchase/Lease/Term Loan receivables.

Secured Redeemable Non-convertible Debentures as at 31st March 2009 –

Sr. No.	Face Value (₹)	Date of Allotment	Amount ₹ Million	Interest	Redemption
1	1 million each	06/06/2007	1,550	10.80%	Redeemable at par at the end of 24 months from the date of allotment
2	1 million each	12/06/2007	700	10.92%	Redeemable at par at the end of 36 months from the date of allotment
3	1 million each	01/08/2007	500	NSE Mibor + 240 bps	Redeemable at par at the end of 24 months from the date of allotment
4	1 million each	01/08/2007	850	9.00%	Redeemable at par at the end of 24 months from the date of allotment
5	1 million each	01/08/2007	900	9.24%	Redeemable at par at the end of 36 months from the date of allotment
6	1 million each	05/11/2007	500	NSE Mibor + 198 bps	Redeemable at par at the end of 24 months from the date of allotment
7	1 million each	26/05/2008	1,000	NSE Mibor + 265 bps	Redeemable at par at the end of 24 months from the date of allotment
8	1 million each	07/07/2008	3,000	10.25%	Redeemable at par at the end of 36 months from the date of allotment
	Total		**9,000**		

Security: The Debentures are secured by way of first/second charge, having *pari passu* rights, as the case may be, on the company's specified immovable properties and specified Hire Purchase/Lease/Term Loan receivables.

Unsecured Redeemable Non-convertible Subordinated Debt as at 31st March 2009, 2010 and 2011:

Sr. No.	Series	Interest	₹ Million	Date of Allotment	Earliest Redemption Date
1	Unsecured Redeemable Non-Convertible Subordinated Debt in the form of Debentures (Series "H" of FY 2007-08)	10.50%	750.00	20th February, 2008	Redeemable at par at the end of 120 months from the date of allotment.

Unsecured Redeemable Non-convertible Debenture as at 31st March, 2009 –

Sr. No.	Face Value	Deemed Date of Allotment	Amount ₹ Million	Interest	Redemption
1	10 million each	24/03/2009	200	NSE M+50 bps	Redeemable at par at the end of 87 days from the date of allotment
2	10 million each	26/03/2009	250	9.00%	Redeemable at par at the end of 11 days from the date of allotment
3	10 million each	30/03/2009	500	8.25%	Redeemable at par at the end of 7 days from the date of allotment
4	10 million each	30/03/2009	100	NSE M+115 bps	Redeemable at par at the end of 88 days from the date of allotment
5	10 million each	31/03/2009	50	NSE M+115 bps	Redeemable at par at the end of 87 days from the date of allotment
		Total	**1,100**		

<u>L&T Infrastructure Finance Co. Ltd</u>

Secured, Redeemable Non Convertible Debentures (Others) : (As at 31st March 2011)

Series	Face Value per debenture (₹ in million)	Date of allotment	Amount (₹ in million)	Interest Rate (%)	Redeemable at face value
Series "A" of 2009-10	1.00	1-Jun-2009	1,800.00	9.00% p.a.	At the end of 3 years from the date of allotment
Series "B" of 2009-10	1.00	30-Jun-2009	750.00	8.75% p.a.	At the end of 728 days from the date of allotment
Series "C" of 2009-10	1.00	8-Jul-2009	1,500.00	8.75% p.a.	At the end of 2 years from the date of allotment
Series "D" of 2009-10	1.00	5-Aug-2009	1,250.00	NSE MIBOR + 600 BPS (Floating), with a floor rate of 8.20% p.a. and cap of 8.25% p.a.	At the end of 2 years from the date of allotment
Series "E" of 2009-10	1.00	5-Aug-2009	1,250.00	NSE MIBOR + 600 BPS (Floating), with a floor rate of 8.25% p.a. and cap of 8.30% p.a.	At the end of 25 months from the date of allotment
Series "G" of 2009-10	1.00	23-Sep-2009	1,000.00	8.15% p.a.	At the end of 601 days from the date of allotment
Series "K" of 2009-10	1.00	2-Feb-2010	2,000.00	7.50% p.a.	At the end of 2 years from the date of allotment
Series "A "of 2010-11	1.00	16-Apr-2010	750.00	8.91% p.a.	At the end of 2 years from the date of allotment
Series "B "of 2010-11	1.00	16-Apr-2010	750.00	8.91% p.a.	At the end of 3 years from the date of allotment
Series "C "of 2010-11	1.00	16-Apr-2010	750.00	8.91% p.a.	At the end of 4 years from the date of allotment
Series "D "of 2010-11	1.00	16-Apr-2010	750.00	8.91% p.a.	At the end of 5 years from the date of allotment
Series "E "of 2010-11	1.00	16-Apr-2010	750.00	8.91% p.a.	At the end of 6 years from the date of allotment
Series "F "of 2010-11	1.00	16-Apr-2010	750.00	8.91% p.a.	At the end of 7 years from the date of allotment
Series "G "of 2010-11	1.00	16-Apr-2010	750.00	8.91% p.a.	At the end of 8 years from the date of allotment
			14,800.00		

Security: The Debentures are secured by mortgage of an immoveable property created under the terms of an operating lease arrangement and hypothecation of specific receivables

Long Term Infrastructure Bonds - Secured, Redeemable, Non Convertible Debentures: Public Issue (As at 31st March 2011)

Series	Face Value per debenture (₹)	Date of allotment	Amount (₹ in million)	Interest Rate (%)	Redeemable at face value
Series 2010A – Scheme 1	1,000	02-Dec-2010	190.82	7.75% p.a. payable annually	At the end of 10 years from the date of allotment. Buyback option available to the investors at the end of 7 years from the date of allotment
Series 2010A – Scheme 2	1,000	02-Dec-2010	471.72	7.75% p.a. compounded annually payable at maturity	At the end of 10 years from the date of allotment. Buyback option available to the investors at the end of 7 years from the date of allotment
Series 2010A – Scheme 3	1,000	02-Dec-2010	628.98	7.50% p.a. payable annually	At the end of 10 years from the date of allotment. Buyback option available to the investors at the end of 5 years from the date of allotment
Series 2010A – Scheme 4	1,000	02-Dec-2010	1,270.64	7.50% p.a. compounded annually payable at maturity	At the end of 10 years from the date of allotment. Buyback option available to the investors at the end of 5 years from the date of allotment
Series 2011A – Scheme 1	1,000	23-Mar-2011	906.93	8.20% p.a. payable annually	At the end of 10 years from the date of allotment. Buyback option available to the investors at the end of 5 years and 7 years from the date of allotment
Series 2011A – Scheme 2	1,000	23-Mar-2011	3,093.07	8.30% p.a. compounded annually payable at maturity	At the end of 10 years from the date of allotment. Buyback option available to the investors at the end of 5 years and 7 years from the date of allotment
			6,562.16		

Security: The Debentures are secured by mortgage of an immovable property created under the terms of an operating lease arrangement and hypothecation of specific receivables.

Secured, Redeemable Non Convertible Debentures (Others) : (As at 31st March 2010)

Series	Face Value per debenture (₹ in million)	Date of allotment	Amount (₹ in million)	Interest Rate (%)	Date of Maturity
Series "F" of 2008-09	1.00	27-Mar-2008	1,000.00	10.15% p.a.	At the end of 5 years from the date of allotment or on exercise of put or call option at the end of 3 years from the date of allotment
Series "A" of 2009-10	1.00	1-Jun-2009	1,800.00	9.00% p.a.	At the end of 2 years from the date of allotment
Series "B" of 2009-10	1.00	30-Jun-2009	750.00	8.75% p.a.	At the end of 2 years from the date of allotment
Series "C" of 2009-10	1.00	8-Jul-2009	1,500.00	8.75% p.a.	At the end of 25 months from the date of allotment
Series "D" of 2009-10	1.00	5-Aug-2009	1,250.00	NSE MIBOR + 600 BPS (Floating), with a floor rate of 8.20% p.a. and cap of 8.25% p.a.	At the end of 601 days from the date of allotment
Series "E" of 2009-10	1.00	5-Aug-2009	1,250.00	NSE MIBOR + 600 BPS (Floating), with a floor rate of 8.25% p.a. and cap of 8.30% p.a.	At the end of 2 years from the date of allotment
Series "G" of 2009-10	1.00	23-Sep-2009	1,000.00	8.15% p.a.	17-May-2011
Series "K" of 2009-10	1.00	2-Feb-2010	2,000.00	7.50% p.a.	2-Feb-2012
			10,550.00		

Security: The Debentures are secured by mortgage of an immoveable property created under the terms of an operating lease arrangement and hypothecation of specific receivables

Secured, Redeemable Non Convertible Debentures (Others) : (As at 31st March 2009)

Series	Face Value per debenture (₹in million)	Date of allotment	Amount (` in million)	Interest Rate (%) – annual	Date of Maturity
Series "F" of 2008-09	1.00	27-Mar-2008	1,000.00	10.15% p.a.	At the end of 5 years from the date of allotment or on exercise of put or call option at the end of 3 years from the date of allotment
			1,000.00		

Security: The Debentures are secured by mortgage of an immoveable property created under the terms of an operating lease arrangement and hypothecation of specific receivables

5 The effect of acquisition (including newly formed)/disposal of stake in subsidiaries during the period on the Consolidated Financial Statements is as under:

a) Acquisitions (including newly formed): ₹ Million

Name of subsidiary companies	Effect on Group profit/(loss) for the period ended March 31, 2011	Net Assets as at 31-3-2011	Effect on Group profit/(loss) for the period ended March 31, 2010	Net Assets as at 31-3-2010
L&T Aviation Services Pvt. Ltd.	--	--	(0.50)	9.48
L&T Investment Management Limited	--	--	(94.40)	573.70
L&T Mutual Fund Trustee Limited	--	--	--	0.80

b) Disposal :

₹ Million

Name of subsidiary companies	Effect on Group profit/(loss) for the period ended 31st March, 2011	Net Assets as at 31-3-2011	Effect on Group profit/(loss) for the period ended March 31, 2010	Net Assets as at 31-3-2010
L&T Aviation Services Pvt. Ltd.	(0.52)	9.48	--	--
L&T General Insurance Ltd.	--	--	(7.72)	(5.22)

6 For the financial year 2010-11, a Special Reserve of ₹ 116.50 million (financial year 2009-10: ₹ 60.80 million) has been created by L&T Infrastructure Finance Company Ltd. (subsidiary company) in terms of Section 36(1)(viii) of the Income Tax Act, 1961 out of distributable profits of the Company.

7 During the financial year 2009-10, in respect of a loan classified as a part of "Non Performing Assets, L&T Infrastructure Finance Co Ltd. (subsidiary company), invoked pledge of 69,46,000 equity shares in the borrower company, pledged with it as collateral by the borrower. Out of the said equity shares, 20,000 nos. were sold and the proceeds adjusted against the interest and related costs outstanding against the said loan. As and when the balance shares are sold, the proceeds would be adjusted against the overdue portion of the loan then remaining outstanding.

8 **Leases**

(i) Finance Lease:

Assets are given on finance lease to its customers with respective underlying assets/equipments as security. Minimum lease payments outstanding in respect of these assets are as under:

₹ Million

Due	As at 31st March 2011			As at 31st March 2010			As at 31st March 2009		
	Total Minimum Lease Payments Outstanding	Interest Not Due	Present Value of Minimum Lease Payments	Total Minimum Lease Payments Outstanding	Interest Not Due	Present Value of Minimum Lease Payments	Total Minimum Lease Payments Outstanding	Interest Not Due	Present Value of Minimum Lease Payments
Not later than one year	11.61	0.58	11.03	224.03	66.54	157.49	371.90	48.21	323.69
Later than one year and not later than five years	1,686.42	325.30	1,361.12	565.33	91.54	473.79	333.94	30.65	303.29
Later than five years	-	-	-	--	--	--	--	--	--
	1,698.03	**325.88**	**1,372.15**	**789.36**	**158.08**	**631.28**	**705.84**	**78.86**	**626.98**

(ii) Operating Lease:

Cars are taken on non-cancellable operating leases, the future minimum lease payments in respect of these assets are as follows:

₹ Million

Due	Total Minimum Lease Payments Outstanding	
	As at 31st March 2011	As at 31st March 2010
Not later than one year	0.93	1.06
Later than one year and not later than five years	0.87	2.76
Later than five years	-	-
	1.80	**3.82**

Certain premises are taken under operating leases. Rent includes gross expenses of ₹ 44.53 million for the year ended 31 March, 2011 *(for the year ended 31st March, 2010 ₹24.16 million and for the period ended 31st March, 2009* ₹16.54 *million)*. The committed lease rentals in the future are:

₹ Million

Due	**Committed future lease rentals**		
	As at 31st March 2011	**As at 31st March 2010**	**As at 31st March 2009**
Not later than one year	36.80	21.38	9.40
Later than one year and not later than five years	32.56	10.45	0.20
Later than five years	-	-	-

Gross value of assets and accumulated depreciation of assets given under operating lease as on balance sheet date:

₹ Million

Particulars	**Period ended 31st March 2011**	**Period ended 31st March 2010**	**From 1st May 2008 to 31st March 2009**
- Gross Value of assets			
Buildings	106.13	106.13	106.13
Plant and Machinery	5,158.85	4,883.31	4,815.89
Vehicles	1,543.36	1,449.37	1,192.20
Computers and Others	576.32	595.67	583.75
- Accumulated Depreciation (including lease terminal depreciation)			
Buildings	106.13	106.13	106.13
Plant and Machinery	4,362.84	4,287.34	4,201.85
Vehicles	532.93	525.60	430.83
Computers and Others	271.91	252.25	213.80

The total lease depreciation recognized in the Profit and Loss Account for 2010-11and 2009-10 is ₹ 441.35 million and ₹ 401.00 million respectively.

9 During the period ended 31st March, 2011, L&T Investment Management Ltd. (subsidiary company) has reimbursed ₹ 59.95 million (Period ended 31st March, 2010, ₹ 15.41 million) to mutual fund schemes on account of fall in portfolio indicative yield, unamortised deferred revenue expenses and amortisation of floating rate notes.

10 **Segment Reporting :**

Primary Segment (Business Segment)
The major subsidiary Companies operate mainly in the business segment of fund based financing activity. The other business segments do not have income and/or assets more than 10% of the total income and/or assets of the consolidated entity. Accordingly, separate segment information for different business segments is not disclosed.

Secondary Segment (Geographical Segment)
The company operates only in the domestic market. As a result separate segment information for different geographical segments is not disclosed.

11 **Employee Stock Option Scheme of the company:**

The Company has formulated Employee Stock Option Scheme 2010 (ESOP Scheme -2010) in the year 2010-11, for which intrinsic value method is used. The Plan is designed to provide stock options to employees of the company, its subsidiaries and holding company. All grants under the Plan are to be issued and allotted by the Nomination and Remuneration Committee of the Company. The options are to be granted to the eligible employees based on certain criteria and approval of the Committee and as per the respective Employee Stock Option Agreements that the Company enters into with them.

The Company has granted 10,750,000 options on November 30, 2010. Options have been granted at an exercise price which will be at a discount of 15% of the issue price of equity shares being offered in the initial public offering (IPO) which is under consideration.

The Employees shall be allotted a pre-defined number of equity shares against each option and the options will vest over a period of four years from the date of grant at a pre-defined percentage of the total vesting, which shall each be subject to the conditions as per respective Employee Stock Option Agreements that the Company enters into with them.

Options can be exercised anytime within a period of 7 years from the date of grant and would be settled by way of equity.

The compensation costs of stock options granted to employees are accounted by the Company using the intrinsic value method wherein the fair market value of equity shares has been determined by an independent valuer.

The details of the grant under the aforesaid scheme are summarized below:

Sr. No.	**Particulars**	**2010-11**
1.	Grant price – Rupees	The exercise price of the options would be a price which will be at a discount of 15% of the Issue Price.
2.	Grant date	30-11-2010
3.	Options granted and outstanding at the beginning of the year	-
4.	Options granted during the year	10,750,000
5.	Options cancelled/ lapsed during the year	134,600
6.	Options exercised during the year	-
7.	Options granted and outstanding at the end of the year of which – - Options vested - Options yet to vest	 - 10,615,400

Information in respect of options outstanding

Range of exercise price	31.3.2011		31.03.2010	
	Number of options	Weighted average remaining life	Number of options	Weighted average remaining life
The exercise price of the options would be a price of 15% discount to the Issue Price of IPO.	10,615,400	3.5 years	-	-

(i)	Diluted Earning per Share (EPS) pursuant to issue of shares on excise of Options calculated in accordance with Accounting standards (AS) 20	Diluted EPS ₹ 2.78
(ii)	The difference between employee compensation cost using intrinsic value method and the fair value of the Options and impact of this difference on profits and on EPS.	Had fair value method been adopted for expensing the ESOP compensation : (a) the ESOP compensation charge debited to P&L A/c for the year 2010-2011 would have been higher by ₹ 16.31 million. (b) Basic EPS would have decreased from ₹ 2.82 per share to ₹ 2.81 per share. (c) Diluted EPS would have decreased from ₹ 2.78 per share to ₹ 2.77 per share.
	Method and significant assumptions used to estimate the fair value of Options granted during the year.	
	(a) model used	Black-Scholes Method
	(b) inputs to that model	
	(i) Weighted average risk-free interest rate	7.93%
	(ii)Weighted average expected Options Life	3.5 years
	(iv) Weighted average expected dividends	₹ 0.33 per option
	(iii) Weighted average expected volatility	41.81 %
	(v) Weighted average share price	₹ 60.42 per share
	(vi) Weighted average exercise price	₹ 51.36 per share
	(vii) Attrition Rate	12 %
	(viii) the method used to determine expected volatility, including an explanation of the extent to which expected volatility was based on historical volatility	The expected volatility has been calculated entirely based on the historic volatility of peer companies, as historical data of the company (unlisted) is not available.

Other information regarding employee share-based payment plans is as below:

₹ Million

Particulars	**2010-11**	**2009-10**
Expense arising from employee share-based payment plans	12.26	Nil
Expense arising from equity settled share based payment plans	12.26	Nil
Liability arising from employee share-based payment plans	Nil	Nil

During the year, the Company has recovered ₹ 12.26 million (previous year ₹ Nil) from its subsidiary companies towards the stock options granted to their employees, pursuant to the employee stock option schemes.

12 **Stock Ownership Scheme of subsidiary company:**

L&T Investment Management Ltd. (subsidiary company) has formulated Employee Stock Option Plan 2008 (ESOP 2008) for the employees. The Plan is designed to provide stock options to employees in a specific category. All grants under the Plan are to be issued and allotted by the Allotment Committee of the Board of the Company. The options are to be granted to the eligible employees based on certain criteria and approval of the Allotment Committee of the Board and as per the detailed and respective Employee Stock Option Agreements that the Company enters into with them.

The options have been granted on September 10, 2009. Options have been granted at an exercise price equal to the fair market value of the shares as determined by an independent valuer.

The Employees shall be allotted a pre-defined number of equity shares against each option and the options will vest over a period of five years from the date of grant at a pre-defined percentage of the total vesting, which shall each be subject to the condition that the Employees will secure specific annual performance ratings for every allotment and Company achieving certain performance target.

Options can be exercised anytime within a period of 5 years from the date of vesting.

The employees also have the exit option which they can exercise under certain events. The compensation costs of stock options granted to employees are accounted by the Company using the fair value method.

Summary of Stock Options	No. of stock options		Weighted average exercise price (₹)	
	2010-11	2009-10	2010-11	2009-10
Options Outstanding at the beginning of the year	65,40,000	-	10.50	
Options granted during the year	-	66,60,000		10.50
Options forfeited/lapsed during the year	-	1,20,000		
Options exercised during the year	-	NIL		
Options outstanding at the end of the year	65,40,000	65,40,000	10.50	10.50
Options vested but not exercised at the end of the year	-	-		

Information in respect of options outstanding at the end of the following years.

	Number of options		Weighted average remaining life	
Range of exercise price	2010-11	*2009-10*	2010-11	*2009-10*
₹ 10.50	65,40,000	65,40,000	upto April 2013	upto April 2013

14 **Capital commitment (net of advances):**

During the current year 2010-11 estimated amount of contract remaining to be executed on capital account (net of advances) is ₹ **1,127.76 million** *(Previous year ₹580.78 million).*

15 **Employee Benefits :**

a) Defined Contribution Plans:

Amount of ₹ **14.06 million** is recognised as an expense and included in Personnel Expenses in the profit and loss account for the year ended March 31, 2011*(Previous year ₹5.51million).*

b) Defined Benefit Plans:

(i) Details of amounts recognized in Balance sheet towards defined benefit plans is as under:

₹ Million

Particulars	**Gratuity Plan**	
	As at 31.03.2011	As at 31.03.2010
A. Amount to be recognized in Balance Sheet		
Present Value of Defined Benefit Obligation		
- Wholly Funded	22.76	14.18
- Wholly Unfunded	3.36	1.97
Less: Fair Value of Plan Assets	(14.17)	(11.39)
Unrecognised Past Service Costs	(0.45)	-
Amount to be recognized as liability or (asset)	11.50	4.76
B. Amounts reflected in the Balance Sheet		
Liability	13.74	6.42
Assets	2.24	1.66
Net Liability(asset)	11.50	4.76

(ii) The amount recognised in profit and loss account as follows:

₹ Million

Particulars	**Gratuity Plan**	
	2010-11	2009-10
1 Current Service Cost	5.62	4.81
2 Interest on Defined Obligation	1.74	1.32
3 Expected Return on Plan Assets	(1.18)	(0.72)
4 Actuarial Losses/(Gains)	4.25	(1.72)
5 Past Service Cost	0.13	-
6 Effect of any curtailment or settlement	-	-
7 Actuarial Gain not recognized in books	-	-
8 Adjustment for earlier years	-	-
Total included in Employee Benefit Expenses	10.56	4.10
Actual Return on Plan Assets	0.94	0.59

(iii) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balance thereof are as follows:

₹ Million

Particulars	**Gratuity Plan**	
	As at 31.03.2011	As at 31.03.2010
Opening balance of the present value of Defined Benefit Obligation	16.15	12.63
Add: Current Service Cost	5.62	4.81
Add: Interest Cost	1.74	1.32
Add/(Less):Actuarial Losses/(Gain)	4.01	(1.84)
Add:Past Service Cost	0.58	-
Add: Actuarial Losses/(Gain) due to curtailments	-	-
Add: Liabilities Extinguished on settlements	-	-
Add: Liabilities Assumed on Acquisition/(Settled on Divestiture)	-	-
Exchange difference on Foreign Plans	-	-
Adjustments for earlier years	-	-
Less: Benefits Paid	(1.99)	(0.77)
Closing balance of the present value of Defined Benefit Obligation	26.11	16.15

(iv) Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows:

₹ Million

Particulars	**Gratuity Plan**	
	As at 31.03.2011	As at 31.03.2010
Opening balance of the fair value of the plan assets	11.39	7.94
Add: Expected Return on plan assets	1.18	0.72
Add/(Less):Actuarial Losses/(Gain)	(0.24)	(0.13)
Add: Assets distributed on settlements	-	-
Add: Contributions by Employer	3.83	3.63
Add: Assets Acquired on Acquisition/(Distributed on Divestiture)	-	-
Add: Exchange difference on Foreign Plans	-	-
Less: Benefits Paid	(1.99)	(0.77)
Experience Adjustments on Plan Assets	-	-
Closing balance of the plan assets	14.17	11.39

h) The estimates for future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The amounts pertaining to defined benefit plans are as follows:

₹ Million

Particulars	**As at 31-03-2011**	**As at 31-03-2010**
Gratuity Plan		
Defined Benefit Obligation	26.11	16.15
Plan Assets	14.17	11.39
Surplus/(Deficit)	(11.94)	(4.76)

i) Defined Benefit Provident Fund Plan:

a) The amounts recognised in Balance Sheet are as follows:

₹ Million

	Particulars	Provident Fund Plan	
		As at 31-03-2011	As at 31-03-2010
A.	Net (Liability) / Asset recognized in the Balance Sheet		
	Present Value of Funded Obligation	140.47	96.10
	Liability towards unpaid contribution	--	--
	Less: Fair value of Plan Assets	(142.80)	(97.58)
	Amount to be recognised in the Balance Sheet as liability or (asset)	(2.33)	(1.48)
B.	Amounts to be recognised in the Balance Sheet		
	Liability	--	--
	Assets	2.33	1.48

b) Expenses recognised in the statement of Profit & Loss Account:

₹ Million

	Particulars	Provident Fund Plan	
		2010-11	2009-10
1	Current Service Cost	15.74	9.90
2	Interest on Defined Benefit Obligation	10.57	6.90
3	Expected Return on Plan Assets	(10.86)	(7.20)
4	Net Actuarial Losses/(Gains)	(0.54)	2.35
5	Past Service Cost	--	--
6	Losses / (Gains) on curtailment or settlement	--	--
7	(Shortfall) in actual return on plan assets over interest payable not to be recognised as expenses to the extent of excess of asset over liabilities	0.83	(2.05)
8	Expenses recognized in the statement of Profit & Loss Account	15.73	9.90
9	Actual Return of Plan Asset	11.40	4.85

c) The changes in present value of defined benefit Obligation representing reconciliation of opening and closing balance thereof are as follows:

₹ Million

Particulars	Provident Fund Plan	
	As at 31-03-2011	As at 31-03-2010
Opening balance of the present value of Defined Benefit Obligation	96.10	71.90
Add: Current Service Cost	15.73	9.90
Add: Interest Cost	10.57	6.90
Add/(less): Actuarial Losses/(Gain)	--	--
Add: Past service cost	--	--
Add : Actuarial losses / (Gain) due to curtailments	--	--
Add: Liabilities Extinguished on Settlements	--	--
Add: Liabilities Assumed on Acquisition/(Settled on Divestiture)	--	--
Add: Contribution by Plan Participants	24.57	*16.80*
Exchange Difference on Foreign Plans	--	--
Adjustments for earlier years	--	--
Less: Benefits paid	(6.50)	(9.40)
Closing balance of the present value of Defined Benefit Obligation	140.47	96.10

d) Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows:

₹ Million

Particulars	Provident Fund Plan	
	As at 31-03-2011	As at 31-03-2010
Opening balance of the fair value of the plan assets	97.58	75.50
Add: Expected Return on plan assets	10.86	7.20
Add/(less): Actuarial gains/(losses)	0.54	(2.35)
Add: Assets Distributed on Settlements	--	--
Add: Contributions by Employer	15.74	9.90
Add: Contribution by Plant participants	24.57	16.73
Add: Assets Acquired on Acquisition/(Distributed on Divestiture)	--	--
Add: Exchange Difference on Foreign Plans	--	--
Less: Benefits Paid	(6.50)	(9.40)
Closing balance of the plan assets	142.80	97.58

e) The major categories of plan assets as a percentage of total plan assets, are as follows:

Particulars		Provident Fund Plan	
		As at 31-03-2011	As at 31-03-2010
1	Government of India Securities	24%	23%
2	State Government Scheme	11%	12%
3	Special Deposit Scheme	18%	22%
4	Public Sector Unit Bond	38%	35%
5	Corporate Bonds	6%	6%
6	Others (cheques on hand)	3%	2%
		100%	100%

Note: The interest payment obligation of trust-managed provident fund is assumed to be adequately covered by the interest income on long term investments of the fund. Any shortfall in the interest income over the interest obligation is recognised immediately in the Profit and Loss Account as actuarial losses.

16 Major components of deferred tax liabilities and deferred tax assets:

₹ Million

Particulars	As at 31.03.2011		As at 31.03.2010		As at 31.03.2009	
	Deferred Tax Assets	Deferred Tax Liabilities	Deferred Tax Assets	Deferred Tax Liabilities	Deferred Tax Assets	Deferred Tax Liabilities
Difference between book depreciation and tax depreciation	--	285.97	--	262.73	--	186.22
Provision for doubtful debts, advances & standard assets debited to profit and loss account	705.68	--	301.75	--	103.43	--
Unpaid statutory liability / provision for leave encashment debited to profit and loss account	--	--	--	--	3.98	--
Impact of change in accounting policy – recognition of upfront income	3.67	--	10.64	--	25.33	--
Debenture issue expenses		265.33		128.77		
Other items giving rise to timing difference	10.68	112.07	16.71	27.36	13.72	217.82
TOTAL	720.03	663.37	329.10	418.86	146.46	404.04
Net deferred tax liability/(asset)	(56.66)		89.76		257.58	
Net incremental liability charged to profit and loss account	(146.42)		(167.82)		--	

17 In line with the Company's risk management policy, the various financial risks mainly relating to the changes in the exchange rates and interest rate are hedged by using a combination of swaps and other derivative contracts, besides the natural hedges.

The particulars of the derivate contracts entered into for hedging purposes outstanding as at March 31, 2011 and March 31, 2010 are as under:

₹ Million

Category of derivative instruments	Amount of exposures hedged	
	2010-11	2009-10
- Receive Fixed, pay floating- INR Interest Rate Swap	700.00	2,000.00
- Cross Currency Swap	2,700.00	2,450.00
Total	**3,400.00**	**4,450.00**

18 **Contingent Liabilities :**

₹ Million

Particulars	**As at 31st March,**		
	2010-11	**2009-10**	**2008-09**
Income tax liability in respect of matters in Appeal	254.51	248.98	132.95
Sales tax liability in respect of matters in Appeal	53.93	49.59	37.55
Liability in respect of legal matters	2.72	1.00	1.00
Non fund based exposure	103.64	--	--

19 **Borrowing Cost: AS-16**

Borrowing costs capitalised during the year are **₹ 77.64 million**. (Previous year ₹ Nil)

20 Previous year figures have been regrouped / reclassified wherever necessary.

L&T FINANCE HOLDINGS LIMITED (UNCONSOLIDATED)
(Formerly L&T Capital Holdings Limited)

ANNEXURE 1

STATEMENT OF RESTATED AUDITED ASSETS AND LIABILITIES (UNCONSOLIDATED)

₹ Million

	Particulars		As at 31st March,		
		Schedule	**2011**	**2010**	**2009**
A	**Assets**				
	Fixed Assets – gross block		-	-	-
	Less : Depreciation		-	-	-
	Net block		-	-	-
	Less : Revaluation Reserve		-	-	-
	Net Block after adjustment for Revaluation Reserve		-	-	-
	Capital work-in-progress including capital advances		-	-	-
			-	-	-
B	**Investments**	4	21,187.78	16,292.78	10,765.42
C	**Current Assets, Loans and Advances**	5			
	Stock-on-Hire		-	-	-
	Sundry Debtors		-	-	-
	Cash and Bank Balances		2.98	0.06	20.47
	Loans and Advances		199.72	22.78	-
	Other Current Assets		-	-	-
			202.70	22.84	20.47
D	**Liabilities and Provisions**				
	Secured Loans		-	-	-
	Unsecured Loans	3	3,560.00	-	-
	Deferred Tax Liabilities (net of assets)		-	-	-
	Current Liabilities	6	0.98	1.13	0.12
	Provisions	6	0.80	0.62	0.02
			3,561.78	1.75	0.14
E	**Net Worth (A+B+C-D)**		**17,828.70**	**16,313.87**	**10,785.75**
	Represented by				
	Shareholders funds				
	- Share Capital	1	14,170.24	13,535.92	20.50
	- Share application money		-	2,750.00	10,765.42
	- Employee stock options outstanding		12.26	-	-
	- Reserves and Surplus	2	3,646.20	27.95	(0.17)
	Less : Revaluation Reserve		-	-	-
	Reserves (Net of Revaluation Reserve)		3,646.20	27.95	(0.17)
	Less : Miscellaneous expenditure not written off		-	-	-
	Net Worth		**17,828.70**	**16,313.87**	**10,785.75**

ANNEXURE 2

STATEMENT OF RESTATED AUDITED PROFIT AND LOSS ACCOUNT (UNCONSOLIDATED)

₹ Million

Particulars	Schedule	For the year ended 31st March, 2011	For the year ended 31st March, 2010	From 1st May 2008 to 31st March 2009
Income				
Income from operations	7	56.93	53.64	0.26
Other income		-	-	-
Total		**56.93**	**53.64**	**0.26**
Expenditure				
Employee cost		-	-	-
Administration and other expenses	8	6.35	24.89	0.03
Provisions and contingencies	9	45.00	-	-
Interest and other finance charges	10	3.43	-	-
Depreciation and amortisation		-	-	-
Preliminary expenses written off	11	-	-	0.39
Total		**54.78**	**24.89**	**0.42**
Net Profit before taxes and extra-ordinary items		**2.15**	**28.75**	**(0.16)**
Current tax (including wealth tax)		0.80	0.63	0.01
Deferred tax		-	-	-
Fringe benefit tax		-	-	-
Net Profit before extra-ordinary items		**1.35**	**28.12**	**(0.17)**
Prior period items (net of tax)		-	-	-
Extra-ordinary items		-	-	-
Net Profit after extra-ordinary items		**1.35**	**28.12**	**(0.17)**
Adjustments, if any		-	-	-
Tax impact on adjustments		-	-	-
Total adjustments, net of tax impact		-	-	-
Net Profit, as Restated		**1.35**	**28.12**	**(0.17)**
Balance brought forward from previous year		**22.33**	**(0.17)**	**-**
Appropriations				
Transfer to Reserve u/s 45-IC of RBI Act, 1934		0.30	5.62	-
Transfer to General Reserve		-	-	-
Transfer to Debenture Redemption Reserve		-	-	-
Balance carried to Balance Sheet		**23.38**	**22.33**	**(0.17)**

ANNEXURE 3

STATEMENT OF RESTATED AUDITED CASH FLOW (UNCONSOLIDATED)

₹ Million

Particulars	For the year ended 31st March		From 1st May 2008 to 31st March 2009
	2011	2010	
A. Cash flow from operating activities			
Net profit before tax as restated	**2.15**	**28.75**	**(0.17)**
Adjustment for :			
Depreciation	-	-	-
Interest and dividend received on investments	(54.37)	(53.64)	(0.05)
Provision for diminution in value of investments	45.00	-	-
Provision for non performing assets/write offs	-	-	-
Operating profit before working capital changes	**(7.22)**	**(24.89)**	**(0.22)**
Adjustment for :			
(Increase)/Decrease in net stock on hire	-	-	-
(Increase)/Decrease in trade and other receivables and advances	(163.29)	(22.78)	-
Increase/(Decrease) in trade and other payables	(0.14)	0.98	0.14
Cash generated from operations	(170.65)	(46.69)	(0.08)
Direct taxes paid	(0.80)	-	-
Net cash flow from operating activities (A)	**(171.45)**	**(46.69)**	**(0.08)**
B. Cash flow from investing activities			
Proceeds/Adjustments from sale of fixed assets	-	-	-
Purchase of shares of subsidiaries and associate company	(4,950.00)	(4,011.00)	(10,515.42)
Share application money pending allotment	-	-	(250.00)
Purchase of investments	-	(1,516.36)	-
Sale of investments	-	-	-
Sale of shares of subsidiaries and associate company	10.00	-	-
Interest or dividend received on investments	54.37	53.64	0.05
Net cash from investing activities (B)	**(4,885.63)**	**(5,473.72)**	**(10,765.37)**
C. Cash flow from financing activities			
Increase/(Decrease) in secured loans	-	-	-
Increase/(Decrease) in unsecured loans (net)	3,560.00	-	-
Dividends paid during the year	-	-	-
Proceeds from issue of share capital including securities premium	1,500.00	13,515.42	20.50
Share application money received	-	(8,015.42)	10,765.42
Net cash generated (used in)/ from financing activities(C)	**5,060.00**	**5,500.00**	**10,785.92**
Net cash increase/(decrease) in cash and cash equivalents (A+B+C)	2.92	(20.41)	20.47
Cash and cash equivalents as at beginning of the year/period	0.06	20.47	-
Cash and cash equivalents as at end of the year/period	2.98	0.06	20.47

Schedules forming part of financial statements

₹ Million

	As at 31st March,		
SCHEDULE – 1	**2011**	**2010**	**2009**
Share Capital			
Authorised 5,000,000,000 *(As on 31.03.2010 5,000,000,000)* Equity shares of ₹ 10 each	50,000.00	50,000.00	15,000.00
	50,000.00	**50,000.00**	**15,000.00**
Issued subscribed & paidup 1,417,024,426 *(As on 31.03.2010 1,353,591,591)* Equity shares of ₹ 10 each	14,170.24	13,535.92	20.50
Of the above 1,417,024,221 *(As on 31.03.2010 1,353,591,386)* Equity shares of ₹ 10 each fully paid up are held by Larsen & Toubro Limited, the holding company and its nominees			
Total	**14,170.24**	**13,535.92**	**20.50**

₹ Million

	As at 31st March,		
SCHEDULE – 2	**2011**	**2010**	**2009**
Reserves and Surplus			
Reserve U/s 45-IC of RBI Act, 1934	5.93	5.62	-
General Reserve	1.22	-	-
Securities premium account	3,615.67	-	-
Profit and loss account	23.38	22.33	(0.17)
Total	**3,646.20**	**27.95**	**(0.17)**

Schedules forming part of financial statements

₹ Million

	As at 31st March,		
SCHEDULE –3	**2011**	**2010**	**2009**
Unsecured Loans			
Short term loan (From Larsen & Toubro Limited)	3,560.00	-	-
Total	**3,560.00**	**-**	**-**

₹ Million

	As at 31st March,		
SCHEDULE –4	**2011**	**2010**	**2009**
Investments (At cost)			
(A) Long term investments:			
(i) Subsidiary companies (unquoted)			
(a) Fully paid equity shares	19,671.42	14,731.42	10,470.42
(b) Application money for equity shares	-	-	250.00
	19,671.42	14,731.42	10,720.42
(ii) Associate company (unquoted)	45.00	45.00	45.00
(iii) Others (quoted)	1,516.36	1,516.36	-
	21,232.78	16,292.78	10,765.42
Less: Provision for diminishing value of investments	45.00	-	-
Total	**21,187.78**	**16,292.78**	**10,765.42**

Schedules forming part of financial statements (contd.)

₹ Million

	As at 31st March,		
	2011	**2010**	**2009**
Details of Investments:			
In subsidiaries: (unquoted)			
L&T Finance Limited 230,922,269 shares of ₹ 10 each (Previous year 212,172,269 shares of ₹ 10 each)	10,159.82	6,409.82	4,909.82
L&T Infrastructure Finance Company Limited 702,150,000 shares of ₹ 10 each (Previous year 683,400,000 shares of ₹ 10 each)	8,501.00	7,751.00	5,000.00
India Infrastructure Developers Limited 101,060,000 shares of ₹ 10 each (Previous year 56,060,000 shares of ₹ 10 each)	1,010.60	560.60	560.60
L&T Aviation Services Private Limited 1,000,000 shares of ₹ 10 each sold during the year (Previous year 1,000,000 shares of ₹ 10 each)	-	10.00	-
	19,671.42	14,731.42	10,470.42
Share application money pending allotment	-	-	250.00
	19,671.42	14,731.42	10,720.42
In Associate company: (unquoted)			
NAC Infrastructure Equipment Limited 4,500,000 shares of ₹ 10 each (Previous year 4,500,000 shares of ₹ 10 each)	45.00	45.00	45.00
Others: (quoted)			
The Federal Bank Limited 7,995,619 shares @ ₹ 10 each (Previous year 7,995,619 shares @ ₹ 10 each) (Market value as on 31/03/2011 ₹ 3,346.57 Million)	1,237.65	1,237.65	-
City Union Bank Limited 19,195,012 shares @ ₹ 1 each (Previous year 15,000,000 shares @ ₹ 1each subscribed during the year and 4,195,012 shares @ ₹ 1 each subscribed on Rights Issue) (Market value as on 31/03/2011 ₹ 859.94 Million)	278.71	278.71	-
	1,516.36	1,516.36	-
Less: Provision for diminishing value of investments	45.00	-	-
	21,187.78	**16,292.78**	**10,765.42**
Aggregate value of investments			
Total unquoted investments (book value)	19,716.42	14,776.42	10,765.42
Total quoted investments (book value)	1,516.36	1,516.36	-
Total quoted investments (market value)	4,206.50	2,750.57	-

Schedules forming part of financial statements (contd.)

₹ Million

	As at 31st March,		
SCHEDULE – 5	**2011**	**2010**	**2009**
Current Assets, Loans and Advances			
Cash on hand	-	-	-
Balance with Scheduled banks			
On current account	2.98	0.06	0.02
On fixed deposit account (including interest accrued thereon)	-	-	20.45
	2.98	0.06	20.47
Loans and Advances, unsecured			
Loans including interest accrued thereon	-	22.50	-
Advances recoverable in cash or in kind or for value to be received	199.72	0.28	-
Total	**202.70**	**22.84**	**20.47**

₹ Million

	As at 31st March,		
SCHEDULE – 6	**2011**	**2010**	**2009**
Current Liabilities and Provisions			
Current liabilities:			
Sundry creditors			
Due to Larsen & Toubro Limited (holding company)	-	0.05	0.11
Due to L&T Finance Limited	-	1.05	-
Provision for expenses	-	0.01	0.01
Others	0.98	0.02	-
	0.98	1.13	0.12
Provision for:			
Taxes	0.80	0.62	0.02
Total	**1.78**	**1.75**	**0.14**

₹ Million

	For the year ended 31st March		From 1st May 2008 to 31st March 2009	Nature	Related/Not-related
	2011	**2010**			
SCHEDULE – 7					
Income from investments	54.37	51.23	0.21	Recurring	Related
Other income	2.56	2.41	0.05	Recurring	Non-Related
Total	**56.93**	**53.64**	**0.26**		

Schedules forming part of financial statements (contd.)

₹ Million

	For the year ended 31st March,		From 1st May 2008 to 31st March 2009
SCHEDULE – 8	**2011**	**2010**	
Administrative and Other Expenses			
Audit fees	0.05	0.01	0.01
Certification fees	0.04	0.01	0.01
Bank charges	-	-	-
Conveyance exp	0.19	-	0.01
Filing fees with registrar of companies	0.01	19.80	-
Professional fees	1.15	0.06	-
Stamp duty	4.25	4.96	-
Directors sitting fees	0.58	-	-
Miscellaneous expenses	0.08	0.05	-
Total	**6.35**	**24.89**	**0.03**

₹ Million

	For the year ended 31st March,		From 1st May 2008 to 31st March 2009
SCHEDULE – 9	**2011**	**2010**	
Provisions and contingencies			
Provision for diminution in value of investment	45.00	-	-
Total	**45.00**	**-**	**-**

₹ Million

	For the year ended 31st March,		From 1st May 2008 to 31st March 2009
SCHEDULE – 10	**2011**	**2010**	
Interest and other finance charges			
Interest on unsecured loans	3.43	-	-
Total	**3.43**	**-**	**-**

₹ Million

	For the year ended 31st March,		From 1st May 2008 to 31st March 2009
SCHEDULE – 11	**2011**	**2010**	
Preliminary Expenses			
Filing fees with Registrar of Companies	-	-	0.22
Stamp duty	-	-	0.16
Other expenses	-	-	0.01
Total	**-**	**-**	**0.39**

ANNEXURE 4

STATEMENT OF RESTATED ACCOUNTING RATIOS

Particulars	**As at 31st March**		
	2011	**2010**	**2009**
Weighted average number of equity shares of ₹ 10/- each			
i) Number of shares at the beginning of the year	1,353,591,591	2,050,000	-
ii) Number of shares at the end of the year/period	1,417,024,426	1,353,591,591	2,050,000
iii) Weighted average number of outstanding equity shares	1,387,132,789	1,219,936,113	467,808
iv) Share application money (₹ million)	-	2,750.00	10,765.42
v) Weighted average number of outstanding equity shares (Diluted)	1,406,722,877	1,220,273,467	3,417,237
Net Profit after tax available for equity shareholders (₹ million)	1.35	28.12	(0.17)
Basic Earnings Per Share (EPS) (₹)	0.00	0.02	(0.36)
Dilutive EPS (₹)	0.00	0.02	(0.05)
Return on Net Worth (%)	0.01	0.17	-
Net Asset Value per Equity Share (₹)	12.57	10.02	9.92

Earnings Per share (Basic) = $\frac{\text{Net profit attributable to Equity Shareholders (before exceptional items)}}{\text{Weighted Average number of Equity shares outstanding during the year/period}}$

Earnings Per share (Diluted) = $\frac{\text{Net profit attributable to Equity Shareholders (before exceptional items)}}{\text{Weighted Average number of diluted Equity shares outstanding during the year/period}}$

Return on Net worth (%) = $\frac{\text{Net profit after Tax (after excluding revaluation reserves)}}{\text{Net worth at the end of the year/period}}$

Net asset value per share (₹) = $\frac{\text{Net worth at end of the year (excluding share application and revaluation reserves)}}{\text{Equity share outstanding at the end of the year/period}}$

ANNEXURE 5

CAPITALISATION STATEMENT (UNCONSOLIDATED)

₹ Million

Particulars	**Pre Issue as at 31st March, 2011**	**Pre Issue as at 31st March, 2010**	**Adjusted for the issue ***
Secured Loans	-	-	
Unsecured Loans	3,560.00	-	
Total Debt	**-**	**-**	
Shareholders' funds			
Share Capital			
- Equity	14,170.24	13,535.92	
- Employee stock options outstanding	12.26	-	
Less : Calls-in-arrears	-	-	
- Preference	-	-	
Reserves and surplus	3,646.20	27.95	
Less : Miscellaneous expenditure not written off	-	-	
Total Shareholders' funds	**17,828.70**	**13,563.87**	
Debt to Equity Ratio (Number of times)	**0.20**	**-**	

***Will be finalized after determination of pricing of the issue**

Note: The Company has issued/ allotted additional 63,432,835 equity shares of ₹10 each for cash @ premium of ₹ 57 per share aggregating to ₹ 4,250.00 million on 20th September, 2010.

ANNEXURE 6

STATEMENT OF TAX SHELTER

₹ Million

Particulars	**For the year ended 31st March,**		**From 1st May 2008 to 31st March 2009**
	2011	**2010**	
Profit before Taxes	**2.15**	**28.75**	**(0.15)**
Statutory Tax Rate	30.90%	33.99%	33.99%
Tax at Statutory Rate (A)	0.66	9.77	-
Adjustment for Permanent Differences:			
Dividend income exempt	(54.37)	(51.23)	-
Disallowance u/s 14A and other adjustments	5.53	-	-
Income taxable under the head capital gains	-	-	-
Others	4.26	-	-
Total due to permanent differences (B)	**(44.58)**	**(51.23)**	**-**
Adjustment for Timing difference			
Preliminary expenditure u/s 35D of the Income Tax Act, 1961	(0.08)	-	-
Others	45.00	-	-
Total timing difference (C)	**44.92**	**-**	**-**
Total adjustments (B + C)	0.34	(51.23)	-
Tax on total adjustments at statutory rate (D)	0.11	(17.41)	-
Tax liability after considering the adjustments (A + D)	0.77		
Total tax payable	0.77	(7.64)	-
Actual provision for tax as per profit and loss account	0.80	0.63	-

ANNEXURE 7

Related Party Disclosure: AS 18

(i) List of related parties where control exists:

1)	Larsen & Toubro Limited	Holding Company
2)	L&T Finance Limited	Wholly Owned Subsidiary Company
3)	India Infrastructure Developers Limited	Wholly Owned Subsidiary Company
4)	L&T Infrastructure Finance Limited	Wholly Owned Subsidiary Company
5)	L&T Aviation Services Private Limited*	Wholly Owned Subsidiary Company
6)	L&T Capital Company Limited	Fellow Subsidiary Company
7)	NAC Infrastructure Equipment Limited	Associate Company

***** Sold during the year 2010-11

(ii) Names of the related parties with whom transactions were carried out during the year 2010-11:

1)	Larsen & Toubro Limited	Holding Company
2)	L&T Finance Limited	Wholly Owned Subsidiary Company
3)	L&T Infrastructure Finance Company Limited	Wholly Owned Subsidiary Company
4)	India Infrastructure Developers Limited	Wholly Owned Subsidiary Company

(iii) Disclosure of related party transactions:

₹ Million

No.	Name of Company	Relation-ship	Nature of transaction	2010-11			2009-10			From 1st May 2008 to 31st March 2009		
				Amount	Amount due to	Amount due from	Amount	Amount due to	Amount due from	Amount	Amount due to	Amount due from
1	Larsen & Toubro Limited	Holding Company	**Transaction**									
			Equity shares issued (including share premium)	4,250.00	-	-	13,515.42	-	-	20.50	-	-
			Share application money	-	-	-	2,750.00	-	-	10,765.42	-	-
			Purchase of Investments	-	-	-	253.55	-	-	-	-	-
			Inter corporate borrowing	3,560.00	-	-	-	-	-	-	-	-
			Expenditure									
			Reimbursement of expenses	-	-	-	-	-	-	0.11	0.11	-
			Common Administration Exp	1.07	-	-	0.05	0.05	-	-	-	-
			Interest paid on inter corporate borrowings	3.43	-	-	-	-	-	-	-	-
2	L&T Finance Limited	Subsidiary Company	**Transaction**									
			Subscription to equity shares	3,750.00	-	-	1,500.00	-	-	4,909.82	-	-
			Share application money pending allotment	-	-	-	-	-	-	250.00	-	-
			Inter Corporate Deposits	86.80	-	-	83.40	-	-	20.40	-	-
			Excess amount received refundable	-	-	-	1.03	1.03	-	-	-	-
			Expenses reimbursement	51.45	-	-	0.02	0.02	-	-	-	-
			ESOP Charges	10.56	-	2.17	-	-	-	-	-	-
			Income:									
			Interest on ICD	2.39	-	-	2.14	-	-	-	-	-

₹ Million

No.	Name of Company	Relation-ship	Nature of transaction	2010-11			2009-10			From 1st May 2008 to 31st March 2009		
				Amount	Amount due to	Amount due from	Amount	Amount due to	Amount due from	Amount	Amount due to	Amount due from
3	India Infrastructure Developers Limited	Subsidiary Company	**Transaction**									
			Subscription to equity shares	450.00	-	-	-	-	-	560.60	-	-
			Reimbursement of expense payable	70.97	-	-	-	-	-	-	-	-
			Inter Corporate Deposits	-	-	-	22.50	-	-	-	-	-
			Income									
			Interest on Inter Corporate Deposit	0.17	-	-	-	-	-	-	-	-
4	L&T Infrastructure Finance Company Limited	Subsidiary Company	**Transaction**									
			Subscription to equity shares	750.00	-	-	2,751.00	-	-	5,000.00	-	-
			ESOP Charges	1.70	-	1.70	-	-	-	-	-	-
5.	L&T Aviation Services Pvt. Ltd.	Subsidiary Company	**Transaction**									
			Subscription to equity shares	-	-	-	10.00	-	-	-	-	-
6	L&T Capital Company Ltd.	Fellow Subsidiary Company	**Transaction**									
			Purchase of Investments	-	-	-	1,237.65	-	-	-	-	-
7	NAC Infrastructure Equipment Limited	Associate Company	**Transaction**									
			Subscription to equity shares	-	-	-	-	-	-	45.00	-	-

ANNEXURE 8
STATEMENT OF SECURED LOANS

L&T Finance Holdings Limited does not have any secured loans as on March, 2011

L&T FINANCE HOLDINGS LIMITED (UNCONSOLIDATED)
(Formerly L&T Capital Holdings Limited)

ANNEXURE 9
DETAILS OF UNSECURED LOANS AS ON 31st MARCH, 2011

₹ Million

Particulars	Nature of Loan	Sanction Amount	O/s Amount	Installment Amount	Frequency	Rate of Interest	Tenor
Inter-Corporate Deposits- Holding Company							
LARSEN & TOUBRO LIMITED	ICD	-	3,560.00	-	-	9.00% p.a	upto 364 days

ANNEXURE 10

SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The Company maintains its accounts on accrual basis following the historical cost convention in accordance with Generally Accepted Accounting Principles (‘GAAP’) and in compliance with the provision of the Companies Act, 1956 and the Accounting Standards as specified in the Companies (Accounting Standard) Rules, 2006, notified by the Central Government.

The preparation of financial statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities as of the date of the financial statements.

B. Investments

Long-term investments are carried at cost, after providing for any diminution in value, if such diminution is of other than temporary nature.

Current investments are carried at lower of cost or market value. The determination of the carrying costs of such investments is done on the basis of specific identification.

C. Revenue Recognition

Revenue is recognized based on the nature of activity when consideration can be reliably measured and there exists reasonable certainty of its recovery. Income from investments is accounted on accrual basis.

D. The Company complies with the guidelines issued by the Reserve Bank of India in respect of prudential norms for income recognition.

E. Taxes on Income

Tax on income for the current period is determined on the basis of taxable income and tax credit computed in accordance with the provisions of the Income-Tax Act, 1961, and based on the expected outcome of assessments / appeals.

Deferred tax is recognized on timing differences between the accounting income and taxable income for the year and quantified using the tax rates and the laws enacted or substantively enacted as on the balance sheet date.

Deferred tax asset are recognized and carried forward to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Other deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

F. Employee Stock Ownership Schemes

In respect of stock options granted pursuant to the Company’s Stock Options Scheme, the excess of fair value of the share over the exercise price of the option is treated as discount and accounted as employee compensation cost over the vesting period.

ANNEXURE 11

NOTES FORMING PART OF RESTATED FINANCIAL STATEMENTS

A. During the year, the Company has issued and allotted 63,432,835 equity shares of ₹ 10 each to Larsen & Toubro Limited at issue price of ₹ 67 per share.

B. Stock option scheme

The Company has formulated Employee Stock Option Scheme 2010 (ESOP Scheme-2010) in the year 2010-11, for which intrinsic value method is used.

The Plan is designed to provide stock options to employees of the company, its subsidiaries and holding company. All grants under the Plan are to be issued and allotted by the Nomination and Remuneration Committee of the Company. The options are to be granted to the eligible employees based on certain criteria and approval of the Committee and as per the respective Employee Stock Option Agreements that the Company enters into with them.

The Company has granted 10,750,000 options on 30th November, 2010.

Options have been granted at an exercise price which will be at a discount of 15% of the issue price of equity shares being offered in the initial public offering (IPO) which is under consideration.

The Employees shall be allotted a pre-defined number of equity shares against each option and the options will vest over a period of four years from the date of grant at a pre-defined percentage of the total vesting, which shall each be subject to the conditions as per respective Employee Stock Option Agreements that the Company enters into with them.

Options can be exercised anytime within a period of 7 years from the date of grant and would be settled by way of equity.

The compensation costs of stock options granted to employees are accounted by the Company using the intrinsic value method wherein the fair market value of equity shares has been determined by an independent valuer.

The details of the grant under the aforesaid scheme are summarized below:

Sr. No.	Particulars	2010-11
1.	Grant price – Rupees	The exercise price of the options would be a price which will be at a discount of 15% of the Issue Price.
2.	Grant date	30-11-2010
3.	Options granted and outstanding at the beginning of the year	-
4.	Options granted during the year	10,750,000
5.	Options cancelled/ lapsed during the year	134,600
6.	Options exercised during the year	-
7.	Options granted and outstanding at the end of the year of which – - Options vested - Options yet to vest	 - 10,615,400

Information in respect of options outstanding as at 31st March, 2011

Range of exercise price	31.3.2011		31.03.2010	
	Number of options	Weighted average remaining life	Number of options	Weighted average remaining life
The exercise price of the options would be a price of 15% discount to the Issue Price of IPO.	10,615,400	3.5 years	-	-

(i)	Diluted Earning per Share (EPS) pursuant to issue of shares on excise of Options calculated in accordance with Accounting standards (AS) 20	Diluted EPS ₹ 0.00
(ii)	The difference between employee compensation cost using intrinsic value method and the fair value of the Options and impact of this difference on profits and on EPS.	Had fair value method been adopted for expensing the ESOP compensation the impact on Profit After Tax, EPS (both basic and diluted) would be Nil as L&T Finance Holdings Limited would have recovered the same from its subsidiaries as grants have been issued to employees of the respective companies.
Method and significant assumptions used to estimate the fair value of Options granted during the year.		
	(a) model used	Black-Scholes Method
	(b) inputs to that model	
	(i) Weighted average risk-free interest rate	7.93%
	(ii) Weighted average expected Options Life	3.5 years
	(iv) Weighted average expected dividends	₹ 0.33 per option
	(iii) Weighted average expected volatility	41.81 %
	(v) Weighted average share price	₹ 60.42 per share
	(vi) Weighted average exercise price	₹ 51.357 per share
	(vii) Attrition Rate	12 %
	(viii) the method used to determine expected volatility, including an explanation of the extent to which expected volatility was based on historical volatility	The expected volatility has been calculated entirely based on the historic volatility of peer companies, as historical data of the company (unlisted) is not available.

Other information regarding employee share-based payment plans is as below:

₹ Million

Particulars	**2010-11**	**2009-10**
Expense arising from employee share-based payment plans	12.26	Nil
Expense arising from equity settled share based payment plans	12.26	Nil
Liability arising from employee share-based payment plans	Nil	Nil

During the year, the Company has recovered ₹ 12.26 million (previous year ₹ Nil) from its subsidiary companies towards the stock options granted to their employees, pursuant to the employee stock option schemes.

C. The President & Wholetime Director is on deputation from the Parent Company and compensation debited to the Company is in accordance with the agreement between the Companies. During the year, in accordance with the agreement with the Parent Company, the Company has not received any debit for Compensation paid to him.

D. Manager is on deputation from the Parent Company and his compensation is debited to the extent of debit received from the Parent Company.

E. The company does not have any contingent liability as at 31st March, 2011, 31st March, 2010 and 31st March, 2009.

L&T FINANCE HOLDINGS LIMITED (UNCONSOLIDATED)
(Formerly L&T Capital Holdings Limited)

F. The Company has no amounts due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006 as at 31st March, 2011, 31st March, 2010 and 31st March, 2009.

G. The Company has not recognised deferred tax asset on grounds of prudence.

H. The accounting year 2008-09 is for a period of 11 months i.e. from 1st May, 2008 to 31st March, 2009. Therefore the figures of the 2008-09 are not comparable with that of accounting years 2009-10 and 2010-11.

I. Previous year/period figures have been regrouped / reclassified wherever necessary.

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ANNEXURE 1

STATEMENT OF RESTATED AUDITED ASSETS AND LIABILITIES FOR THE LAST FIVE YEARS (UNCONSOLIDATED)

₹ Million

	Particulars	Schedule	As at 31st March,				
			2011	2010	2009	2008	2007
A	**Assets**	5					
	Fixed Assets – gross block		5,707.20	5,139.60	3,207.19	5,116.75	4,145.66
	Less : Depreciation		1,397.00	1,198.78	907.99	1,243.53	737.69
	Net block		4,310.20	3,940.82	2,299.20	3,873.22	3,407.97
	Less : Revaluation Reserve		--	--	--	--	--
	Net Block after adjustment for Revaluation Reserve		4,310.20	3,940.82	2,299.29	3,873.22	3,407.97
	Capital work-in-progress including capital advances		163.27	13.71	120.09	140.35	302.70
			4,473.47	3,954.53	2,419.29	4,013.57	3,710.67
B	**Investments**	6	3,087.98	1,695.59	70.24	366.68	457.19
C	**Current Assets, Loans and Advances**	7					
	Stock-on-Hire		--	--	--	1.60	10.84
	Sundry Debtors		3,619.52	2,128.58	1,790.61	1,111.03	592.74
	Cash and Bank Balances		1,218.65	1,107.45	697.58	293.48	298.55
	Loans and Advances #		99,435.98	69,062.23	49,982.71	45,406.55	25,821.33
	Deferred Tax Assets (net)		98.99	--	--	--	--
	Other Current Assets		913.74	518.84	331.22	213.68	76.03
			105,286.88	72,817.10	52,802.12	47,026.34	26,799.49
D	**Liabilities and Provisions**						
	Secured Loans	3	76,342.50	47,000.06	24,835.81	23,242.41	12,092.79
	Unsecured Loans	4	12,131.78	17,182.71	19,675.03	17,187.71	13,350.40
	Deferred Tax Liabilities (net)		--	219.91	308.91	252.41	--
	Current Liabilities	8	5,251.39	1,888.36	1,593.89	3,072.22	1,594.43
	Provisions	9	1,798.92	906.87	423.43	435.56	152.58
			95,524.59	67,197.91	46,837.07	44,190.31	27,190.20
E	**Net Worth (A+B+C-D)**		**17,323.74**	**11,269.31**	**8,454.58**	**7,216.28**	**3,777.15**
	Represented by						
	Shareholder's funds						
	- Share Capital	1	2,309.22	2,121.72	1,866.92	1,866.92	1,241.92
	- Share application money		--	--	250.00	--	--
	- Reserves and Surplus	2	15,014.52	9,147.59	6,337.67	5,349.36	2,535.23
	Less : Revaluation Reserve		--	--	--	--	--
	Reserves (Net of Revaluation Reserve)		15,014.52	9,147.59	6,337.67	5,349.36	2,535.23
	Less : Miscellaneous expenditure not written off		--	--	--	--	--
	Net Worth		**17,323.74**	**11,269.31**	**8,454.58**	**7,216.28**	**3,777.15**

Inclusive of loans and advances towards financing activities.

ANNEXURE 2

STATEMENT OF RESTATED AUDITED PROFIT AND LOSS ACCOUNT FOR THE LAST FIVE YEARS (UNCONSOLIDATED)

₹ Million

Particulars	Schedule	For the year ended 31st March,				
		2011	2010	2009	2008	2007
Income						
Income from operations	10	13,763.39	9,558.22	8,265.28	5,895.57	2,600.88
Other income	11	211.96	99.08	37.49	165.05	152.88
Total		**13,975.35**	**9,657.30**	**8,302.77**	**6,060.62**	**2,753.76**
Expenditure						
Employee cost	12	659.89	477.73	318.90	186.53	84.73
Administration and other expenses	13	1,833.34	1,339.97	758.59	322.18	169.21
Interest and other finance charges	14	6,412.88	4,310.75	5,137.04	3,363.41	1,355.94
Provisions and contingencies	15	1,036.31	695.01	65.57	39.07	39.51
Depreciation and amortisation		534.38	470.62	569.06	535.91	332.15
Total		**10,476.80**	**7,294.08**	**6,849.16**	**4,447.10**	**1,981.54**
Net Profit before taxes and extra-ordinary items		**3,498.55**	**2,363.22**	**1,453.61**	**1,613.52**	**772.20**
Current tax (including wealth tax)		1,513.00	887.50	403.10	418.30	143.40
Deferred tax		(318.90)	(89.00)	56.50	41.40	--
Fringe benefit tax		--	--	5.71	3.68	2.66
Net Profit before extra-ordinary items		**2,304.45**	**1,564.72**	**988.30**	**1,150.14**	**626.14**
Prior period items (net of tax)		--	--	--	--	--
Extra-ordinary items		--	--	--	--	--
Net Profit after extra-ordinary items		**2,304.45**	**1,564.72**	**988.30**	**1,150.14**	**626.14**
Adjustments, if any		--	--	--	--	--
Tax impact on adjustments		--	--	--	--	--
Total adjustments, net of tax impact		--	--	--	--	--
Net Profit, as Restated		**2,304.45**	**1,564.72**	**988.30**	**1,150.14**	**626.14**
Balance brought forward from previous year		**2,141.54**	**1,889.82**	**1,099.22**	**180.08**	**39.94**
Appropriations						
Transfer to Reserve u/s 45-IC of RBI Act, 1934		461.00	313.00	197.70	231.00	126.00
Transfer to General Reserve		--	--	--	--	360.00
Transfer to Debenture Redemption Reserve		1,500.00	1,000.00	--	--	--
Balance carried to Balance Sheet		**2,484.99**	**2,141.54**	**1,889.82**	**1,099.22**	**180.08**

ANNEXURE 3

RESTATED AUDITED CASH FLOW STATEMENT FOR THE LAST FIVE YEARS (UNCONSOLIDATED)

₹ Million

Particulars	For the year ended 31st March,				
	2011	2010	2009	2008	2007
A. Cash flow from operating activities					
Net profit before tax as restated	**3,498.54**	**2,363.22**	**1,453.61**	**1,613.52**	**772.20**
Adjustment for :					
Depreciation	534.38	470.62	569.06	535.91	332.15
(Profit)/Loss on sale of investments(net)	(22.92)	(35.26)	18.91	(14.76)	(70.95)
(Profit)/Loss on sale of fixed assets	49.46	15.64	10.74	(2.25)	(2.89)
Interest and dividend received on investments	(155.35)	(52.64)	(53.13)	(88.20)	(15.38)
Provision for compensated absences/leave encashment	6.21	4.83	1.91	4.03	1.23
(Gain)/loss on translation of foreign currency monetary assets and liabilities and mark to market of derivatives	4.45	(44.35)	--	--	--
Cumulative interest on long term NCDs, payable at maturity	125.69	--	--	--	--
Provision for diminution in value of investments	(0.32)	(10.76)	11.71	(21.46)	21.40
Provision for non performing assets/write offs	781.63	705.77	53.86	60.53	18.13
Provision for standard assets	255.00	--	--	--	--
Operating profit before working capital changes	**5,076.77**	**3,417.07**	**2,066.67**	**2,087.32**	**1,055.89**
Adjustment for :					
(Increase)/Decrease in net stock on hire	--	--	1.60	9.24	30.68
(Increase)/Decrease in trade and other receivables and advances	(31,861.69)	(20,310.88)	(5,427.13)	(20,301.70)	(14,811.04)
Increase/(Decrease) in trade and other payables	3,354.20	744.17	(1,492.38)	1,756.74	797.76
Cash generated from operations	**(23,430.72)**	**(16,149.64)**	**(4,851.24)**	**(16,448.40)**	**(12,926.71)**
Direct taxes paid	(1,513.00)	(887.50)	(408.81)	(421.98)	(146.06)
Net cash flow from operating activities (A)	**(24,943.72)**	**(17,037.14)**	**(5,260.05)**	**(16,870.37)**	**(13,072.77)**
B. Cash flow from investing activities					
Purchase of fixed assets (including capital work in progress)	(1,298.60)	(2,173.42)	(865.84)	(885.69)	(1,882.14)
Proceeds/Adjustments from sale of fixed assets	195.82	151.93	1,880.32	49.13	74.15
Purchase of shares of subsidiaries & associate company	(400.00)	(668.89)	--	(130.50)	--
Purchase of investments	(108,722.48)	(51,623.08)	(140,536.72)	(160,826.68)	(32,833.50)
Sale of investments	107,083.33	50,712.14	140,587.55	161,083.91	32,541.98
Sale of shares of subsidiaries and associate company	--	0.50	215.00	--	--
Interest or dividend received on investments	155.35	52.64	53.12	88.20	15.38
Net cash from investing activities (B)	**(2,986.58)**	**(3,548.18)**	**1,333.43**	**(621.64)**	**(2,084.12)**

ANNEXURE 3

RESTATED AUDITED CASH FLOW STATEMENT FOR THE LAST FIVE YEARS (UNCONSOLIDATED) (CONTD.)

₹ Million

Particulars	**For the year ended 31st March,**				
	2011	**2010**	**2009**	**2008**	**2007**
C. Cash flow from financing activities					
Increase/(Decrease) in secured loans	29,342.43	22,237.50	1,593.40	11,149.62	6,305.76
Increase/(Decrease) in unsecured loans (net)	(5,050.93)	(2,492.31)	2,487.32	3,837.31	7,831.90
Proceeds from issue of share capital including securities premium	3,750.00	1,250.00	250.00	2,500.00	1,000.00
Net cash generated (used in)/ from financing activities(C)	**28,041.50**	**20,995.19**	**4,330.72**	**17,486.93**	**15,137.66**
Net cash increase/(decrease) in cash and cash equivalents (A+B+C)	111.20	409.87	404.10	(5.08)	(19.24)
Cash and cash equivalents as at beginning of the year	1,107.45	697.58	293.48	298.55	317.79
Cash and cash equivalents as at end of the year	1,218.65	1,107.45	697.58	293.48	298.55

Schedule forming part of Financial Statements
Schedule 1
SHARE CAPITAL (UNCONSOLIDATED)

₹ Million

	As at 31st March,				
	2011	**2010**	**2009**	**2008**	**2007**
Authorised					
250,000,000 Equity shares of ₹10 each fully paid up (as at March 31, 2011)	2,500.00	2,500.00	2,000.00	1,900.00	1,750.00
	2,500.00	**2,500.00**	**2,000.00**	**1,900.00**	**1,750.00**
Issued and subscribed					
230,922,269 Equity shares of ₹10 each fully paid up (as at March 31, 2011)	2,309.22	2,121.72	1,929.42	1,866.92	1,241.92
	2,309.22	**2,121.72**	**1,929.42**	**1,866.92**	**1,241.92**
Paid-up					
230,922,269 Equity shares of ₹10 each fully paid up (as at March 31, 2011)	2,309.22	2,121.72	1,866.92	1,866.92	1,241.92
	2,309.22	**2,121.72**	**1,866.92**	**1,866.92**	**1,241.92**
Of the above:					
26,691,500 Equity shares are allotted as fully paid up for a consideration other than cash consequent on amalgamation					
230,922,269 Equity shares as at March 31, 2011 are held by L&T Finance Holdings Limited, the holding company & its nominees.					
Larsen & Toubro Limited being the ultimate holding company					

Schedule 2
RESERVES AND SURPLUS (UNCONSOLIDATED)

₹ Million

	As at 31st March,				
	2011	**2010**	**2009**	**2008**	**2007**
Reserve u/s 45-IC of RBI Act, 1934					
As per last balance sheet	1,104.19	791.19	593.49	362.49	236.49
Add : Transferred from profit and loss account	461.00	313.00	197.70	231.00	126.00
(A)	**1,565.19**	**1,104.19**	**791.19**	**593.49**	**362.49**
General Reserve					
As per last balance sheet	648.43	648.43	648.43	859.44	499.44
Add : Deferred tax assets as at 01.04.2007	--	--	--	11.59	--
Less : Deferred tax liabilities as at 01.04.2007	--	--	--	222.60	--
Add : Transferred from profit and loss account	--	--	--	--	360.00
(B)	**648.43**	**648.43**	**648.43**	**648.43**	**859.44**
Capital Redemption Reserve					
As per last balance sheet	8.22	8.22	8.22	8.22	8.22
Add : Addition during the year	--	--	--	--	--
(C)	**8.22**	**8.22**	**8.22**	**8.22**	**8.22**
Securities Premium Account					
As per last balance sheet	4,245.19	3,000.00	3,000.00	1,125.00	375.00
Add : Received during the year	3,562.50	1,245.20	--	1,875.00	750.00
(D)	**7,807.69**	**4,245.20**	**3,000.00**	**3,000.00**	**1,125.00**
Debenture Redemption Reserve					
As per last balance sheet	1,000.00	--	--	--	--
Add : Transferred from profit and loss account	1,500.00	1,000.00	--	--	--
(E)	**2,500.00**	**1,000.00**	**--**	**--**	**--**
Balance in Profit and Loss Account	2,484.99	2,141.55	1,889.82	1,099.22	180.08
(F)	**2,484.99**	**2,141.55**	**1,889.82**	**1,099.22**	**180.08**
(A+B+C+D+E+F)	**15,014.52**	**9,147.59**	**6,337.67**	**5,349.36**	**2,535.23**

Schedule forming part of Financial Statements (contd.)

Schedule 3

SECURED LOANS (UNCONSOLIDATED)

₹ Million

Particulars	As at 31st March,				
	2011	**2010**	**2009**	**2008**	**2007**
From Banks					
- Term loan	51,642.50	20,135.00	14,697.50	12,567.50	4,690.00
- Foreign currency loan	1,200.00	1,765.06	638.31	504.91	1,032.79
Redeemable NCDs	23,400.00	24,800.00	9,000.00	9,470.00	5,470.00
From financial institutions	100.00	300.00	500.00	700.00	900.00
	76,342.50	**47,000.06**	**24,835.81**	**23,242.41**	**12,092.79**

Schedule 4

UNSECURED LOANS (UNCONSOLIDATED)

₹ Million

Particulars	As at 31st March,				
	2011	**2010**	**2009**	**2008**	**2007**
From Banks	3,000.00	3,710.00	12,160.00	6,710.00	2,450.00
From Financial Institutions	--	--	--	--	--
From Promoter group companies & Associates					
L&T Capital Company Limited	54.28	7.71	65.03	77.71	96.50
L&T SUCG JV	177.50	215.00	--	--	--
Metro Tunelling Group	--	--	179.60		
HPL Co-generation Ltd.	--	--	--	400.00	400.00
Larsen & Toubro Ltd.					853.18
	231.78	222.71	244.63	477.71	1,349.68
From Others	--	--	20.40	--	0.72
CPs	8,150.00	12,500.00	5,400.00	9,000.00	7,600.00
Redeemable NCDs	750.00	750.00	1,850.00	1,000.00	1,950.00
	12,131.78	**17,182.71**	**19,675.03**	**17,187.71**	**13,350.40**

Schedule Forming Part of Financial Statements (contd.)
Schedule 5
FIXED ASSETS (UNCONSOLIDATED)

₹ Million

	Net Block				
	As at 31st March,				
	2011	**2010**	**2009**	**2008**	**2007**
Tangible Fixed Assets					
Owned Assets					
Land – freehold	1,559.34	1,470.03	--	--	--
Building	313.19	319.22	325.24	331.27	337.30
Plant and machinery	834.20	634.37	648.43	2,345.84	1,915.19
Furniture and fixtures	221.19	182.67	161.60	13.92	9.81
Motor Car	927.20	922.80	757.81	663.00	719.93
Vehicles	83.24	0.97	3.56	58.48	74.68
Computers	309.79	344.33	348.39	438.93	344.49
(A)	**4,248.15**	**3,874.39**	**2,245.03**	**3,851.44**	**3,401.40**
Assets taken on lease					
Vehicles	--	--	0.07	0.27	1.18
(B)	**--**	**--**	**0.07**	**0.27**	**1.18**
(C) = (A) + (B)	**4,248.15**	**3,874.39**	**2,245.10**	**3,851.71**	**3,402.58**
Intangible Fixed Assets					
Owned Assets					
Specialised software	62.05	66.44	54.10	21.51	5.39
(D)	**62.05**	**66.44**	**54.10**	**21.51**	**5.39**
(C) +(D)	**4,310.20**	**3,940.83**	**2,299.20**	**3,873.23**	**3,407.97**
Add: Capital work in progress	163.27	13.70	120.09	140.35	302.70
	4,473.47	**3,954.53**	**2,419.29**	**4,013.57**	**3,710.67**

Schedule forming part of Financial Statements (contd.)
Schedule 6
INVESTMENTS (UNCONSOLIDATED)

₹ Million

	As at 31st March,				
	2011	2010	2009	2008	2007
Long Term Investments					
Debentures	1,690.34	670.00	--	--	--
Fully paid equity shares					
- In subsidiaries	1,068.89	668.89	0.50	170.50	55.00
- In associate companies	--	--	--	45.00	30.00
- In other companies	87.05	66.13	--	--	--
Others	241.15	245.62	--	--	--
	3,087.43	**1,650.64**	**0.50**	**215.50**	**85.00**
Current Investments					
Fully paid equity shares	6.16	50.88	86.43	6.16	198.63
Mutual Funds	--	--	--	150.00	200.00
Others	--	--	--	--	--
	6.16	**50.88**	**86.43**	**156.16**	**398.63**
	3,093.59	**1,701.52**	**86.93**	**371.66**	**483.63**
Less: Provision for diminution in value of investments	5.61	5.93	16.69	4.98	26.44
Total	**3,087.98**	**1,695.59**	**70.24**	**366.68**	**457.19**
Note:					
Quoted Investments					
Book Value	1,691.51	45.89	81.44	151.17	393.64
Market Value	1,685.90	45.58	72.17	152.05	372.49
Unquoted Investments					
Book Value	1,402.08	980.65	0.51	215.51	63.55

Schedule forming part of Financial Statements (contd.)

Schedule 7

CURRENT ASSETS, LOANS AND ADVANCES (UNCONSOLIDATED)

₹ Million

	As at 31st March,				
	2011	**2010**	**2009**	**2008**	**2007**
Stock on hire (secured by Hire Purchase Agreements)	--	--	--	1.60	10.84
	--	**--**	**--**	**1.60**	**10.84**

₹ Million

	As at 31st March,				
	2011	**2010**	**2009**	**2008**	**2007**
Sundry Debtors					
Secured/ unsecured,					
Debts outstanding for a period exceeding six months	832.15	558.90	338.51	96.48	19.39
Others	3,538.93	2,010.90	1,598.65	1,024.20	575.29
Less: Provision for doubtful debts	751.56	441.22	146.55	9.65	1.94
	3,619.52	**2,128.58**	**1,790.61**	**1,111.03**	**592.74**

Please refer to Annexure 7 related party disclosure for amount due to promoters / promoter group companies/ directors/ relatives of directors/ associate companies.

₹ Million

	As at 31st March,				
	2011	**2010**	**2009**	**2008**	**2007**
Cash and Bank Balances					
Cash in hand	0.25	0.48	0.79	0.41	0.18
Balances with Scheduled Banks					
- on current account	1,164.80	1,105.74	695.56	291.85	296.72
- on deposit account (including interest accrued thereon)	53.60	1.23	1.23	1.22	1.65
	1,218.65	**1,107.45**	**697.58**	**293.48**	**298.55**

Schedule forming part of Financial Statements (contd.)
Schedule 7 (Contd.)
CURRENT ASSETS, LOANS AND ADVANCES (UNCONSOLIDATED)

₹ Million

	As at 31st March,				
	2011	**2010**	**2009**	**2008**	**2007**
Loans and Advances					
Considered good					
Secured					
Loans against pledge of shares and securities	7,884.99	4,839.05	3,641.70	3,189.50	1,670.96
Debentures	2,808.04	--	--	--	--
Other loans	71,986.86	48,060.56	35,184.60	31,035.68	16,324.93
	82,679.89	**52,899.61**	**38,826.30**	**34,225.18**	**17,995.89**
Unsecured					
Bills discounted	2,673.52	1,843.13	2,199.71	2,309.41	2,994.09
Other loans	11,104.42	11,559.72	6,647.60	6,256.00	3,013.20
	13,777.94	**13,402.85**	**8,847.31**	**8,565.41**	**6,007.29**
Considered doubtful					
Other loans	738.37	948.27	808.07	354.92	52.13
Less: Provision for non-performing assets	738.37	308.43	80.81	79.52	4.06
	--	**639.84**	**727.26**	**275.40**	**48.07**
Advances towards lease capital assets	--	--	--	162.68	51.43
Advances recoverable in cash or kind or for value to be received	2,978.15	2,119.93	1,581.84	2,177.88	1,718.65
	99,435.98	**69,062.23**	**49,982.71**	**45,406.55**	**25,821.33**

Please refer to Annexure 7 related party disclosure for amount due to promoters / promoter group companies/ directors/ relatives of directors/ associate companies.

₹ Million

	As at 31st March,				
	2011	**2010**	**2009**	**2008**	**2007**
Other Current Assets					
Interest accrued	913.74	518.84	331.22	213.68	76.03
	913.74	**518.84**	**331.22**	**213.68**	**76.03**

Schedule forming part of Financial Statements (contd.)

Schedule 8

CURRENT LIABILITIES (UNCONSOLIDATED)

₹ Million

	As at 31st March,				
	2011	**2010**	**2009**	**2008**	**2007**
Liabilities					
Sundry creditors					
Micro and small enterprises	--	--	--	--	--
Others	3,603.73	1,412.82	1,294.39	2,638.05	1,370.35
Security deposits	166.80	70.08	44.74	61.46	25.88
Interest accrued but not due	617.80	405.46	254.76	372.71	198.20
Other liabilities	863.06	--	--	--	--
	5,251.39	**1,888.36**	**1,593.89**	**3,072.22**	**1,594.43**

Schedule 9

PROVISIONS (UNCONSOLIDATED)

₹ Million

	As at 31st March,				
	2011	**2010**	**2009**	**2008**	**2007**
Provisions					
Contingent provisions against standard asset	255.00	--	--	--	--
Taxes	1,513.00	887.50	403.10	418.30	143.40
Fringe benefit tax	--	--	5.71	3.68	2.66
Gratuity	8.14	2.79	2.87	3.75	0.72
Compensated absences/leave encashment	22.78	16.58	11.75	9.83	5.80
	1,798.92	**906.87**	**423.43**	**435.56**	**152.58**

Schedule 10

INCOME FROM OPERATIONS (UNCONSOLIDATED)

₹ Million

	For the year ended 31st March,				
	2011	**2010**	**2009**	**2008**	**2007**
Lease and hire purchase	651.80	472.29	1,362.55	1,037.39	702.05
Bills discounting	460.27	287.45	280.54	347.85	194.98
Term loan and other financing activities	12,617.46	8,754.58	6,567.41	4,480.19	1,663.94
Networking activities	2.10	2.29	7.01	30.14	39.91
Other operational income	31.76	41.61	47.77	--	--
	13,763.39	**9,558.22**	**8,265.28**	**5,895.57**	**2,600.88**

Schedule 11

OTHER INCOME (UNCONSOLIDATED)

₹ Million

	For the year ended 31st March,					**Nature**	**Related/ Not-Related to**
	2011	**2010**	**2009**	**2008**	**2007**		
Income from investments	178.27	87.91	34.22	102.95	86.33	Recurring	Related
Others	33.69	11.17	3.27	62.10	66.55	Both	Related
	211.96	**99.08**	**37.49**	**165.05**	**152.88**		

Schedule forming part of Financial Statements (contd.)
Schedule 12
EMPLOYEE COSTS (UNCONSOLIDATED)

₹ Million

	For the year ended 31st March,				
	2011	**2010**	**2009**	**2008**	**2007**
Salaries	574.08	422.19	275.35	155.79	69.97
Contribution to and provision for:					
Provident fund and pension fund	23.09	16.54	12.35	7.50	3.74
Gratuity fund	8.34	2.99	3.27	3.75	0.72
Superannuation fund	2.45	0.88	0.84	0.87	0.73
Compensated absences /leave encashment	11.16	7.49	4.23	4.46	1.79
	45.04	27.90	20.69	16.58	6.98
Welfare and other expenses	40.77	27.64	22.86	14.16	7.78
	659.89	**477.73**	**318.90**	**186.53**	**84.73**

Schedule 13
ADMINISTRATIVE AND OTHER EXPENSES (UNCONSOLIDATED)

₹ Million

	For the year ended 31st March,				
	2011	**2010**	**2009**	**2008**	**2007**
Travelling and conveyance	131.62	82.89	72.55	58.99	32.39
Printing and stationery	34.69	25.62	13.61	8.37	6.07
Telephone, postage and telegrams	80.27	62.39	37.49	35.24	25.50
Director's sitting fees	0.12	--	--	0.04	0.03
Brokerage and service charges	37.12	20.18	36.03	21.57	8.17
Advertising and publicity	42.44	27.85	0.36	1.68	0.95
Repairs and maintenance					
- Plant and machinery	2.52	1.26	1.29	3.92	0.10
- Others	78.70	51.86	25.18	21.46	12.32
Rent	186.08	157.56	99.17	17.13	4.41
Rates and taxes	34.03	38.54	15.69	7.26	4.46
Electricity charges	25.39	18.67	11.88	6.15	2.37
Insurance	10.59	9.47	34.18	10.44	12.03
Auditors remuneration					
- Audit fees	*0.50*	*0.50*	*0.27*	*0.27*	*0.27*
- Tax Audit fees	*0.08*	*0.08*	*0.08*	*0.08*	*0.08*
- Certification	*1.31*	*1.33*	*0.11*	*0.08*	*0.21*
- Expenses reimbursed	*0.02*	*0.04*	--	*0.01*	*0.04*
	1.91	1.95	0.46	0.44	0.60
Professional fees	513.43	259.00	137.89	57.45	38.67
Loss on foreclosures	607.13	574.45	222.67	18.95	--
Miscellaneous expenses	47.30	8.28	50.14	53.09	21.14
	1,833.34	**1,339.97**	**758.59**	**322.18**	**169.21**

Schedule forming part of Financial Statements (contd.)

Schedule 14

INTEREST AND OTHER FINANCE CHARGES (UNCONSOLIDATED)

₹ Million

	For the year ended 31st March,				
	2011	2010	2009	2008	2007
Fixed loans	4,807.56	3,408.52	3,993.03	2,498.75	943.62
Others	1,605.32	902.23	1,144.01	864.66	412.32
	6,412.88	**4,310.75**	**5,137.04**	**3,363.41**	**1,355.94**

Schedule 15

PROVISIONS AND CONTINGENCIES (UNCONSOLIDATED)

₹ Million

	For the year ended 31st March,				
	2011	2010	2009	2008	2007
Provision for standard assets	255.00	--	--	--	--
Provision for non-performing assets/write offs	781.63	705.77	53.86	60.53	18.12
Provision for diminution in value of investments	(0.32)	(10.76)	11.71	(21.46)	21.39
	1,036.31	**695.01**	**65.57**	**39.07**	**39.51**

ANNEXURE 4

STATEMENT OF RESTATED ACCOUNTING RATIOS (UNCONSOLIDATED)

Particulars	As at 31st March,				
	2011	2010	2009	2008	2007
Weighted average number of equity shares of ₹ 10/- each					
i) Number of shares at the beginning of the year	212,172,269	186,691,500	186,691,500	124,191,500	99,191,500
ii) Number of shares at the end of the year	230,922,269	212,172,269	186,691,500	186,691,500	124,191,500
iii) Weighted average number of outstanding equity shares	212,377,748	200,791,869	186,691,500	179,690,134	116,109,308
iv) Share application money (₹ million)	--	--	250.00	--	--
v) Weighted average number of outstanding equity shares (Diluted)	216,281,858	200,791,869	186,708,623	179,690,134	116,109,308
Net Profit after tax available for equity shareholders (₹ million)	2,304.45	1,564.72	988.30	1,150.14	626.14
Basic Earnings Per Share (EPS) (₹)	10.85	7.79	5.29	6.40	5.39
Dilutive EPS (₹)	10.65	7.79	5.29	6.40	5.39
Return on Net Worth (%)	13.30	13.88	11.69	15.94	16.58
Net Asset Value per Equity Share (₹)	75.02	53.11	43.95	38.65	30.41

Earnings Per share (Basic) = $\frac{\text{Net profit attributable to Equity Shareholders (before exceptional items)}}{\text{Weighted Average number of Equity shares outstanding during the year}}$

Earnings Per share (Diluted) = $\frac{\text{Net profit attributable to Equity Shareholders (before exceptional items)}}{\text{Weighted Average number of diluted Equity shares outstanding during the year}}$

Return on Net worth (%) = $\frac{\text{Net profit after Tax (after excluding revaluation reserves)}}{\text{Net worth at the end of the year}}$

Net asset value per share (₹) = $\frac{\text{Net worth at end of the year (excluding share application and revaluation reserves)}}{\text{Equity share outstanding at the end of the year}}$

ANNEXURE 5

CAPITALISATION STATEMENT (UNCONSOLIDATED)

₹ Million

Particulars	Pre Issue as at March 31, 2011
Secured Loans	76,342.50
Unsecured Loans	12,131.78
Total debt	**88,474.28**
Shareholders' funds	
Equity Share Capital	2,309.22
Reserves and surplus	15,014.52
Less : Miscellaneous expenditure not written off	--
Total Shareholders' funds	**17,323.74**
Debt to Equity Ratio (Number of times)	**5.11**

ANNEXURE 6

STATEMENT OF TAX SHELTER (UNCONSOLIDATED)

₹ Million

	For the period ended on 31st March				
Particulars	**2011**	**2010**	**2009**	**2008**	**2007**
Profit before tax, as restated	3,498.54	2,363.22	1,453.61	1,613.52	772.20
Income tax rate - statutory rate	33.22%	33.99%	33.99%	33.99%	33.66%
Tax at statutory rate **(A)**	1,162.13	803.26	494.08	548.44	259.92
Adjustments:					
Permanent Difference					
Exempt income (dividend income)	(42.50)	(9.56)	(53.02)	(87.91)	(13.84)
Disallowance u/s 14A	68.50	44.90	8.62	--	--
Donation disallowed	1.10	0.96	0.56	--	--
Others	216.50	3.50	--	--	--
Total permanent difference (B)	243.60	39.80	(43.84)	(87.91)	(13.84)
Timing difference					
Difference between tax depreciation and book depreciation	(437.90)	(336.05)	(208.05)	(330.12)	(289.39)
Disallowance for provision for bad and doubtful assets	995.31	522.29	138.19	58.45	4.12
Preliminary expenditure u/s 35D of the Income Tax Act, 1961	--	--	--	--	--
Expenses disallowable under section 43B of the Income Tax Act, 1961	6.21	3.74	1.91	4.03	1.23
Others	237.55	10.94	(155.90)	(32.38)	(72.45)
Total timing difference (C)	**801.17**	**200.92**	**(223.84)**	**(300.01)**	**(356.49)**
Total adjustments **(B + C)**	1,044.77	240.72	(267.68)	(387.93)	(370.32)
Tax on total adjustments at statutory rate **(D)**	347.05	81.82	(90.98)	(131.86)	(124.65)
Tax liability after considering the adjustments **(A + D)**	1,509.18	885.08	403.10	416.58	135.27
Capital gain tax	3.82	2.42	--	1.72	8.13
Total tax payable	**1,513.00**	**887.50**	**403.10**	**418.30**	**143.40**

L&T FINANCE LIMITED (UNCONSOLIDATED)

ANNEXURE 7

RELATED PARTY DISCLOSURES: AS 18

List of related parties where control exists

1. Larsen & Toubro Limited	Ultimate Holding Company
2. L&T Finance Holdings Limited	Holding Company
3. L&T General Insurance Company Limited	Subsidiary Company till 5th Nov. 2009.
4. L&T Investment Management Limited	Subsidiary Company
5. L&T Mutual Fund Trustee Limited	Subsidiary Company

The following related party transactions were carried out during the years 2010-11, 2009-10, 2008-09, 2007-08 and 2006-07:

₹ Million

No	Name of Company	Relationship	Nature of transaction	2010-11			2009-10		
				Amount	Amount due to	Amount due from	Amount	Amount due to	Amount due from
1	Larsen & Toubro Limited	Ultimate Holding Company	**Transaction**						
			ICD Borrowed	56,550.00	--	--	--	--	--
			Assignment of Receivables	4,990.30	--	--	--	--	--
			Operating Lease	7.72	--	--	--	--	--
			Subscription to NCD Public Issue	--	--	--	843.17	--	--
			Sale of Investments	--	--	--	0.50	--	--
			Accounts Receivables	13.48	--	--	--	6.03	--
			Expenditure						
			Interest on ICD borrowed	97.17	--	--	--	--	--
			Interest on NCD's	--	--	--	23.95	--	--
			Service Charges	60.02	2.12	--	44.61	9.51	--
			Salary, cost of employees on deputation	7.22	--	--	1.92	--	--
			Income						
			Lease Finance Charges	--	--	--	--	--	0.21
			Operating Lease Rental	7.52	--	1.01	65.49	--	10.58
			Service Charges	--	--	--	2.29	--	--
2.	L&T Finance Holdings Limited	Holding Company	**Transaction**						
			ICD Borrowed	86.80	--	--	83.40	--	--
			Equity Shares issued (including share premium)	3,750.00	--	--	1,500.00	--	--
			Accounts receivable	51.45	--	--	1.05	--	1.05
			Expenditure						
			Interest on ICD borrowed	2.39	--	--	2.14	--	--
			ESOP charges	10.56	--	5.83	--	--	--

L&T FINANCE LIMITED (UNCONSOLIDATED)

ANNEXURE 7
RELATED PARTY DISCLOSURES: AS 18 (Contd.)

₹ Million

No	Name of Company	Relationship	Nature of transaction	2010-11			2009-10		
				Amount	Amount due to	Amount due from	Amount	Amount due to	Amount due from
3.	L&T Mutual	Subsidiary	**Transactions**						
	Fund Trustee	Company	Subscription to equity shares	--	--	--	0.50	--	--
	Limited								
4.	L&T	Subsidiary	**Transactions**						
	Investment	Company	Subscription to equity shares	400.00	--	--	668.39	--	--
	Management		**Income**						
	Limited		Rent	7.14	--	--	--	--	--
5.	India	Fellow	**Transaction**						
	Infrastructure	Subsidiary	Assignment of receivables	6,007.45	--	--	1,746.50	--	--
	Developers	Company	ICD Borrowed	497.35	--	--	455.70	--	--
	Limited		ICD Lent	200.00	--	--	--	--	--
			Expenditure						
			Interest on ICD borrowed						
			Income	25.91	--	--	14.80	--	--
			Interest on ICD lent	0.04	--	--	--	--	--
			Account receivable (Reimbursement)	6.89	--	--	4.21	--	0.15
6.	Larsen &	Fellow	**Transactions**						
	Toubro	Subsidiary	Operating Lease	0.98	--	--	2.35	--	0.06
	Infotech	Company	**Expenditure**						
	Limited		Service Charges	22.37	9.47	--	4.63	--	--
			Salary, cost of employees on deputation	0.36	--	--	--	--	--
			Income						
			Lease finance charges	--	--	--	--	--	--
			Operating lease rentals	1.11	--	--	0.37	--	--
7.	L&T Capital	Fellow	**Transaction**						
	Company	Subsidiary	Account receivable	0.02	--	0.02	--	--	--
	Limited	Company	ICD Borrowed	218.57	54.28	--	151.21	7.71	--
			Income						
			Operating Lease Rental	0.01	--	--	0.35	--	--
			Fees	0.22	--	0.22	--	--	--
			Salary, cost of employees on deputation	1.37	--	1.37	--	--	--
			Expenditure						
			Interest on ICD	4.90	--	--	7.67	--	--

ANNEXURE 7
RELATED PARTY DISCLOSURES: AS 18 (Contd.)

₹ Million

No	Name of Company	Relationship	Nature of transaction	2010-11			2009-10		
				Amount	Amount due to	Amount due from	Amount	Amount due to	Amount due from
8	Tractors Engineers Limited	Fellow Subsidiary Company	**Income**						
			Operating lease rentals	0.48	--	--	0.03	--	--
9.	L&T Infrastructure Finance Company Limited	Fellow Subsidiary Company	**Transaction**						
			Purchase of loan assets	--	--	--	3,282.54	--	4.27
			Sale of loan assets	2,940.86	--	--	3,028.30	--	--
			Accounts Payable	0.56	0.56	--	--	--	--
			Income						
			Salary, cost of employees on deputation	0.79	--	--	0.75	--	--
			Interest	--	--	--	1.48	--	--
			Rent	25.63	--	--	11.13	--	--
			Overhead Charges	0.78	--	--	0.09	--	--
			Expenditure						
			Salary, cost of employees on deputation	3.17	--	--	5.20	--	--
			Interest	0.62	--	--	1.96	--	--
10.	L&T General Insurance Company Limited	Fellow Subsidiary Company	**Transactions**						
			Share application money	--	--	--	20.0	--	--
			ICD borrowed	334.00	--	--	31.50	--	--
			Account receivables (Reimbursement)	196.06	--	2.46	22.94	--	3.31
			Expenditure						
			Interest on ICD borrowed	0.55	--	--	0.33	--	--
11.	L&T Valdel Engineering Limited	Fellow Subsidiary Company	**Income**						
			Operating lease rental	0.01	--	--	0.30	--	--
12.	L&T Sargent & Laundy Limited	Fellow Subsidiary Company	**Income**						
			Lease finance charges	0.01	--	--	--	--	0.07

ANNEXURE 7
RELATED PARTY DISCLOSURES: AS 18 (Contd.)

₹ Million

No	Name of Company	Relationship	Nature of transaction	2008-09			2007-08			2006-07		
				Amount	Amount due to	Amount due from	Amount	Amount due to	Amount due from	Amount	Amount due to	Amount due from
1	Larsen & Toubro Limited	Ultimate Holding Company	**Transaction**									
			ICD Borrowed	8,300.00	--	--	15,150.00	--	--	7,176.50	853.18	--
			Equity shares issued (including share premium)	--	--	--	2,500.00	--	--	1,000.00	--	--
			Sale of Investments	215.00	--	--	--	--	--	30.00	--	--
			Sale of Fixed Assets	366.47	--	--	--	--	--	--	--	--
			VAT on Sale	44.20	--	--	--	--	--	--	--	--
			Lease finance given	0.01	--	--	396.76	--	--	1,523.93	--	--
			Expenditure									
			Interest on ICD borrowed	122.83	--	--	57.52	--	--	20.10	7.32	--
			Service Charges	68.09	24.84	--	18.17	7.17	--	8.93	8.93	--
			Salary, cost of employees on deputation	12.41	2.02	--	8.08	--	--	--	--	--
			Income									
			Lease Finance Charges	0.63	--	0.69	1.02	--	0.70	3.64	--	3.22
			Operating Lease Rental	684.07	--	131.75	756.42	--	62.23	617.37	--	225.67
			Service Charges	14.58	--	--	28.09	--	--	37.23	--	18.31
			Interest	18.73	--	18.73	--	--	--	--	--	--
2.	L&T Finance Holdings Limited	Holding Company	**Transaction**									
			ICD Borrowed	20.40	--	--	--	--	--	--	--	--
			Share Application money received	250.00	--	--	--	--	--	--	--	--
3.	India Infrastructure Developers Limited	Fellow Subsidiary Company	**Income**									
			Service Charges	--	--	--	1.44	--	0.72	1.44	--	--
			Interest	--	--	--	--	--	--	5.28	--	--
4.	L&T Capital Company Limited	Fellow Subsidiary Company	**Transaction**									
			Subscription to equity share capital	--	--	--	115.00	--	--	--	--	--
			ICD Borrowed	52.00	65.00	--	138.00	77.50	--	61.00	96.50	--
			Income									
			Operating Lease Rental	0.32	--	0.11	--	--	--	--	--	--
			Expenditure									
			Interest on ICD	6.10	--	--	7.74	--	--	6.15	--	--
			Professional fees	--		--	--	--	--	0.10	0.10	--

L&T FINANCE LIMITED (UNCONSOLIDATED)

ANNEXURE 7
RELATED PARTY DISCLOSURES: AS 18 (Contd.)

₹ Million

No	Name of Company	Relationship	Nature of transaction	2008-09			2007-08			2006-07		
				Amount	Amount due to	Amount due from	Amount	Amount due to	Amount due from	Amount	Amount due to	Amount due from
5.	Larsen & Toubro Infotech Limited	Fellow Subsidiary Company	**Transaction**									
			Lease Finance	--	--	--	8.60	--	--	40.51	--	--
			Expenditure									
			Service Charges	0.75	13.81	--	4.76	10.24	--	5.48	5.48	--
			Professional fees	--	--		--	--		0.59	--	
			Income									
			Lease Finance Charges	0.15	--	0.72	0.30	--	0.37	0.43	--	--
			Operating Lease Rentals	20.53	--	8.21	22.27	--	1.39	17.34	--	0.26
6.	L&T – Sargent & Lundy Limited	Fellow Subsidiary Company	**Transaction**									
			Lease Finance Given	--	--	--	0.04	--	--	4.45	--	--
			Income									
			Lease Finance Charges	0.51	--	0.89	0.71	--	0.78	0.49	--	0.51
7.	Tractors Engineers Limited	Fellow Subsidiary Company	**Transaction**									
			Lease Finance given	--	--	--	0.45	--	--	3.37	--	--
			Income									
			Operating Lease Rentals	0.85	--	0.00	1.07	--	0.28	0.44	--	0.14
			Service Charges	--	--	0.46	0.25	--	0.46	0.25	--	0.18
8.	L&T Infrastructure Finance Company Limited	Fellow Subsidiary Company	**Transaction**									
			Purchase of loan assets	120.00	--	--	--	--	--	--	--	--
			Expenditure									
			Overheads charged	1.99	--	--	1.47	0.80	--	--	--	--
			Income									
			Overheads Charged	1.06	--	--	0.68	--	--	--	--	--
9.	HPL Cogeneration Limited	Fellow Subsidiary Company	**Transaction**									
			ICD Borrowed	--	--	--	400.00	400.00	--	--	400.00	--
			Expenditure									
			Interest	3.96	--	--	38.10	--	--	28.84	--	--

ANNEXURE 7
RELATED PARTY DISCLOSURES: AS 18 (Contd.)

₹ Million

No	Name of Company	Relationship	Nature of transaction	2008-09			2007-08			2006-07		
				Amount	Amount due to	Amount due from	Amount	Amount due to	Amount due from	Amount	Amount due to	Amount due from
10.	L&T General Insurance Company Limited	Subsidiary Company	**Transaction**									
			Subscription to equity shares	--	--	--	0.50	--	--	--	--	--
11.	NAC Infrastructure Equipment Limited	Fellow Associate Company	**Transaction**									
			Subscription to equity shares	--	--	--	15.00	--	--	--	--	--
12.	L&T Valdel Engineering Limited	Fellow Subsidiary Company	**Expenses**									
			Service Charges	8.41	--	--	--	--	--	--	--	--
			Income									
			Operating lease rentals	0.27	--	--	--	--	--	--	--	--

L&T FINANCE LIMITED (UNCONSOLIDATED)

ANNEXURE 8A
DETAILS OF SECURED LOANS AS ON 31ST MARCH, 2011 (UNCONSOLIDATED)

₹ Million

Particulars	Nature of Loan	Sanction Amount	O/s Amount	Installment Amount	Frequency	Rate of Interest	Tenor (Months)	Nature of Security
Redeemable NCDs								
Public Issue I								
Option I	NCD	--	1,066.38	--	--	9.51%	60	See Note # 1
Option II	NCD	--	2,963.48	--	--	9.62%	60	
Option III	NCD	--	1,263.20	--	--	9.95%	88	
Option IV	NCD	--	4,706.94	--	--	10.24%	120	
Public Issue II								
Option I	NCD	--	3,713.36	--	--	8.40%	36	
Option II	NCD	--	1,286.64	--	--	8.50%	36	
Private Placement								
SD-02/ 2008-2009	NCD	--	3,000.00	--	--	10.25%	36	
SD-01/ 2009-2010	NCD	--	2,500.00	--	--	8.10%	24	
SD-02/ 2009-2010	NCD	--	1,150.00	--	--	9.62%	60	
SD-01/ 2010-2011	NCD	--	1,750.00	--	--	7.45%	24	

Note # 1 Secured by the way of first/second charge, having pari passu rights, as the case may be, on the company’s specified immovable properties and specified lease/ term loan receivables.

ANNEXURE 8A
DETAILS OF SECURED LOANS AS ON 31ST MARCH, 2011 (UNCONSOLIDATED) (Contd.)

₹ Million

Particulars	Nature of Loan	Sanction Amount	O/s Amount	Installment Amount	Frequency	Rate of Interest	Tenor (Months)	Nature of Security
Term Loans								
Banks								
DBS BANK LTD	ECB	1,200.00	1,200.00	--	--	LIBOR+200 bps	36	See Note # 2
AXIS BANK	RL – INR	1,500.00	1,000.00	125.00	Quarterly	BASE RATE	36	
AXIS BANK	RL – INR	5,000.00	5,000.00	500.00	Quarterly	BASE RATE	36	
BNP PARIBAS	RL – INR	500.00	500.00	--	--	8.00%	24	
BNP PARIBAS	RL – INR	500.00	500.00	--	--	6.75%	24	
BNP PARIBAS	RL – INR	500.00	500.00	--	--	5.75%	24	
BNP PARIBAS	RL – INR	500.00	500.00	--	--	6.25%	24	
CENTRAL BANK OF INDIA	RL – INR	5,000.00	5,000.00	500.00	Quarterly	BASE RATE +50 bps	36	
DEUTSCHE BANK	RL – INR	2,000.00	2,000.00	--	--	BASE RATE +15 bps	24	
DEUTSCHE BANK	RL – INR	1,000.00	1,000.00	--	--	BASE RATE +115 bps	24	
FEDERAL BANK LTD	RL – INR	1,000.00	1,000.00	83.30	Quarterly	BASE RATE +75 bps	36	
HDFC BANK	RL – INR	1,000.00	666.67	83.30	Quarterly	5.70%	36	
HSBC	RL – INR	250.00	250.00	--	--	BASE RATE	24	
ICICI BANK LTD	RL – INR	10,000.00	10,000.00	--	--	BASE RATE	25	
INDIAN OVERSEAS BANK LTD	RL – INR	5,000.00	4,583.33	416.67	Quarterly	BASE RATE +25 bps	36	
ING VYSYA BANK	RL – INR	750.00	312.50	62.50	Quarterly	8.60%	36	
ING VYSYA BANK	RL – INR	1,500.00	875.50	125.00	Quarterly	6.50%	36	
ING VYSYA BANK	RL – INR	1,500.00	1,375.00	125.00	Quarterly	8.25%	36	
MIZUHO CORPORATE BANK	RL – INR	1,000.00	1,000.00	--	--	BASE RATE +90 bps	24	
PUNJAB & SIND BANK	RL – INR	600.00	180.00	60.00	Semi-Annual	5 Y GSEC+267 bps	60	
PUNJAB & SIND BANK	RL – INR	400.00	120.00	40.00	Semi-Annual	5 Y GSEC+273 bps	60	
PUNJAB & SIND BANK	RL – INR	3,000.00	3,000.00	250.00	Quarterly	BASE RATE +50 bps	36	
SHINHAN BANK	RL – INR	350.00	350.00	--	--	6.00%	24	

Note # 2 Secured by hypothecation of specified lease and term loan receivables

ANNEXURE 8A
DETAILS OF SECURED LOANS AS ON 31ST MARCH, 2011 (UNCONSOLIDATED) (Contd.)

₹ Million

Particulars	Nature of Loan	Sanction Amount	O/s Amount	Installment Amount	Frequency	Rate of Interest	Tenor (Months)	Nature of Security
STANDARD CHARTERED BANK	RL - INR	1,000.00	1,000.00	--	--	6.50%	18	See Note # 2
STANDARD CHARTERED BANK	RL - INR	1,000.00	1,000.00	--	--	6.50%	24	
STANDARD CHARTERED BANK	RL - INR	1,000.00	1,000.00	--	--	6.50%	30	
STANDARD CHARTERED BANK	RL - INR	670.00	670.00	--	--	6.50%	18	
STANDARD CHARTERED BANK	RL - INR	670.00	670.00	--	--	6.50%	24	
STANDARD CHARTERED BANK	RL - INR	660.00	660.00	--	--	6.50%	30	
STANDARD CHARTERED BANK	RL - INR	1,460.00	1,430.00	--	--	5.25%	6	
STANDARD CHARTERED BANK	RL - INR	500.00	500.00	--	--	5.25%	6	
THE BANK OF NOVA SCOTIA	RL - INR	1,000.00	1,000.00	--	--	9.75%	12	
THE BANK OF NOVA SCOTIA	RL - INR	500.00	500.00	--	--	9.75%	12	
UBS	RL - INR	1,000.00	1,000.00	--	--	7.60%	12	
YES BANK	RL - INR	2,500.00	2,500.00	--	--	8.50%	25	
Others								
INFRASTRUCTURE DEVELOPMENT FINANCE COMPANY LIMITED	RL - INR	1,000.00	100.00			IMBMK+145 bps	60	
			76,342.50					

Note # 2 Secured by hypothecation of specified lease and term loan receivables

L&T FINANCE LIMITED (UNCONSOLIDATED)

ANNEXURE 8B

DETAILS OF UNSECURED LOANS AS ON 31ST MARCH, 2011 (UNCONSOLIDATED)

₹ Million

Particulars	Nature of Loan	Sanction Amount	O/s Amount	Instalment Amount	Frequency	Rate of Interest	Tenor
Redeemable NCDs							
In form of Tier II Bonds							
Various Investors	NCD	--	750.00	--	--	10.50%	120 M
Term Loans – Banks							
Bank of Baroda	RL - INR	3000.00	3000.00	--	--	Base Rate + 20 bps	211 D
Commercial Papers							
SBI MF	CP	--	250.00	--	--	6.50%	364 D
IDFC MF	CP	--	500.00	--	--	6.50%	364 D
HSBC MF	CP	--	250.00	--	--	6.50%	364 D
SBI MF	CP	--	500.00	--	--	6.45%	360 D
HDFC MF	CP	--	750.00	--	--	6.45%	360 D
ICICI PRU MF	CP	--	500.00	--	--	6.45%	364D
DSPBLACKROCK MF	CP	--	500.00	--	--	6.30%	329D
UTI MF	CP	--	250.00	--	--	6.30%	346 D
HDFC MF	CP	--	500.00	--	--	6.43%	364 D
IDFC LTD	CP	--	250.00	--	--	6.43%	364 D
RBS	CP	--	1,000.00	--	--	6.78%	364 D
UTI MF	CP	--	500.00	--	--	6.78%	364 D
LIC MF	CP	--	500.00	--	--	6.50%	364 D
KOTAK MF	CP	--	900.00	--	--	9.35%	90 D
HDFC MF	CP	--	500.00	--	--	9.35%	90 D
HDFC MF	CP	--	500.00	--	--	10.13%	87 D

ANNEXURE 8B
DETAILS OF UNSECURED LOANS AS ON 31ST MARCH, 2011 (UNCONSOLIDATED) (Contd.)

₹ Million

Particulars	Nature of Loan	Sanction Amount	O/s Amount	Installment Amount	Frequency	Rate of Interest	Tenor
Inter-Corporate Deposits – Promoter group of Companies and Associates							
L&T CAPITAL COMPANY LIMITED	ICD		54.28	--	--	VARIOUS	upto 364 days
L&T SUCG JV	ICD		177.50	--	--	VARIOUS	upto 364 days
			12,131.78				

L&T FINANCE LIMITED (UNCONSOLIDATED)

ANNEXURE 9

SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

The Company maintains its accounts on accrual basis following the historical cost convention in accordance with Generally Accepted Accounting Principles (‘GAAP’) and in compliance with the provisions of the Companies Act 1956, and the Accounting Standards as specified in the Companies (Accounting Standards) Rules, 2006, notified by the Central Government. Insurance and other claims are accounted for as and when admitted by the appropriate authorities.

The preparation of financial statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affects the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates includes the useful lives of fixed assets, provisions for doubtful debts/advances, future obligations in respect of retirement benefit plans, etc. Actual results could differ from these estimates. Any revisions to accounting estimates is recognised prospectively in the current and future periods. Wherever changes in presentation are made, comparative figures of the previous year are regrouped accordingly.

2. Fixed Assets

Owned assets
Assets held for own uses are stated at original cost net of tax / duty credits availed, if any, less accumulated depreciation.

Leased assets
Assets leased under finance lease are stated as Loans and Advances as required by Accounting Standard (AS) 19 Leases.
Assets under operating lease are stated at original cost less accumulated depreciation.

Assets taken on lease

Assets acquired under lease where the company has substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalised at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability of each period.

Assets acquired on lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Profit and Loss Account on accrual basis.

3. Intangible Assets

An Intangible is recognised if, and only if:

a) it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise; and
b) the cost of the asset can be measured reliably.

4. Impairment of assets:

As at each balance sheet date, the carrying amount of assets is tested for impairment so as to determine:

i. the provision for impairment loss, if any, required; or
ii. the reversal, if any, required of impairment loss recognized in previous periods.

Impairment loss, if any, is recognized when the carrying amount of an asset or group of assets, as the case may be, exceeds the recoverable amount.

Recoverable amount is determined:

i. in the case of individual asset, at higher of the net selling price and the value in use;
ii. in the case of a cash generating unit (a group of assets that generates identified, independent cash flows), at higher of the cash generating unit's net selling price and the value in use.
 Value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life.

5. Investments

Long-term investments are carried at cost, after providing for any diminution in value, if such diminution is of other than temporary in nature.

Current investments are carried at lower of cost or market value. The determination of the carrying costs of such investments is done on the basis of specific identification.

6. Foreign currency transactions, Forward contracts and Derivatives

The reporting currency of the company is the Indian Rupee.

Foreign currency transactions are recorded on initial recognition in the reporting currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction.

Forward contracts other than those entered into to hedge foreign currency risk on unexecuted firm commitments or of highly probable forecast transactions are treated as foreign currency transactions and accounted accordingly as per Accounting Standard (AS)11 ["The Effects of Changes in Foreign Exchange Rates"]. Exchange differences arising on such contracts are recognised in the period in which they arise and the premium paid/received is accounted as expenses/income over the period of the contract.

Gains and losses arising on account of roll over/cancellation of forward contracts are recognised as income/expenses of the period in which such roll over/cancellation takes place.

Derivative contracts are recognized in financial statements and re-measured at fair value (mark to market) as on the balance sheet date. Wherever the test of effectiveness of the hedge is met the effective portion of the resultant gain or loss is initially recognised in the hedge reserve and subsequently recognised in the profit and loss account in the period in which the hedged item affects the earnings. All other gains or losses on such contracts are recognized in the profit & loss account immediately.

7. Revenue Recognition

Income from Hire purchase and operating lease transactions are accounted on accrual basis, *pro-rata* for the period, at the rates implicit in the transactions. Processing fees/Management fees, Income from bill discounting, other financing activities, other compensation and Investments are accounted on accrual basis.

Revenue is recognised based on the nature of activity when consideration can be reasonably measured and there exists reasonable certainty of its recovery.

8. The Company complies with the guidelines issued by the Reserve Bank of India in respect of Prudential Norms for Income Recognition and Provisioning for Non-Performing Assets.

9. Employee Benefits

Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the services are classified as short-term employee benefits. Benefits such as salaries, wages, short term compensated absences etc. and expected cost of bonus, ex-gratia are recognized in the period in which the employee renders the related service.

Post Employment Benefits:

(a) Defined Contribution Plans:

The Company's superannuation scheme is a defined contribution plans. The contribution paid/payable under the scheme is recognized during the period in which the employee renders the related services.

(b) Defined Benefit Plans:

The employee's gratuity fund scheme and provident fund scheme managed by trust are the company's defined benefit plans. Wherever applicable the present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of services as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government securities of a maturity period equivalent to the weighted average maturity profile of the related obligation at the balance sheet date.

Actuarial gains and losses are recognized immediately in the profit and loss account.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans, to recognize the obligation on net basis.

Gains or losses on the curtailment or settlement of any defined benefit plan are recognized when the curtailment or settlement occurs. Past service cost is recognized as expense on a straight-line basis over the average period until the benefits become vested.

Long Term Employee Benefits:

The obligation for long term employee benefits such as long term compensated absences is recognised as defined benefits plans.

10. Borrowing Costs:

Borrowing costs that are attributable to the acquisitions, constructions or production of qualifying assets are capitalised as part of the cost of such assets till the time as the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale.

All other borrowing costs are recognized as an expense in the period in which they are incurred.

11. Depreciation

Depreciation on assets held for own use has been provided on straight-line basis as per Schedule XIV to the Companies Act, 1956, except for specialised software, computers & office equipment which are depreciated @ 33.33%, 20 % & 10 % per annum respectively. These rates are fixed in consonance with the expected useful life of the assets. Depreciation on assets acquired and given to employees under the hard furnishing scheme has been provided @ 18% per annum on straight line basis, except assets costing ₹ 5,000 or less which are depreciated on straight line basis as per Schedule XIV to the Companies Act, 1956.

Assets given on lease

In respect of the assets given on finance lease, Accounting Standards (AS) 19 Leases has been applied. Investment in leased assets is shown under loans and advances duly adjusted for recoveries during the lease period as required under the said Standard.

In respect of assets given on operating lease, depreciation is provided on straight line basis *pro-rata* from the month of acquisition/capitalization at the rates which have been determined on the basis of type of the asset, lease tenor, economic life of the asset, etc. These rates vary from 7% to 20% per annum.

Assets taken on lease

Accounting Standards (AS) 19 Leases has been applied to the assets taken on lease on or after 1st April, 2001. These assets have been depreciated over the period of lease for a value net of its residual value implied in the transactions.

12. Taxes on Income:

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income-Tax Act 1961, and based on the expected outcome of assessments / appeals.

Deferred tax is recognised on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and the laws enacted or substantively enacted as on the balance sheet date.

Deferred tax assets are recognised and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

13. Provisions, Contingent liabilities and contingent assets:

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if

1. the company has a present obligation as a result of a past event,
2. a probable outflow of resources is expected to settle the obligation; and
3. the amount of the obligation can be reliably estimated.

Reimbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received, if obligation is settled.
Contingent liability is disclosed in the case of

1. a present obligation arising from a past event when it is not probable that an outflow of resources will be required to settle the obligation,
2. a present obligation when no reliable estimate is possible; and
3. a possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent assets are neither recognized nor disclosed. Provisions, Contingent liabilities and Contingent assets are reviewed at each balance sheet date.

L&T FINANCE LIMITED (UNCONSOLIDATED)

ANNEXURE 10

NOTES FORMING PART OF ACCOUNTS

1. Contingent Liabilities :

₹ Million

Particulars	As at 31st March,				
	2011	**2010**	**2009**	**2008**	**2007**
Income tax liability in respect of matters in Appeal	254.17	248.15	132.61	107.73	171.65
Interest tax liability in respect of matters in Appeal	--	--	--	5.37	5.37
Sales tax liability in respect of matters in Appeal	53.93	49.59	37.55	41.41	23.00
Liability in respect of legal matters	2.72	1.00	1.00	1.00	1.00

2. Secured Redeemable Non-convertible Debentures:

Secured Redeemable Non-convertible Debentures -Public issue (Balance as on 31st March 2011 and as on 31st March 2010)

Sr. No.	Face Value (₹)	Date of Allotment	Amount ₹ Million	Interest	Redemption
1	1000 each	17th September, 2009	1,066.38	9.51%	Redeemable at par at the end of 60 months from the date of allotment
2	1000 each	17th September, 2009	2,963.48	9.62%	Redeemable at par at the end of 60 months from the date of allotment
3	1000 each	17th September, 2009	1,263.20	9.95%	Redeemable at par at the end of 88 months from the date of allotment
4	1000 each	17th September, 2009	4,706.94	10.24%	Redeemable at par at the end of 120 months from the date of allotment
5	1000 each	10th March, 2010	3,713.36	8.40%	Redeemable at par at the end of 36 months from the date of allotment
6	1000 each	10th March, 2010	1,286.64	8.50%	Redeemable at par at the end of 36 months from the date of allotment
	Total		**15,000.00**		

Security: The Debentures are secured by way of first/second charge, having *pari passu* rights, as the case may be, on the company's specified immovable properties and specified Hire Purchase/Lease/Term Loan receivables.

L&T FINANCE LIMITED (UNCONSOLIDATED)

Secured Redeemable Non-convertible Debentures – Others (as on 31st March 2011):

Sr. No.	Face Value (₹)	Date of Allotment	Amount ₹ Million	Interest	Redemption
1	1 million each	07/07/2008	3,000	10.25%	Redeemable at par at the end of 36 months from the date of allotment
2	1 million each	21/07/2009	2,500	8.10%	Redeemable at par at the end of 24 months from the date of allotment
3	1 million each	29/09/2009	1,150	9.62%	Redeemable at par at the end of 60 months from the date of allotment
4	1 million each	12/04/2010	1,750	7.45%	Redeemable at par at the end of 24 months from the date of allotment
	Total		**8,400**		

Security: The Debentures are secured by way of first/second charge, having *pari passu* rights, as the case may be, on the company's specified immovable properties and specified Lease/Term Loan receivables.

Secured Redeemable Non-convertible Debentures - Others (as on 31st March 2010):

Sr. No.	Face Value (₹)	Date of Allotment	Amount ₹ Million	Interest	Redemption
1	1 million each	12th June, 2007	700	10.92%	Redeemable at par at the end of 36 months from the date of allotment
2	1 million each	1st August, 2007	950	9.24%	Redeemable at par at the end of 36 months from the date of allotment
3	1 million each	26th May, 2008	1,000	NSE Mibor + 265 bps	Redeemable at par at the end of 24 months from the date of allotment
4	1 million each	7th July, 2008	3,000	10.25%	Redeemable at par at the end of 36 months from the date of allotment
5	1 million each	21st July, 2009	2,500	8.10%	Redeemable at par at the end of 24 months from the date of allotment
6	1 million each	29th September, 2009	1,650	9.62%	Redeemable at par at the end of 60 months from the date of allotment
	Total		**9,800**		

Security: The Debentures are secured by way of first/second charge, having *pari passu* rights, as the case may be, on the company's specified immovable properties and specified Hire Purchase/Lease/Term Loan receivables.

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Secured Redeemable Non-convertible Debentures as at 31st March 2009 –

Sr. No.	Face Value (₹)	Date of Allotment	Amount ₹ Million	Interest	Redemption
1	1 million each	06/06/2007	1,550	10.80%	Redeemable at par at the end of 24 months from the date of allotment
2	1 million each	12/06/2007	700	10.92%	Redeemable at par at the end of 36 months from the date of allotment
3	1 million each	01/08/2007	500	NSE Mibor + 240 bps	Redeemable at par at the end of 24 months from the date of allotment
4	1 million each	01/08/2007	850	9.00%	Redeemable at par at the end of 24 months from the date of allotment
5	1 million each	01/08/2007	900	9.24%	Redeemable at par at the end of 36 months from the date of allotment
6	1 million each	05/11/2007	500	NSE Mibor + 198 bps	Redeemable at par at the end of 24 months from the date of allotment
7	1 million each	26/05/2008	1,000	NSE Mibor + 265 bps	Redeemable at par at the end of 24 months from the date of allotment
8	1 million each	07/07/2008	3,000	10.25%	Redeemable at par at the end of 36 months from the date of allotment
	Total		**9,000**		

Security: The Debentures are secured by way of first/second charge, having *pari passu* rights, as the case may be, on the company's specified immovable properties and specified Hire Purchase/Lease/Term Loan receivables.

L&T FINANCE LIMITED (UNCONSOLIDATED)

Secured Redeemable Non-convertible Debentures as at 31st March 2008 -

Sr. No.	Face Value (₹)	Date of Allotment	Amount ₹ Million	Interest	Redemption
1	10 million each	23/06/2005	150	NSE M+120 BPS	Redeemable at par at the end of 36 months from the date of allotment or on exercise of Put or Call Option - 24 months from the date of allotment
2	10 million each	29/06/2006	250	NSE M+199 BPS	Redeemable at par at the end of 36 months from the date of allotment or on exercise of Put or Call Option - 24 months from the date of allotment
3	10 million each	05/01/2007	500	9.40%	Redeemable at par at the end of 16 months from the date of allotment
4	10 million each	15/01/2007	150	9.40%	Redeemable at par at the end of 16 months from the date of allotment
5	10 million each	15/01/2007	350	9.40%	Redeemable at par at the end of 16 months from the date of allotment
6	10 million each	15/03/2007	720	10.65%	Redeemable at par at the end of 21 months from the date of allotment
7	10 million each	23/03/2007	500	11.25%	Redeemable at par at the end of 15 months from the date of allotment
8	10 million each	26/03/2007	500	11.25%	Redeemable at par at the end of 15 months from the date of allotment
9	10 million each	29/03/2007	250	11.25%	Redeemable at par at the end of 15 months from the date of allotment
10	1 million each	05/06/2007	750	10.70%	Redeemable at par at the end of 18 months from the date of allotment
11	1 million each	06/06/2007	1,550	10.80%	Redeemable at par at the end of 24 months from the date of allotment
12	1 million each	12/06/2007	700	10.92%	Redeemable at par at the end of 36 months from the date of allotment
13	1 million each	01/08/2007	500	NSE M+240 BPS	Redeemable at par at the end of 24 months from the date of allotment
14	1 million each	01/08/2007	1,000	9.00%	Redeemable at par at the end of 24 months from the date of allotment
15	1 million each	01/08/2007	1,100	9.24%	Redeemable at par at the end of 36 months from the date of allotment
16	1 million each	05/11/2007	500	NSE M+198 BPS	Redeemable at par at the end of 24 months from the date of allotment
	Total		**9,470**		

Security: The Debentures are secured by way of first/second charge, having *pari passu* rights, as the case may be, on the company's specified immovable properties and specified Hire Purchase/Lease/Term Loan receivables.

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Secured Redeemable Non-convertible Debentures as at 31st March 2007 -

Sr. No.	Face Value (₹)	Date of Allotment	Amount ₹ Million	Interest	Redemption
1	10 million each	12/05/2005	250	NSE MIBOR + 110 bps daily compounding	Redeemable at par at the end of 36 months from the date of allotment or on exercise of put or call option – 24 months from the date of allotment
2	10 million each	24/05/2005	250	1 Yr Reuters INBMK + 45 bps	Redeemable at par at the end of 36 months from the date of allotment or on exercise of put or call option – 24 months from the date of allotment
3	10 million each	23/06/2005	250	NSE MIBOR + 120 bps daily compounding	Redeemable at par at the end of 36 months from the date of allotment or on exercise of put or call option – 24 months from the date of allotment
4	10 million each	14/03/2006	250	8.90%	Redeemable at par at the end of 13 months from the date of allotment
5	10 million each	28/03/2006	500	8.82%	Redeemable at par at the end of 13 months from the date of allotment
6	10 million each	05/05/2006	250	1 Yr Reuters INBMK + 158 bps	Redeemable at par at the end of 36 months from the date of allotment or on exercise of put or call option – 18 months from the date of allotment
7	10 million each	08/06/2006	250	1 Yr Reuters INBMK + 155 bps	Redeemable at par at the end of 36 months from the date of allotment or on exercise of put or call option – 18 months from the date of allotment
8	10 million each	20/06/2006	250	1 Yr Reuters INBMK + 153 bps	Redeemable at par at the end of 36 months from the date of allotment or on exercise of put or call option – 18 months from the date of allotment
9	10 million each	29/06/2006	250	NSE MIBOR + 199 bps daily compounding	Redeemable at par at the end of 36 months from the date of allotment or on exercise of put or call option – 18 months from the date of allotment
10	10 million each	05/01/2007	500	9.40%	Redeemable at par at the end of 16 months from the date of allotment
11	10 million each	15/01/2007	500	9.40%	Redeemable at par at the end of 16 months from the date of allotment
12	10 million each	15/03/2007	720	10.65%	Redeemable at par at the end of 21 months from the date of allotment
13	10 million each	23/03/2007	500	11.25%	Redeemable at par at the end of 15 months from the date of allotment
14	10 million each	26/03/2007	500	11.25%	Redeemable at par at the end of 15 months from the date of allotment
15	10 million each	29/03/2007	250	11.25%	Redeemable at par at the end of 15 months from the date of allotment
	Total		**5,470**		

Security: The Debentures are secured by way of first/second charge, having pari passu rights, as the case may be, on the company's specified immovable properties and specified Hire Purchase/Lease/Term Loan receivables.

3. Unsecured Redeemable Non-convertible Subordinated Debt as at 31st March 2008, 2009, 2010 and 2011:

Sr. No.	Series	Interest	Amount ₹ Million	Date of Allotment	Earliest Redemption Date
1	Unsecured Redeemable Non-Convertible Subordinated Debt in the form of Debentures (Series "H" of FY 2007-08)	10.50%	750.00	20th February, 2008	Redeemable at par at the end of 120 months from the date of allotment.

Unsecured Redeemable Non-convertible Debenture as at 31st March, 2009 -

Sr. No.	Face Value	Deemed Date of Allotment	Amount ₹ Million	Interest	Redemption
1	10 million each	24/03/2009	200	NSE M+50 bps	Redeemable at par at the end of 87 days from the date of allotment
2	10 million each	26/03/2009	250	9.00%	Redeemable at par at the end of 11 days from the date of allotment
3	10 million each	30/03/2009	500	8.25%	Redeemable at par at the end of 7 days from the date of allotment
4	10 million each	30/03/2009	100	NSE M+115 bps	Redeemable at par at the end of 88 days from the date of allotment
5	10 million each	31/03/2009	50	NSE M+115 bps	Redeemable at par at the end of 87 days from the date of allotment
		Total	**1,100**		

4. Costs and Lease obligations of assets taken on finance lease:

₹ Million

Particulars	For the year ended 31st March,				
	2011	2010	2009	2008	2007
Cost of Leased assets	--	--	0.21	0.74	4.00
Future lease obligations in respect of above assets	--	--	0.03	0.22	0.79

5. i) Finance lease obligations taken on lease :

The Company normally acquires assets/equipments under finance lease with the respective underlying assets/ equipments as security.

Minimum lease payments outstanding as of 31st March, 2010 and 2011 in respect of these assets is Nil. Minimum lease payments outstanding as of 31st March, 2009 are as under:

₹ Million

Due	Total Minimum Lease Payments Outstanding as at 31st March, 2009	Interest Not Due	Present Value of Minimum Lease Payments
Within one year	0.03	--	0.03
Later than one year and not later than five years	--	--	--
Later than five years	--	--	--
TOTAL	**0.03**	**--**	**0.03**

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Minimum lease payments outstanding as of 31st March, 2008 are as under:

₹ Million

Due	Total Minimum Lease Payments Outstanding as on 31st March, 2008	Interest Not Due	Present Value of Minimum Lease Payments
Within one year	0.19	0.01	0.18
Later than one year and not later than five years	0.03	--	0.03
Later than five years	--	--	--
TOTAL	**0.22**	**0.01**	**0.21**

Minimum lease payments outstanding as of 31st March, 2007 are as under:

₹ Million

Due	Total Minimum Lease Payments Outstanding as on 31st March, 2007	Interest Not Due	Present Value of Minimum Lease Payments
Within one year	0.56	0.05	0.51
Later than one year and not later than five years	0.23	0.01	0.21
Later than five years	--	--	--
TOTAL	**0.79**	**0.06**	**0.72**

ii) Finance lease obligations given on lease:

The Company has given assets on finance lease to its customers with respective underlying assets / equipments as security.

Minimum lease payments outstanding as of March 31, 2011 in respect of these assets are as under:

₹ Million

Due	Total Minimum Lease Payments Outstanding as on March 31, 2011	Interest Not Due	Present Value of Minimum Lease Payments
Within one year	11.61	0.58	11.03
Later than one year and not later than five years	1,686.42	325.30	1,361.12
Later than five years	--	--	--
TOTAL	**1,698.03**	**325.88**	**1,372.15**

Minimum lease payments outstanding as of March 31, 2010 in respect of these assets are as under:

₹ Million

Due	Total Minimum Lease Payments Outstanding as on March 31, 2010	Interest Not Due	Present Value of Minimum Lease Payments
Within one year	224.03	66.54	157.49
Later than one year and not later than five years	565.34	91.54	473.80
Later than five years	--	--	--
TOTAL	**789.37**	**158.08**	**631.29**

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Minimum lease payments outstanding as of March 31, 2009 are as under:

₹ Million

Due	Total Minimum Lease Payments Outstanding as on March 31, 2009	Interest Not Due	Present Value of Minimum Lease Payments
Within one year	37.19	4.82	32.37
Later than one year and not later than five years	33.39	3.07	30.33
Later than five years	--	--	--
TOTAL	**70.58**	**7.89**	**62.70**

Minimum lease payments outstanding as of 31st March, 2008 are as under:

₹ Million

Due	Total Minimum Lease Payments Outstanding as on 31st March, 2008	Interest Not Due	Present Value of Minimum Lease Payments
Within one year	219.79	16.37	203.42
Later than one year and not later than five years	394.22	80.88	313.33
Later than five years	--	--	--
TOTAL	**614.01**	**97.25**	**516.75**

Minimum lease payments outstanding as of 31st March, 2007 are as under:

₹ Million

Due	Total Minimum Lease Payments Outstanding as on 31st March, 2007	Interest Not Due	Present Value of Minimum Lease Payments
Within one year	123.89	23.34	100.55
Later than one year and not later than five years	201.48	21.74	179.75
Later than five year	--	--	--
TOTAL	**325.37**	**45.08**	**280.30**

6. **Income from other financing activities include:**

₹ Million

Particulars	As at 31st March,				
	2011	2010	2009	2008	2007
Interest on loans and advances	11,805.03	8,426.91	6,292.20	4,274.76	1,531.50

7. **Advances recoverable in cash or in kind include:**
(i)

₹ Million

Particulars	As at 31st March,				
	2011	2010	2009	2008	2007
Loan to Officers	--	--	--	0.59	0.70
(Maximum amount outstanding during the year)	--	--	(0.59)	(0.70)	(0.70)

(ii) ₹ 2.82 million being sales tax paid upto 31st December, 1997 in various states on inter-state lease / hire purchase transactions. Due to ambiguity in certain provisions of Sales Tax Act in respective states with respect to such transactions, recovery of the same from the customers is kept in abeyance. The Company has since then been paying sales tax on such transactions under protest in various states to the extent it is collected from the customers.

8. Assignment of Receivables:

₹ Million

Particulars	For the year ended 31st March,				
	2011	2010	2009	2008	2007
Lease, hire purchase assets / receivables and term loan receivables assigned	11,071.44	1,766.19	3,996.90	--	1,620.68

The assignments / sale is without recourse to the Company. The Company does not expect any contingent or other liability in future in respect of these assigned/ sold assets/ receivables.

9. Value of imports (on CIF basis):

₹ Million

Particulars	For the year ended 31st March				
	2011	2010	2009	2008	2007
Capital Goods	1,013.67	795.13	568.90	474.41	430.87

10. Employee Benefits:

a) Defined Contribution Plans:

Amount of ₹ 10.48 million for the year ended March 31, 2011 and ₹ 7.30 million for the year ended March 31, 2010 is recognised as an expense and included in Personnel Expenses in the profit and loss account.

b) Defined Benefit Gratuity Plans :

a) The amounts recognized in Balance Sheet are as follows:

₹ Million

	Particulars	Gratuity Plan			
		As at 31.03.2011	As at 31.03.2010	As at 31.03.2009	As at 31.03.2008
A.	Amount to be recognized in Balance Sheet				
	Present Value of Defined Benefit Obligation				
	- Wholly Funded	20.07	12.53	10.23	7.67
	- Wholly Unfunded	--	--	--	--
	Less: Fair value of Plan Assets	(11.93)	(9.74)	(6.96)	(3.92)
	Unrecognised Past Service Costs	--	--	--	--
	Amount to be recognised as liability or (asset)	8.14	2.79	3.27	3.75
B.	Amounts reflected in the Balance Sheet				
	Liability	8.14	2.79	3.27	3.75
	Assets	--	--	--	--
	Net Liability/ (asset)	8.14	2.79	3.27	3.75

b) The amounts recognised in Profit and Loss Account are as follows:

₹ Million

Particulars		**Gratuity Plan**			
		2010-11	**2009-10**	**2008-09**	**2007-08**
1	Current Service Cost	4.29	3.64	2.74	1.26
2	Interest on Defined Benefit Obligation	1.39	1.09	0.78	0.46
3	Expected Return on Plan Assets	(1.00)	(0.60)	(0.32)	(0.27)
4	Actuarial Losses/(Gains)	3.62	(1.54)	0.08	1.85
5	Past Service Cost	0.04	--	--	--
6	Effect of any curtailment or settlement	--	--	--	--
7	Actuarial Gain not recognized in books	--	--	--	--
8	Adjustment for earlier years	--	--	--	0.45
	Total included in Employee Benefit Expenses	8.34	2.99	3.27	3.75
	Actual Return on Plan Assets	0.77	0.47	0.67	0.14

c) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balance thereof are as follows:

₹ Million

Particulars	**Gratuity Plan**			
	As at 31st March, 2011	**As at 31st March, 2010**	**As at 31st March, 2009**	**As at 31st March, 2008**
Opening balance of the present value of Defined Benefit Obligation	12.53	10.23	7.67	4.42
Add: Current Service Cost	4.29	3.64	2.74	1.26
Add: Interest Cost	1.39	1.09	0.78	0.46
Add/(less): Actuarial Losses/(Gain)	3.38	(1.67)	0.42	1.72
Add: Past service cost	0.04	--	--	--
Add : Actuarial losses / (Gain) due to curtailments	--	--	--	--
Add: Liabilities Extinguished on Settlements	--	--	--	--
Add: Liabilities Assumed on Acquisition/(Settled on Divestiture)	--	--	--	--
Exchange Difference on Foreign Plans	--	--	--	--
Adjustments for earlier years	--	--	--	--
Less: Benefits paid	(1.56)	(0.77)	(1.38)	(0.20)
Closing balance of the present value of Defined Benefit Obligation	20.07	12.53	10.23	7.67

d) Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows:

₹ Million

Particulars	Gratuity Plan			
	As at 31st March, 2011	As at 31st March, 2010	As at 31st March, 2009	As at 31st March, 2008
Opening balance of the fair value of the plan assets	9.74	6.96	3.92	3.26
Add: Expected Return on plan assets	1.00	0.60	0.32	0.27
Add/(less): Actuarial gains/(losses)	(0.24)	(0.13)	0.35	(0.13)
Add: Assets Distributed on Settlements	--	--	--	--
Add: Contributions by Employer	2.99	3.07	3.75	0.72
Add: Assets Acquired on Acquisition/(Distributed on Divestiture)	--	--	--	--
Add: Exchange Difference on Foreign Plans	--	--	--	--
Less: Benefits Paid	(1.56)	(0.77)	(1.38)	(0.20)
Closing balance of the plan assets	11.93	9.74	6.96	3.92

e) The broad categories of plan assets as a percentage of total plan assets, are as follows:

	Particulars	Gratuity Plan							
		As at 31st March, 2011		As at 31st March, 2010		As at 31st March, 2009		As at 31st March, 2008	
		%	₹ Million	%	₹ Million	%	₹ Million	%	₹ Million
1	Government of India Securities	37%	4.38	45%	4.35	46%	3.23	43%	1.68
2	Corporate Bonds	41%	4.93	49%	4.81	43%	3.01	36%	1.42
3	Special Deposit Scheme	20%	2.33	0%	--	9%	0.63	16%	0.63
4	Equity Shares of Listed Companies	0%	--	0%	--	0%	--	0%	--
5	Property	0%	--	0%	--	0%	--	0%	--
6	Insurer Managed Funds	0%	--	0%	--	0%	--	0%	--
7	Others	2%	0.29	6%	0.57	1%	0.09	5%	0.19

Basis used to determine the overall expected return:

The Trust formed by the Company manages the Investments of Gratuity Fund. Expected rate of return on investment is determined based on the assessment made by the Company at the beginning of the year on the return expected on its existing portfolio, along with the estimated incremental investments to be made during the year. Yield on the portfolio is calculated based on suitable mark-up over the benchmark Government securities of similar maturities.

f) Principal actuarial assumptions at the balance sheet date:

Particulars	As at 31st March, 2011	As at 31st March, 2010	As at 31st March, 2009	As at 31st March, 2008
1. Discount rate	8.30%	8.30%	8.00%	7.80%
2. Expected return on plan assets	8.00%	7.50%	7.50%	7.50%
3. Salary growth rate :				
Gratuity scheme	6.00%	6.00%	6.00%	6.00%

g) Attrition rate:

For gratuity scheme the attrition rate varies for various age groups.

h) The estimates for future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The amounts pertaining to defined benefit plans are as follows:

₹ Million

Particulars	**As at 31st March, 2011**	**As at 31st March, 2010**	**As at 31st March, 2009**	**As at 31st March, 2008**
Gratuity Plan				
Defined Benefit Obligation	20.07	12.53	10.23	7.67
Plan Assets	11.93	9.74	6.96	3.92
Surplus/(Deficit)	(8.14)	(2.79)	(3.27)	(3.75)

c) Defined Benefit Provident Fund Plan:

a) The amounts recognised in Balance Sheet are as follows:

₹ Million

	Particulars	**Provident Fund Plan**	
		As at 31-03-2011	**As at 31-03-2010**
A.	Net (Liability) / Asset recognized in the Balance Sheet		
	Present Value of Funded Obligation	140.47	96.10
	Liability towards unpaid contribution	--	--
	Less: Fair value of Plan Assets	(142.80)	(97.58)
	Amount to be recognised in the Balance Sheet as liability or (asset)	(2.33)	(1.48)
B.	Amounts to be recognised in the Balance Sheet		
	Liability	--	--
	Assets	2.33	1.48

b) Expenses recognised in the statement of Profit & Loss Account:

₹ Million

	Particulars	**Provident Fund Plan**	
		2010-11	**2009-10**
1	Current Service Cost	15.74	9.90
2	Interest on Defined Benefit Obligation	10.57	6.90
3	Expected Return on Plan Assets	(10.86)	(7.20)
4	Net Actuarial Losses/(Gains)	(0.54)	2.35
5	Past Service Cost	--	--
6	Losses / (Gains) on curtailment or settlement	--	--
7	(Shortfall) in actual return on plan assets over interest payable not to be recognised as expenses to the extent of excess of asset over liabilities	0.83	(2.05)
8	Expenses recognized in the statement of Profit & Loss Account	15.74	9.90
9	Actual Return of Plan Asset	11.40	4.85

c) The changes in present value of defined benefit Obligation representing reconciliation of opening and closing balance thereof are as follows:

₹ Million

Particulars	**Provident Fund Plan**	
	As at 31-03-2011	**As at 31-03-2010**
Opening balance of the present value of Defined Benefit Obligation	96.07	71.90
Add: Current Service Cost	15.74	9.90
Add: Interest Cost	10.57	6.90
Add/(less): Actuarial Losses/(Gain)	--	--
Add: Past service cost	--	--
Add : Actuarial losses / (Gain) due to curtailments	--	--
Add: Liabilities Extinguished on Settlements	--	--
Add: Liabilities Assumed on Acquisition/(Settled on divestiture)	--	--
Add: Contribution by Plan Participants	24.57	16.80
Exchange Difference on Foreign Plans	--	--
Adjustments for earlier years	--	--
Less: Benefits paid	(6.48)	(9.40)
Closing balance of the present value of Defined Benefit Obligation	140.47	96.10

d) Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows:

₹ Million

Particulars	**Provident Fund Plan**	
	As at 31-03-2011	**As at 31-03-2010**
Opening balance of the fair value of the plan assets	97.58	75.50
Add: Expected Return on plan assets	10.86	7.20
Add/(less): Actuarial gains/(losses)	0.54	(2.35)
Add: Assets Distributed on Settlements	--	--
Add: Contributions by Employer	15.73	9.90
Add: Contribution by Plant participants	24.57	16.73
Add: Assets Acquired on Acquisition/(Distributed on Divestiture)	--	--
Add: Exchange Difference on Foreign Plans	--	--
Less: Benefits Paid	(6.48)	(9.40)
Closing balance of the plan assets	142.80	97.58

e) The major categories of plan assets as a percentage of total plan assets, are as follows:

	Particulars	**Provident Fund Plan**	
		As at 31-03-2011	**As at 31-03-2010**
1	Government of India Securities	24%	23%
2	State Government Scheme	11%	12%
3	Special Deposit Scheme	18%	22%
4	Public Sector Unit Bond	38%	35%
5	Corporate Bonds	6%	6%
6	Others (cheques on hand)	3%	2%
		100%	100%

Note: The interest payment obligation of trust-managed provident fund is assumed to be adequately covered by the interest income on long term investments of the fund. Any shortfall in the interest income over the interest obligation is recognised immediately in the Profit and Loss Account as actuarial losses.

i) General description of defined benefit plans:

1. Gratuity Plan:

The Company operates gratuity plan wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service, or retirement, whichever is earlier. The benefit vests after five years of continuous service. The Company's scheme is more favourable compared to the obligation under the Payment of Gratuity Act, 1972.

2. Provident Fund Plan:

The Company manages Provident Fund Plan through a Provident Fund Trust for its employees which is permitted under the Provident Fund and Miscellaneous Provisions Act, 1952. The Plan envisages contributions by employer and employees and guarantees interest at the rate notified by the Provident Fund Authority. The contribution by employer and employee together with interest are payable at the time of separation from service or retirement whichever is earlier. The benefit under this plan vests immediately on rendering of service.

3. Leave Encashment:

The company provides leave encashment benefit on all types of separation from the company. It is calculated on the last basic salary drawn at the time of separation. Maximum leave encashment allowable at the time of separation is 300 days.

11. Pursuant to the Employees Stock Options Scheme established by the ultimate holding company (i.e. Larsen & Toubro Limited) and by the holding company (i.e. L&T Finance Holdings Limited), stock options were granted to the employees of the Company during the year 2007-08 and 2010-11 respectively. The details of total cost incurred, vesting and balance are as under.

₹ Million

	2011	2010	2009	2008
Cost recovered by the ultimate holding company during the year	1.73	3.86	6.77	6.72
Balance recoverable by the ultimate holding company during the year	0.40	2.19	5.70	12.47
Cost recovered by the holding company during the year	10.56	--	--	--
Balance recoverable by the holding company during the year	62.36	--	--	--

12. Borrowing Cost: AS-16

Borrowing costs capitalised during the financial year 2010-11 are ₹ **77.64** million. (previous year 2009-10: Nil)

13. Segment Reporting : AS-17

Primary Segment (Business Segment)

The Company operates mainly in the business segment of fund based financing activity. The other business segment does not have income and/or assets more than 10% of the total income and/or assets of the company. Accordingly, separate segment information for different business segments is not disclosed.

Secondary Segment (Geographical Segment)

The company operates only in the domestic market. As a result separate segment information for different geographical segments is also not disclosed.

14. Disclosure in respect of Operating Leases as required under Accounting Standard (AS) 19:

a) Gross Value of assets and accumulated depreciation as on balance sheet date:

₹ Million

Particulars	For the year ended 31st March,				
	2011	2010	2009	2008	2007
Gross Value of assets					
Plant and Machinery	1,094.96	813.23	745.81	2,934.96	2,265.66
Vehicles	1,543.36	1,449.37	1,192.20	1,136.45	1,067.10
Computers and Others	576.32	595.67	574.75	527.85	365.19
Accumulated Depreciation					
Plant and Machinery	298.95	217.26	131.77	607.15	360.36
Vehicles	532.92	525.60	430.83	414.96	272.49
Computers and Others	271.91	252.25	208.36	127.36	31.34

(b)

₹ Million

Particulars	For the year ended 31st March,				
	2011	2010	2009	2008	2007
Lease depreciation recognized in the profit and loss account	441.35	401.00	525.11	512.16	317.01

No contingent rent has been recognized in the Profit and Loss Account for the period ended 31st March, 2011, 2010, 2009, 2008 and 2007.

c) The Company provides vehicles, computers, construction equipment and other plant and machinery on operating lease for varying periods and the lease can be renewed as per mutual agreement. Contractually, the lessee has the option to reduce the lease period and hence the agreements are treated as cancellable in nature.

15. In line with the Company's risk management policy, the various financial risks mainly relating to the changes in the exchange rates and interest rate are hedged by using a combination of swaps and other derivative contracts, besides the natural hedges.

The particulars of the derivates contracts entered into for hedging purposes outstanding as at March 31, 2011 are as under:

₹ Million

Category of derivative instruments	Amount of exposures hedged	
	2010-11	2009-10
- Receive fixed, pay floating- INR Interest Rate Swap	700.00	2,000.00
- Cross currency swap	2,700.00	2,450.00
	3,400.00	**4,450.00**

16. Expenditure in Foreign currency:

₹ Million

Particulars	For the year ended 31st March				
	2011	2010	2009	2008	2007
On Interest	18.85	45.55	33.95	40.94	61.70
On other matters	1.13	0.72	0.88	0.10	0.11

17. Provision for taxes:

A.

₹ Million

Particulars	For the year ended 31st March				
	2011	2010	2009	2008	2007
Income Tax	1,510.50	885.20	401.10	416.71	141.60
Wealth Tax	2.50	2.30	2.00	1.59	1.80
Fringe Benefit Tax	--	--	5.71	3.68	2.66

B.

Major components of Deferred Tax Assets and Liabilities:

₹ Million

Particulars	As at 31st March 2011		As at 31st March 2010		As at 31st March 2009		As at 31st March 2008	
	Deferred Tax Assets	Deferred Tax Liabilities	Deferred Tax Assets	Deferred Tax Liabilities	Deferred Tax Assets	Deferred Tax Liabilities	Deferred Tax Assets	Deferred Tax Liabilities *
Difference between book depreciation and tax depreciation	--	284.68	--	261.56	--	184.94	--	182.90
Provision for doubtful debts and advances debited to profit and loss account	579.63	--	191.93	--	77.26	--	30.32	--
Unpaid statutory liability/ provision for leave encashment debited to profit and loss account	7.57	--	5.51	--	3.98	--	3.33	--
Other items giving rise to timing difference	0.26	203.79	0.33	156.13	12.61	217.82	0.24	103.40
Total	587.46	488.47	197.78	417.69	93.85	402.76	33.89	286.30
Net deferred tax liability(asset)	(98.99)		219.91		308.91		252.41	
Less: Deferred tax liabilities as at 1.4.2007 (net) adjusted to General Reserve	--		--		--		211.01	
Net incremental liability charged to profit and loss account	(318.90)		(89.00)		56.50		41.40	

* Deferred Tax Liability: In terms of the interim injunction dated 6th December 2001 restraining the Institute of Chartered Accountants of India from implementing the Accounting Standard (AS) 22 Accounting for Taxes on Income, with reference to Non-Banking Finance Companies, issued by the High Court of Judicature at Madras in response to the Miscellaneous Petition No. 27682 of 2001 in Writ Petition No. 18827 of 2001 filed by the Association of Leasing & Financial Services Companies of which the Company is a member. Pending final disposal of this Petition, no provision was made in the accounts towards deferred tax liability till 31st March 2007. Subsequently, in view of decision given by the Hon'ble Supreme Court, the accounting standard is now made applicable. Accordingly, the net deferred tax liability amounting to ₹ 211.01 million pertaining to the period prior to 1st April 2007 has been adjusted against General Reserve in accordance with the transitional provision of the standard.

18. During the year 2010-11, estimated amount of contract remaining to be executed on capital account (net of advances) is ₹ 1,100.88 million (previous year Nil).

19. The Company has no amounts due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006 as at 31st March 2011 & as at 31st March 2010. This information is given in respect of such vendors as could be identified as 'Micro' and 'Small Enterprises' on the basis of information available with the company.

20. Appropriations to the Debenture Redemption Reserve and the Special Reserve under section 45-IC of Reserve Bank of India Act, 1934 are carried out annually.

21. Figures of previous years have been re-grouped wherever necessary.

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L&T Infrastructure Finance Company Limited (Unconsolidated)

AUDITORS' REPORT

The Board of Directors
L&T Infrastructure Finance Company Limited
3A, Laxmi Towers, 2nd Floor
Bandra Kurla Complex
Mumbai – 400 051

Dear Sirs,

1. In connection with the proposed Initial Public Offering (the "Offering") of Equity Shares of L&T Finance Holdings Limited (the "Issuer Company") and in terms of our engagement letter dated 27th April, 2011, we have examined the Financial Information of L&T Infrastructure Finance Company Limited (the "Company") (as defined in paragraph 4 below) as at and for the years ended 31st March, 2011, 2010, 2009, for the period from 1st July, 2007 to 31st March, 2008 and for the period from 18th April, 2006 to 30th June, 2007 annexed to this report and signed by us for purpose of identification.
2. This Financial Information is the responsibility of the Company and has been prepared in accordance with the requirements of:
   a. paragraph B of Part II of Schedule II of the Companies Act, 1956, (the "Act"); and
   b. the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009, notified by Securities and Exchange Board of India ("SEBI") on 26th August, 2009 and amendments thereto (the "SEBI Regulations"), in pursuance of Section 11A (1) (a) of the Securities and Exchange Board of India Act, 1992.
   c. the Guidance Note on reports in Company Prospectuses (Revised) issued by the Institute of Chartered Accountants of India ("ICAI").
3. Our examination was conducted in accordance with the applicable generally accepted auditing standards ("GAAS") framework in India prescribed by the Institute of Chartered Accountants of India ("ICAI").

Financial Information as per Audited Financial Statements of the Company:

4. We have examined the following attached statements of the Company:
   i. the "Restated Summary Statement of Assets and Liabilities" as at 31st March, 2011, 2010, 2009, 2008 and 30th June, 2007 (Annexure I) and the schedules forming part thereof;
   ii. the "Restated Summary Statement of Profits and Losses" for each of the years/ periods ended 31st March, 2011, 2010, 2009, 2008 and 30th June, 2007, (Annexure II) and the schedules forming part thereof; and
   iii. the "Restated Summary Statement of Cash Flows" for the year / period ended 31st March, 2011, 2010, 2009, 2008 and 30th June, 2007 (Annexure III),

   together referred to as "Restated Summary Financial Statements".

   These Restated Summary Financial Statements have been extracted by the Management of the Company from the audited financial statements as stated below:

a) As at / for the period from 18th April, 2006 to 30th June, 2007 audited by M/s. S. B. Billimoria & Co., Chartered Accountants, being the auditors of the Company for that period in terms of their report dated 25th September, 2007;

b) As at / for the period from 1st July, 2007 to 31st March, 2008 audited by us in terms of our report dated 16th April, 2008; and

c) As at / for the year ended 31st March, 2010 and 2009 audited by us in terms of our reports dated 24th April, 2010 and 23rd April, 2009 respectively.

All the financial statements as at and for the aforesaid years / periods have been approved by the Board and adopted by the shareholders at their Annual General Meeting.

d) As at / for the year ended 31st March, 2011 audited by us in terms of out report dated 19th April, 2011 as approved by the Board of Directors.

5. Based on our examination of these Restated Summary Financial Statements, we state that:

   i. The 'Restated Summary Financial Statements' have to be read in conjunction with the "Significant Accounting Policies and Notes forming part of Restated Summary Financial Statements" (Annexures V and VIB).

   ii. The 'Restated Summary Financial Statements' have been restated with retrospective effect to reflect significant accounting policies adopted by the Company as at / for the year ended 31st March, 2011 and other material adjustments relating to earlier years which have been summarised in the 'Statement of Restatement Adjustments' (Annexure IV) and have been adjusted in accordance with the requirements of the provisions of paragraphs 9(b), 9(c) and 9(d) of item IX(B) of Schedule VIII (Part B) of the SEBI Regulations to the extent applicable.

   iii. The restated profits have been arrived at after charging all expenses, including depreciation, and after making such adjustments and regroupings, as in our opinion are appropriate, in the year to which they relate and are described in Annexures IV and VIA.

   iv. There are no extraordinary items that need to be disclosed separately in the Restated Summary Financial Statements.

   v. There are no qualifications in the aforesaid Auditors' Reports which would require an adjustment in the Restated Summary Financial Statements.

Other Financial Information of the Company

6. We have also examined the following information (restated) of the Company for the aforesaid years / periods which is proposed to be included in the Red Herring Prospectus (RHP), as approved by the Board of Directors of the Company and annexed to this report:

   i. Significant Accounting Policies adopted by the Company and Notes forming part of Restated Summary Financial Statements as at / for the aforesaid years / periods. (Annexures V and VIB);

   ii. Details of Infrastructure Loans as at 31st March 2011, 2010, 2009, 2008 and 30th June, 2007 (Schedule 3).

   iii. Details of Loans and Advances as at 31st March 2011, 2010, 2009, 2008 and 30th June, 2007 (Schedule 7).

   iv. Details of Investments as at 31st March 2011, 2010, 2009, 2008 and 30th June, 2007 (Schedule 2).

   v. Details of Related Party Disclosure for the aforesaid years / periods (Annexure VII),

   vi. Statement of Restated Accounting Ratios for the aforesaid years / periods (Annexure VIII),

vii. Statement of Tax Shelter for the aforesaid years / periods (Annexure IX),

viii. Details of Secured and Unsecured Loans as at 31st March, 2011 (Annexures X and XI),

ix. Details of Other Income for the aforesaid years / periods (Annexure XII),

x. Statement of Dividends for the aforesaid years / periods (Annexure XIII)

together referred to as "Other Financial Information".

7. Based on our examination of the Restated Summary Financial Statements of the Company attached to this report, we state that in our opinion the 'Restated Summary Financial Statements' (as detailed in paragraph 4 above) and 'Other Financial Information' (item i to x described in paragraph 6 above) as at and for the aforesaid years/ periods have been prepared in accordance with Paragraph B of Part II of Schedule II of the Act and the SEBI Regulations.

8. This report should not, in any way, be construed as a reissuance or re-dating of any of the previous audit reports nor should this be construed as a new opinion on any of the financial statements referred to herein.

9. This report is intended solely for your information and for inclusion in the RHP in connection with the proposed Offering of the Issuer Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No. 117366W)

Sanjiv V. Pilgaonkar
Partner
(Membership No. 39826)

Mumbai,
4th July, 2011

L&T Infrastructure Finance Company Limited ("the Company")` **Annexure - I**

Restated Summary Statement of Assets and Liabilities **(₹in million)**

		Schedule	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009	As at 31.03.2008	As at 30.06.2007
A	**Fixed Assets**						
	Gross Block	1	18.42	13.86	10.98	8.96	8.17
	Less: Depreciation and amortisation		8.44	5.87	3.78	2.00	0.76
	Net Block		9.98	7.99	7.20	6.96	7.41
	Capital Work in process		14.56	-	-	-	-
			24.54	7.99	7.20	6.96	7.41
B	**Investments**	2	3,500.00	250.00	1,150.00	599.07	2,087.39
C	**Deferred Tax Assets/ (Liability)(net)**		(42.33)	130.14	51.33	51.37	4.94
D	**Infrastructure Loans**	3	71,654.90	42,554.39	22,583.47	18,331.81	2,393.12
E	**Current Assets, Loans and Advances**						
	Sundry Debtors	4	35.00	4.15	-	-	-
	Cash and Bank Balance	5	341.99	50.94	2.20	221.20	566.69
	Other Current Assets	6	328.89	119.36	84.81	27.54	22.29
	Loans and Advances	7	572.66	303.06	239.15	16.88	35.40
			1,278.54	477.51	326.16	265.62	624.38
F	**Loan Funds**						
	Secured Loans	8	55,435.26	27,467.56	16,712.00	10,400.00	-
	Unsecured Loans	9	6,500.00	4,900.00	1,000.00	3,250.00	-
			61,935.26	32,367.56	17,712.00	13,650.00	-
G	**Current Liabilities and Provisions**						
	Current Liabilities	10	1,950.77	942.74	191.10	224.15	70.54
	Provisions	11	187.32	4.72	3.23	8.85	22.08
			2,138.09	947.46	194.33	233.00	92.62
H	**Net-worth (A+B+C+D+E-F-G)**		**12,342.30**	**10,105.01**	**6,211.83**	**5,371.83**	**5,024.62**
	Net-worth Represented by						
	Sources of Funds						
	Shareholders' Funds						
	Share Capital		7,021.50	6,834.00	5,000.00	5,000.00	2,430.00
	Reserves and Surplus	12	5,855.81	3,271.01	1,211.83	371.83	24.62
	Share Application Money		-	-	-	-	2,570.00
	Less, Miscellaneous Expenditure to the extent not written off	13	535.01	-	-	-	-
			12,342.30	**10,105.01**	**6,211.83**	**5,371.83**	**5,024.62**

The above statement should be read together with Significant Accounting Policies and notes to Restated Summary Financial Statements

L&T Infrastructure Finance Company Limited ("the Company") **Annexure - II**

Restated Summary Statement of Profits and Losses **(₹in million)**

	Schedules	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009	Period from 01.07.2007 to 31.03.2008	Period from 18.04.2006 to 30.06.2007
Income						
Operating Income	**14**	7,021.91	4,487.16	2,945.45	1,059.53	67.63
Other Income	**15**	17.84	17.07	14.44	43.71	63.81
		7,039.75	**4,504.23**	**2,959.89**	**1,103.24**	**131.44**
Expenditure						
Interest & Other Charges	**16**	3,801.67	2,462.91	1,629.72	334.49	-
Employee Cost	**17**	132.78	82.25	62.93	46.26	22.21
Establishment Expenses	**18**	49.82	26.43	18.79	13.76	11.81
Other Expenses	**19**	55.25	23.37	29.98	21.89	17.71
Provisions and Contingencies	**20**	57.85	253.60	77.00	-	-
Depreciation / Amortisation		2.61	2.48	1.78	1.25	0.76
		4,099.98	**2,851.04**	**1,820.20**	**417.65**	**52.49**
Profit Before Tax, Extraordinary items and prior period items		**2,939.77**	**1,653.19**	**1,139.69**	**685.59**	**78.95**
Provision for taxation						
Current Tax		766.00	633.00	407.00	226.20	28.60
Deferred Tax Liability / (Assets)		165.50	(93.50)	(32.60)	6.29	0.31
Fringe Benefit Tax		-	0.04	0.70	1.42	0.20
Income Tax for earlier year		-	5.08	-	-	-
Total Tax Expenses		**931.50**	**544.62**	**375.10**	**233.91**	**29.11**
Net Profit after Tax & before extraordinary and prior period items		**2,008.27**	**1,108.57**	**764.59**	**451.68**	**49.84**
Prior period items (net of tax)		-	-	-	-	-
Extraordinary items (net of tax)		-	-	-	-	-
Net Profit after extraordinary Items and prior period items		**2,008.27**	**1,108.57**	**764.59**	**451.68**	**49.84**
Adjustments on account of change in accounting policies (Refer Annexure IV and Note a & b of Annexure VIA)		21.00	43.22	108.05	(152.12)	(30.47)

L&T Infrastructure Finance Company Limited ("the Company")`
Restated Summary Statement of Profits and Losses (Contd.)

	Schedules	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009	Period from 01.07.2007 to 31.03.2008	Period from 18.04.2006 to 30.06.2007
Tax impact of adjustments (Refer Annexure IV and Note c of Annexure VIA)		(6.97)	(9.61)	(32.64)	47.65	5.25
Total Adjustments, net of tax impact		**14.03**	**33.61**	**75.41**	**(104.47)**	**(25.22)**
Net Profit, as Restated		**2,022.30**	**1,142.18**	**840.00**	**347.21**	**24.62**
Balance brought forward from Previous Year, as restated		1,776.74	917.86	253.16	14.65	-
Available for Appropriation		**3,799.04**	**2,060.04**	**1,093.16**	**361.86**	**24.62**
Appropriations:						
(as per audited financial statements)						
Special Reserve under Section 45-IC of Reserve Bank of India Act, 1934		401.70	222.50	155.00	91.00	9.97
Special Reserve under Section 36(1)(viii) of Income Tax Act,1961		116.50	60.80	20.30	17.70	-
Debenture Redemption Reserve		700.00	-	-	-	-
Balance carried to the Balance Sheet		**2,580.84**	**1,776.74**	**917.86**	**253.16**	**14.65**

The above statement should be read together with Significant Accounting Policies and notes to Restated Summary Financial Statements

Annexure - III

L&T Infrastructure Finance Company Limited

Restated Summary Statement of Cash Flows **(₹in million)**

		Year Ended 31.03.2011	Year Ended 31.03.2010	Year Ended 31.03.2009	Period from 01.07.2007 to 31.03.2008	Period from 18.04.2006 to 30.06.2007
A	**Cash flow from operating activities**					
	Profit After Taxation	**2,022.30**	**1,142.18**	**840.00**	**347.21**	**24.62**
	Add, Provision for Tax	938.47	554.23	407.74	186.26	23.86
	Profit Before Taxation	**2,960.77**	**1,696.41**	**1,247.74**	**533.47**	**48.48**
	Adjustment for:					
	Depreciation / Amortisation	2.61	2.48	1.78	1.25	0.76
	Provision for Compensated Absences	3.21	0.77	1.28	0.48	0.23
	Provision for gratuity	0.94	0.72	0.59	0.54	0.12
	Loss on sale of assets	-	-	0.00	0.03	-
	Obsolescences of Tangible Assets	0.16	0.33	-	-	-
	Debenture issue expenses written off	14.99	-	-	-	-
	Share issue expenses written off	-	-	-	-	20.03
	Profit on sale of current investments	-	(0.78)	-	(35.48)	(62.39)
	Dividend on current investments	(16.04)	(15.74)	(14.40)	(5.30)	(0.28)
	Dividend Income on Long term Investment	(0.88)	-	-	-	-
	Interest on Bank Deposits	(0.92)	(0.09)	(0.04)	(2.93)	(1.14)
	Interest on Income Tax Refund	-	(0.45)	-	-	-
	Provision on Standard Assets	32.70	174.60	77.00	-	-
	Provision on Non Performing Assets	25.15	79.00	-	-	-
	Operating profit before working capital changes:	**3,022.69**	**1,937.25**	**1,313.95**	**492.06**	**5.81**
	Adjustment for :					
	Infrastructure Loans disbursed (net of repayments)	(28,979.91)	(20,224.52)	(4,328.66)	(15,938.69)	(2,393.12)
	Subscription of Cumulative Convertible Debentures	-	-	-	-	-
	Subscription of Preference Shares	(2,250.00)	-	-	-	-
	(Increase) / Decrease in Sundry Debtors	(30.85)	(4.15)	-	-	-
	(Increase) / Decrease in loans and advances	(145.18)	(31.17)	(9.10)	15.87	(31.68)
	Increase in other current assets	(209.53)	(34.45)	(57.23)	(6.19)	(22.29)

L&T Infrastructure Finance Company Limited
Restated Summary Statement of Cash Flows

(₹in million)

		Year Ended 31.03.2011	Year Ended 31.03.2010	Year Ended 31.03.2009	Period from 01.07.2007 to 31.03.2008	Period from 18.04.2006 to 30.06.2007
	Decrease / (increase) in trade and other payables	816.50	752.11	(33.53)	153.84	70.31
	Cash(used in) operations	**(27,776.28)**	**(17,604.93)**	**(3,114.57)**	**(15,283.11)**	**(2,370.97)**
	Direct taxes paid	(890.42)	(665.33)	(628.37)	(244.31)	(9.83)
	Cash flow (used in) operating activities	**(28,666.70)**	**(18,270.26)**	**(3,742.94)**	**(15,527.42)**	**(2,380.80)**
B.	**Cash flows from investing activities**					
	Purchase of fixed assets (Net of corresponding liabilities)	(17.25)	(4.09)	(1.56)	(1.08)	(7.96)
	Sale of fixed assets	-	-	0.03	0.04	-
	Purchase of current investments (including Term Deposits for a period of greater than 3 months)	(32,049.75)	(23,040.26)	(11,293.02)	(15,363.24)	(6,195.75)
	Sale of current investments	32,049.75	23,941.05	10,742.08	17,136.55	4,170.75
	Investment in Equity Shares	(500.28)	-	-	(250.00)	-
	Investment in Cumulative Convertible Debentures	(499.72)	-	-	-	-
	Dividend received on current investments	16.04	15.74	14.40	5.30	0.28
	Dividend Income on Long term Investment	0.88	-	-	-	-
	Interest on Bank Deposits	0.91	0.01	-	3.86	0.20
	Net cash from/ (used in) investing activities	**(999.42)**	**912.45**	**(538.07)**	**1,531.43**	**(2,032.48)**
C.	**Cash flows from financing activities**					
	Proceeds from Issue of Share Capital (including Share Premium)	750.00	2,751.00	-	-	2,430.00
	Share Application Money	-	-	-	-	2,570.00
	Share Issue Expenses	-	-	-	-	(20.03)
	Proceeds from long term borrowings	36,163.44	21,920.03	5,381.50	10,400.00	-
	Repayment of long term borrowings	(6,592.88)	(9,858.33)	(1,234.90)	-	-
	(Repayments)/Proceeds from other borrowings	(2.86)	2,593.85	(84.59)	3,250.00	-
	Debenture Issue Expenses	(360.53)	-	-	-	-
	Net cash generated from financing activities	**29,957.17**	**17,406.55**	**4,062.01**	**13,650.00**	**4,979.97**
	Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	291.05	48.74	(219.00)	(345.99)	566.69
	Cash and cash equivalents as at beginning of the year/ period	50.44	1.70	220.70	566.69	-

L&T Infrastructure Finance Company Limited
Restated Summary Statement of Cash Flows

(₹in million)

	Year Ended 31.03.2011	Year Ended 31.03.2010	Year Ended 31.03.2009	Period from 01.07.2007 to 31.03.2008	Period from 18.04.2006 to 30.06.2007
Cash and cash equivalents as at end of the year/ period	341.49	50.44	1.70	220.70	566.69
Note:					
Cash and Bank Balance as at end of the year/ period	341.99	50.94	2.20	221.20	566.69
Less: Term Deposits for a period of greater than 3 months	0.50	0.50	0.50	0.50	-
Cash and cash equivalents as at end of the year/ period	341.49	50.44	1.70	220.70	566.69
Composition of Cash and Cash Equivalents					
Cash on Hand	0.02	0.01	0.01	0.01	0.00
Balances with Schedule Bank :					
- In Current Account	341.47	0.43	1.69	220.69	0.19
- In Fixed Deposit Account (maturity upto 3 months)	-	50.00	-	-	566.50
- In Fixed Deposit Account (maturity exceeding 3 months)	0.50	0.50	0.50	0.50	-
Total	**341.99**	**50.94**	**2.20**	**221.20**	**566.69**

The above statement should be read together with Significant Accounting Policies and notes to Restated Summary Financial Statements

L&T Infrastructure Finance Company Limited (Unconsolidated)

Schedules to the Restated Summary Statement of Assets and Liabilities

SCHEDULE 1
Fixed Assets

(₹in million)

Description	Gross Block					Accumulated Depreciation/Amortisation					Net Book Value				
	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009	As at 31.03.2008	As at 30.06.2007	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009	As at 31.03.2008	As at 30.06.2007	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009	As at 31.03.2008	As at 30.06.2007
Tangible															
Computers	8.89	7.12	6.44	6.00	5.55	4.35	3.07	2.21	1.19	0.44	4.54	4.05	4.23	4.81	5.11
Furniture & Fittings	0.92	0.72	0.65	0.34	0.25	0.45	0.28	0.17	0.13	0.12	0.47	0.44	0.48	0.21	0.13
Office Equipment	3.39	1.93	1.07	1.00	0.75	0.26	0.13	0.16	0.11	0.05	3.13	1.80	0.91	0.89	0.70
Intangible															
Software	5.22	4.09	2.82	1.62	1.62	3.38	2.39	1.24	0.57	0.15	1.84	1.70	1.58	1.05	1.47
	18.42	**13.86**	**10.98**	**8.96**	**8.17**	**8.44**	**5.87**	**3.78**	**2.00**	**0.76**	**9.98**	**7.99**	**7.20**	**6.96**	**7.41**

L&T Infrastructure Finance Company Limited
Schedules to the Restated Summary Statement of Assets and Liabilities

SCHEDULE 2
Investments (₹in million)

	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009	As at 31.03.2008	As at 30.06.2007
Long Term, Non Trade, Unquoted					
Equity Shares					
BSCPL Infrastructure Ltd.(formerly B. Seenaiah & Co.(Projects) Ltd.)	250.00	250.00	250.00	250.00	-
Tikona Digital Networks Pvt. Ltd.	0.28	-	-	-	-
Bhoruka Power Corporation Ltd.	500.00	-	-	-	-
Compulsory Convertible Debentures					
Tikona Digital Networks Pvt. Ltd.	499.72	-	-	-	-
IOT Utkal Energy Services Ltd.	-	-	-	-	-
Cumulative Redeemable Preference Shares					
Anrak Aluminium Ltd.	1,250.00	-	-	-	-
KSK Energy Ventures Ltd.	1,000.00	-	-	-	-
Current Investment, Non Trade, Unquoted					
Units of Mutual Funds	-	-	900.00	349.07	2,087.39
	3,500.00	**250.00**	**1,150.00**	**599.07**	**2,087.39**

SCHEDULE 3
Infrastructure Loans (Secured) (₹in million)

	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009	As at 31.03.2008	As at 30.06.2007
Loans	66,015.06	42,884.99	22,660.47	18,331.81	2,393.12
Debentures	5,849.84	-	-	-	-
Less: Provision on Standard Assets	105.85	251.60	77.00	-	-
Provision on Non Performing Assets	104.15	79.00	-	-	-
	71,654.90	**42,554.39**	**22,583.47**	**18,331.81**	**2,393.12**

SCHEDULE 4
Sundry Debtors (₹in million)

	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009	As at 31.03.2008	As at 30.06.2007
Considered Good - Less than six months*	35.00	4.15	-	-	-
	35.00	**4.15**	**-**	**-**	**-**
** Amount recoverable from the Promoters and its related Parties*	35.00				

SCHEDULE 5
Cash and Bank Balance (₹in million)

	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009	As at 31.03.2008	As at 30.06.2007
Cash on Hand	0.02	0.01	0.01	0.01	0.00
Balances with Schedule Bank :					
- In Current Account	341.47	0.43	1.69	220.69	0.19
- In Fixed Deposit Account	0.50	50.50	0.50	0.50	566.50
	341.99	**50.94**	**2.20**	**221.20**	**566.69**

L&T Infrastructure Finance Company Limited

Schedules to the Restated Summary Statement of Assets and Liabilities

SCHEDULE 6

Other Current Assets **(₹in million)**

	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009	As at 31.03.2008	As at 30.06.2007
Accrued Interest					
- On Infrastructure Loans	290.17	119.23	84.76	27.54	21.35
- On Fixed Deposits	0.13	0.13	0.05	0.00	0.94
Accrual of Fee Income	38.59	-	-	-	-
	328.89	**119.36**	**84.81**	**27.54**	**22.29**

SCHEDULE 7

Loans and Advances (unsecured, considered good) **(₹in million)**

	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009	As at 31.03.2008	As at 30.06.2007
Deposits	50.53	3.64	11.43	10.83	11.70
Advances Recoverable in Cash or Kind**	152.12	53.84	14.42	5.92	20.92
Advance Payment of Income Tax (Net)	369.99	245.39	213.17	-	2.78
Advance Payment of Fringe Benefit Tax (Net)	0.02	0.19	0.13	0.13	-
	572.66	**303.06**	**239.15**	**16.88**	**35.40**
*** Amount recoverable from the Promoters and its related Parties*	*0.8*	*1.09*	*0.08*	*3.52*	*0.45*

SCHEDULE 8

Secured Loans **(₹in million)**

	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009	As at 31.03.2008	As at 30.06.2007
Term Loan from Banks	33,316.70	14,558.30	13,546.60	9,400.00	-
Bank Overdraft	756.40	2,359.26	2,165.40	-	-
Secured Redeemable Non Convertible Debentures	21,362.16	10,550.00	1,000.00	1,000.00	-
	55,435.26	**27,467.56**	**16,712.00**	**10,400.00**	**-**

SCHEDULE 9

Unsecured Loans **(₹in million)**

	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009	As at 31.03.2008	As at 30.06.2007
Long Term:					
From Banks	-	-	-	-	-
Term Loan from Ultimate Holding Company	1,500.00	1,500.00	-	-	-
Short Term:					
Term Loan from Banks	-	1,000.00	-	3,250.00	-
Unsecured Redeemable Non Convertible Debentures	-	850.00	-	-	-
Commercial Paper	5,000.00	1,550.00	1,000.00	-	-
	6,500.00	**4,900.00**	**1,000.00**	**3,250.00**	**-**

L&T Infrastructure Finance Company Limited
Schedules to the Restated Summary Statement of Assets and Liabilities

SCHEDULE 10
Current Liabilities

(₹in million)

	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009	As at 31.03.2008	As at 30.06.2007
Sundry Creditors: - other than Micro, Small and Medium Enterprises					
For Expenses	221.44	35.48	18.28	36.20	40.43
For Capital Goods	2.07	-	0.49	-	0.22
	223.51	35.48	18.77	36.20	40.65
Interest Accrued but not Due	988.28	486.10	3.32	3.40	-
Advance from Customers	2.84	5.29	2.97	-	-
Income Received in Advance	369.48	234.64	163.99	170.56	15.45
Other Liabilities	366.66	181.23	2.05	13.99	14.44
	1,950.77	**942.74**	**191.10**	**224.15**	**70.54**

SCHEDULE 11
Provisions

(₹in million)

	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009	As at 31.03.2008	As at 30.06.2007
Contingent Provisions against Standard Assets	178.46	-	-	-	-
Gratuity	2.90	1.97	1.25	0.66	0.12
Compensated Absences	5.96	2.75	1.98	0.70	0.22
Income Tax (Net)	-	-	-	7.49	21.72
Fringe Benefit Tax (Net)	-	-	-	-	0.02
	187.32	**4.72**	**3.23**	**8.85**	**22.08**

SCHEDULE 12
Reserves and Surplus

(₹in million)

	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009	As at 31.03.2008	As at 30.06.2007
Special Reserve under section 45-IC of Reserve Bank of India Act, 1934					
Opening Balance	478.47	255.97	100.97	9.97	-
Add: Transfer from Profit and Loss Account	401.70	222.50	155.00	91.00	9.97
	880.17	478.47	255.97	100.97	9.97
Reserve u/s 36(1)(viii) of Income tax Act					
Opening Balance	98.80	38.00	17.70	-	-
Add: Transfer from Profit & Loss Account	116.50	60.80	20.30	17.70	-
	215.30	98.80	38.00	17.70	-
Securities Premium Account	1,479.50	917.00	-	-	-
Debenture Redemption Reserve	700.00	-	-	-	-
Surplus in Profit and Loss Account	2,580.84	1,776.74	917.86	253.16	14.65
	5,855.81	**3,271.01**	**1,211.83**	**371.83**	**24.62**

L&T Infrastructure Finance Company Limited

Schedules to the Restated Summary Statement of Assets and Liabilities

SCHEDULE 13

Miscellaneous Expenditure to the extent not written off

(₹in million)

	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009	As at 31.03.2008	As at 30.06.2007
Debenture issue Expenses	550.00	-	-	-	-
Less: Written off during the year/period	14.99	-	-	-	-
Closing balance	**535.01**	-	-	-	-

Schedule to the Restated Summary Statement of Profits and Losses

SCHEDULE 14

Operating Income

(₹in million)

	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009	Period from 01.07.2007 to 31.03.2008	Period from 18.04.2006 to 30.06.2007
Interest on Infrastructure loans	6,437.66	4,391.92	2,877.82	854.79	49.51
Upfront Income	-	-	-	172.28	15.52
Interest on Debentures	196.35	-	-	-	-
Dividend Income from Preference Shares (long term)	23.23	-	-	-	-
Other Income from Preference Shares	124.20	-	-	-	-
Fees	240.47	95.24	67.63	32.46	2.60
	7,021.91	**4,487.16**	**2,945.45**	**1,059.53**	**67.63**

SCHEDULE 15

Other Income

(₹in million)

	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009	Period from 01.07.2007 to 31.03.2008	Period from 18.04.2006 to 30.06.2007
Interest on Bank Deposits	0.92	0.09	0.04	2.93	1.14
Profit on sale of Current Investments	-	0.79	-	35.48	62.39
Dividend Income on Current Investments	16.04	15.74	14.40	5.30	0.28
Dividend Income on Long term Investment	0.88	-	-	-	-
Interest on Income Tax Refund	-	0.45	-	-	-
	17.84	**17.07**	**14.44**	**43.71**	**63.81**

SCHEDULE 16

Interest & Other Charges

(₹in million)

	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009	Period from 01.07.2007 to 31.03.2008	Period from 18.04.2006 to 30.06.2007
Interest on Term Loans	2,256.60	1,721.81	1,354.05	280.00	-
Interest on Bank Overdraft	29.91	13.14	88.61	13.88	-
Interest on Debentures	1,463.87	664.01	161.78	33.30	-
Other Charges	51.29	63.95	25.28	7.31	-
	3,801.67	**2,462.91**	**1,629.72**	**334.49**	-

L&T Infrastructure Finance Company Limited

Schedule to the Restated Summary Statement of Profits and Losses

SCHEDULE 17

Employee Cost

(₹in million)

	Year Ended 31.03.2011	Year Ended 31.03.2010	Year Ended 31.03.2009	Period from 01.07.2007 to 31.03.2008	Period from 18.04.2006 to 30.06.2007
Salaries	102.46	61.71	44.63	33.70	14.51
Contribution to Provident Fund	4.35	3.39	2.31	1.63	0.57
Staff Gratuity	0.94	0.72	0.59	0.54	0.12
Staff Welfare	4.21	4.77	4.25	2.35	1.74
Reimbursement of Staff Cost	20.82	11.66	11.15	8.04	5.27
	132.78	**82.25**	**62.93**	**46.26**	**22.21**

SCHEDULE 18

Establishment Expenses

(₹in million)

	Year Ended 31.03.2011	Year Ended 31.03.2010	Year Ended 31.03.2009	Period from 01.07.2007 to 31.03.2008	Period from 18.04.2006 to 30.06.2007
Rent	44.53	24.16	16.54	12.50	10.96
Electricity Charges	1.08	0.41	0.74	0.62	0.26
Property Maintenance	4.21	1.86	1.51	0.64	0.59
	49.82	**26.43**	**18.79**	**13.76**	**11.81**

SCHEDULE 19

Other Expenses

(₹in million)

	Year Ended 31.03.2011	Year Ended 31.03.2010	Year Ended 31.03.2009	Period from 01.07.2007 to 31.03.2008	Period from 18.04.2006 to 30.06.2007
Telephone, Postage and Courier	2.44	1.54	1.18	1.17	0.57
Printing & Stationery	2.17	1.40	0.71	0.55	0.30
Membership & Subscription	3.68	2.69	1.84	0.79	0.62
Insurance	0.01	0.01	0.02	-	-
Training and Conference	1.83	1.06	1.00	0.11	0.59
Travelling and Conveyance	12.28	5.57	4.41	2.57	1.99
Advertising & Publicity	6.88	-	-	-	-
Professional Fees	13.09	5.69	3.29	11.77	5.42
Auditors' Remuneration	5.62	1.05	0.56	0.35	0.20
Directors' Fees	0.70	0.50	0.42	0.42	0.30
Loss on sale of Fixed Asset	-	-	0.00	0.03	-
Obsolescences of Tangible Assets	0.16	0.33	-	-	-
Preliminary Expenses	-	-	-	-	0.02
Commission & Brokerage	-	-	-	-	0.98
Miscellaneous Expenses	6.39	3.53	4.53	1.12	1.71
Share Issue Expenses written off	-	-	12.02	3.01	5.01
	55.25	**23.37**	**29.98**	**21.89**	**17.71**

L&T Infrastructure Finance Company Limited
Schedule to the Restated Summary Statement of Profits and Losses
SCHEDULE 20
Provisions and Contingencies

(₹in million)

	Year Ended 31.03.2011	Year Ended 31.03.2010	Year Ended 31.03.2009	Period from 01.07.2007 to 31.03.2008	Period from 18.04.2006 to 30.06.2007
Provision on Standard Assets	32.70	174.60	77.00	-	-
Provision for NPA	25.15	79.00	-	-	-
	57.85	**253.60**	**77.00**	**-**	**-**

Annexure – IV

L&T Infrastructure Finance Company Limited

Statement of Restatement Adjustments **(₹in million)**

	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009	Period from 01.07.2007 to 31.03.2008	Period from 18.04.2006 to 30.06.2007
Adjustments on account of changes in accounting policies:					
Accounting for recognition of interest income on loans	21.00	43.22	96.03	(155.13)	(15.44)
Accounting for miscellaneous expenditure	-	-	12.02	3.01	(15.03)
	21.00	**43.22**	**108.05**	**(152.12)**	**(30.47)**
Tax impact of adjustments for changes in accounting policies - Deferred Tax (Refer Note a & b of Annexure13B)	(6.97)	(14.69)	(32.64)	52.73	5.25
Tax related to earlier years (Refer Note c of Annexure 13B)	-	5.08	-	(5.08)	-
Total Tax Adjustments	**(6.97)**	**(9.61)**	**(32.64)**	**47.65**	**5.25**
Total Adjustments, net of tax impact	**14.03**	**33.61**	**75.41**	**(104.47)**	**(25.22)**

L&T Infrastructure Finance Company Limited (Unconsolidated)

Annexure - V

SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The financial statements are prepared under the historical cost convention on an accrual basis of accounting in accordance with the generally accepted accounting principles, Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 and the relevant provisions thereof along with the applicable guidelines issued by Reserve Bank of India (“RBI”).

B. Use of Estimate

The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

C. Tangible and Intangible Fixed Assets

Tangible fixed assets are stated at cost of acquisition including any cost attributable for bringing the asset to its working condition, less accumulated depreciation.

Intangible fixed assets comprising of software are stated at cost of acquisition including any cost attributable for bringing the asset to its working condition, less accumulated amortisation. Any expenses on such software for support and maintenance payable annually are charged to the revenue account.

D. Investments

The Company being regulated as a Non Banking Financial Company (NBFC) by the RBI, investments are classified under two categories i.e. Current and Long Term and are valued in accordance with the RBI guidelines and the Accounting Standard (AS) 13 on 'Accounting for Investments' issued by the Institute of Chartered Accountants of India.

'Long Term Investments' are carried at acquisition / amortised cost. A provision is made for diminution other than temporary on an individual basis.

'Current Investments' are carried at the lower of cost or fair value on an individual basis.

E. Advances

Advances are classified under four categories i.e. (i) Standard Assets, (ii) Sub-standard Assets, (iii) Doubtful Assets and (iv) Loss Assets in accordance with the RBI guidelines.

In respect of Loans and Debentures / Bonds in the nature of an advance, where interest is not serviced, provision for diminution is made as per the parameter applicable to Non-Performing Advances.

Provision on restructured advances is made at in accordance with the guidelines issued by the RBI.

Provision on Standard Assets is made as per the provisioning policy of the Company subject to minimum as stipulated in RBI Guidelines or where additional specific risks are identified by the management, based on such identification.

F. Foreign Currency Transactions, Forward Contracts and Derivatives

Foreign currency transactions are accounted at the exchange rates prevailing on the date of each transaction. Foreign currency monetary items outstanding as at the Balance Sheet date are reported using the closing rate. Gains and losses resulting from the settlement of such transactions and translation of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and Loss Account.

Premium in respect of forward contracts is charged to revenue over the period of the contract. Forward contracts outstanding as at the Balance Sheet date are revalued at the closing rate.

G. Revenue Recognition

(a) Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery.

(b) Interest from interest-bearing assets is recognised on an accrual basis over the life of the asset based on the constant effective yield. The effective interest is determined on the basis of the terms of the cash flows under the contract including related fees, premiums, discounts or debt issuance costs, if any.

(c) Revenue from the various services the Company render are recognised when the following criteria are met: persuasive evidence of an arrangement exists, the services have been rendered, the fee or commission is fixed or determinable, and collectability is reasonably assured.

(d) Dividend is accounted when the right to its receipt is established.

H. Employee Benefits

Defined–Contribution Plans

The Company offers its employee defined contribution plans in the form of provident fund and family pension fund. Provident fund and family pension funds cover substantially all regular employees. Contributions are paid during the year into separate funds under certain fiduciary-type arrangements. Both the employees and the Company pay predetermined contributions into provident fund and family pension fund. The contributions are normally based on a certain proportion of the employee's salary.

Defined–Benefits Plans

The Company offers its employees defined-benefit plans in the form of a gratuity scheme (a lump sum amount). Benefits under the defined benefit plans are typically based on years of service and the employee's compensation (generally immediately before retirement). The gratuity scheme covers substantially all regular employees. The gratuity scheme is not funded. Commitments are actuarially determined at year-end. On adoption of the revised Accounting Standard (AS) 15 on "Employee Benefits", actuarial valuation is based on "Projected Unit Credit" method. Gains and losses of changed actuarial assumptions are charged to Profit and Loss Account.

Other Employee Benefits

Compensated Absences which accrue to employees and which can be carried to future periods but are expected to be encashed or availed in the 12 months immediately following the year end are reported as expense during the year in which the employees perform services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefit after deducting amounts already paid.

Where there are restrictions on availment / encashment of such benefits or where the availment is otherwise not expected to wholly occur in the next 12 months, the liability on account of the benefits is actuarially determined using the Projected Unit Credit method.

I. Depreciation and Amortisation

- Tangible Assets

Depreciation on fixed assets is provided using the straight line method, at the rates prescribed in Schedule XIV of the Companies Act, 1956. Depreciation on additions during the year is provided on a pro-rata basis. Assets costing less than ₹ 5,000 each are written off in the year of capitalisation.

- Intangible Assets

Licenses for computer software are amortised over the estimated useful life not exceeding 3 years.

J. Impairment of assets

Tangible fixed assets and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount, which is the higher of the asset's net selling price or its value in use.

K. Operating Leases

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Profit and Loss Account, on a straight line basis, over the lease term.

L. Taxes on Income

Current tax is determined as the amount of tax payable in respect of taxable income for the year as determined in accordance with the provision of Income Tax Act, 1961.

Deferred tax is recognised on timing differences, between taxable income and accounting income that originated in one period and is capable of reversal in one or more subsequent periods. Deferred tax assets are recognised with regard to all deductible timing differences to the extent it is probable that taxable profit will be available against which deductible timing differences can be utilised. When the Company carries forward unused tax losses and unabsorbed depreciation, deferred tax assets are recognised only to the extent there is virtual certainty backed by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realised. The carrying amounts of deferred tax assets are reviewed at each balance sheet date and reduced by the extent that it is no longer probable that sufficient taxable profit will be available to allow all or a part of the deferred tax asset to be utilised.

M. Provisions, Contingent liabilities and Contingent assets

A provision is recognised when the Company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised.

L&T Infrastructure Finance Company Limited (Unconsolidated)

N. Cash flow Statement

The Cash Flow Statement is prepared in accordance with indirect method as explained in the Accounting Standards on Cash flow Statements (AS) 3 issued by the Institute of Chartered Accountants of India.

O. Cash and Cash Equivalents

Cash and Bank Balances that have insignificant risk of change in value, which have durations up to three months, are included in cash and cash equivalents in the Cash Flow Statement.

P. Share Issue Expenses

Share issue expense is charged off to the Profit & Loss account in the year in which it is incurred.

Q. Debenture Issue Expenses

Expenses incurred on issue of debentures are amortised over the tenor of the debentures from the month in which debentures are allotted.

L&T Infrastructure Finance Company Limited (Unconsolidated)

Annexure – VIA

NOTES TO RESTATEMENT ADJUSTMENTS

a. Accounting for recognition of interest income on loans:

Till the period ended 31st March, 2008, interest was computed on the basis of contractual interest rate and income on processing of loans was recognised upon clearance of disbursement memorandum. During the year ended 31st March, 2009, the Company had modified the basis of recognising revenues from interest bearing assets. Based on the guidance provided in Indian Accounting Standard (Ind–AS) 39 (Previously Accounting Standard (AS) 30) on Financial Instruments: Recognition and Measurement, the Company had based its income recognition on interest bearing assets and had used the effective interest rate in place of the contractual rate. In determining the effective interest rate, cash flows are estimated taking into consideration all contractual terms including fees received, transaction costs, and other premiums or discounts, if any. Thus, with effect from 1st April, 2008, income is amortised over the expected life of the related instrument through the application of a constant effective yield on the instrument. Accordingly, restatement adjustment has been made in the restated summary financial statements of periods/ years 2006-07, 2007-08, 2008-09, 2009-10 and 2010-11.

b. Accounting for miscellaneous expenditure:

During the period from 18 April, 2006 to 30 June, 2007, the Company had incurred miscellaneous expenditure in the nature of Share issue Expenses. This expenditure was being amortised over a period of five years as per the Company's accounting policy prevailing at that point of time. In 2008-09, the Company changed its accounting policy to write-off the share issue expenditure in the year in which it is incurred. Accordingly, restatement adjustments have been made in the restated summary financials of periods/ years 2006-07, 2007-08 and 2008-09.

c. Tax impact on restatement adjustments:

Income Tax has been computed on restatement adjustments made as detailed above and has been adjusted in the restated profits for the periods/ years 2006-07, 2007-08, 2008-09, 2009-10 and 2010-11.

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L&T Infrastructure Finance Company Limited (Unconsolidated)

Annexure – VIB

NOTES FORMING PART OF RESTATED SUMMARY FINANCIAL STATEMENTS

1. Contingent liabilities not provided for:

					(₹in million)
	As at 31.03.2011	**As at 31.03.2010**	**As at 31.03.2009**	**As at 31.03.2008**	**As at 30.06.2007**
Income Tax Matters in dispute	-	0.50	-	-	-
Non fund based exposure	103.64	-	-	-	-

2. The Company's main business is to provide finance for infrastructure projects. All other activities revolve around the main business. Further, all activities are carried out within India. As such, there are no separate reportable segments as per the provisions of Accounting Standard (AS) 17 on 'Segment Reporting'.

3. Secured term loans from Banks and Bank Overdrafts are secured by hypothecation of specific receivables. Details of amounts due within a year in respect of borrowings are given below:

(i) Term Loans from Banks - Secured

					(₹in million)
	As at 31.03.2011	**As at 31.03.2010**	**As at 31.03.2009**	**As at 31.03.2008**	**As at 30.06.2007**
Amounts due within a year in respect of secured term loan from banks and bank overdrafts aggregate	1,841.50	1,416.60	683.40	3,733.00	-

(ii) Term Loans from Banks - Unsecured

					(₹in million)
	As at 31.03.2011	**As at 31.03.2010**	**As at 31.03.2009**	**As at 31.03.2008**	**As at 30.06.2007**
Amounts due within a year in respect of unsecured term loan from banks aggregate	-	1,000.00	-	3,250.00	-

4. Secured, Redeemable Non Convertible Debentures:

As at 31st March 2011

(i) Secured, Redeemable, Non Convertible Debentures (privately placed):

Series	Face Value per debenture (₹in million)	Date of allotment	Amount (₹in million)	Interest Rate (%)	Redeemable at face value
Series "A" of 2009-10	1.00	1-Jun-2009	1,800.00	9.00% p.a.	At the end of 3 years from the date of allotment
Series "B" of 2009-10	1.00	30-Jun-2009	750.00	8.75% p.a.	At the end of 728 days from the date of allotment
Series "C" of 2009-10	1.00	8-Jul-2009	1,500.00	8.75% p.a.	At the end of 2 years from the date of allotment
Series "D" of 2009-10	1.00	5-Aug-2009	1,250.00	NSE MIBOR + 600 BPS (Floating), with a floor rate of 8.20% p.a. and cap of 8.25% p.a.	At the end of 2 years from the date of allotment
Series "E" of 2009-10	1.00	5-Aug-2009	1,250.00	NSE MIBOR + 600 BPS (Floating), with a floor rate of 8.25% p.a. and cap of 8.30% p.a.	At the end of 25 months from the date of allotment
Series "G" of 2009-10	1.00	23-Sep-2009	1,000.00	8.15% p.a.	At the end of 601 days from the date of allotment
Series "K" of 2009-10	1.00	2-Feb-2010	2,000.00	7.50% p.a.	At the end of 2 years from the date of allotment
Series "A "of 2010-11	1.00	16-Apr-2010	750.00	8.91% p.a.	At the end of 2 years from the date of allotment
Series "B "of 2010-11	1.00	16-Apr-2010	750.00	8.91% p.a.	At the end of 3 years from the date of allotment
Series "C "of 2010-11	1.00	16-Apr-2010	750.00	8.91% p.a.	At the end of 4 years from the date of allotment
Series "D "of 2010-11	1.00	16-Apr-2010	750.00	8.91% p.a.	At the end of 5 years from the date of allotment
Series "E "of 2010-11	1.00	16-Apr-2010	750.00	8.91% p.a.	At the end of 6 years from the date of allotment
Series "F "of 2010-11	1.00	16-Apr-2010	750.00	8.91% p.a.	At the end of 7 years from the date of allotment
Series "G "of 2010-11	1.00	16-Apr-2010	750.00	8.91% p.a.	At the end of 8 years from the date of allotment
			14,800.00		

Security: The Debentures are secured by mortgage of an immovable property created under the terms of an operating lease arrangement and hypothecation of specific receivables

L&T Infrastructure Finance Company Limited (Unconsolidated)

(ii) Long Term Infrastructure Bonds - Secured, Redeemable, Non Convertible Debentures (public issue):

Series	Face Value per debenture (₹)	Date of allotment	Amount (₹in million)	Interest Rate (%)	Redeemable at face value
Series 2010A – Scheme 1	1,000	02-Dec-2010	190.82	7.75% p.a. payable annually	At the end of 10 years from the date of allotment. Buyback option available to the investors at the end of 7 years from the date of allotment
Series 2010A – Scheme 2	1,000	02-Dec-2010	471.72	7.75% p.a. compounded annually payable at maturity	At the end of 10 years from the date of allotment. Buyback option available to the investors at the end of 7 years from the date of allotment
Series 2010A – Scheme 3	1,000	02-Dec-2010	628.98	7.50% p.a. payable annually	At the end of 10 years from the date of allotment. Buyback option available to the investors at the end of 5 years from the date of allotment
Series 2010A – Scheme 4	1,000	02-Dec-2010	1,270.64	7.50% p.a. compounded annually payable at maturity	At the end of 10 years from the date of allotment. Buyback option available to the investors at the end of 5 years from the date of allotment
Series 2011A – Scheme 1	1,000	23-Mar-2011	906.93	8.20% p.a. payable annually	At the end of 10 years from the date of allotment. Buyback option available to the investors at the end of 5 years and 7 years from the date of allotment
Series 2011A – Scheme 2	1,000	23-Mar-2011	3,093.07	8.30% p.a. compounded annually payable at maturity	At the end of 10 years from the date of allotment. Buyback option available to the investors at the end of 5 years and 7 years from the date of allotment
			6,562.16		

Security: The Debentures are secured by mortgage of an immovable property created under the terms of an operating lease arrangement and hypothecation of specific receivables.

L&T Infrastructure Finance Company Limited (Unconsolidated)

As at 31st March, 2010

Secured, Redeemable, Non Convertible Debentures (privately placed):

Series	Face Value per debenture (₹in million)	Date of allotment	Amount (₹in million)	Interest Rate (%)	Date of Maturity
Series "F" of 2008-09	1.00	27-Mar-2008	1,000.00	10.15% p.a.	At the end of 5 years from the date of allotment or on exercise of put or call option at the end of 3 years from the date of allotment
Series "A" of 2009-10	1.00	1-Jun-2009	1,800.00	9.00% p.a.	At the end of 2 years from the date of allotment
Series "B" of 2009-10	1.00	30-Jun-2009	750.00	8.75% p.a.	At the end of 2 years from the date of allotment
Series "C" of 2009-10	1.00	8-Jul-2009	1,500.00	8.75% p.a.	At the end of 25 months from the date of allotment
Series "D" of 2009-10	1.00	5-Aug-2009	1,250.00	NSE MIBOR + 600 BPS (Floating), with a floor rate of 8.20% p.a. and cap of 8.25% p.a.	At the end of 601 days from the date of allotment
Series "E" of 2009-10	1.00	5-Aug-2009	1,250.00	NSE MIBOR + 600 BPS (Floating), with a floor rate of 8.25% p.a. and cap of 8.30% p.a.	At the end of 2 years from the date of allotment
Series "G" of 2009-10	1.00	23-Sep-2009	1,000.00	8.15% p.a.	17-May-2011
Series "K" of 2009-10	1.00	2-Feb-2010	2,000.00	7.50% p.a.	2-Feb-2012
			10,550.00		

Security: The Debentures are secured by mortgage of an immovable property created under the terms of an operating lease arrangement and hypothecation of specific receivables

L&T Infrastructure Finance Company Limited (Unconsolidated)

As at 31st March, 2009 and 31st March, 2008

Secured, Redeemable, Non Convertible Debentures (privately placed):

Series	Face Value per debenture (₹in million)	Date of allotment	Amount (₹in million)	Interest Rate (%) – annual	Date of Maturity
Series "F" of 2008-09	1.00	27-Mar-2008	1,000.00	10.15% p.a.	At the end of 5 years from the date of allotment or on exercise of put or call option at the end of 3 years from the date of allotment
			1,000.00		

Security: The Debentures are secured by mortgage of an immoveable property created under the terms of an operating lease arrangement and hypothecation of specific receivables

5. The Company holds certain premises under operating leases.

Particulars					(₹in million)
	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009	Period from 01.07.2007 to 31.03.2008	Period from 18.04.2006 to 30.06.2007
Amount included as a part of rent	44.52	24.16	16.54	12.50	10.96

The committed lease rentals in the future are:

Particulars					(₹in million)
	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009	Period from 01.07.2007 to 31.03.2008	Period from 18.04.2006 to 30.06.2007
Not later than one year	36.80	21.38	9.40	14.40	16.56
Later than one year and not later than five years	32.56	10.45	0.20	8.13	20.30

6. The Company has recognised for deferred tax assets arising on account of timing differences. The major components of deferred tax assets and liabilities arising on account of timing differences are:

Component										(₹in million)
	As at 31.03.2011		As at 31.03.2010*		As at 31.03.2009*		As at 31.03.2008		As at 30.06.2007	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Depreciation		1.28		1.18		1.28		1.05		0.42
Provision on Standard Assets	92.25		83.58		26.17		-		-	
Provision on Non Performing Assets	33.80		26.24		-		-		-	
Impact of restatement on account of change in Accounting Policy on recognition of upfront income	3.67		10.64		25.33		57.97		5.25	
Debenture issue expenses		173.61								
Others	2.84		10.86		1.11		0.46	6.01	0.11	
	132.56	**174.89**	**131.32**	**1.18**	**52.61**	**1.28**	**58.43**	**7.06**	**5.36**	**0.42**
Net Deferred Tax Asset / liability		**42.33**	**130.14**		**51.33**		**51.37**		**4.94**	**-**

*No deferred tax liability has been recognised on Special Reserve created under section 36(1)(viii) of the Income Tax Act, 1961 based on the Management's evaluation that the possibility of withdrawal therefrom is remote.

7. Earning per share ("EPS") has been computed in accordance with the Accounting Standard (AS) 20:

Particulars	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009	Period from 01.07.2007 to 31.03.2008	Period from 18.04.2006 to 30.06.2007
Profit after tax as per Restated Profit and Loss account (₹in million)	2,022.30	1,142.18	840.00	347.21	24.62
Number of Equity shares (No)	702,150,000	683,400,000	500,000,000	500,000,000	243,000,000
Weighted average number of equity shares for computation of Basic Earning per share	683,554,110	501,507,397	500,000,000	470,094,545	58,530,296
Nominal Value of Shares (₹)	10	10	10	10	10
Basic Earning per share (₹)	**2.96**	**2.28**	**1.68**	**0.74***	**0.42***
Weighted average number of equity shares for computation of Diluted Earning per share	683,554,110	501,507,397	500,000,000	470,094,545	87,309,339
Diluted Earning per share (₹)	**2.96**	**2.28**	**1.68**	**0.74***	**0.28***

* Not annualized

8. Auditors' Remuneration

Particulars	(₹in million)				
	Year ended 31.03.2011*	**Year ended 31.03.2010**	**Year ended 31.03.2009**	**Period from 01.07.2007 to 31.03.2008**	**Period from 18.04.2006 to 30.06.2007**
Audit Fees	1.15	0.60	0.30	0.20	0.10
Tax Audit Fees	0.20	0.20	0.10	0.10	0.08
Tax Matters	0.06	-	-	-	-
Other Service	4.19	0.25	0.16	0.05	0.02
Reimbursement of Expenses	0.02	-	-	-	-
	5.62	**1.05**	**0.56**	**0.35**	**0.20**

Net of Service Tax set off

*It excludes ₹ 2.40 millon paid to Auditors for professional fee in connection with issuance of long term Infrastructure Bonds. The said fee along with other expenses is being amortized over the tenure of the Infrastructure Bonds.

9. Managerial Remuneration

The reimbursement of staff cost includes amounts paid by Larsen & Toubro Limited (the "Ultimate Holding Company") to the Manager of the Company as remuneration as given below. There are no reimbursements in respect of gratuity or other employee benefits if any which are determined actuarially for the entity as whole (i.e. ultimate holding company) and figures in respect of individual employees are not available.

Particulars	(₹in million)				
	Year ended 31.03.2011	**Year ended 31.03.2010**	**Year ended 31.03.2009**	**Period from 01.07.2007 to 31.03.2008**	**Period from 18.04.2006 to 30.06.2007**
Salary & Allowances	4.68	4.49	4.43	3.01	2.32
Contribution to provident fund	0.21	0.20	0.20	0.14	0.17
Total	4.89	4.69	4.63	3.15	2.49

10. Employee Benefits

I. Defined-Contribution Plans

The Company offers its employee defined contribution plans in the form of provident fund and family pension fund. Provident fund and family pension funds cover substantially all regular employees. Contributions are paid during the year into separate funds under certain fiduciary-type arrangements. Both the employees and the Company pay predetermined contributions into provident fund and family pension fund. The contributions are normally based on a certain proportion of the employee's salary. The Company has recognised the following amounts as expenses being contributions towards provident fund and family pension fund in the Profit & Loss Account as follows:

					(₹in million)
Particulars	**Year ended 31.03.2011**	**Year ended 31.03.2010**	**Year ended 31.03.2009**	**Period from 01.07.2007 to 31.03.2008**	**Period from 18.04.2006 to 30.06.2007**
Charges for Provident Fund contribution	4.35	3.38	2.31	1.63	0.57

II. Defined-Benefit Plans

The Company offers its employees defined-benefit plans in the form of a gratuity scheme (a lump sum amount). Benefits under the defined benefit plans are typically based on years of service and the employee's compensation (generally immediately before retirement). The gratuity scheme covers substantially all regular employees. The gratuity scheme is not funded. Commitments are actuarially determined at year-end. On adoption of the revised Accounting Standard (AS) 15 on "Employee Benefits", actuarial valuation is based on "Projected Unit Credit" method. Gains and losses of changed actuarial assumptions are charged to Profit and Loss Account. The following tables set out the amounts recognised in the Company's financial statements as at respective dates in respect of Gratuity benefits;

a) The amounts recognised in the balance sheet are as follows:

				(₹in million)
Particulars	**As at 31.03.2011**	**As at 31.03.2010**	**As at 31.03.2009**	**As at 31.03.2008**
Present Value of Funded Obligations	-	-	-	-
Fair Value of Plan Assets	-	-	-	-
Present Value of Unfunded Obligations	3.35	1.97	1.25	0.66
Unrecognised Past Service Cost	0.45	-	-	-
Amount not Recognised as an Asset (limit in Para 59 (b))	-	-	-	-
Net Liability	2.90	1.97	1.25	0.66
Amounts in Balance Sheet				
Liability	2.90	1.97	1.25	0.66
Assets	-	-	-	-
Net Liability	2.90	1.97	1.25	0.66

L&T Infrastructure Finance Company Limited (Unconsolidated)

b) The amounts recognised in the Profit & Loss Account are as follows:

Particulars	(₹in million)			
	As at 31.03.2011	**Year ended 31.03.2010**	**Year ended 31.03.2009**	**Period from 01.07.2007 to 31.03.2008**
Current Service Cost	0.68	0.60	0.68	0.40
Interest on Defined Benefit Obligation	0.22	0.14	0.10	0.04
Expected Return on Plan Assets	-	-	-	-
Net Actuarial Losses/(Gains) recognised in the Year	(0.05)	(0.02)	(0.19)	0.10
Past Service Cost	0.09	-	-	-
Losses/(Gains) on "Curtailments & Settlements"	-	-	-	-
Losses/(Gains) on "Acquisition/Divestiture"	-	-	-	-
Effects of the limit in Para 59(b)	-	-	-	-
Total, included in "Employee Benefit Expense"	**0.94**	**0.72**	**0.59**	**0.54**
Actual Return on Plan Assets	-	-	-	-

c) Reconciliation of Benefit Obligation & Plan Assets for the year/ period:

Particulars	(₹in million)			
	As at 31.03.2011	**As at 31.03.2010**	**As at 31.03.2009**	**As at 31.03.2008**
Change in Defined Benefit Obligation				
Opening Defined Benefit Obligation	1.97	1.25	0.66	0.12
Current Service Cost	0.68	0.60	0.68	0.39
Interest Cost on Defined Benefit Obligation	0.22	0.14	0.10	0.04
Actuarial Losses/(Gain) recognised	(0.05)	(0.02)	(0.19)	0.11
Unrecognised Past Service Cost – to be recognised over the balance vesting period	0.53	-	-	-
Actuarial Losses/(Gain) due to "Curtailment & Settlements"	-	-	-	-
Liabilities Extinguished on "Settlements"	-	-	-	-
Liabilities assumed on Acquisition/(Settled on Divestiture)	-	-	-	-
Exchange Difference on Foreign Plans	-	-	-	-
Benefits Paid	-	-	-	-
Closing Defined Benefit Obligation	3.35	1.97	1.25	0.66
Change in Fair Value of Plan Assets				
Opening Fair Value of Plan Assets	-	-	-	-
Expected Return on Plan Assets	-	-	-	-
Actuarial Gain / (Losses)	-	-	-	-
Assets Distributed on Settlements	-	-	-	-
Contributions by Employer	-	-	-	-
Assets Acquired on Acquisition / Distributed on Divestiture	-	-	-	-
Exchange Difference on Foreign Plans	-	-	-	-
Benefits Paid	-	-	-	-
Closing Fair Value of Plan Assets	-	-	-	-

d) Experience Adjustment

				(₹in million)
Particulars	**As at 31.03.2011**	**As at 31.03.2010**	**As at 31.03.2009**	**As at 31.03.2008**
Defined Benefit Obligation	3.35	1.97	1.25	0.66
Plan Assets	-	-	-	-
Surplus / (Deficit)	(3.35)	(1.97)	(1.25)	(0.66)
Experience Adjustments on Plan Liabilities	(0.11)	(0.28)	(0.25)	0.05
Experience Adjustments on Plan Assets	-	-	-	-

e) Financial Assumptions at the valuation date

Particulars	**As at 31.03.2011**	**As at 31.03.2010**	**As at 31.03.2009**	**As at 31.03.2008**
Discount Rate (per annum)	8.30%	8.40%	7.50%	7.80%
Expected Rate of Return on Assets (per annum)	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Salary Escalation Rate (per annum)	7.00%	7.00%	7.00%	7.00%
Mortality Rate	Published rates under the LIC (1994-96) mortality tables.	Published rates under the LIC (1994-96) mortality tables.	Published rates under the LIC (1994-96) mortality tables.	Published rates under the LIC (1994-96) mortality tables.

The estimates of future salary increases, considered in the actuarial valuation, take account of inflation, seniority, promotion and other relevant factors. The above information is certified by an actuary.

The Revised (AS) 15 was implemented from the period ended on 31.03.2008. The impact of Revised (AS) 15 for the period ended on 30th June, 2007 is not material, hence restatement adjustment and disclosure is not made.

The contributions expected to be made by the Company during the financial year 2011-12 amounts to ₹ 1.13 million (financial year 2010-11 : ₹ 0.90 million).

11. During the financial year 2009-10, in respect of a loan classified as a part of "Non Performing Assets", the Company invoked pledge of 6,946,000 equity shares in the borrower company, pledged with it as collateral by the borrower. Out of the said equity shares, 28,000 nos. were sold upto 31.03.2011 and the proceeds were adjusted against the interest and related costs outstanding against the said loan. As and when the balance shares are sold, the proceeds would be adjusted against the overdue portion of the loan then remaining outstanding.

12. Financial assistance provided through subscription of Cumulative Redeemable Preference Shares aggregating ₹ 2,250.00 million, although classified as a part of Investments in the Balance Sheet as at 31st March, 2011, has been grouped as a part of Operating Cash Flows in the Cash Flow Statement for the year ended on that date as such assistance forms a part of the main revenue producing activities of the Company.

13. Special Reserves have been created in terms of Section 36(1)(viii) of the Income Tax Act, 1961 and Section 45-IC of the Reserve Bank of India Act, 1934 out of distributable profits of the Company. Appropriation to these reserves is made annually.

14. Debenture Redemption Reserve has been created in terms of Section 117C of the Companies Act, 1956 out of distributable profits of the Company.

15. Capital commitment (net of advance)

					(₹in million)
	As at 31.03.2011	**As at 31.03.2010**	**As at 31.03.2009**	**As at 31.03.2008**	**As at 30.06.2007**
For Software	21.20	-	-	-	-

16. During the year 2010-11 the Company has raised ₹ 6,562.16 million from the public issue of long term infrastructure bonds entitled to benefits under section 80CCF of Income Tax Act, 1961. The said amount has been fully utilised towards 'infrastructure lending' as defined by the Reserve Bank of India upto 31st March 2011.

17. The Company has provided Bank Guarantees aggregating to ₹ 60 million as on March 31, 2011 to National Stock Exchange of India Limited for performance of its obligations as an Issuer in respect of public issue of long term infrastructure bonds.

Annexure - VII

L&T Infrastructure Finance Company Limited (Unconsolidated)

RELATED PARTY DISCLOSURES

As per the Accounting Standard (AS) 18 on ‘Related Party Disclosures’ the related parties, nature and volume of transactions carried out with them in the ordinary course of business are as follows:

(₹ in million)

Name of the Party	Relationship	Nature of Transaction	Expense / (Income) Payment / (Receipt) For the year / period ended					Receivable / (Payable) Balance o/s As at				
			31-03-2011	31-03-2010	31-03-2009	31-03-2008	30-06-2007	31-03-2011	31-03-2010	31-03-2009	31-03-2008	30-06-2007
L&T Finance Holdings Ltd. (Previously known as L&T Capital Holdings Ltd.)	Holding Company (w.e.f. 31.03.2009)	Equity Shares Issued (including Share Premium)	- (750.00)	- (2751.00)	-	-	-	-	-	-	-	-
		Other Expenses	1.70	-	-	-	-	1.70	-	-	-	-
Larsen & Toubro Ltd.	Ultimate Holding Company (up to 30.03.2009)	Equity Shares issued	-	-	-	-	- (2430.00)	-	-	-	-	-
		Share Application Money (converted into equity shares during 2007-08)	-	-	-	-	- (2570.00)	-	-	-	-	-
		Inter Corporate Deposit (Received) / Paid	3900.00 (3900.00)	- (1500.00)	1750.00 (1750.00)	120.00 (120.00)	-	(1500.00)	- (1500.00)	-	-	-
		Secured Debentures issued	(1750.00)	- (2000.00)	-	-	-	(1750.00)	(2000.00)	-	-	-
		Interest on Inter Corporate Deposit	116.88	28.67	9.51	0.23	-	-	-	-	-	-
		Interest on secured debentures	299.52	23.84	-	-	-	-	-	-	-	-
		Fringe Benefit Tax reimbursed	-	-	-	1.05	-	-	-	-	-	-

(₹ in million)

Name of the Party	Relationship	Nature of Transaction	Expense / (Income) Payment / (Receipt) For the year / period ended					Receivable / (Payable) Balance o/s As at				
			31-03-2011	31-03-2010	31-03-2009	31-03-2008	30-06-2007	31-03-2011	31-03-2010	31-03-2009	31-03-2008	30-06-2007
		Purchase of Computers	-	-	-	-	0.47	-	-	-	-	-
Larsen & Toubro Ltd	Ultimate Holding Company	Rent Deposit	-	-	-	-	10.80	-	-	-	-	-
		Reimbursement of staff cost	22.71	12.87	11.08	7.84	5.27	-	-	-	-	-
		Establishment Expenses	-	-	-	3.60	9.88	-	-	-	-	-
		Other Expenses	3.84	0.84	3.76	1.18	1.98	-	-	-	-	-
		Deputation Cost and Other Expenses Recovered	- (8.88)	- (8.02)	- (5.80)	- (3.13)	- (0.41)	-	-	-	-	-
		Loans & Advances (Deputation cost recoverable)	-	-	-	-	-	-	0.83	-	-	-
		Sundry Creditors	-	-	-	-	-	(28.33)	-	-	(33.00)	(25.17)
L & T Infrastructure Development Projects Ltd.	Fellow Subsidiary	Share Issue Expenses	-	-	-	-	0.19	-	-	-		
		Fee Income	(25.32)	-	-	-	-	-	-	-	-	-
		Deputation Cost and Other Expenses Recovered	(5.90)	(5.30)	(5.69)	(2.47)	(0.36)		-	-		
		Loans & Advances (Deputation cost recoverable)	-	-	-	-	-	25.32	-	0.08	2.72	0.36

(₹ in million)												
Name of the Party	**Relationship**	**Nature of Transaction**	**Expense / (Income) Payment / (Receipt) For the year / period ended**					**Receivable / (Payable) Balance o/s As at**				
			31-03-2011	**31-03-2010**	**31-03-2009**	**31-03-2008**	**30-06-2007**	**31-03-2011**	**31-03-2010**	**31-03-2009**	**31-03-2008**	**30-06-2007**
L & T Finance Ltd.	Fellow Subsidiary	Rent Paid	25.63	11.13	0.05	-	-	-	-	-	-	-
		Deputation Cost and Other Expenses Recovered	(3.17)	(5.19)	(1.99)	(1.22)	(0.25)	-	-	-	-	-
		Reimbursement of staff cost	0.79	0.75	0.64	1.99	-	-	-	-	-	-
		Share Issue Expenses	-	-	-	-	0.16	-	-	-	-	-
		Other Expenses	0.78	0.09	0.36	0.34	-	-	-	-	-	-
		Purchase of loan assets	2940.86	3028.30	-	-	-	-	-	-	-	-
		Sell down of Loan Assets	-	(3282.54)	(120.00)	-	-	-	-	-	-	-
		Interest on Purchase/ Sale of Loan Assets	- (0.62)	1.48 (1.96)	-	-	-	-	-	-	-	-
		Loans & Advances	-	-	-	-	-	0.59	-	-	(0.80)	(0.09)
		Sundry Creditors	-	-	-	-	-	-	(4.27)	-	-	-
L & T Power Development Ltd.	Fellow Subsidiary Company	Deputation Cost and Other Expenses Recovered	(0.02)	-	-	-	-	-	-	-	-	-

(₹ in million)

Name of the Party	Relationship	Nature of Transaction	Expense / (Income) Payment / (Receipt) For the year / period ended					Receivable / (Payable) Balance o/s As at				
			31-03-2011	31-03-2010	31-03-2009	31-03-2008	30-06-2007	31-03-2011	31-03-2010	31-03-2009	31-03-2008	30-06-2007
		Loans & Advances (Deputation cost recoverable)	-	-	-	-	-	(0.24)	-	-	-	-
Larsen & Toubro Infotech Ltd.	Fellow Subsidiary	Purchase of software	-	-	0.50	0.73	-	-	-	-	-	-
		Sundry Creditors	-	-	-	-	-	-	-	(0.49)	(0.73)	-
L&T Plastics Machinery Ltd.	Fellow Subsidiary	Reimbursement of Staff Cost	-	-	0.01	0.07	-	-	-	-	-	-
		Other Expenses Recovered	-	-	-	(0.05)	-	-	-	-	-	-
		Sundry Creditors	-	-	-	-	-	-	-	-	(0.04)	-
L&T MHI Boilers Pvt Ltd.	Fellow Subsidiary	Deputation Cost and Other Expenses Recovered	(1.06)	(0.84)	-	-	-		-	-	-	-
		Loans & Advances (Deputation cost recoverable)	-	-	-	-	-	-	0.26	-	-	-
L&T Transco Pvt Ltd.	Fellow Subsidiary	Deputation Cost and Other Expenses Recovered	(1.09)	(1.37)	-	-	-	-	-	-	-	-
L&T Seawoods Pvt Ltd.	Fellow Subsidiary	Fee Income (including Service Tax)	-	(2.76)	-	-	-	-	-	-	-	-
		Other Expenses Recovered	-	(0.12)	-	-	-	-	-	-	-	-
L&T Shipbuilding Ltd.	Fellow Subsidiary	Fee Income (including Service Tax)	(39.10)	(39.10)	-	-	-	-	-	-	-	-

												(₹ in million)
Name of the Party	**Relationship**	**Nature of Transaction**	**Expense / (Income) Payment / (Receipt) For the year / period ended**					**Receivable / (Payable) Balance o/s As at**				
			31-03-2011	**31-03-2010**	**31-03-2009**	**31-03-2008**	**30-06-2007**	**31-03-2011**	**31-03-2010**	**31-03-2009**	**31-03-2008**	**30-06-2007**
		Other Expenses Recovered	(0.16)	(0.32)	-	-	-	-	-	-	-	-
L&T Uttaranchal Hydropower Ltd.	Fellow Subsidiary	Fee Income	(19.43)	(1.10)	-	-	-	-	-	-	-	-
		Other Expenses	(0.00)	0.83	-	-	-	-	-	-	-	-
L&T Special Steels & Heavy Forgings Pvt Ltd.	Fellow Subsidiary	Fee Income (including Service Tax)	(20.03)	(1.76)	-	-	-	-	-	-	-	-
L&T Devihalli Tollway Pvt Ltd.	Fellow Subsidiary	Fee Income (including Service Tax)	(4.41)	-	-	-	-	4.41	-	-	-	-
		Other Expense	(0.04)	-	-	-	-	-	-	-	-	-
L & T Bangalore Airport Hotel Ltd	Fellow Subsidiary Company	Fee Income	(10.75)	-	-	-	-	9.68	-	-	-	-
Nabha Power Ltd	Fellow Subsidiary Company	Fee Income	(79.42)	-	-	-	-	-	-	-	-	-
		Other Expenses	(0.22)	-	-	-	-	-	-	-	-	-

(₹ in million)												
Name of the Party	**Relationship**	**Nature of Transaction**	**Expense / (Income) Payment / (Receipt) For the year / period ended**					**Receivable / (Payable) Balance o/s As at**				
			31-03-2011	**31-03-2010**	**31-03-2009**	**31-03-2008**	**30-06-2007**	**31-03-2011**	**31-03-2010**	**31-03-2009**	**31-03-2008**	**30-06-2007**
L&T Capital Company Ltd	Fellow Subsidiary Company	Rent Recovered	(0.79)	-	-	-	-	-	-	-	-	-
		Other Expenses	0.60	-	-	-	-	-	-	-	-	-
Mr. Suneet K. Maheshwari	Key Management Personnel - Manager	Remuneration	4.90	4.69	4.63	3.15	2.49	-	-	-	-	-

L&T Infrastructure Finance Company Limited

Annexure - VIII

Statement of Restated Accounting Ratios

(₹in million)

	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009	Period from 01.07.2007 to 31.03.2008	Period from 18.04.2006 to 30.06.2007
Number of Shares at the beginning of year / period	683,400,000	500,000,000	500,000,000	243,000,000	-
Number of Shares at the end of year / period	702,150,000	683,400,000	500,000,000	500,000,000	243,000,000
Weighted average number of equity shares of ₹ 10/- each	683,554,110	501,507,397	500,000,000	470,094,545	58,530,296
Dilutive effect of Share Application Money on weighted average number of shares	-	-	-	-	28,779,043
Weighted average number of equity shares of ₹ 10/- each (Diluted)	683,554,110	501,507,397	500,000,000	470,094,545	87,309,339
Net Profit after tax available for Equity Shares (₹ in million)	2,022.30	1,142.18	840.00	347.21	24.62
Net worth at the end of the year/ period (₹ in million)	12,342.30	10,105.01	6,211.83	5,371.83	2,454.62
Average Net worth during the year/ period [(Opening + Closing)/2] (₹. in million)	11,223.66	8,158.42	5,791.83	3,913.23	1,227.56
Basic Earning Per Share (EPS) (*not annualised) ₹	2.96	2.28	1.68	* 0.74	* 0.42
Dilutive Earning Per Share (EPS) (*not annualised) ₹	2.96	2.28	1.68	* 0.74	* 0.28
Return on Net Worth (%) (*not annualised):					
considering Networth at the end of the year/ period	16.39%	11.30%	13.52%	* 6.46%	* 1.00%
Return on Average Net Worth (%) (*not annualised):					
considering Average Networth during the year/ period	18.02%	14.00%	14.50%	* 8.87%	* 2.00%
Net Asset Value Per Share (₹)	17.58	14.79	12.42	10.74	10.10

Notes:

Earnings Per Share (Basic) = Net Profit attributable to Equity Shareholders / Weighted Average Number of Equity Shares outstanding during the year / period

Earnings Per Share (Diluted) = Net Profit attributable to Equity Shareholders / Weighted Average Number of Diluted Equity Shares outstanding during the year / period

Return on Net worth (%) = Net Profit After Tax / Net Worth at end of the year / period

Return on Average Net worth (%) = Net Profit After Tax / Average Net Worth during the year / period

Net Asset Value Per Share (₹) = Net Worth at the end of the year/ period** / Number of Equity Shares outstandng at the end of the year / period

** Share application money have been excluded in computing Net Worth.

(i.e. Net Worth = Share Capital + Reserves - Miscellaneous Expenditure to the extent not written off)

L&T Infrastructure Finance Company Limited (Unconsolidated)

Statement of Tax Shelter (as per restated accounts) **Annexure - IX**

(₹in million)

	Year ended 31.03.2011	**Year ended 31.03.2010**	**Year ended 31.03.2009**	**Period from 01.07.2007 to 31.03.2008**	**Period from 18.04.2006 to 30.06.2007**
Net Profit before Tax (as Restated)	2,960.77	1,696.41	1,247.74	533.47	48.48
Income Tax rate	33.22%	33.99%	33.99%	33.99%	33.99%
Tax at above rate	983.57	576.61	424.11	181.33	16.48
Adjustments:					
Permanent Differences					
Exempt Income (Dividend Income)	(40.16)	(15.74)	(14.40)	(5.30)	(0.28)
Deduction in respect of Special Reserve u/s 36(1)(viii)	(116.50)	(60.80)	(20.30)	(5.04)	-
Disallowance u/s 40(a)(ii) (Int on FBT) / (Int on TDS)	-	0.06	0.05	0.10	-
Disallowance u/s 14A - Exp in relation to exempt income	2.50	-	0.87	-	-
Share issue Expenses	0.75	-	-	0.80	21.41
	(153.41)	**(76.48)**	**(33.78)**	**(9.44)**	**21.13**
Timing Differences					
Difference between tax depreciation and book depreciation	(0.54)	(0.12)	(0.64)	(2.86)	(1.26)
Disallowance for Provisions	57.85	253.60	77.00	-	-
Interest Income on stressed asset reversed - but offered for tax	(28.84)	28.84	-	-	-
Impact of adjustments for change in accounting policy - Deferred Tax	(21.00)	(43.22)	(96.03)	155.12	15.44
Debenture Issue Expenses	(535.01)	-	-	-	-
Other Adjustments	26.02	3.28	3.12	4.13	0.35
	(501.52)	**242.38**	**(16.55)**	**156.39**	**14.53**
Total Adjustments	**(654.93)**	**165.90**	**(50.33)**	**146.95**	**35.66**
Tax on Adjustments	(217.57)	56.39	(17.11)	49.95	12.12
Total Tax Payable	766.00	633.00	407.00	231.28	28.60
Current Tax as per Statement	766.00	633.00	407.00	231.28	28.60

Foot Note:

Reconciliation of Current Tax:					
Current Tax as per Annexure II	766.00	633.00	407.00	226.20	28.60
Income Tax related to earlier year per Annexure II	-	5.08	-	-	-
Adjustment related to earlier year per Annexure IV	-	(5.08)	-	5.08	-
	766.00	633.00	407.00	231.28	28.60

L&T Infrastructure Finance Company Limited (Unconsolidated)
ANNEXURE – X

DETAILS OF SECURED LOANS OUTSTANDING

Table 1:

Particulars of loan	Name of the bank	Nature of loan	Sanctioned amount (₹ in million)	Outstanding as on March 31, 2011 (₹ in million)	Installment amount	Rate of interest p.a. (%)	Repayment	Securities offered
Term Loan	Bank of Baroda	Term Loan	5,000.00	1,000.00	Bullet Payment after 5 years from 1st Disbursement	11.00%		Specific receivables
	Bank of Baroda	Term Loan		2,000.00		10.40%	Interest - Monthly Principal - Bullet (29.09.2014) or Put/ Call Option - At end of 3 year from date of 1st Disbursement i.e 29.12.2012	Specific receivables
	Bank of Baroda	Term Loan		2,000.00		10.00%	Interest - Monthly Principal - Bullet (30.03.2016) or Put/ Call Option - At end of 3 year from date of 1st Disbursement i.e 30.3.2014	Specific receivables
	Central Bank of India	Term Loan	3,000.00	3,000.00	12 Equal Quarterly Intallments of Rs. 250 mn each	9.50%	Interest - Monthly Principal - 21 April 2013 to 21 Jan 2016	Specific receivables
	Punjab and Sind Bank III	Term Loan	5,000.00	2,600.00	12 Equal Quarterly Intallments of Rs. 216.70 mn each	10.00%	Interest - Monthly Principal - 1 June 2013 to 1 March 2016	Specific receivables
	IDBI Bank Limited	Term Loan	1,750.00	1,750.00	3 Equal Installments of Rs. 583.3 mn	10.50%	Interest - Monthly Principal - 28.11.2011, 28.11.2012, 28.11.2013	Specific receivables

Particulars of loan	Name of the bank	Nature of loan	Sanctioned amount (₹ in million)	Outstanding as on March 31, 2011 (₹ in million)	Installment amount	Rate of interest p.a. (%)	Repayment	Securities offered
	Kotak Mahindra Bank Ltd	Term Loan	1,000.00	900.00	Half yearly equal Installments of Rs. 125 mn.	10.50%	Interest - Monthly Principal - 1.10.2011, 1.4.2012, 1.10.2012, 1.4.2013, 1.10.2013, 1.4.2014, 1.10.2014, 30.3.2015	Specific receivables
	Punjab & Sind Bank	Term Loan	1,000.00	300.00	20 Quarterly Installments 0f Rs. 50 mn from 90 days of 1st disbursement	9.70%	Interest - Monthly Principal - 01.01.2008 to 01.10.2012	Specific receivables
	Punjab & Sind Bank – II	Term Loan	1,000.00	700.00	Half yearly equal Installments of Rs. 100 mn .	9.21%	Interest - Monthly Principal - 01.04.2010 to 01.10.2014	Specific receivables
	State Bank of India	Term Loan	1,000.00	916.70	11 equal Qrtly instalments of Rs. 83.3 mn & last instalment of Rs.83.7 mn	10.75%	Interest - Monthly Principal - 28.02.2011 to 30.11.2013	Specific receivables
	The Dhanalaxmi Bank Ltd	Term Loan	600.00	600.00	12 equal Qrtly instalments of Rs. 50 mn	10.50%	Interest - Monthly Principal - 25.06.11 to 25.3.14	Specific receivables
	Syndicate Bank	Term Loan	5,000.00	2,500.00	Half yearly 5 installments of Rs. 416.7 mn and last installment of Rs. 416.5 mn	8.90%	Interest - Monthly Principal - 30.12.2013 to 30.06.2016	Specific receivables
				650.00	Half yearly 5 installments of Rs. 416.7 mn and last installment of Rs. 416.5 mn	8.90%	Interest - Monthly Principal - 3.6.2014 to 3.12.2016	
				1,850.00		9.05%		

Particulars of loan	Name of the bank	Nature of loan	Sanctioned amount (₹ in million)	Outstanding as on March 31, 2011 (₹ in million)	Installment amount	Rate of interest p.a. (%)	Repayment	Securities offered
	State Bank of Bikaner and Jaipur	Term Loan	2,000.00	2,000.00	16 Quarterly Installments of Rs. 125 mn	9.50%	Interest - Monthly Principal - 24.11.2011 to 24.08.2015	Specific receivables
	The South Indian Bank Ltd.	Term Loan	1,000.00	800.00	20 Quarterly Installments of Rs. 50 mn from 2yrs of 1st disbursement	10.00%	Interest - Monthly Principal - 03.06.10 to 03.03.15	Specific receivables
	Syndicate Bank II	Term Loan	4,000.00	2,000.00	Half Yearly Installments of Rs. 333 mn from the end of 3 year from 1st date of disbursement	10.10%	Interest - Monthly Principal -25.08.2014 to 25.02.2017	Specific receivables
				1,750.00	Half Yearly Installments of Rs. 291.67 mn from the end of 3 year from 1st date of disbursement	10.10%	Interest - Monthly Principal - 29.09.2014 to 29.03.2017	
	Indian Overseas Bank	Term Loan	5,000.00	5,000.00	12 Quarterly Installments from end of 2nd year from 1st date of disbursement	9.25%	Interest - Monthly Principal - 15.03.2013 to 15.12.2015	Specific receivables
	Federal Bank	Term Loan	1,000.00	1,000.00	Bullet Payment after 35 months from 1st Disbursement	9.75%	Interest - Monthly Principal - Bullet Repayment after 35 months from the date of 1st disbursement	Specific receivables
Fixed Rate Secured Debentures	Series A of FY09-10	Fixed Rate Secured Debentures	1,800.00	1,800.00	Bullet	9.00%	Interest - Annual Principal - 01.06.2012	Specific receivables and an immoveable property
	Series B of FY09-10	Fixed Rate Secured Debentures	750.00	750.00	Bullet	8.75%	Interest - Annual Principal - 28.06.2011	Specific receivables and an immoveable property

Particulars of loan	Series	Nature of loan	Sanctioned amount (₹ in million)	Outstanding as on March 31, 2011 (₹ in million)	Installment amount	Rate of interest p.a. (%)	Repayment	Securities offered
	Series C of FY09-10	Fixed Rate Secured Debentures	1,500.00	1,500.00	Bullet	8.75%	Interest - Annual Principal - 08.07.2011	Specific receivables and an immoveable property
	Series G of FY09-10	Fixed Rate Secured Debentures	1,000.00	1,000.00	Bullet	8.15%	Interest - Half yearly Principal - 17.05.2011	Specific receivables and an immoveable property
	Series K of FY09-10	Fixed Rate Secured Debentures	2,000.00	2,000.00	Bullet	7.50%	Interest - Annual Principal - 02.02.2012	Specific receivables and an immoveable property
	Series A of FY10-11	Fixed Rate Secured Debentures	750.00	750.00	Bullet	8.91%	Interest - Annual Principal - 16 April 2012	Specific receivables and an immoveable property
	Series B of FY10-11	Fixed Rate Secured Debentures	750.00	750.00	Bullet	8.91%	Interest - Annual Principal - 16 April 2013	Specific receivables and an immoveable property
	Series C of FY10-11	Fixed Rate Secured Debentures	750.00	750.00	Bullet	8.91%	Interest - Annual Principal - 16 April 2014	Specific receivables and an immoveable property
	Series D of FY10-11	Fixed Rate Secured Debentures	750.00	750.00	Bullet	8.91%	Interest - Annual Principal - 16 April 2015	Specific receivables and an immoveable property
	Series E of FY10-11	Fixed Rate Secured Debentures	750.00	750.00	Bullet	8.91%	Interest - Annual Principal - 15 April 2016	Specific receivables and an immoveable property
	Series F of FY10-11	Fixed Rate Secured Debentures	750.00	750.00	Bullet	8.91%	Interest - Annual Principal - 14 April 2017	Specific receivables and an immoveable property
	Series G of FY10-11	Fixed Rate Secured Debentures	750.00	750.00	Bullet	8.91%	Interest - Annual Principal - 16 April 2018	Specific receivables and an immoveable property
Floating Rate Secured Debentures	Series D of FY09-10	Floating Rate Secured Debentures	1,250.00	1,250.00	Bullet	8.25%	Interest - Annual Principal - 05.08.2011	Specific receivables and an immoveable property

Particulars of loan	Series	Nature of loan	Sanctioned amount (₹ in million)	Outstanding as on March 31, 2011 (₹ in million)	Installment amount	Rate of interest p.a. (%)	Repayment	Securities offered
	Series E of FY09-10	Floating Rate Secured Debentures	1,250.00	1,250.00	Bullet	8.30%	Interest - Annual Principal - 05.09.2011	Specific receivables and an immoveable property
Infra Bonds	2010 A Series	Fixed Rate Secured Debentures	2,562.16	190.82	Bullet	7.75%	Interest - Annual, Bullet after 10 Years, Buyback option at the end of 7 Years from the date of allotment	Specific receivables and an immoveable property
				471.72	Bullet	7.75%	Interest - Cumulative, Bullet after 10 Years, Buyback option at the end of 7 Years from the date of allotment	
				628.98	Bullet	7.50%	Interest - Annual, Bullet after 10 Years, Buyback option at the end of 5 Years from the date of allotment	
				1,270.64	Bullet	7.50%	Interest - Cumulative, Bullet after 10 Years, Buyback option at the end of 5 Years from the date of allotment	
	2011 A Series		4,000.00	906.93	Bullet	8.20%	Interest - Annual, Bullet after 10 Years, Buyback option at the end of 5 and 7 Years from the date of allotment	Specific receivables and an immoveable property
				3,093.07	Bullet	8.30%	Interest - Cumulative, Bullet after 10 Years, Buyback option at the end of 5 and 7 Years from the date of allotment	

Particulars of loan	Name of the bank	Nature of loan	Sanctioned amount (₹ in million)	Outstanding as on March 31, 2011 (₹ in million)	Installment amount	Rate of interest p.a. (%)	Repayment	Securities offered
Bank Overdraft	Canara Bank	Cash Credit	250.00	-		12.00%		Specific receivables
	Citi Bank NA	Cash Credit	400.00	273.47		10.05%		Specific receivables
	City Union Bank Ltd	Cash Credit	100.00	99.83		10.00%		Specific receivables
	IDBI Bank Limited	Cash Credit	1,500.00	383.09		11.50%		Specific receivables
	Yes Bank Limited	Cash Credit	1,000.00	0.01		11.00%		Specific receivables
	Total		**61,962.16**	**55,435.26**				

Annexure - XI

L&T Infrastructure Finance Company Limited (Unconsolidated)

DETAILS OF UNSECURED LOANS OUTSTANDING

(₹in million)

Particulars of loan	Name of the Lender	Nature of loan	Sanctioned amount	Outstanding as on March 31, 2011	Installment amount	Rate of interest p.a. (%)	Repayment
Commercial Papers	UTI Mutual Fund		100	100	Bullet	8.25%	30-Aug-11
	UTI Mutual Fund		400	400	Bullet	8.25%	30-Aug-11
	Benchmark Mutual Fund-Liquid Bees Investment Account		250	250	Bullet	9.70%	29-Apr-11
	Sundaram Ultra Short Term Fund		750	750	Bullet	9.95%	29-Jul-11
	HDFC Trustee Company Limited A/c HDFC Liquid Fund		500	500	Bullet	10.15%	2-May-11
	HDFC Trustee Company Limited A/c HDFC Cash Management Fund - Savings Plan		500	500	Bullet	10.15%	2-May-11
	WIPRO LTD		250	250	Bullet	10.35%	5-Aug-11
	India Infoline Limited		50	50	Bullet	10.35%	5-Aug-11
	India First Life Insurance Company Ltd.		100	100	Bullet	10.35%	5-Aug-11
	WIPRO LTD		500	500	Bullet	10.35%	5-Aug-11
	National Stock Exchange of India Ltd.		100	100	Bullet	10.35%	5-Aug-11
	Barclays Bank Plc		1,500	1,500	Bullet	10.13%	13-May-11
Term Loan	Larsen & Toubro Limited (Ultimate Holding Company)	Term Loan	1,500	1,500	Bullet	7.50%	29-Dec-12
			6,500	**6,500**			

L&T Infrastructure Finance Company Limited

Annexure – XII
(₹in million)

Details of Other Income

	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009	Period from 01.07.2007 to 31.03.2008	Period from 18.06.2006 to 30.06.2007	Nature (Recurring/ Non-recurring)	Related/ not related to business activity
Interest on Bank Deposits	0.92	0.09	0.04	2.93	1.14	Recurring	Related
Profit on sale of Current Investments	-	0.79	-	35.48	62.39	Recurring	Related
Dividend Income on Current Investments	16.04	15.74	14.40	5.30	0.28	Recurring	Related
Dividend Income on Long term Investment	0.88	-	-	-	-	Recurring	Related
Interest on Income Tax Refund	-	0.45	-	-	-	Non Recurring	Not Related
	17.84	**17.07**	**14.44**	**43.71**	**63.81**		

Note:

(1) The classification of "Other Income" as Recurring or Non- recurring is based on the current operations and business activities of the Company as determined by the Management.

(2) For the period ended 30 June 2007, the income from sale of investments forming part of other income have exceeded 20% of profit before taxes after restatement.

Statement of Dividends

(₹in million)

	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009	Period from 01.07.2007 to 31.03.2008	Period from 18.04.2006 to 30.06.2007
Equity Share Capital	7,021.50	6,834.00	5,000.00	5,000.00	2,430.00
Dividend	NIL	NIL	NIL	NIL	NIL

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with our financial statements included in this Prospectus. You should also read the section titled "Risk Factors" of this Prospectus, which discusses a number of factors and contingencies that could impact our financial condition and results of operations. The following discussion relates to (i) L&TFH on a combined basis, and, unless otherwise stated, is based on restated consolidated financial statements; (ii) L&TFH on a standalone basis, and, unless otherwise stated, is based on restated unconsolidated financial statements; (iii) L&T Finance on a standalone basis, and, unless otherwise stated, is based on restated unconsolidated financial statements; and (iv) L&T Infra on a standalone basis, and, unless otherwise stated, is based on restated unconsolidated financial statements, in each case which have been prepared in accordance with Indian GAAP, the accounting standards and other applicable provisions of the Companies Act, the SEBI ICDR Regulations and the RBI guidelines. The following discussion is also based on internally prepared statistical information and information publicly available from the RBI and other sources. Unless stated otherwise herein, all fiscal year ends occur on March 31; therefore, all references to a particular fiscal year are to the twelve months ended March 31 of that year. Certain prior periods for each of L&TFH and L&T Infra, as discussed in greater detail herein, are comprised of more or less than twelve months, and hence are not comparable to later periods comprised of a full fiscal year. See "- Note Regarding Non-Comparable Fiscal Periods and Unconsolidated Financial Statements" below. Any reference herein or elsewhere in this Prospectus to profits "as restated" are to profits which have been subjected to adjustments and on account of restatements in accordance with the SEBI ICDR Regulations, and any references to items of income or expenditure or extraordinary items or taxes on income are to such items as audited, but without making adjustments and on account of the corresponding restatements in accordance with the SEBI ICDR Regulations, if any. Also, any reference herein or elsewhere in this Prospectus to a balance as on a reporting date as contained in the Restated Summary Statement of Assets and Liabilities as on that reporting date is to a balance which has been subjected to restatements in accordance with the SEBI ICDR Regulations.

OVERVIEW

We are a financial holding company offering a diverse range of financial products and services across the corporate, retail and infrastructure finance sectors, as well as mutual fund products and investment management services, through our direct and indirect wholly-owned subsidiaries. Our Company is registered with the RBI as an NBFC-ND-SI. We are promoted by Larsen & Toubro Limited ("**L&T**"), one of the leading companies in India, with interests in engineering, construction, electrical and electronics manufacturing and services, information technology and financial services. As at May 31, 2011, the market capitalisation of L&T was 1,001 billion. (***Source****: Bloomberg)*

We are headquartered in Mumbai, and have a presence in 23 states in India. As at May 31, 2011, we had 837 points-of-presence across India, comprising 117 branch offices, 269 meeting centers, 37 KGSK centers (refer to the section titled, "*Our Business - Sales and Marketing*" on page 188) and 414 customer care centers across all of our business groups and segments. Our network of offices has been established to cater to the growing business needs of our diverse customer base, which includes individual retail customers as well as large companies, banks, multinational companies and small and medium-enterprises, and to provide them with satisfactory customer service according to their varying requirements.

Our operations are arranged into four business groups, being the Infrastructure Finance Group, the Retail Finance Group, the Corporate Finance Group and the Investment Management Group, each as defined below.

Our wholly-owned subsidiary, L&T Infrastructure Finance Company Limited ("**L&T Infra**"), conducts our infrastructure finance business (our "**Infrastructure Finance Group**"), which provides financial products and services to our customers engaged in infrastructure development and construction, with a focus on the power, roads, telecommunications, oil and gas, urban infrastructure and ports sectors in India. Our Infrastructure Finance Group comprises the segments of project finance and corporate loans, equity investments and financial advisory services. L&T Infra is registered with the RBI as an NBFC-ND-SI and an IFC, which allows it to optimize its capital structure by diversifying its borrowings and accessing long-term funding resources, thereby expanding its financing operations while maintaining its competitive cost of funds. In addition, L&T Infra has been notified as a PFI under section 4A of the Companies Act. The total income of our Infrastructure Finance Group for Fiscal Year 2011 and Fiscal Year 2010 was ₹ 7,039.75 million and ₹ 4,504.23 million, respectively, which accounted for 33.29 % and 31.63% of our total income, respectively. The total gross loans and advances outstanding of our Infrastructure Finance Group as at March 31, 2011 were ₹ 71,864.90 million (including ₹ 5,849.84 million in respect of subscriptions of debentures in the normal course of business activity in non-related companies) and total disbursements for Fiscal Year 2011 were ₹ 51,551.76 million (excluding ₹ 2,250.00 million for subscriptions of preference shares in the normal course of business activity in non-related companies).

Our wholly-owned subsidiary, L&T Finance Limited ("**L&T Finance**"), conducts our retail finance business and our corporate finance business (our "**Retail Finance Group**" and "**Corporate Finance Group**", respectively). L&T Finance is registered with the RBI as an NBFC-ND-SI and an AFC.

Our Retail Finance Group provides financing to our retail customers for the acquisition of income-generating assets and income-generating activities generally, and comprises the segments of construction equipment finance, transportation equipment finance, rural products finance and microfinance. In addition, our Retail Finance Group caters to the non-financing needs of our retail customers through the distribution of third party financial products such as insurance and mutual funds.

Our Corporate Finance Group provides financial products and services to our corporate customers, and comprises the segments of corporate loans and leases (in the form of asset-backed loans, term loans, receivables discounting, short-term working capital facilities and operating and finance leases), supply chain finance (which includes vendor and dealer finance products) and capital markets products.

The total income of our Retail and Corporate Finance Groups for Fiscal Years 2011 and 2010 was ₹ 13,975.35 million and ₹ 9,657.30 million, respectively, which accounted for 66.08% and 67.82% of our total income, respectively. The total gross loans and advances outstanding of our Retail and Corporate Finance Groups as at March 31, 2011 were ₹ 101,567.28 million and total disbursements for Fiscal Year 2011 were ₹ 191,863.35 million.

As at March 31, 2011, on a consolidated basis, we had total gross loans and advances outstanding of ₹ 179,431.77 million, and for Fiscal Year 2011, we made total disbursements of ₹ 243,415.11 million across our Infrastructure Finance Group, Corporate Finance Group and Retail Finance Group.

Our wholly-owned indirect subsidiary (a wholly-owned subsidiary of L&T Finance) L&T Investment Management Limited ("**L&TIM**"), conducts our investment management business (our "**Investment Management Group**"), which comprises the mutual fund segment (including the management, administration and distribution of L&T Mutual Fund) and the portfolio management services segment (including portfolio management and sub-advisory services). L&TIM (formerly DBS Cholamandalam Asset Management Limited) was acquired by L&T Finance on January 20, 2010, together with L&T Mutual Fund Trustee Limited (formerly DBS Cholamandalam Trustees Limited), the trustee company for L&T Mutual Fund. The total income of our Investment Management Group (excluding income from L&T Mutual Fund Trustee Limited) for Fiscal Year 2011 and Fiscal Year 2010 was ₹ 86.08 million and ₹ 43.68 million, respectively, which represented 0.41% and 0.31% of our total income, respectively. Our AUM as at March 31, 2011 was ₹ 33,344.10 million.

NOTE REGARDING NON-COMPARABLE FISCAL PERIODS AND UNCONSOLIDATED FINANCIAL STATEMENTS

L&TFH was incorporated on May 1, 2008, meaning our Fiscal Year 2009 was for a period of less than twelve months. Furthermore, prior to March 31, 2009, we had minimal operations in the form of various passive investments. On March 31, 2009, we acquired both L&T Finance (together with its subsidiaries) and L&T Infra. As a result, our Fiscal Year 2009 is for an irregular period with very limited business activity, and our Fiscal Years 2009 and 2010 are not comparable with one another.

L&T Infra was incorporated on April 18, 2006, and received its certificate of registration from the RBI on January 10, 2007. Prior to January 10, 2007, L&T Infra did not have any business operations, and the period from January 10, 2007 to March 31, 2007 was not a full quarter. Accordingly, the management of L&T Infra concluded that the audited financial statements for the period ended March 31, 2007 would not provide a useful reflection of the financial affairs and condition of L&T Infra, and the first audited financials were prepared for the period ended June 30, 2007. Subsequently, the fiscal year-end was changed to coincide with the fiscal year-end of L&T (March 31), beginning on April 1, 2008. As a result of the foregoing, L&T Infra's first two Fiscal Years are for irregular terms (*i.e.* from April 18, 2006 to June 30, 2007; and from July 1, 2007 to March 31, 2008), and are not comparable with one another, nor are they comparable with the financial statements for Fiscal Year 2011, Fiscal Year 2010 and Fiscal Year 2009.

The financial statements of L&T Infra and L&T Finance are presented in this Prospectus on an unconsolidated basis, while those for L&TFH have been presented on an unconsolidated and consolidated basis. Although the business and operations of L&T Infra and L&T Finance make up most of the business and operations of L&TFH, L&TFH also derives revenues and incurs expenses from other sources, primarily investments in certain infrastructure and finance-related entities. Similarly, the financial statements for L&T Finance are presented in this Prospectus on an unconsolidated basis; however, L&T Finance also derives revenue and incurs expenses from its subsidiaries, L&TIM and L&T MFTL. See the section titled "*Our Business - Our Group Structure and Subsidiaries*" on page 143 of this Prospectus. As a result of the foregoing, the unconsolidated financial statements of each of L&T Infra and L&T Finance, when taken together, are not necessarily comparable to the consolidated financial statements of L&TFH.

NOTE REGARDING USE OF L&T TRADEMARK

The "L&T" trademark is registered in favour of our Promoter. Pursuant to a trademark license agreement dated December 1, 2010, further amended on July 4, 2011 (the "**Trademark License Agreement**"), with our Promoter, our Company, L&T Finance, L&T Infra, L&T MFTL and L&TIM have been granted a global non-exclusive, non-transferrable license to use the "L&T" trademark and logo for a consideration payable by each of the licensees of up to 0.15% of the assets, or 5% of the PAT of each of the licensees, whichever is lower plus service tax. As the Trademark License Agreement has come into effect on December 1, 2010, and the consideration is only payable to our Promoter from Fiscal Year 2012 onwards, these payments are not reflected in the historical financial results of the Company, L&T Finance or L&T Infra. The Trademark License Agreement can be terminated by the parties thereto upon written notice in accordance with its terms. Furthermore, the Trademark License Agreement can also be terminated by any party upon change in management control of any of the licensees or upon breach of the terms of the Trademark License Agreement by any of the licensees. In the event that the Trademark License Agreement is terminated, we may have to discontinue the use of the "L&T" trademark and logo, and this may have a material adverse effect on our financial results in the future.

FACTORS AFFECTING OUR RESULTS OF OPERATIONS

The following factors are the primary factors that have affected and, we expect, will continue to affect our business, financial condition, results of operation and prospects. Our business is also subject to various risks and uncertainties, including those discussed in the section titled "*Risk Factors*".

General economic growth in India

Our financial results are affected in large measure by general economic growth in India. In the past, India has experienced rapid economic growth, particularly through 2008. As a result of the global economic downturn, this high growth trajectory was impeded in 2009. Throughout Fiscal Year 2010 and Fiscal Year 2011, the growth rate has once again picked up, with increases over prior comparable periods. See the section titled "*Industry Overview - The Indian Economy*" on page 125 of this Prospectus. As a result of these fluctuations, in Fiscal Year 2009 we witnessed only a moderate increase versus 2008 in the aggregate amount of loans and advances made to our customers. However, during Fiscal Year 2010 and Fiscal Year 2011, we saw a substantial year-on-year increase in the aggregate amount of loans and advances. If this economic resurgence abates, customers may delay or cancel projects and proposed purchases, which would result in less demand for our products and services. If this growth continues we expect customers to follow through with existing projects and purchases, and possibly initiate more new projects and purchases, thereby increasing demand for our products and services.

Economic developments in relevant sectors of the Indian economy

Our financial results are affected by developments in certain sectors of the Indian economy for which we provide financing. With respect to L&T Infra, we are most active in providing financing products and services in the power, roads, telecommunications, oil and gas, urban infrastructure and ports sectors in India. With respect to L&T Finance, we provide both retail and corporate products and services primarily for the financing of commercial assets in sectors such as transport, construction and agriculture. These sectors are susceptible to sector-specific influences and developments, such as the adoption of appropriate government policies and the actions of regulatory authorities, which in turn affect the demand for income-generating assets in these sectors. As the demand for these assets increases or decreases, we expect demand for our products and services to increase or decrease accordingly.

With respect to the regulation of relevant industry sectors, infrastructure development in particular has historically been dependent on government funding, both at the central and state level. However, the participation of private enterprise in infrastructure projects is expected to be substantial in the near term. For example, private investment in infrastructure projects for roads over the next five years is estimated to be ₹ 1.9 trillion *(**Source**: CRISIL Research, Roads and Highways Annual Review, June 2010).* See the section titled "*Industry Overview - The Infrastructure Finance Industry in India - Sectoral Focus - Roads Sector*" on page 132 of this Prospectus. Notwithstanding this private participation, government spending is likely to continue to be a major source of funding for infrastructure development, and as a result, the precise nature and pace of certain policy and regulatory changes will have an impact on our growth and financial results.

Interest rates and inflation

Interest rates have a substantial effect on our cost of funding, our business volume and our profit margin.

The interest rate spread between our borrowing rate and lending rate, and specifically our ability to maintain an effective interest rate margin in times of interest rate volatility and intense market competition, contributes directly to our net interest income and revenue growth. An increase in our cost of funds, as well as competition from banks and other NBFCs, could reduce spreads earned on our loan products. For more on our net interest margin and cost of funding, see the section titled "*Availability of capital and cost effective funding sources*", below.

Declining interest rates may lead to increased prepayments and repricing of our loans as borrowers seek to take advantage of the more attractive interest rate environment to reduce their borrowing costs.

Declining interest rates also may lead to a greater demand for new funds as business owners seek to take advantage of these attractive rates, resulting in a greater volume of financing business. Conversely, when interest rates rise, there are typically less prepayments and less pressure to reprice loans; there is also less demand for new funds, resulting in a lower volume of financing business. In a rising interest rate scenario, our profit margin is thus more dependent on our ability to attract new business, either through existing customers or new customers, than it is in a declining interest rate scenario. If we are not successful in increasing the volume of our business in such a scenario, our profit margin may deteriorate.

Interest rates are typically correlated with inflation rates, as the RBI has historically sought to mitigate rising inflation by raising interest rates. In 2010, wholesale price index ("**WPI**") inflation, under the new series (Base: 2004-05), increased significantly and reached 10.2% by the end of March 2010. The monthly average of WPI inflation from April 1, 2010 to February 28, 2011 under the new series was 9.3%. As at March 1, 2010, the repurchase and reverse repurchase rates were 4.75% and 3.25%, respectively. Since March 2010, the RBI has revised the repurchase and reverse repurchase rates on multiple occasions. As at June 16, 2011, the repurchase rate was 7.50% and reverse repurchase rate was 6.50%. If this inflationary trend continues, we anticipate the RBI will again raise both the repurchase and reverse repurchase rates.

Credit quality and provisioning

The credit quality of our loans is a key driver of our results of operations, as quality loans help to reduce the risk of losses from loan impairment. We believe that our ability to control our NPAs and maintain the credit quality of our portfolio is a function of our strong credit check and asset valuation framework.

As a result of our sound credit quality practices, our net NPA ratios for each of L&T Infra and L&T Finance for Fiscal Year 2011 were 0.53% and 0.78% respectively, and for Fiscal Year 2010 were 1.66% and 1.68% respectively. In respect of L&T Finance, gross NPAs decreased from ₹ 1,938.88 million in Fiscal Year 2010 to ₹ 1,433.80 million in Fiscal Year 2011, resulting in the gross NPA ratio declining to 1.42% in Fiscal Year 2011 from 2.75% in Fiscal Year 2010. In respect of L&T Infra, gross NPAs decreased from ₹ 789.24 million in Fiscal Year 2010 to ₹ 483.84 million in Fiscal Year 2011, resulting in the gross NPA ratio declining to 0.67% in Fiscal Year 2011 from 1.84% in Fiscal Year 2010. See the section titled "*Our Business - Our Loan Portfolio and Policies - Non-performing Assets*" on page 179 of this Prospectus. Each of L&T Infra and L&T Finance also employ distinct provisioning practices that are generally more stringent than those required by the RBI. As at March 31, 2011, L&T Infra and L&T Finance had made credit provisions in respect of NPAs of ₹ 104.15 million and ₹ 945.69 million (excluding accelerated provision for the microfinance segment), respectively, which are higher than the minimum amounts of ₹ 73.56 million and ₹ 713.50 million, respectively, which would have been required by the RBI. In addition, as at March 31, 2011, L&T Finance had made an accelerated provision of ₹ 544.24 million in respect of loans made to customers of the microfinance segment of our Retail Finance Group in Andhra Pradesh. See the sections titled "*Risk Factors – Risks Relating to Our Group - The repeal of or changes in the regulatory policies that currently encourage financial institutions to provide capital to the microfinance sector could adversely impact the cost and availability of capital. Further, any uncertainty regarding the implementation and enforcement of recent amendments to applicable laws and the implementation of related recommendations may result in delays and/or halts in repayment of loans as a result of which, microfinance institutions may experience losses and liquidity issues causing lenders and investors to lose confidence in the microcredit industry and consequently, lenders may discontinue lending to microfinance institutions. For further details please see Regulations and Policies on page 197.*" and "*Our Business – Our Operations – Our Retail Finance Group – Microfinance Segment –*

Recent Developments" on pages 34 and 160, respectively, of this Prospectus. In addition, and as at March 31, 2011, L&T Infra and L&T Finance had made contingent provisions against standard assets of ₹ 284.31 million and ₹ 255.00 million, respectively, which are higher than the minimum amounts of ₹ 178.46 million and ₹ 250.17 million, respectively, which would have been required by RBI.

Government policy and regulation of our business

The growth of our business is dependent on stable government policies and prudent regulation. For example, the introduction of ordinances or regulations, such as the MFI Act, which was recently enacted, may have an adverse impact on our microfinance business. See the section titled "*Risk Factors*" on page 18 of this Prospectus. L&TFH, L&T Infra and L&T Finance each hold licenses with the RBI as NBFCs. In addition, L&T Infra is a designated IFC, L&T Finance is a designated AFC (See the section titled *"Risk Factors – Risks Relating to Our Group – As a consequence of being regulated as an NBFC, an AFC, an IFC and a CIC, we will have to adhere to certain individual and borrower group exposure limits under the RBI regulations and are subject to periodic RBI inspection and supervision. In the event that any of our companies is unable to comply with the exposure norms within the specified time limit, or at all, such company may be subject to regulatory actions by the RBI including the levy of fines or penalties and/or the cancellation of registration as an NBFC, AFC, IFC or CIC, as the case may be. Any such action may adversely affect our business, prospects, results of operations, financial condition and the trading price of our Equity Shares."*, on page 28 of this Prospectus). See the section titled "*Industry Overview - Non-Banking Finance Companies - Core Investment Companies*" on page 129 of this Prospectus.

Availability of capital and cost effective funding sources

We rely on equity (in the form of shareholders' funds) and loan funds (in the form of various secured and unsecured borrowings) in order to meet our capital and funding requirements. Of these funding sources, secured loans remain our most significant source of funding.

Our ability to meet demand for new loans and other forms of financing will primarily be dependent on increased borrowing from external sources and the issuance of new debt. Our debt funding sources are varied, as we believe that a diversified lender profile ensures that we are not overly dependent on any one source or a few institutions. In light of this, and our growing funding requirements, we have made conscious efforts to diversify our lender base to include a larger number of banks, insurance companies (both public and private), mutual funds, pension funds and public investors. Our aim is to ensure that we have a judicious mix of wholesale and retail funding at any given point in time.

Our debt service costs as well as our overall cost of funds depend on many external factors, including developments in the Indian credit markets and, in particular, interest rate movements and the existence of adequate liquidity in the debt markets. Internal factors which will impact our cost of funds include changes in our credit ratings and available credit limits. Any increase in our cost of funds may require us to raise interest rates on our disbursements.

For both secured and unsecured loan funds in aggregate, L&T Infra's average cost of funds for Fiscal Year 2011 was 8.06% and the average yield on the loan portfolio of L&T Infra was 11.56%, resulting in an average net interest margin of 4.95%. L&T Finance's average cost of funds for Fiscal Year 2011 was 8.40%, and the average yield on the loan portfolio of L&T Finance was 15.19%, resulting in an average net interest margin of 7.88%. Average leverage for L&T Infra and L&T Finance as on March 31, 2011 was 4.20 times and 5.34 times respectively, as compared to the average leverage for L&T Infra and L&T Finance as on March 31, 2010 which was 3.07 times and 5.54 times, respectively. See the sections titled "*Results of Operations - L&T Finance - Summary Results of Operations*" and "*Results of Operations - L&T Infra - Summary Results of Operations*" for further information, including on the calculation of ratios.

Operating expenses

Our results of operations are affected by our ability to manage operating expenses, including those relating to office space and headcount. As we expand our business and product and service offerings, we will need to increase headcount and hence, office space. For Fiscal Year 2010 and Fiscal Year 2011, our administration and other expenses were ₹ 1,504.19 million and ₹ 2,163.24 million, respectively. Rent expenses for the Fiscal Year 2011 represented 10.75% of our total administration and other expenses, as we lease substantially all our facilities.

Diversification of our business, products and services

We believe that our financial performance is tied to our ability to provide diversified products and services to existing and new clients, whether this is within our existing lines of business or new ones. In the past, we have expanded our business to include investment management (January 2010), microfinance (April 2008), financial products distribution (September 2007) and infrastructure finance (January 2007). To the extent that this diversification strategy is successful, it may mitigate various risks associated with concentration, particularly wide-ranging fluctuations in our revenue stream due to singular factors connected with limited business lines.

Physical and geographic reach

Our results of operations are dependent upon the effectiveness of the geographic reach of our network of offices and points-of-presence. As at May 31, 2011, we had 837 points-of-presence across 23 states in India. Our ability to maintain and expand our network of offices and points of presence in a cost effective and efficient manner will have a direct result on our financial performance and results of operation.

Fluctuations in customer base

Our financial results are directly affected by our number of customers. As more customers utilize our products and services, we typically see a corresponding growth in our interest income, commissions and fees received. Conversely, if our customer base were to erode, this would have a negative impact on our revenues.

CRITICAL ACCOUNTING POLICIES

Critical accounting policies are those accounting policies that reflect significant judgments and which may result in materially different results under different assumptions and conditions. Each of L&TFH, L&T Finance and L&T Infra, as applicable, reviews estimates and underlying assumptions on an ongoing basis and recognizes any revisions to these accounting estimates in the financial period in which the estimates are revised and in any future periods affected. The most significant of these critical accounting policies for each of L&TFH, L&T Finance and L&T Infra are set out below.

Fixed assets

Assets held for own use are stated at original cost including any cost attributable to bringing the asset to working condition net of tax/duty credits availed, if any, less accumulated depreciation. Assets leased under finance lease are stated as loans and advances as required by Accounting Standards (AS) 19 Leases. Assets under operating lease are stated at original cost less accumulated depreciation.

Assets acquired under leases where the company has substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalized at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability of each period.

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Profit and Loss Account on accrual basis.

Intangible assets

An intangible asset is recognized if, and only if, it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise; and the cost of the asset can be measured reliably.

Impairment of assets

As at each balance sheet date, the carrying amount of assets is tested for impairment so as to determine the provision for impairment loss, if any, required; or, the reversal, if any, required of impairment loss recognized in previous periods.

Impairment loss, if any, is recognized when the carrying amount of an asset or group of assets, as the case may be, exceeds the recoverable amount.

The recoverable amount is determined:

1. in the case of individual asset, at higher of the net selling price and the value in use;

2. in the case of a cash generating unit (a group of assets that generates identified, independent cash flows), at higher of the cash generating unit's net selling price and the value in use.

Value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life.

Investments

Long-term investments are carried at cost, after providing for any diminution in value, if such diminution is of a permanent nature.

Current investments are carried at the lower of cost or market value. The determination of the carrying costs of such investments is done on the basis of specific identification.

Revenue Recognition

Revenue is recognized based on the nature of the activity when consideration can be reliably measured and there exists reasonable certainty of its recovery. In each case as applicable for each of L&TFH, L&T Finance and L&T Infra:

- Income from hire purchase and lease transactions is accounted for on an accrual basis, pro-rata for the period, at the rates implicit in the transaction;

- Income from advisory and syndication services is accounted for on accrual basis;

- Trusteeship fees are accounted on an accrual basis in accordance with the relevant trust deed and are dependent on the net asset value as recorded by the schemes of L&T Mutual Fund;

- Income from investments is accounted on an accrual basis; and

- Dividend income from units of mutual funds is accounted when the right to receive the income is established.

Furthermore, in the case of L&T Infra: revenue from the various services provided is recognized when persuasive evidence of an arrangement exists, the services have been rendered, the fee or commission is fixed or determinable, and collectability is reasonably assured; and interest from interest-bearing assets is recognized on an accrual basis over the life of the asset based on the constant effective yield, with the effective interest determined on the basis of the terms of the cash flows under the contract including related fees, premiums, discounts or debt issuance costs, if any.

In the case of L&T Finance, income from bill discounting and other financing activities is accounted for on accrual basis, and processing fees are also accounted for on an accrual basis.

Borrowing Costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets until the time as the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognized as an expense in the period in which they are incurred.

Depreciation

Depreciation on assets held for own use has been provided on a straight-line basis as per Schedule XIV to the Companies Act, except for specialized software, computers and office equipment which are depreciated at 33.33%, 20% and 10% per annum respectively. These rates are fixed in consonance with the expected useful life of the assets. Depreciation on assets acquired and given to employees under the hard furnishing scheme has been provided at 18% per annum on a straight line basis, except assets costing ₹ 5,000 or less which are depreciated on a straight line basis as per Schedule XIV to the Companies Act.

In respect of the assets given on finance lease, Accounting Standards (AS) 19 Leases has been applied. Investment in leased assets is shown under loans and advances duly adjusted for recoveries during the lease period as required under the said Standard.

In respect of assets given on operating lease, depreciation is provided on a straight line basis pro-rata from the month of acquisition/capitalization at the rates which have been determined on the basis of the type of the asset, lease tenor, economic life of the asset, *etc*. These rates vary from 7% to 20% per annum.

In respect of assets taken on lease on or after April 1, 2001, Accounting Standards (AS) 19 Leases has been applied. These assets have been depreciated over the period of the lease for a value net of residual value implied in the transactions.

Taxes on income

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, and based on the expected outcome of assessments/appeals.

Deferred tax is recognized on timing differences between taxable income and accounting income that originated in one period and is capable of reversal in one or more subsequent periods. Deferred tax assets are recognized with regard to all deductible timing differences to the extent it is probable that taxable profit will be available against which deductible timing differences can be utilized. When unused tax losses and unabsorbed depreciation are carried forward, deferred tax assets are recognized only to the extent there is virtual certainty backed by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realised. The carrying amounts of deferred tax assets are reviewed at each balance sheet date and reduced by the extent that it is no longer probable that sufficient taxable profit will be available to allow all or a part of the deferred tax asset to be utilized.

Provisions, contingent liabilities and contingent assets

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if:

1. the company has a present obligation as a result of a past event;
2. a probable outflow of resources is expected to settle the obligation; and
3. the amount of the obligation can be reliably estimated.

Reimbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received if the obligation is settled. For more information about our provisioning policy and practices, refer to the section titled "*Our Business - Our Loan Portfolio and Policies - Provisioning and Write-off Policies*" on page 177 of this Prospectus.

Contingent liability is disclosed in the case of:

1. a present obligation arising from a past event when it is not probable that an outflow of resources will be required to settle the obligation;
2. a present obligation when no reliable estimate is possible; and
3. a possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent assets are neither recognized nor disclosed. Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

Advances

Loans and advances disbursed in lending activities are classified into four categories, namely (i) Standard Assets, (ii) Sub-standard Assets, (iii) Doubtful Assets and (iv) Loss Assets, in accordance with the RBI guidelines. For a discussion on the provisioning policies applied with respect to these assets, refer to the section titled "*Our Business - Our Loan Portfolio and Policies - Provisioning and Write-Off Policies*" on page 177 of this Prospectus.

RESULTS OF OPERATIONS

L&TFH (Consolidated)

Income

Our revenue (referred to herein and in our financial statements as our "**income**") consists of income from operations and other income.

Income from operations consists primarily of income from finance operations through L&T Finance and L&T Infra. We also derive some income from interest and dividends from shares we hold in certain banks. We do not consider the amounts of income from interest and dividends to be material to our business, as they constituted 1.35% and 1.29% of our total income in Fiscal Year 2011 and Fiscal Year 2010, respectively.

Other income consists primarily of other income from our finance businesses, as well as income from dividends, interest on investments and sales of investments, primarily mutual fund units and shares.

See the sections titled "- *L&T Infra – Income*" and "- *L&T Finance – Income*" of this Prospectus for a more detailed description of income and other income for each of these business groups.

Expenditure

Our expenditures consist primarily of interest and other finance charges incurred by our finance and infrastructure businesses in relation to bank loans, debentures and other borrowings, as well as provisions and contingencies, write-offs and foreclosures. Our provisions and contingencies are derived primarily from L&T Finance in respect of provisioning for NPAs, prudential provisions for standard assets (introduced in Fiscal Year 2011) and provisions for diminution in value of investments, and from L&T Infra in respect of provisions for NPAs and prudential provisions for standard assets. See the section titled "*Our Business - Our Loan Portfolio and Policies*" on page 170 of this Prospectus. We also have administration and other expenses, which primarily include rent, travel and conveyance costs, maintenance and repairs, IT and communications expenses and professional services (primarily to rating agencies and industry consultants).

Other expenditures include employee costs, depreciation and amortization of goodwill and preliminary expenses written off. Employee costs consist primarily of salary, reimbursements of staff costs, staff welfare payments and contributions to provident and pension funds. Preliminary expenses written off are primarily pre-operating expenses incurred by L&T Aviation Services Private Limited and L&TFH. For a discussion of our depreciation policies, see the section titled "- *Critical Accounting Policies - Depreciation*" above.

See the sections titled "- *L&T Infra – Expenditure*" and "- *L&T Finance – Expenditure*" of this Prospectus for a more detailed description of expenses for each of these business groups.

Tax

Current tax includes income tax and wealth tax. Deferred tax includes deferred tax liabilities to account for the difference between book depreciation and tax depreciation, as well as deferred tax assets resulting from provisions for doubtful debts and advances debited to the profit and loss account, as well as any impact due to restatement.

Exceptional Item

Our subsidiary L&TIM has, in the past on an exceptional basis, funded L&T Mutual Fund for certain expenses incurred by L&T Mutual Fund, primarily as the result of amounts paid to certain investment funds to offset losses against investments and expenses incurred.

Profit/(Loss) on Sale of Subsidiaries/Associates' Share of Loss

We record profit or loss on sales of subsidiaries. Our share of profit/loss in associates is also accounted for by following principles of consolidation.

In accordance with our accounting policies, investments in associate companies have been accounted for by using an equity method, whereby the investment is initially recorded at cost and the carrying amount is adjusted thereafter for post acquisition change in our share of the net assets of the associate. The carrying amount of investments in associate companies is reduced to recognize any decline which is other than temporary in nature, and such determination of decline in value, if any, is made for each investment individually.

Summary Results of Operations

The following table sets forth selected line items from our restated audited financial statements as of and for the Fiscal Years ended March 31, 2011, 2010 and 2009.

Our restated audited financial statements are included under the section entitled "*Financial Information*" on page F-1 of this Prospectus. Since we were incorporated on May 1, 2008, our fiscal year 2009 was for a period of less than twelve months; we also had minimal business operations, in the form of passive investments, prior to March 31, 2009, at which date we acquired L&T Finance and L&T Infra. Hence, our fiscal years 2009 and 2010 are not comparable. See the section titled "- *Note Regarding Non-Comparable Fiscal Periods and Unconsolidated Financial Statements*" above.

(₹ in million)

	Fiscal Year ended March 31, 2011	**Fiscal Year ended March 31, 2010**	**Period from May 1, 2008 to March 31, 2009**
Income			
Income from operations	20,863.76	14,055.96	-
Other income	284.67	183.19	0.26
Total	**21,148.43**	**14,239.15**	**0.26**
Expenditure			
Employee cost	962.38	596.81	-
Administration and other expenses	2,163.24	1,504.19	0.03
Provisions and contingencies	1,109.18	948.61	-
Interest and other finance charges	10,206.55	6,747.08	-
Depreciation and amortization	542.10	475.45	-
Amortization of Goodwill	48.98	24.79	-
Preliminary expenses written off	-	0.52	0.39
Total	**15,032.43**	**10,297.45**	**0.42**
Net profit before tax, exceptional item, prior period item and profit/(loss) on sale of subsidiaries/associates share of loss	6,116.00	3,941.70	(0.16)
Current tax/deferred tax (including wealth tax)	(2,133.01)	(1,340.95)	(0.01)
Exceptional item	(59.95)	(15.41)	-
Prior period item	-	(5.08)	-
Profit/(Loss) on sale of subsidiaries/associates share of loss	(11.35)	16.21	-
Net Profit after extra-ordinary items	3,911.69	2,596.47	(0.17)
Total adjustments, net of tax impact	14.03	33.61	-
Net Profit, as Restated	**3,925.72**	**2,630.08**	**(0.17)**

Fiscal Year Ended March 31, 2011 Compared to Fiscal Year Ended March 31, 2010

Income

Our income increased by 48.52% from ₹ 14,239.15 million in Fiscal Year 2010 to ₹ 21,148.43 million in Fiscal Year 2011, primarily as a result of an increase in operating income. Operating income increased by 48.43% from ₹ 14,055.96 million in Fiscal Year 2010 to ₹ 20,863.76 million in Fiscal Year 2011.

This increase was primarily due to an increase in operating and other income from (a) L&T Finance of 44.71%, from ₹ 9,657.30 million in Fiscal Year 2010 to ₹ 13,975.35 million in Fiscal Year 2011; and (b) L&T Infra of 56.29%, from ₹ 4,504.23 million in Fiscal Year 2010 to ₹ 7,039.75 million in Fiscal Year 2011. For a discussion of the changes in operating and other income of L&T Finance and L&T Infra, see the sections titled " *– L&T Finance - Fiscal Year Ended March 31, 2011 Compared to Fiscal Year Ended March 31, 2010 – Income*" and " *L&T Infra - Fiscal Year Ended March 31, 2011 Compared to Fiscal Year Ended March 31, 2010 – Income*", respectively, below.

Other income consisted primarily of dividend and interest income from investments, which increased by 55.40% from ₹ 183.19 million in Fiscal Year 2010 to ₹ 284.67 million in Fiscal Year 2011.

Expenditure

Our expenditure increased by 45.98% from ₹ 10,297.45 million in Fiscal Year 2010 to ₹ 15,032.43 million in Fiscal Year 2011, primarily as a result of an increase in interest and other finance charges. Interest and finance charges increased by 51.27% from ₹ 6,747.08 million in Fiscal Year 2010 to ₹ 10,206.55 million in Fiscal Year 2011.

This increase was primarily due to an increase in borrowings required to fund the growth in assets.

For a discussion of the changes in expenditure of L&T Finance and L&T Infra, see the sections titled " – *L&T Finance - Fiscal Year Ended March 31, 2011 Compared to Fiscal Year Ended March 31, 2010 – Income*" and " *L&T Infra - Fiscal Year Ended March 31, 2011 Compared to Fiscal Year Ended March 31, 2010 – Expenditure*", respectively, below.

Net Profit Before Tax, Exceptional Item, Prior Period Item and Profit/(Loss) on Sale of Subsidiaries/Associates Share of Loss

For the reasons stated above, our net profit before tax, exceptional item, prior period item and profit/(loss) on sale of subsidiaries/associates share of loss increased by 55.16% from ₹ 3,941.70 million in Fiscal Year 2010 to ₹ 6,116.00 million in Fiscal Year 2011. As a percentage of total income, this amounted to 28.92% for Fiscal Year 2011.

Tax

Our current tax (including wealth tax) increased by 50.09% from ₹ 1,523.41 million in Fiscal Year 2010 to ₹ 2,286.42 million in Fiscal Year 2011 as a result of the increase in our taxable income. Our deferred tax credit, which related primarily to timing differences between the accounting income and taxable income for the period, utilizing the tax rates and laws enacted or substantively enacted on the balance sheet date, decreased by 15.95% from ₹ 182.50 million in Fiscal Year 2010 to ₹ 153.40 million in Fiscal Year 2011.

Exceptional Item

For Fiscal Year 2011, we incurred a charge of ₹ 59.95 million for certain exceptional items in the form of reimbursements made by L&TIM to L&T Mutual Fund in respect of certain expenses incurred by L&T Mutual Fund, primarily as the result of amounts paid to certain investment funds to offset losses against investments and expenses incurred.

Profit/(Loss) on Sale of Subsidiaries/Associates' Share of Loss

Profit/(Loss) on sale of subsidiaries/associates' share of profit/(loss) amounted to ₹ (11.35) million for Fiscal Year 2011.

Net Profit After Extraordinary Items

For the reasons set out above, our net profit after extraordinary items increased by 50.65% from ₹ 2,596.47 million in Fiscal Year 2010 to ₹ 3,911.69 million in Fiscal Year 2011. As a percentage of total income, our net profit after extraordinary items amounted to 18.50%.

Total Adjustments, net of Tax Impact

Total adjustments, which consisted primarily of adjustments resulting from changes in our accounting policy, decreased by 58.26% from ₹ 33.61 million in Fiscal Year 2010 to ₹ 14.03 million in Fiscal Year 2011.

During the Fiscal Year ended March 31, 2009, L&T Infra modified the basis of recognizing revenues from interest bearing assets, using an effective interest rate in place of the contractual rate. In determining the effective interest rate, cash flows are estimated taking into consideration all contractual terms including fees received, transaction costs, and other premiums or discounts, if any. Thus, with effect from April 1, 2008, such income has been amortized over the expected life of the related instrument through the application of a constant effective yield on the instrument. See the section titled "*– Analysis of Certain Changes – Changes in Accounting Policies*" below.

Net Profit, as Restated

As a result of the foregoing factors, our net profit, as restated, increased by 49.26% from ₹ 2,630.08 million in Fiscal Year 2010 to ₹ 3,925.72 million in Fiscal Year 2011. As a percentage of total income, our net profit, as restated amounted to 18.56% for Fiscal Year 2011.

Year Ended March 31, 2010

Income

Our income for Fiscal Year 2010 amounted to ₹ 14,239.15 million, consisting primarily of operating income and other income from L&T Finance and L&T Infra. See the sections titled "*– L&T Infra – Income*" and "*– L&T Finance – Income*" of this Prospectus. Of this amount, L&T Finance contributed ₹ 9,657.30 million, or 67.82% of our total income, and L&T Infra contributed ₹ 4,504.23 million, or 31.63% of our total income. Operating income from these companies consisted primarily of interest income on loans and advances. Income from operations other than from L&T Finance and L&T Infra consisted primarily of fee income derived from L&TIM. Other income consisted primarily of dividend and interest income from investments.

Expenditure

Our expenditures in Fiscal Year 2010 amounted to ₹ 10,297.45 million, consisting primarily of interest and other finance charges, provisions/write-offs and foreclosure losses on repossession of assets and other administration expenses. Interest and other finance charges related primarily to our bank loans, redeemable non-convertible debentures, commercial paper and other borrowings. Provisions/write-offs and foreclosures related primarily to L&T Finance's provisions on NPAs and L&T Infra's prudential provisions on standard assets. Administration and other expenses related primarily to rent, maintenance and repairs, IT and communications expenses.

Net Profit Before Tax, Exceptional Item, Prior Period Item and Profit/(Loss) on Sale of Subsidiaries/Associates Share of Loss

For the reasons stated above, our net profit before tax, exceptional item, prior period item and profit/(loss) on sale of subsidiaries/associates share of loss, in Fiscal Year 2010 amounted to ₹ 3,941.70 million. As a percentage of total income, this amounted to 27.68% in Fiscal Year 2010.

Tax

Our current tax (including wealth tax) and deferred tax for Fiscal Year 2010 amounted to ₹ 1,340.95 million, including a deferred tax credit of ₹ 182.50 million. The deferred tax credit related primarily to timing differences between the accounting income and the taxable income for the year, utilizing the tax rates and laws enacted or substantively enacted as on the balance sheet date.

Exceptional Item

In Fiscal Year 2010, we incurred a charge of ₹ 15.41 million for an exceptional item in the form of funding by L&TIM to L&T Mutual Fund in respect of certain expenses incurred by L&T Mutual Fund, primarily as the result of amounts paid to certain investment funds to offset losses against investments and expenses incurred.

Profit/(Loss) on Sale of Subsidiaries/Associates' Share of Loss

Profit/(Loss) on sale of subsidiaries/associates' share of profit/(loss) amounted to ₹ 16.21 million in Fiscal Year 2010. This amount related to the sale by L&T Finance of its subsidiary, L&T General Insurance Company Limited, on November 5, 2009, and the share of profit/loss from our associate company, NAC Infrastructure Equipment Ltd.

Net Profit After Extraordinary Items

For the reasons stated above, our net profit after extraordinary items in Fiscal Year 2010 amounted to ₹ 2,596.47 million. As a percentage of total income, our net profit after extraordinary items amounted to 18.23%.

Total Adjustments, net of Tax Impact

Total adjustments for Fiscal Year 2010 amounted to ₹ 33.61 million and consisted primarily of adjustments resulting from changes in our accounting policy. During the Fiscal Year ended March 31, 2009, L&T Infra modified the basis of recognizing revenues from interest bearing assets, using an effective interest rate in place of the contractual rate. In determining the effective interest rate, cash flows are estimated taking into consideration all contractual terms including fees received, transaction costs, and other premiums or discounts, if any. Thus, with effect from April 1, 2008, such income has been amortized over the expected life of the related instrument through the application of a constant effective yield on the instrument. See the section titled "*– Analysis of Certain Changes – Changes in Accounting Policies*" below.

Net Profit, as Restated

As a result of the foregoing factors, our net profit, as restated, in Fiscal Year 2010 amounted to ₹ 2,630.08 million. As a percentage of total income, our net profit, as restated amounted to 18.47% in Fiscal Year 2010.

Eleven-Month Period Ended March 31, 2009

Our Company was incorporated on May 1, 2008. As a result, our financial results for the period ended March 31, 2009 reflect only eleven months of operations. In addition, L&T Finance and L&T Infra were transferred to L&TFH on March 31, 2009. As a result, the results of operations of these two subsidiaries for the year ended March 31, 2009 did not contribute to our consolidated results for the period ended March 31, 2009. We did not have material income or incur material expenses during the period ended March 31, 2009.

L&TFH (Unconsolidated)

In the eleven-month period ended March 31, 2009, L&TFH did not have any material operations, and therefore did not generate any material revenues or incur any material expenditures.

On an unconsolidated basis, L&TFH derives income from operations, primarily from its investment activities. L&TFH's income from operations increased by 6.13% from ₹ 53.64 million in Fiscal Year 2010 to ₹ 56.93 million in Fiscal Year 2011.

L&TFH's expenditures consist of administration and other expenses (which relate primarily to administrative and statutory fees and professional services), provisions and contingencies and interest and other finance charges. L&TFH's expenditures increased by 120.09% from ₹ 24.89 million to ₹ 54.78 million, primarily as a result of an increase in provisions and contingencies from Nil in Fiscal Year 2010 to ₹ 45.00 million in Fiscal Year 2011, on against the diminution in value of our investment in an associate company. In Fiscal Year 2010, L&TFH's administration and other expenses amounted to ₹ 24.89 million, most of which was attributable to filing fees with the registrar of companies which did not recur in Fiscal Year 2011.

L&T Finance

Income

Our subsidiary L&T Finance's revenue (referred to herein and in its financial statements as L&T Finance's "**income**") consists of income from operations from our finance business and other income.

- Income from operations consists primarily of interest on loans and advances that we provide to finance assets, operating lease income and income from distribution fees.

- Other income consists mainly of income from investments and profit on the sale/redemption of investments.

Expenditure

The largest component of L&T Finance's expenditure is interest and other finance charges. Expenditure also includes administration and other expenses, depreciation and amortization, provisions and contingencies and employee cost.

- Interest and other finance charges consists primarily of interest paid on L&T Finance's loans, its non-convertible debentures, its commercial paper and its other borrowings.

- Administration and other expenses includes foreclosures, and other administrative expenses (including primarily rent, travel and conveyance costs, maintenance and repairs, IT and communications expenses and professional services (primarily to rating agencies and industry consultants).

- Depreciation and amortization relates primarily to L&T Finance's operating leases on vehicles, computers and plant and machinery.

- Provisions and contingencies consists of provisions for standard assets, non-performing assets/write-offs and for diminution in value of investments.

- Employee cost includes primarily salaries, as well as reimbursements of staff costs, staff welfare payments and contributions to provident and pension funds.

Tax

Current tax includes income tax and wealth tax. Deferred tax includes deferred tax liabilities to account for the difference between book depreciation and tax depreciation, as well as deferred tax assets resulting from provisions for doubtful debts and advances debited to the profit and loss account. Fringe benefits tax is tax levied on various employer expenses, including travel, transportation and retirement plan contributions, and was abolished in July 2009.

Summary Results of Operations

The following table sets forth selected line items from L&T Finance's restated audited financial statements as of and for the Fiscal Years ended March 31, 2011, 2010, 2009, 2008 and 2007. L&T Finance's restated audited financial statements are included in this document under the section entitled "*Financial Information*".

(₹ in million)

	Fiscal Year ended March 31,				
	2011	**2010**	**2009**	**2008**	**2007**
Income					
Income from operations	**13,763.39**	**9,558.22**	**8,265.28**	**5,895.57**	**2,600.88**
Interest income	13,077.73	9,042.03	6,847.95	4,828.04	1,858.92
Lease income	651.80	472.29	1,362.55	1,037.39	702.05
Other income from operations (includes distribution fees)	33.86	43.90	54.78	30.14	39.91
Other income	211.96	99.08	37.49	165.05	152.88
Total	**13,975.35**	**9,657.30**	**8,302.77**	**6,060.62**	**2,753.76**
Expenditure					
Employee cost	659.89	477.73	318.90	186.53	84.73
Provisions and contingencies	1,036.31	695.01	65.57	39.07	39.51
Administration and other expenses	1,833.34	1,339.97	758.59	322.18	169.21
Interest and other finance charges	6,412.88	4,310.75	5,137.04	3,363.41	1,355.94
Depreciation and amortization	534.38	470.62	569.06	535.91	332.15
Total	**10,476.80**	**7,294.08**	**6,849.16**	**4,447.10**	**1,981.54**
Profit before tax	3,498.55	2,363.22	1,453.61	1,613.52	772.20
Net Tax	1,194.10	798.50	465.31	463.38	146.06
Profit after tax	**2,304.45**	**1,564.72**	**988.30**	**1,150.14**	**626.14**

The following table presents selected financial ratios for the years indicated:

	Fiscal Year ended, or as on, March 31,				
	2011	**2010**	**2009**	**2008**	**2007**
Yield on loans and advances (%) (1)	15.19	14.79	15.47	14.24	11.50
Cost of funds (2)	8.40	7.93	12.10	10.21	7.38
Net interest margin (3)	7.88	7.83	5.20	5.34	4.67
Average leverage (x) (4)	5.34	5.54	5.46	6.02	6.20
Return on equity (%) (5)	16.12	15.87	12.61	20.92	21.12
Return on assets (%) (6)	2.54	2.43	1.95	2.98	2.93
Earnings per share (fully diluted) (₹)	10.65	7.79	5.29	6.40	5.39

(1) *Yield on loans and advances: total income (excluding non-operating income and depreciation on operating lease assets) divided by the average of opening and closing year-end gross loans and advances outstanding (including sundry debtors). See "Note on certain variations" below.*

(2) *Cost of funds: interest and other finance charges on borrowings divided by the average of opening and closing year-end borrowings. See "Note on certain variations" below.*

(3) *Net interest margin: total income (excluding non-operating income and depreciation on operating lease assets) interest and other finance charges on borrowings, divided by the average of opening and closing year-end gross loans and advances outstanding (including sundry debtors).*

(4) *Average leverage: average of opening and closing year-end borrowings, divided by the average of year-end net worth.*

(5) *Return on equity: profit after tax for the Fiscal Year, as applicable, divided by the average of opening and closing year-end net worth.*

(6) *Return on assets: profit after tax for the Fiscal Year, divided by the average of opening and closing year-end total assets.*

Note on certain variations:

(a) Yield on loans and advances: Yields may not be entirely indicative to the extent that, at times, there may be interest income earned on certain short-term assets which may not form part of the closing book of loans and advances. This has contributed to a higher overall average yield for each of the Fiscal Years reflected as compared to the yield for Fiscal Year 2007.

(b) Cost of funds: Average costs may not be entirely indicative to the extent that there may be costs incurred on certain short-term loans (to finance short term assets), which may not form part of closing borrowings, for example, for the Fiscal Years 2008 and 2009. This has contributed to a higher overall average cost of funds for each of these two Fiscal Years as compared to the average cost of funds for Fiscal Year 2007. In addition, the average financing cost of Fiscal Year 2009 was impacted by (i) costs incurred on derivatives (both cash and mark-to-market losses and revaluation of foreign currency loans); and (ii) the economic downturn during Fiscal Year 2009, during which the borrowings were higher in the first half of the year compared to the second half. This resulted in lower average yearly balances and relatively higher borrowing expenses, which, in turn, resulted in a higher average cost of funds. See the section titled "*Industry Overview – The Indian Economy – Overview*" on page 125 of this Prospectus. Further, the average financing cost for Fiscal Year 2008 was impacted by a large volume of very short term loans, which resulted in lower annual average borrowings.

Fiscal Year Ended March 31, 2011 Compared to Fiscal Year Ended March 31, 2010

Income

L&T Finance's income increased by 44.71% from ₹ 9,657.30 million in Fiscal Year 2010 to ₹ 13,975.35 million in Fiscal Year 2011, primarily as a result of an increase in operating income. Operating income increased by 44.00% from ₹ 9,558.22 million in Fiscal Year 2010 to ₹ 13,763.39 million in Fiscal Year 2011. This increase was primarily the result of a 43.98% increase in the net loans and advances made by L&T Finance from ₹ 69,062.23 million as on March 31, 2010 to ₹ 99,435.98 million as on March 31, 2011, which resulted in an increase in interest income on loans and advances by 44.12% from ₹ 8,754.58 million in Fiscal Year 2010 to ₹ 12,617.46 million in Fiscal Year 2011. In addition, lease income increased by 38.01% from ₹ 472.29 million in Fiscal Year 2010 to ₹ 651.80 million in Fiscal Year 2011.

The general growth in L&T Finance's business was primarily due to better economic conditions and continued demand for debt financing.

The average volume of L&T Finance's loans and advances, defined as the average of opening and closing year-end balances of its outstanding loans and advances for the Fiscal Year, increased by 41.60% from ₹ 61,922.18 million as on March 31, 2010 to ₹ 87,680.93 million as on March 31, 2011 due to higher volumes of financing in the corporate and retail finance businesses. Construction equipment finance and transportation equipment finance contributed significantly to the growth of retail finance. L&T Finance's financing for these sectors increased in Fiscal Year 2011 compared to Fiscal Year 2010 due to improved economic demand.

Expenditure

L&T Finance's total expenditures increased by 43.63% from ₹ 7,294.08 million in Fiscal Year 2010 to ₹ 10,476.80 million in Fiscal Year 2011, primarily due an increase in interest and finance charges, administration and other expenses and provisions and contingencies. As a percentage of average assets, L&T Finance's expenditures increased to 11.55% in Fiscal Year 2011 compared to 11.31% in Fiscal Year 2010 mainly as a result of an increase in the cost of borrowing and introduction of standard assets provisioning. This increase has been partially offset by a decrease in the provisions for non-performing assets and loss on foreclosure of loans. As a percentage of income, L&T Finance's expenditure decreased to 74.97% in Fiscal Year 2011 as compared to 75.53% in Fiscal Year 2010, mainly as result of a decrease in provisions for non-performing assets and loss on foreclosure of loans

Interest and other finance charges related to L&T Finance's borrowings increased by 48.76% from ₹ 4,310.75 million in Fiscal Year 2010 to ₹ 6,412.88 million in Fiscal Year 2011 primarily as a result of a 37.85% increase in year-end borrowings, from ₹ 64,182.77 million in Fiscal Year 2010 to ₹ 88,474.28 million in Fiscal Year 2011. This increase also reflects a marginal increase in borrowing costs from 7.93% in Fiscal Year 2010 to 8.40% in Fiscal Year 2011, resulting from higher interest rates. However this increase has been offset by an increase in yields on advances from 14.79% in Fiscal Year 2010 to 15.19% in Fiscal Year 2011, resulting in a net interest margin of 7.83% and 7.88% in Fiscal Year 2010 and Fiscal Year 2011, respectively.

Administration and other expenses increased by 36.82% from ₹ 1,339.97 million in Fiscal Year 2010 to ₹ 1,833.34 million in Fiscal Year 2011, primarily due to an increase in professional fees and travelling and conveyance. In particular, loss on foreclosures increased by 5.69% from ₹ 574.45 million in Fiscal Year 2010 to ₹ 607.13 million in Fiscal Year 2011 due to increased repossession in the case of delinquencies and the accelerated disposal of repossessed assets.

Provisions and contingencies increased by 49.11% from ₹ 695.01 million in Fiscal Year 2010 to ₹ 1,036.31 million in Fiscal Year 2011, primarily as a result of accelerated provisioning, as a matter of prudence, of ₹ 544.24 million in respect of loans made to customers of the microfinance segment of our Retail Finance Group in Andhra Pradesh, and the introduction of a provision on standard assets of ₹ 255.00 million. Despite an increase in gross loans and advances of 45.47%, total provisions for NPAs/write-offs increased by 10.75% from ₹ 705.77 million Fiscal Year 2010 to ₹ 781.63 million in Fiscal Year 2011.

Employee costs increased by 38.13% from ₹ 477.73 million in Fiscal Year 2010 to ₹ 659.89 million in Fiscal Year 2011 due to an increase in headcount to service higher volumes of business, particularly in the retail business. L&T Finance headcount increased by 41.22% from 1,082 as at March 31, 2010 to 1,528 as at March 31, 2011

Depreciation and amortization increased by 13.55% from ₹ 470.62 million in Fiscal Year 2010 to ₹ 534.38 million in Fiscal Year 2011, which was primarily the result of an increase in assets under operating leases.

Profit Before Tax

For the reasons stated above, L&T Finance's profit before tax increased by 48.04% from ₹ 2,363.22 million in Fiscal Year 2010 to ₹ 3,498.55 million in Fiscal Year 2011. As a percentage of total income, L&T Finance's profit before tax increased from 24.47% in Fiscal Year 2010 to 25.03% in Fiscal Year 2011, primarily as a result of lower administration and other expenses as a proportion of total income.

Tax

L&T Finance's current tax increased by 70.48% from ₹ 887.50 million in Fiscal Year 2010 to ₹ 1,513.00 million in Fiscal Year 2011 as a result of the increase in L&T Finance's taxable income. L&T Finance's effective rate of tax was 37.55% in Fiscal Year 2010 and 43.25% in Fiscal Year 2011. Deferred tax liabilities decreased from tax credit of ₹ 89.00 million as on March 31, 2010 to a tax credit of ₹ 318.90 million as on March 31, 2011.

Fiscal Year Ended March 31, 2010 Compared to Fiscal Year Ended March 31, 2009

Income

L&T Finance's income increased by 16.31% from ₹ 8,302.77 million in Fiscal Year 2009 to ₹ 9,657.30 million in Fiscal Year 2010, primarily as a result of an increase in operating income. Operating income increased by 15.64% from ₹ 8,265.28 million in Fiscal Year 2009 to ₹ 9,558.22 million in Fiscal Year 2010. This increase was primarily the result of a 38.17% increase in the net loans and advances made by L&T Finance from ₹ 49,982.71 million as on March 31, 2009 to ₹ 69,062.23 million as on March 31, 2010, which resulted in an increase in interest income on loans and advances by 33.30% from ₹ 6,567.41 million to ₹ 8,754.58 million. While interest income increased by 33.30%, the overall operating income increased by only 15.64% as a result of a drop in lease income by 65.34%, from ₹ 1,362.55 million in Fiscal Year 2009 to ₹ 472.29 million in Fiscal Year 2010.

The general growth in L&T Finance's business was primarily due to better economic conditions and continued demand for debt financing.

The average volume of L&T Finance's loans and advances, defined as the average of opening and closing year-end balances of its outstanding loans and advances for the Fiscal Year, increased by 23.80% from ₹ 50,019.65 million is on March 31, 2009 to ₹ 61,922.18 million as on March 31, 2010 due to higher volumes of financing in the corporate and retail finance businesses. Rural products finance and microfinance contributed significantly to the growth of retail finance. L&T Finance's financing for these sectors increased in Fiscal Year 2010 compared to Fiscal Year 2009 due to improved economic demand and the strategic focus in these sectors, particularly microfinance.

Expenditure

L&T Finance's total expenditures increased by 6.50% from ₹ 6,849.16 million in Fiscal Year 2009 to ₹ 7,294.08 million in Fiscal Year 2010, primarily due to an increase in employee and administration and other costs (mostly from an increase in provisioning, as well as foreclosure losses on repossession of assets). This increase was partially offset by a decrease in interest and finance charges. As a percentage of income, L&T Finance's expenditures decreased to 75.53% in Fiscal Year 2010 compared to 82.49% in Fiscal Year 2009 mainly as result of a decrease in the cost of borrowing.

Interest and other finance charges related to L&T Finance's borrowings decreased by 16.08% from ₹ 5,137.04 million in Fiscal Year 2009 to ₹ 4,310.75 million in Fiscal Year 2010 as a result of a decrease in interest paid, despite an increase in borrowings. This decrease reflects a decrease in borrowing costs resulting from lower interest rates, resulting in an overall decrease in interest and finance charges by 34.46% year-on-year.

Administration and other expenses increased by 76.64% from ₹ 758.59 million in Fiscal Year 2009 to ₹ 1,339.97 million in Fiscal Year 2010 primarily due to an increase in other administrative expenses (which increased primarily due to increases in rent and communications costs), as well as an increase in loss on foreclosures due to repossession in the case of delinquencies and the aggressive disposal of repossessed assets.

Provisions and contingencies increased from ₹ 65.57 million in Fiscal Year 2009 to ₹ 695.01 million in Fiscal Year 2010. The increase in provisioning was primarily due to higher provisioning on NPAs, as a matter of prudence, and also due to an overall increase in gross NPAs from ₹ 1,292.13 million in Fiscal Year 2009 to ₹ 1,938.88 million in Fiscal Year 2010. Total provisions for NPAs /write offs in Fiscal Years 2009 and 2010 were ₹ 53.86 million and ₹ 705.77 million, respectively, resulting in a significant year-on-year increase. This increase was primarily due to higher gross NPAs and prudential provisioning in excess of that required by regulatory norms.

Employee costs increased by 49.81% from ₹ 318.90 million in Fiscal Year 2009 to ₹ 477.73 million in Fiscal Year 2010 due to an increase in headcount to service higher volumes of business, particularly in the retail business. L&T Finance headcount increased by 29.89% from 833 in Fiscal Year 2009 to 1,082 in Fiscal Year 2010.

These increases were partially offset by a decrease in depreciation and amortization by 17.30% from ₹ 569.06 million in Fiscal Year 2009 to ₹ 470.62 million in Fiscal Year 2010, which was primarily the result of a reduction in the value of assets under operating leases.

Profit Before Tax

For the reasons stated above, L&T Finance's profit before tax increased by 62.58% from ₹ 1,453.61 million in Fiscal Year 2009 to ₹ 2,363.22 million in Fiscal Year 2010. As a percentage of total income, L&T Finance's profit before tax increased from 17.51% in Fiscal Year 2009 to 24.47% in Fiscal Year 2010, primarily as a result of higher revenue and lower interest costs, leading to higher net interest margin.

Tax

L&T Finance's current tax increased by 120.17% from ₹ 403.10 million in Fiscal Year 2009 to ₹ 887.50 million in Fiscal Year 2010 as a result of the increase in L&T Finance's taxable income. L&T Finance's effective rate of tax was 27.73% in Fiscal Year 2009 and 37.55% in Fiscal Year 2010. Deferred tax liabilities decreased from ₹ 56.50 million as on March 31, 2009 to a tax credit of ₹ 89.00 million as on March 31, 2010.

Fiscal Year Ended March 31, 2009 Compared to Fiscal Year Ended March 31, 2008

Income

L&T Finance's income increased by 37.00% from ₹ 6,060.62 million in Fiscal Year 2008 to ₹ 8,302.77 million in Fiscal Year 2009, primarily as a result of an increase in operating income. Operating income increased by 40.19% from ₹ 5,895.57 million in Fiscal Year 2008 to ₹ 8,265.28 million in Fiscal Year 2009. This increase was primarily due to an increase in the net loans and advances made by L&T Finance from ₹ 45,406.55 million as on March 31, 2008 to ₹ 49,982.71 million as on March 31, 2009, which resulted in an increase in interest income on loans and advances by 46.59% from ₹ 4,480.19 million to ₹ 6,567.41 million.

The increase in income was higher than the increase in our overall asset portfolio from year-to-year, primarily due to the reduction in the portfolio during the course of the Fiscal Year 2009 starting from September 2008 onwards, on account of general economic downturn.

Expenditure

L&T Finance's total expenditure increased by 54.01% from ₹ 4,447.10 million in Fiscal Year 2008 to ₹ 6,849.16 million in Fiscal Year 2009, primarily due to an increase in interest and other finance charges. As a percentage of total income, L&T Finance's expenditures increased to 82.49% in Fiscal Year 2009 compared to 73.38% in Fiscal Year 2008 mainly as a result of increases in expenditures for interest and finance charges, administration and other expenses and employee costs.

Interest and other finance charges related to L&T Finance's borrowings increased by 52.73% from ₹ 3,363.41 million in Fiscal Year 2008 to ₹ 5,137.04 million in Fiscal Year 2009, primarily due to the following:

- an increase in borrowings from ₹ 40,430.12 million as at March 31, 2008 to ₹ 44,510.84 million as at March 31, 2009;
- higher costs of borrowing during the Fiscal Year 2009; and
- costs incurred on derivatives (both cash and mark-to-market losses) and revaluation of foreign currency loans, aggregating to ₹ 425.13 million in Fiscal Year 2009.

Administration and other expenses increased by 135.46% from ₹ 322.18 million in Fiscal Year 2008 to ₹ 758.59 million in Fiscal Year 2009 due primarily to an increase in other expenses, which included rent, travel, communications expense and foreclosure losses. This increase was primarily the result of an increase in business volumes, headcount and higher repossessions and sales of assets offered as security for loans.

Provisions and contingencies increased by 67.83% from ₹ 39.07 million in Fiscal Year 2008 to ₹ 65.57 million in Fiscal Year 2009. The increase in provisioning was primarily due to an increase in provisioning for the diminution in value of investments, which increased from ₹ (21.46) million in Fiscal Year 2008 to ₹ 11.71 million in Fiscal Year 2009, as well as an overall increase in gross NPAs from ₹ 451.41 million in Fiscal Year 2008 to ₹ 1,292.13 million in Fiscal Year 2009. Total provisions for NPAs /write offs in Fiscal Years 2008 and 2009 were ₹ 60.53 million and ₹ 53.86 million, respectively.

Employee costs increased by 70.96% from ₹ 186.53 million in Fiscal Year 2008 to ₹ 318.90 million in Fiscal Year 2009 due to an increase in headcount to service higher volumes of business, particularly in the retail business. L&T Finance headcount increased by 29.95% from 641 in Fiscal Year 2008 to 833 in Fiscal Year 2009.

Depreciation and amortization increased by 6.19% from ₹ 535.91 million in Fiscal Year 2008 to ₹ 569.06 million in Fiscal Year 2009, which was primarily the result of an increase in the amount of assets under operating lease.

Profit Before Tax

For the reasons stated above, L&T Finance's profit before tax decreased by 9.91% from ₹ 1,613.52 million in Fiscal Year 2008 to ₹ 1,453.61 million in Fiscal Year 2009. As a percentage of total income, L&T Finance's profit before tax decreased from 26.62% in Fiscal Year 2008 to 17.51% in Fiscal Year 2009, primarily as a result of higher interest cost, higher expenditures and provisioning.

Tax

L&T Finance's current tax decreased by 3.63% from ₹ 418.30 million in Fiscal Year 2008 to ₹ 403.10 million in Fiscal Year 2009 as a result of the decrease in L&T Finance's taxable income. L&T Finance's effective rate of tax was 25.92% in Fiscal Year 2008 and 27.73% in Fiscal Year 2009. Deferred tax liabilities increased from ₹ 41.40 million in Fiscal Year 2008 to ₹ 56.50 million in Fiscal Year 2009.

Fiscal Year Ended March 31, 2008 Compared to Fiscal Year Ended March 31, 2007

Income

L&T Finance's income increased by 120.09% from ₹ 2,753.76 million in Fiscal Year 2007 to ₹ 6,060.62 million in Fiscal Year 2008, primarily as a result of an increase in operating income. Operating income increased by 126.68% from ₹ 2,600.88 million in Fiscal Year 2007 to ₹ 5,895.57 million in Fiscal Year 2008. This increase was primarily the result of an increase in the net loans and advances made by L&T Finance from ₹ 25,821.33 million as on March 31, 2007 to ₹ 45,406.55 million as on March 31, 2008, which resulted in an increase in interest on loans and advances by 169.25% from ₹ 1,663.94 million to ₹ 4,480.19 million.

Expenditure

L&T Finance's total expenditures increased by 124.43% from ₹ 1,981.54 million in Fiscal Year 2007 to ₹ 4,447.10 million in Fiscal Year 2008, primarily due to an increase in interest and other finance charges. As a percentage of income, L&T Finance's expenditures increased to 73.38% in Fiscal Year 2008 compared to 71.96% in Fiscal Year 2007 mainly as the result of increases in expenditures for interest and finance charges, administration and other expenses and employee costs.

Interest and other finance charges related to L&T Finance's borrowings increased by 148.05% from ₹ 1,355.94 million in Fiscal Year 2007 to ₹ 3,363.41 million in Fiscal Year 2008 as a result of increases in the amount of borrowings. Fluctuations in interest rates did not contribute significantly to this increase in interest and finance charges. Rather, these increases reflect a 92.2% increase in L&T Finance's period-end aggregate amount of secured loans and a 28.74% increase in unsecured loans. The aggregate amount of L&T Finance's secured loans increased by 92.2% from ₹ 12,092.79 million at the end of Fiscal Year 2007 to ₹ 23,242.41 million at the end of Fiscal Year 2008, while the aggregate amount of unsecured loans increased by 28.74% from ₹ 13,350.40 million at the end of Fiscal Year 2007 to ₹ 17,187.71 million at the end of Fiscal Year 2008, in each case due to an increase in term loans from banks.

Administration and other expenses increased by 90.40% from ₹ 169.21 million in Fiscal Year 2007 to ₹ 322.18 million in Fiscal Year 2008, primarily due to increases in spending on rent, travel and communications expense (primarily due to an increase in business volumes and headcount).

Provisions and contingencies decreased by 1.11% from ₹ 39.51 million in Fiscal Year 2007 to ₹ 39.07 million in Fiscal Year 2008, primarily as a result of a decrease in provisioning for the diminution in value of investments, which decreased from ₹ 21.39 million in Fiscal Year 2007 to ₹ (21.46) million in Fiscal Year 2008 on account of a reversal of provisions raised in respect of investments which were sold in Fiscal Year 2008. Gross NPAs increased from ₹ 62.95 million in Fiscal Year 2007 to ₹ 451.41 million in Fiscal Year 2008. Total provisions for NPAs /write offs in Fiscal Years 2007 and 2008 were ₹ 18.12 million and ₹ 60.53 million, respectively, resulting in a significant year-on-year increase. This increase was primarily due to higher gross NPAs.

Employee costs increased by 120.15% from ₹ 84.73 million in Fiscal Year 2007 to ₹ 186.53 million in Fiscal Year 2008 due to an increase in headcount to service higher volumes of business, particularly in the retail business. L&T Finance headcount increased by 110.16% from 305 in Fiscal Year 2007 to 641 in Fiscal Year 2008.

Depreciation and amortization increased by 61.34% from ₹ 332.15 million in Fiscal Year 2007 to ₹ 535.91 million in Fiscal Year 2008, which was primarily the result of an increase in the amount of assets under operating lease.

Profit Before Tax

For the reasons stated above, L&T Finance's profit before tax increased by 108.95% from ₹ 772.20 million in Fiscal Year 2007 to ₹ 1,613.52 million in Fiscal Year 2008. As a percentage of total income, L&T Finance's profit before tax decreased from 28.04% in Fiscal Year 2007 to 26.62% in Fiscal Year 2008, primarily as a result of an increase in expenditures driven by higher interest and finance charges, employee costs and administration and other expenses.

Tax

L&T Finance's current tax increased by 191.70% from ₹ 143.40 million in Fiscal Year 2007 to ₹ 418.30 million in Fiscal Year 2008 as a result of the increase in L&T Finance's taxable income. L&T Finance's effective rate of tax was 18.57% in Fiscal Year 2007 and 25.92% in Fiscal Year 2008. Deferred tax liabilities increased from ₹ nil in Fiscal Year 2007 to ₹ 41.40 million in Fiscal Year 2008.

L&T Infra

Income

Our subsidiary L&T Infra's revenue (referred to herein and in its financial statements as L&T Infra's "**income**") consists of operating income from our infrastructure finance business and other income.

- Operating income consists of income from our infrastructure finance operations and includes: (i) interest (including up-front income) on infrastructure loans; and (ii) fees related to arranging the syndication of loans for infrastructure project and advisory services related to these syndications.

- Other income includes: (i) interest on bank deposits; (ii) profits from the sale of current investments, which include investments in mutual fund units; and (iii) dividend income on current investments, including dividends from mutual fund units.

Expenditures

The largest components of L&T Infra's expenditure are interest and other charges, provisions and contingencies and employee cost. Expenditure also includes establishment expenses, other expenses and depreciation and amortization.

- Interest and other charges consist primarily of interest paid on L&T Infra's term loans from banks, as well as interest L&T Infra pays on its debentures and other charges (including arrangement fees, upfront fees, processing fees and other related fees).

- Employee cost includes primarily salaries, as well as reimbursements of staff costs, staff welfare payments and contributions to provident and pension funds.

- Establishment expenses consist of rent, maintenance and electricity charges for L&T Infra's office facilities in Mumbai, Chennai, Delhi and Hyderabad.

- Other expenses include professional fees, primarily for credit rating agencies, industry research and consulting, auditing/accounting services and legal services, travel, memberships and subscriptions to research data services and other general and administrative expenses.

- Provisions and contingencies consist of provisions on standard assets and provisions on nonperforming assets.

- Depreciation and amortization relates primarily to L&T Infra's office equipment, software and computers. Due to the nature of L&T Infra's business, L&T Infra does not own any material fixed assets and depreciation and amortization charges have not been material during the periods under review.

Provision for Taxation

Provision for Taxation includes current tax and deferred tax liabilities or assets.

Adjustment on account of change in accounting policies

The restated financial statements of L&T Infra provide for an adjustment in the treatment of up-front income on loans disbursed and amortization of share issue expenses. See the section titled "- *Analysis of Certain Changes - Changes in Accounting Policies*" above. The result of this adjustment is a recognition of additional/(lower) net income before tax of ₹ 21.00 million, ₹ 43.22 million, ₹ 108.05 million, ₹ (152.12) million and ₹ (30.47) million in each of the Fiscal Years/Periods 2011, 2010, 2009, 2008 and 2007, respectively.

Summary Results of Operations

The following table sets forth selected line items from L&T Infra's restated audited financial statements as of and for the Fiscal Years ended March 31, 2011, 2010 and 2009, as well as the nine-month period ended March 31, 2008 and the period from April 18, 2006 to June 30, 2007. L&T Infra's restated audited financial statements are included in this document under the section entitled "*Financial Information*" on Page F-1 of this Prospectus.

(₹ in million)

	Fiscal Year ended March 31,			**Nine month period ended March 31,**	**Period from April 18, 2006 to June 30,**
	2011	**2010**	**2009**	**2008**	**2007**
Income					
Income from operations	7,021.91	4,487.16	2,945.45	1,059.53	67.63
Other income	17.84	17.07	14.44	43.71	63.81
Total	**7,039.75**	**4,504.23**	**2,959.89**	**1,103.24**	**131.44**
Expenditures					
Interest and other charges	3,801.67	2,462.91	1,629.72	334.49	-
Employee cost	132.78	82.25	62.93	46.26	22.21
Establishment expenses	49.82	26.43	18.79	13.76	11.81
Other expenses	55.25	23.37	29.98	21.89	17.71
Provisions and contingencies	57.85	253.60	77.00	–	-
Depreciation/amortization	2.61	2.48	1.78	1.25	0.76
Total	**4,099.98**	**2,851.04**	**1,820.20**	**417.65**	**52.49**
Profit before tax	2,939.77	1,653.19	1,139.69	685.59	78.95
Tax expenses	931.50	544.62	375.10	233.91	29.11
Profit after tax	**2,008.27**	**1,108.57**	**764.59**	**451.68**	**49.84**
Adjustments on account of change in accounting policies	21.00	43.22	108.05	(152.12)	(30.47)
Tax impact of adjustments	(6.97)	(9.61)	(32.64)	47.65	5.25
Profit after tax, as restated	**2,022.30**	**1,142.18**	**840.00**	**347.21**	**24.62**

The following table presents selected financial ratios for the years indicated:

	Fiscal Year* ended, or as on, March 31,		
	2011	**2010**	**2009**
Yield on Loans (%) [(1)]	11.56	13.40	14.04
Cost of funds% [(2)]	8.06	9.84	10.39
Net interest margin% [(3)]	4.94	5.89	6.09
Average leverage (x) [(4)]	4.20	3.07	2.71
Return on equity (%) [(5)]	18.02	14.00	14.50
Return on assets (%) [(6)]	3.45	3.44	3.91
Earnings per share (fully diluted) (₹)	2.96	2.28	1.68

* *Data provided for Fiscal Years 2011, 2010 and 2009 only. Fiscal Years 2008 and 2007 have been excluded due to the fact that these were irregular accounting periods, and therefore may not be representative.*

(1) *Yield on loans and advances: operating income (excluding dividend income from preference shares (long term), other income from preference shares and fees) divided by the average of opening and closing year-end gross loans and advances outstanding.*

(2) *Cost of funds: interest and other finance charges on borrowings divided by average of opening and closing year-end borrowings.*

(3) *Net interest margin: operating income (excluding dividend income from preference shares (long term), other income from preference shares and fees) less interest and other finance charges on borrowings, divided by the average of opening and closing year-end gross loans outstanding.*

(4) *Average leverage: average of opening and closing year-end borrowings, divided by the average of year-end net worth.*

(5) *Return on equity: profit after tax (as restated) for the Fiscal Year divided by the average of opening and closing year-end net worth.*

(6) *Return on assets: net profit after tax (as restated) for the Fiscal Year divided by the average of opening and closing year-end total assets (net of current liabilities).*

Note on certain variations:

Yield on loans, cost of funds and net interest margin: There has been a greater number of disbursements of loans in the second half of Fiscal Year 2011 than in the first half, and also by comparison to Fiscal Year 2010. As such, the income on these loans and the corresponding cost of borrowings has been recognised for the proportionate periods. This has contributed to a lower yield on loans, cost of funds and net interest margin in Fiscal Year 2011 as compared to the yield on loans, cost of funds and net interest margin in Fiscal Year 2010.

In addition, the consistent decline in our net interest margin has primarily been on account of increased borrowings as a result of management's decision to increase the average leverage ratio of L&T Infra. See the sub-section titled " *– Fiscal Year Ended March 31, 2010 Compared to Fiscal Year Ended March 31, 2009 – Expenditures*", below.

Fiscal Year Ended March 31, 2011 Compared to Fiscal Year Ended March 31, 2010

Income

L&T Infra's income increased by 56.29% from ₹ 4,504.23 million in Fiscal Year 2010 to ₹ 7,039.75 million in Fiscal Year 2011, primarily as a result of an increase in operating income. Operating income increased by 56.49% from ₹ 4,487.16 million in Fiscal Year 2010 to ₹ 7,021.91 million in Fiscal Year 2011 primarily due to an increase in interest on loans and advances by 51.05% from ₹ 4,391.92 million to ₹ 6,634.01 million, which was the result of the general growth of L&T Infra's business, particularly an increase in volume of financing activity.

The general growth in L&T Infra's business was due to several factors, including better economic conditions, an increase in flow of capital into infrastructure development and continued demand for debt financing. The outstanding loans of L&T Infra increased by 67.58%, from ₹ 42,884.99 million as on March 31, 2010 to ₹ 71,864.90 million as on March 31, 2011, primarily due to higher volumes of financing in the power, road and telecommunications sectors.

L&T Infra's income from fees increased by 152.49% from ₹ 95.24 million in Fiscal Year 2010 to ₹ 240.47 million in Fiscal Year 2011, primarily due to the increase in L&T Infra's syndication arranging activities.

Other income increased by 4.51% from ₹ 17.07 million in Fiscal Year 2010 to ₹ 17.84 million in Fiscal Year 2011 primarily due to an increase in dividend income from current investments on mutual fund investments.

Expenditures

L&T Infra's expenditure increased by 43.81% from ₹ 2,851.04 million in Fiscal Year 2010 to ₹ 4,099.98 million in Fiscal Year 2011, primarily due to an increase in interest and other charges as a result of higher interest and finance charges paid on borrowings, which increased due to increases in overall borrowing. As a percentage of total income, L&T Infra's expenditures decreased to 58.24% in Fiscal Year 2011 compared to 63.30% in Fiscal Year 2010 mainly as result of an increase in operating income and a decrease in provisions and contingencies.

Interest and other charges related to L&T Infra's borrowings increased by 54.36% from ₹ 2,462.91 million in Fiscal Year 2010 to ₹ 3,801.67 million in Fiscal Year 2011 primarily as a result of increases in interest payments on debentures and on term loans arising due to increased borrowings to service the higher volume of business. Increased borrowings were also the result of management's decision to increase the average leverage ratio of L&T Infra, which increased from 3.07 times as at March 31, 2010 to 4.20 times as at March 31, 2011. See the section titled "*– Summary Results of Operations*" above. These increases reflect a 91.35% increase in L&T Infra's year-end outstanding amount of secured and unsecured loans from Fiscal Year 2010 to Fiscal Year 2011. The outstanding amount of L&T Infra's secured loans (which include L&T Infra's debentures) increased by 101.82% from ₹ 27,467.56 million as at March 31, 2010 to ₹ 55,435.26 million as at March 31, 2011, as (i) the amount of term loans from banks increased by ₹ 18,758.40 million, and (ii) the amount of secured redeemable non-convertible debentures issued by L&T Infra increased by ₹ 10,812.16 million, as at March 31, 2011 compared to March 31, 2010. The outstanding amount of L&T Infra's unsecured loans increased by 32.65% from ₹ 4,900.00 million as at March 31, 2010 to ₹ 6,500.00 million as at March 31, 2011, as L&T Infra issued new commercial paper, reflecting its increased borrowings to fund the growth of its financing business. Other charges (included in interest and other charges) decreased by 19.80%, from ₹63.95 million in Fiscal Year 2010 to ₹51.29 million in Fiscal Year 2011.

Provisions and contingencies decreased by 77.19% from ₹ 253.60 million in Fiscal Year 2010 to ₹ 57.85 million in Fiscal Year 2011 due to decreases in Gross NPAs from ₹ 789.24 million as of Fiscal Year 2010 (which represented a Gross NPA ratio of 1.84%) to ₹ 483.84 million as of Fiscal Year 2011 (which represented a Gross NPA ratio of 0.67%). This decrease in Gross NPAs was primarily a result of recoveries of pre-existing NPAs and no new NPAs arising in Fiscal Year 2011. L&T Infra's provisions in Fiscal Year 2011 consisted of a provision of ₹ 32.70 million towards standard assets, as compared to ₹ 174.60 million in Fiscal Year 2010.

L&T Infra's employee cost increased by 61.43% from ₹ 82.25 million in Fiscal Year 2010 to ₹ 132.78 million in Fiscal Year 2011 primarily due to an increase in salaries resulting from an increase in the number of L&T Infra employees in line with the growth of L&T Infra's business. L&T Infra headcount increased by 13.70% from 73 as at March 31, 2010 to 83 as on March 31, 2011.

L&T Infra's establishment expenses increased by 88.50% from ₹ 26.43 million in Fiscal Year 2010 to ₹ 49.82 million in Fiscal Year 2011 primarily due to an increase in rental payments for office space resulting from leasing more office space to accommodate increasing headcount.

Other expenses increased from ₹ 23.37 million in Fiscal Year 2010 to ₹ 55.25 million in Fiscal Year 2011, primarily due to an increase in professional fees from ₹ 5.69 million in Fiscal Year 2010 to ₹ 13.09 million in Fiscal Year 2011 resulting mainly from increased fees for rating agencies.

Profit Before Tax

For the reasons stated above, L&T Infra's profit before tax increased by 77.82% from ₹ 1,653.19 million in Fiscal Year 2010 to ₹ 2,939.77 million in Fiscal Year 2011. As a percentage of total income, L&T Infra's profit before tax increased from 36.70% in Fiscal Year 2010 to 41.76% in Fiscal Year 2011, primarily as a result of higher revenue and lower provisions and contingencies.

Provision for Taxation

L&T Infra's current tax increased by 21.01% from ₹ 633.00 million in Fiscal Year 2010 to ₹ 766.00 million in Fiscal Year 2011 as a result of the increase in L&T Infra's taxable income. L&T Infra's deferred tax asset of ₹ 93.50 million in Fiscal Year 2010 became a deferred tax liability of ₹ 165.50 million in Fiscal Year 2011. L&T Infra's effective rate of tax was 31.69% (total tax expense divided by profit before tax, extraordinary and prior period items) in Fiscal Year 2011, compared to 32.94% in Fiscal Year 2010.

Net Profit and Net Profit, As Restated

As a result of the foregoing factors, L&T Infra's net profit increased by 81.16% from ₹ 1,108.57 million in Fiscal Year 2010 to ₹ 2,008.27 million in Fiscal Year 2011. After giving effect to the restatement of L&T Infra's financial statements for changes in accounting policies, its net profit, as restated increased by 77.06% from ₹ 1,142.18 million in Fiscal Year 2010 to ₹ 2,022.30 million in Fiscal Year 2011.

Fiscal Year Ended March 31, 2010 Compared to Fiscal Year Ended March 31, 2009

Income

L&T Infra's income increased by 52.18% from ₹ 2,959.89 million in Fiscal Year 2009 to ₹ 4,504.23 million in Fiscal Year 2010, primarily as a result of an increase in operating income. Operating income increased by 52.34% from ₹ 2,945.45 million in Fiscal Year 2009 to ₹ 4,487.16 million primarily due to an increase in interest on loans and advances by 52.61% from ₹ 2,877.82 million to ₹ 4,391.92 million, which was the result of the general growth of L&T Infra's business, particularly an increase in volume of financing activity.

The general growth in L&T Infra's business was due to several factors, including better economic conditions, an increase in flow of capital into infrastructure development and continued demand for debt financing as a result of low interest rates. The outstanding loans of L&T Infra's increased by 89.25% from ₹ 22,660.47 million as on March 31, 2009 to ₹ 42,884.99 million as on March 31, 2010, primarily due to higher volumes of financing in the power, road and telecommunications sectors.

L&T Infra's income from fees increased by 40.83% from ₹ 67.63 million in Fiscal Year 2009 to ₹ 95.24 million in Fiscal Year 2010, primarily due to the increase in L&T Infra's syndication arranging activities.

Other income increased by 18.21% from ₹ 14.44 million in Fiscal Year 2009 to ₹ 17.07 million in Fiscal Year 2010 primarily due to an increase in dividend income from current investments on mutual fund investments.

Expenditures

L&T Infra's expenditure increased by 56.63% from ₹ 1,820.20 million in Fiscal Year 2009 to ₹ 2,851.04 million in Fiscal Year 2010, primarily due to an increase in interest and other charges. As a percentage of total income, L&T Infra's expenditures increased to 63.30% in Fiscal Year 2010 compared to 61.50% in Fiscal Year 2009 mainly as result of higher interest and finance charges paid on borrowings, which increased due to increases in overall borrowing.

Interest and other charges related to L&T Infra's borrowings increased by 51.12% from ₹ 1,629.72 million in Fiscal Year 2009 to ₹ 2,462.91 million in Fiscal Year 2010 primarily as a result of increases in interest payments on debentures and on term loans arising due to increased borrowings to service the higher volume of business. Increased borrowings were also the result of management's decision to increase the average leverage ratio of L&T Infra, which increased from 2.71 times as at March 31, 2009 to 3.07 times as at March 31, 2010. See the section titled "– *Summary Results of Operations*" above. These increases reflect an 82.74% increase in L&T Infra's year-end outstanding amount of secured and unsecured loans from Fiscal Year 2009 to Fiscal Year 2010. The outstanding amount of L&T Infra's secured loans (which include L&T Infra's debentures) increased by 64.36% from ₹ 16,712.00 million at the end of Fiscal Year 2009 to ₹ 27,467.56 million at the end of Fiscal Year 2010, as the amount of secured redeemable non-convertible debentures issued by L&T Infra increased by ₹ 9,550.00 million at the end of Fiscal Year 2010 compared to the end of Fiscal Year 2009. The outstanding amount of L&T Infra's unsecured loans increased by 390.00% from ₹ 1,000.00 million at the end of Fiscal Year 2009 to ₹ 4,900.00 million at the end of Fiscal Year 2010, as L&T Infra obtained additional term loans from banks and others (in the form of inter-company loans from L&T) and issued new commercial paper and debentures, reflecting its increased borrowings to fund the growth of its financing business. Other charges (included in interest and other charges) also increased from Fiscal Year 2009 to Fiscal Year 2010 by 152.97%.

Provisions and contingencies increased by 229.35% from ₹ 77.00 million in Fiscal Year 2009 to ₹ 253.60 million in Fiscal Year 2010 due to increases in provisions on standard assets and provisions for nonperforming assets. L&T Infra's provisions in Fiscal Year 2009 consisted of a provision of ₹ 77.00 million towards standard assets due to prudential provisioning. L&T Infra did not make any provisions for nonperforming assets in Fiscal Year 2009, due to the fact that L&T Infra did not have any non-performing assets in as on March 31, 2009.

L&T Infra's employee cost increased by 30.70% from ₹ 62.93 million in Fiscal Year 2009 to ₹ 82.25 million in Fiscal Year 2010 primarily due to an increase in salaries resulting from an increase in the number of L&T Infra employees in line with the growth of L&T Infra's business. L&T Infra headcount increased by 55.32% from 47 as on March 31, 2009 to 73 as on March 31, 2010.

L&T Infra's establishment expenses increased by 40.66% from ₹ 18.79 million in Fiscal Year 2009 to ₹26.43 million in Fiscal Year 2010 primarily due to an increase in rental payments for office space resulting from leasing more office space to accommodate increasing headcount.

Other expenses decreased from ₹ 29.98 million in Fiscal Year 2009 to ₹ 23.37 million in Fiscal Year 2010, primarily due to a non-recurring write-off related to share expenses in Fiscal Year 2009, despite an increase in professional fees from ₹ 3.29 million in Fiscal Year 2009 to ₹ 5.69 million in Fiscal Year 2010 resulting primarily from increased fees for business consultants.

Profit Before Tax

For the reasons stated above, L&T Infra's profit before tax increased by 45.06% from ₹ 1,139.69 million in Fiscal Year 2009 to ₹ 1,653.19 million in Fiscal Year 2010. As a percentage of total income, L&T

Infra's profit before tax decreased from 38.50% in Fiscal Year 2009 to 36.70% in Fiscal Year 2010, primarily as a result of increased interest costs, prudential provisioning, and administration and other expenses.

Provision for Taxation

L&T Infra's current tax increased by 55.53% from ₹ 407.00 million in Fiscal Year 2009 to ₹ 633.00 million in Fiscal Year 2010 as a result of the increase in L&T Infra's taxable income. Deferred tax assets increased from ₹ 32.60 million in Fiscal Year 2009 to ₹ 93.50 million in Fiscal Year 2010. L&T Infra's effective rate of tax was 32.94% (total tax expense divided by profit before tax, extraordinary and prior period items) in Fiscal Year 2010, compared to 32.91% in Fiscal Year 2009.

Net Profit and Net Profit, As Restated

As a result of the foregoing factors, L&T Infra's net profit increased by 44.99% from ₹ 764.59 million in Fiscal Year 2009 to ₹ 1,108.57 million in Fiscal Year 2010. After giving effect to the restatement of L&T Infra's financial statements for changes in accounting policies, its net profit, as restated increased by 35.97% from ₹ 840.00 million in Fiscal Year 2009 to ₹ 1,142.18 million in Fiscal Year 2010.

Nine Month Period from July 1, 2007 to March 31, 2008 ("Fiscal Period 2008")

L&T Infra's first audited financials were prepared for the period ended June 30, 2007. Subsequently, the Fiscal Year end was changed to March 31. As a result of the foregoing, L&T Infra's Fiscal Year 2008 is for a period from July 1, 2007 to March 31, 2008, and the financial statement for L&T Infra for Fiscal Year 2009 is not directly comparable to this period. See the section titled '*– Note Regarding Non-comparable Fiscal Periods and Unconsolidated Financial Statements*' above.

Income

L&T Infra's income for Fiscal Period 2008 amounted to ₹ 1,103.24 million, consisting primarily of interest on loans in an amount of ₹ 854.79 million and upfront income amounting to ₹ 172.28 million.

Other income amounted to ₹ 43.71 million in fiscal period 2008, consisting primarily of profit on the sale of current investments, which consisted mostly of mutual funds.

Expenditures

L&T Infra's expenditures in Fiscal Period 2008 amounted to ₹ 417.65 million, consisting primarily of interest and other charges amounting to ₹ 334.49 million. Interest and other charges consisted primarily of interest payments on L&T Infra's term loans with banks, amounting to ₹ 280.00 million, as well as interest on debentures and bank overdrafts. As of March 31, 2008, L&T Infra had ₹ 13,650.00 million in secured and unsecured loans outstanding.

Employee cost amounted to ₹ 46.26 million in Fiscal Period 2008, consisting primarily of salaries and reimbursements of staff costs. Establishment expenses in Fiscal Period 2008 amounted to ₹ 13.76 million, consisting primarily of rent for office space, while other expenses amounted to ₹ 21.89 million and consisted primarily of professional fees for rating agencies and industry consultants.

L&T Infra did not incur any expenses for provisions or contingencies in Fiscal Period 2008.

Profit Before Tax

For the reasons stated above, L&T Infra's profit before tax in Fiscal Period 2008 amounted to ₹ 685.59 million. As a percentage of total income, L&T Infra's profit before tax amounted to 62.14% in Fiscal Period 2008.

Provision for Taxation

L&T Infra's current tax in fiscal period 2008 amounted to ₹ 226.20 million. Deferred tax liabilities amounted to ₹ 6.29 million. L&T Infra's effective rate of tax was 34.12% in Fiscal Year 2008.

Net Profit and Net Profit, As Restated

As a result of the foregoing factors, L&T Infra's net profit for the Fiscal Period 2008 amounted to ₹451.68 million. Following the restatement of L&T Infra's financial statements for changes in accounting policy, its net profit, as restated amounted to ₹ 347.21 million.

Period from April 18, 2006 to March 31, 2007 ("Fiscal Period 2007")

L&T Infra was incorporated on April 18, 2006, and received its certificate of registration from the RBI on January 10, 2007. Prior to January 10, 2007, L&T Infra did not have any business operations, and the period from January 10, 2007 to March 31, 2007 was not a full quarter. The first audited financials were prepared for the period ended June 30, 2007. As a result of the foregoing, L&T Infra's Fiscal Year 2007 is for a period from April 18, 2006 to June 30, 2007, and the financial statement for Fiscal Year 2008 is for a period from July 1, 2007 to March 31, 2008; as a result, these periods are not comparable with one another or later Fiscal Years comprising twelve months. See the section titled "– *Note Regarding Noncomparable Fiscal Periods and Unconsolidated Financial Statements*" above.

Income

L&T Infra's income for Fiscal Period 2007 amounted to ₹ 131.44 million, consisting of operating income of ₹ 67.63 million and other income of ₹ 63.81 million. Operating income consisted of interest on infrastructure loans in an amount of ₹ 49.51 million. Other income consisted primarily of profit on the sale of current investments.

Expenditures

L&T Infra's expenditures in Fiscal Period 2007 amounted to ₹ 52.49 million, consisting primarily of employee costs of ₹ 22.21 million, establishment expenses of ₹ 11.81 million and other expenses of ₹17.71 million. Employee costs consisted primarily of salaries, while establishment expenses consisted primarily of rent for office space and other expenses consisted primarily of share issuance expenses and professional fees.

L&T Infra did not incur any expenses for interest payments and other charges, as it did not have any borrowings, and it did not make any provisions or contingencies in Fiscal Period 2007.

Profit Before Tax

For the reasons stated above, L&T Infra's profit before tax in Fiscal Period 2007 amounted to ₹ 78.95 million. As a percentage of total income, L&T Infra's profit before tax amounted to 60.06% in Fiscal Period 2007.

Provision for Taxation

L&T Infra's current tax in Fiscal Year 2007 amounted to ₹ 28.60 million. L&T Infra's effective rate of tax was 36.88% in Fiscal Year 2007.

Net Profit and Net Profit, As Restated

As a result of the foregoing factors, L&T Infra's net profit for the Fiscal Period 2007 amounted to ₹ 49.84 million. Following the restatement of L&T Infra's financial statements for changes in accounting policy, its net profit, as restated amounted to ₹ 24.62 million.

RELATED PARTY TRANSACTIONS

We enter into transactions with related parties in the normal course of business. The principal related parties are our subsidiaries, affiliates and key management personnel. These transactions are generally at arm's length and are in line with market pricing. We do not have any obligation to provide financial support or meet any obligations of these related parties. For further information see the section titled "*Financial Information - Related Party Transactions*" on page F-24 of this Prospectus.

LIQUIDITY AND CAPITAL RESOURCES

Cash flows

L&TFH

The following table sets forth a selected summary of the statement of cash flows for L&TFH for the periods indicated:

(₹ in million)

	Year end March 31,	Year ended March 31,	May 1, 2008 to March 31,

	2011	2010	2009
Net cash flow from operating activities	(59,020.00)	(37,140.01)	(0.07)
Net cash from investing activities	(3,544.99)	(3,560.85)	(10,064.76)
Net cash generated from/(used in) financing activities	63,030.69	41,148.73	10,785.92
Cash and cash equivalents	1,634.65	1,168.45	720.58

Net cash flow from operating activities:

Cash flow used in operations for L&TFH in Fiscal Year 2011 amounted to ₹ 59,020 million. This amount was primarily the result of net profit before tax, as restated, of ₹ 6,137.00 million, adjusted for: (i) a net upward adjustment of ₹ 1,575.33 million for various non-cash items, including provisions on non-performing assets/write-offs and depreciation, partially offset by interest and dividends received on investments and exceptional items relating to reimbursements made by L&TIM to L&T Mutual Fund; (ii) a downward adjustment of ₹ 62,084.35 million resulting from loans and advances toward financing activities; (iii) a downward adjustment of ₹ 2,250.00 million resulting from an investment by L&T Infra in preference share as a part of their normal business activity in non-related companies; (iv) a downward adjustment of ₹ 4,134.15 million resulting from an increase in trade and other receivables advances; (v) an upward adjustment of ₹ 4,146.13 million resulting from an increase in trade and other payables; and (vi) a downward adjustment of ₹ 2,409.96 million for direct taxes paid.

Cash flow used in operations for L&TFH in Fiscal Year 2010 amounted to ₹ 37,140.01 million. This amount was primarily the result of net profit before tax, as restated, of ₹ 3,984.92 million, adjusted for: (i) a net upward adjustment of ₹ 1,230.60 million for various non-cash items, including provisions on non-performing assets or write-offs, depreciation and provisions on standard assets, partially offset by dividends and interest received on investments and exchange differences on certain items grouped under financing activities (exchange differences on foreign currency loans and derivatives); (ii) a downward adjustment of ₹ 40,484.92 million resulting from loans and advances toward financing activities; (iii) a downward adjustment of ₹ 1,860.42 million resulting from an increase in trade and other receivables and advances; (iv) an upward adjustment of ₹ 1,544.92 million resulting from an increase in trade and other payables; and (v) a downward adjustment of ₹ 1,555.11 million for direct taxes paid.

Cash flow used in operations for L&TFH in Fiscal Period 2009 amounted to ₹ 0.07 million. This amount was primarily the result of net loss before tax, as restated, of ₹ 0.16 million, adjusted for: (i) a net downward adjustment of ₹ 0.05 million for interest and dividends received on investment; and (ii) an upward adjustment of ₹ 0.14 million resulting from an increase in trade and other payables.

Net cash from investing activities:

In Fiscal Year 2011, L&TFH's net cash flow used in investing activities amounted to ₹ 3,544.99 million. This amount consisted primarily of sales of investments amounting to ₹ 140,364.44 million, partially offset by purchases of investments amounting to ₹ 142,999.82 million.

In Fiscal Year 2010, L&TFH's net cash flow used in investing activities amounted to ₹ 3,560.85 million. This amount consisted primarily of sales of investments amounting to ₹ 76,032.06 million, partially offset by purchases of investments amounting to ₹ 77,265.36 million.

In Fiscal Period 2009, net cash flow used in investing activities amounted to ₹ 10,064.76 million. This amount consisted primarily of consideration paid on the acquisition of subsidiaries (L&T Finance and L&T Infra) amounting to ₹ 10,720.42 million.

Net cash generated from/(used in) financing activities:

In Fiscal Year 2011, L&TFH generated cash from financing activities in an amount of ₹ 63,030.69 million, which consisted of secured loans in an amount of ₹ 57,310.13 million, unsecured loans in an amount of ₹ 4,581.09 million and proceeds from the issue of share capital including securities premium of ₹ 1,500.00 million, which were partially offset by debenture issue expenses in the amount of ₹ 360.53 million.

In Fiscal Year 2010, L&TFH generated cash from financing activities in an amount of ₹ 41,148.73 million, which consisted of secured loans in an amount of ₹ 36,893.05 million, proceeds from the issue of share capital (including securities premium) in an amount of ₹ 5,500.00 million and unsecured loans of ₹ 1,250.00 million, which were partially offset by decrease in unsecured loans in the amount of ₹ 2,494.32 million.

In Fiscal Period 2009, L&TFH generated cash from financing activities in an amount of ₹ 10,785.92 million, which consisted entirely of proceeds from issue of share capital (including securities premium).

L&T Finance

The following table sets forth a selected summary of the statement of cash flows for L&T Finance for the periods indicated:

(₹ in million)

	Year ended March 31,				
	2011	**2010**	**2009**	**2008**	**2007**
Cash flow from operating activities	(24,943.72)	(17,037.14)	(5,260.05)	(16,870.37)	(13,072.77)
Cash flows from investing activities	(2,986.58)	(3,548.18)	1,333.43	(621.64)	(2,084.12)
Cash flows from financing activities	28,041.50	20,995.18	4,330.72	17,486.93	15,137.66
Cash and cash equivalents	1,218.65	1,107.45	697.58	293.48	298.55

<u>*Cash flow from operating activities:*</u>

Cash flow used in operations for L&T Finance in Fiscal Year 2011 amounted to ₹ 24,943.72 million. This amount was primarily the result of profit before tax of ₹ 3,498.54 million, adjusted for: (i) a net upward adjustment of ₹ 1,578.23 million for various non-cash items, including depreciation and provisions for non-performing assets or write-offs and standard assets, partially offset by interest and dividends received on investments; (ii) a downward adjustment of ₹ 31,861.69 million resulting from an increase in trade and other receivables and advances; (iii) an upward adjustment of ₹ 3,354.20 million resulting from an increase in trade and other payables; and (iv) a downward adjustment of ₹ 1,513.00 million for direct taxes paid.

Cash flow used in operations for L&T Finance in Fiscal Year 2010 amounted to ₹ 17,037.14 million. This amount was primarily the result of profit before tax of ₹ 2,363.22 million, adjusted for: (i) a net upward adjustment of ₹ 1,053.85 million for various non-cash items, including depreciation and provisions for non-performing assets or write-offs, partially offset by interest and dividends received on investments and exchange differences on items grouped under financing activities (exchange differences on foreign currency loans and derivatives); (ii) a downward adjustment of ₹ 20,310.88 million resulting from an increase in trade and other receivables and advances; (iii) an upward adjustment of ₹ 744.17 million resulting from an increase in trade and other payables; and (iv) a downward adjustment of ₹ 887.50 million for direct taxes paid.

Cash flow used in operations for L&T Finance in Fiscal Year 2009 amounted to ₹ 5,260.05 million. This amount was primarily the result of profit before tax of ₹ 1,453.61 million, adjusted for: (i) a net upward adjustment of ₹ 613.06 million for various non-cash items, including depreciation and provisions for nonperforming assets or write-offs, partially offset by interest and dividends received on investments; (ii) a downward adjustment of ₹ 5,427.13 million resulting from an increase in trade and other receivables and advances; (ii) a downward adjustment of ₹ 1,492.38 million resulting from a decrease in trade and other payables; and (iv) a downward adjustment of ₹ 408.81 million for direct taxes paid.

Cash flow used in operations for L&T Finance in Fiscal Year 2008 amounted to ₹ 16,870.37 million. This amount was primarily the result of profit before tax of ₹ 1,613.52 million, adjusted for: (i) a net upward adjustment of ₹ 473.80 million for various non-cash items, including depreciation and provision for nonperforming assets or write-offs, partially offset by interest and dividends received on investments and provisions for diminution in value of investments; (ii) a downward adjustment of ₹ 20,301.70 million resulting from an increase in trade and other receivables and advances; (iii) an upward adjustment of ₹ 1,756.74 million resulting from an increase in trade and other payables; and (iv) a downward adjustment of ₹ 421.98 million for direct taxes paid.

Cash flow used in operations for L&T Finance in Fiscal Year 2007 amounted to ₹ 13,072.77 million. This amount was primarily the result of profit before tax of ₹ 772.20 million, adjusted for: (i) a net upward adjustment of ₹ 283.69 million for various non-cash items, including depreciation, partially offset by interest and dividends received on investments, net profits on sales of investments and provision for diminution in value of investments; (ii) a downward adjustment of ₹ 14,811.04 million resulting from an increase in trade and other receivables and advances; (iii) an upward adjustment of ₹ 797.76 million resulting from an increase in trade and other payables; and (iv) a downward adjustment of ₹ 146.06 million for direct taxes paid.

Cash flows from investing activities:

In Fiscal Year 2011, net cash flow used in investing activities amounted to ₹ 2,986.58 million. This amount consisted primarily of purchases of investments amounting to ₹ 108,722.48 million and purchases of fixed assets amounting to ₹ 1,298.60 million, which were partially offset by cash generated from the sale of investments in an amount of ₹ 107,083.33 million.

In Fiscal Year 2010, net cash flow used in investing activities amounted to ₹ 3,548.18 million. This amount consisted primarily of purchases of investments amounting to ₹ 51,623.08 million and purchases of fixed assets amounting to ₹ 2,173.42 million, which were partially offset by cash generated from the sale of investments in an amount of ₹ 50,712.14 million.

In Fiscal Year 2009, net cash flow from investing activities amounted to ₹ 1,333.43 million. This amount consisted primarily of sales of investments amounting to ₹ 140,587.55 million and proceeds/adjustments from the sale of fixed assets amounting to ₹ 1,880.32 million. These amounts were partially offset by cash used for the purchase of investments in an amount of ₹ 140,536.72 million.

In Fiscal Year 2008, net cash flow used in investing activities amounted to ₹ 621.64 million. This amount consisted primarily of purchases of investments amounting to ₹ 160,826.68 million and purchases of fixed assets amounting to ₹ 885.69 million, which were partially offset by cash generated from the sale of investments in an amount of ₹ 161,083.91 million.

In Fiscal Year 2007, net cash flow used in investing activities amounted to ₹ 2,084.12 million. This amount consisted primarily of purchases of investments amounting to ₹ 32,833.50 million and purchases of fixed assets amounting to ₹ 1,882.14 million, which were partially offset by cash generated from the sale of investments in an amount of ₹ 32,541.98 million.

Cash flows from financing activities:

In Fiscal Year 2011, L&T Finance generated net cash from financing activities in an amount of ₹ 28,041.50 million, which consisted of an increase in secured loans in an amount of ₹ 29,342.43 million and proceeds from the issue of share capital in an amount of ₹ 3,750.00 million, which were partially offset by a net decrease in unsecured loans in the amount of ₹ 5,050.93 million.

In Fiscal Year 2010, L&T Finance generated net cash from financing activities in an amount of ₹20,995.18 million, which consisted of an increase in secured loans in an amount of ₹ 22,237.50 million and proceeds from the issue of share capital in an amount of ₹ 1,250.00 million, which were partially offset by a net decrease in unsecured loans in the amount of ₹ 2,492.32 million.

In Fiscal Year 2009, L&T Finance generated net cash from financing activities in an amount of ₹4,330.72 million, which consisted of a net increase in unsecured loans in the amount of ₹ 2,487.32 million, an increase in secured loans in an amount of ₹ 1,593.40 million and proceeds from the issue of share capital in an amount of ₹ 250.00 million.

In Fiscal Year 2008, L&T Finance generated net cash from financing activities in an amount of ₹17,486.93 million, which consisted of an increase in secured loans in an amount of ₹ 11,149.62 million, a net increase in unsecured loans in the amount of ₹ 3,837.31 million and proceeds from the issue of share capital in an amount of ₹ 2,500.00 million.

In Fiscal Year 2007, L&T Finance generated net cash from financing activities in an amount of ₹15,137.66 million, which consisted of a net increase in unsecured loans in the amount of ₹ 7,831.90 million, an increase in secured loans in an amount of ₹ 6,305.76 million, and proceeds from the issue of share capital in an amount of ₹ 1,000.00 million.

L&T Infra

The following table sets forth a selected summary of the statement of cash flows for L&T Infra for the periods indicated:

(₹ in million)

	Fiscal Year ended March 31,			Nine month Period ended March 31,	Period from April 18, 2006 to June 30,
	2011	2010	2009	2008	2007
Net cash flow from (used in) operating activities	(22,866.70)	(18,270.26)	(3,742.94)	(15,527.42)	(2,380.80)
Net cash from (used in) investing activities	(999.42)	912.45	(538.07)	1,531.43	(2,032.48)
Net cash generated from (used in) financing activities	29,957.17	17,406.55	4,062.01	13,650.00	4,979.97
Cash and cash equivalents	341.49	50.44	1.70	220.70	566.69

Net cash flow from operating activities:

Cash flow used in operations for L&T Infra in Fiscal Year 2011 amounted to ₹ 28,666.70 million. This amount was primarily the result of profit before tax, as restated, of ₹ 2,960.77 million, adjusted for: (i) a net downward adjustment of ₹ 61.92 million for various non-cash items, including provisions on non-performing assets and standard assets, partially offset by dividends on current investments; (ii) a downward adjustment of ₹ 28,979.91 million resulting from infrastructure loans disbursed (net of repayment); (iii) a downward adjustment of ₹ 2,250.00 million for subscriptions of preference shares in the normal course of business activity, in non-related companies; (iv) an upward adjustment of ₹ 816.50 million resulting from a decrease in trade and other payables; and (v) a downward adjustment of ₹ 890.42 million for direct taxes paid.

Cash flow used in operations for L&T Infra in Fiscal Year 2010 amounted to ₹ 18,270.26 million. This amount was primarily the result of profit before tax, as restated, of ₹ 1,696.41 million, adjusted for: (i) a net upward adjustment of ₹ 240.84 million for various non-cash items, including provisions on standard assets and on non-performing assets, partially offset by dividends on current investments; (ii) a downward adjustment of ₹ 20,224.52 million resulting from infrastructure loans disbursed (net of repayment); (iii) an upward adjustment of ₹ 752.11 million resulting from a decrease in trade and other payables; and (iv) a downward adjustment of ₹ 665.33 million for direct taxes paid.

Cash flow used in operations for L&T Infra in Fiscal Year 2009 amounted to ₹ 3,742.94 million. This amount was primarily the result of profit before tax, as restated, of ₹ 1,247.74 million, adjusted for: (i) a net upward adjustment of ₹ 66.21 million for various non-cash items, including provision on standard assets, partially offset by dividends on current investments; (ii) a downward adjustment of ₹ 4,328.66 million resulting from infrastructure loans disbursed (net of repayment); and (iii) a downward adjustment of ₹ 628.37 million for direct taxes paid.

Cash flow used in operations for L&T Infra in Fiscal Period 2008 amounted to ₹ 15,527.42 million. This amount was primarily the result of profit before tax, as restated, of ₹ 533.47 million, adjusted for: (i) a net downward adjustment of ₹ 41.41 million for various non-cash items, including profit on sale of current investments; (ii) a downward adjustment of ₹ 15,938.69 million resulting from infrastructure loans disbursed (net of repayment); (iii) an upward adjustment of ₹ 153.84 million resulting from a decrease in trade and other payables; and (iv) a downward adjustment of ₹ 244.31 million for direct taxes paid.

Cash flow used in operations for L&T Infra in Fiscal Period 2007 amounted to ₹ 2,380.80 million. This amount was primarily the result of profit before tax, as restated, of ₹ 48.48 million, adjusted for: (i) a net downward adjustment of ₹ 42.67 million for various non-cash items, including profit on sale of current investments and expenses of a share issue that were written off; (ii) a downward adjustment of ₹ 2,393.12 million resulting from infrastructure loans disbursed (net of repayment); and (iii) a downward adjustment of ₹ 9.83 million for direct taxes paid.

Net cash from (used in) investing activities:

In Fiscal Year 2011, L&T Infra's net cash flow used in investing activities amounted to ₹ 999.42 million. This amount consisted primarily of purchases of current investments amounting to ₹ 32,049.75 million, investments in equity shares amounting to ₹ 500.28 million, and investments in cumulative convertible debentures of amounting to ₹ 499.72 million, each relating to investments made in the normal course of business in non-related companies, partially offset by sales of current investments amounting to ₹ 32,049.75 million.

In Fiscal Year 2010, L&T Infra's net cash flow from investing activities amounted to ₹ 912.45 million. This amount consisted primarily of sales of current investments amounting to ₹ 23,941.05 million, partially offset by purchases of current investments amounting to ₹ 23,040.26 million.

In Fiscal Year 2009, net cash flow used in investing activities amounted to ₹ 538.07 million. This amount consisted primarily of purchases of current investments amounting to ₹ 11,293.02 million, partially offset by sales of current investments amounting to ₹ 10,742.08 million.

In Fiscal Period 2008, net cash flow from investing activities amounted to ₹ 1,531.43 million. This amount consisted primarily of cash from sales of current investments amounting to ₹ 17,136.55 million, partially offset by cash used in purchases of current investments amounting to ₹ 15,363.24 million.

In fiscal Period 2007, net cash flow used in investing activities amounted to ₹ 2,032.48 million. This amount consisted primarily of cash used for purchases of investments amounting to ₹ 6,195.75 million, partially offset by cash generated from the sale of investments amounting to ₹ 4,170.75 million.

Net cash generated from (used in) financing activities:

In Fiscal Year 2011, L&T Infra generated cash from financing activities in an amount of ₹ 29,957.17 million, which consisted entirely of proceeds from borrowings (net of repayments) amounting to ₹ 29,567.70 million, partially offset by debenture issue expenses of ₹ 360.53 million.

In Fiscal Year 2010, L&T Infra generated cash from financing activities in an amount of ₹ 17,406.55 million, which consisted of proceeds from borrowings (net of repayments) amounting to ₹ 14,655.55 million and proceeds from the issue of share capital amounting to ₹ 2,751.00 million.

In Fiscal Year 2009, L&T Infra generated cash from financing activities in an amount of ₹ 4,062.01 million, which consisted entirely of proceeds from borrowings (net of repayments).

In Fiscal Period 2008, L&T Infra generated cash from financing activities in an amount of ₹ 13,650.00 million, which consisted entirely of proceeds from borrowings (net of repayments).

In Fiscal Period 2007, L&T Infra generated cash from financing activities in an amount of ₹ 4,979.97 million, which consisted of share application money amounting to ₹ 2,570.00 million and proceeds from the issue of share capital amounting to ₹ 2,430.00 million, partially offset by share issue expenses amounting to ₹ 20.03 million.

Capital Resources

The following are the sources of funding for our operations:

- equity from investors;
- secured loan funds, including term loans and placements of debentures;
- unsecured loan funds, including term loans, placements of debentures, commercial paper and inter-corporate deposits; and
- cash flow from operations.

Of these funding sources, secured loan funds remain the most significant source of funding for our business. Secured loan funds represented 64.24%, 73.59% and 78.24% of our total liabilities in Fiscal Years 2009, 2010 and 2011. Secured loan funds are generally secured by a pledge over asset receivables. See the section titled "*Our Business - Our Funding Structure*" on page 167 of this Prospectus.

In connection with the financing of certain projects and assets, we have issued secured and unsecured non-convertible debentures through both L&T Finance and L&T Infrastructure in the aggregate amount of ₹ 45,512.16 million as at March 31, 2011. Of this amount, unsecured debentures accounted for ₹ 750.00 million and secured debentures accounted for ₹ 44,762.16 million. Of our secured debentures, ₹ 13,250.00 million mature by March 31, 2012, and we currently intend to refinance these amounts at their maturity.

Shareholders' funds

As of March 31, 2011, our total shareholders' funds were ₹ 28,905.57 million, consisting of share capital of ₹ 14,170.24 million, employee stock options outstanding of ₹ 12.26 million and reserves and surplus of ₹ 14,723.07 million.

Secured loan funds

Term loans, bank overdraft and foreign currency loans: Our secured term loans are generally long term in tenor (one year or more). As of March 31, 2011, we had aggregate outstanding secured term loans, bank overdraft and foreign currency loans of ₹ 87,015.60 million.

Placements of debentures: We place redeemable non-convertible secured debentures with both public investors and institutional investors such as banks, mutual funds and insurance companies. As of March 31, 2011, we had aggregate outstanding secured debentures of ₹ 44,762.16 million.

Unsecured loan funds

Term loans: Our unsecured loans are mostly short-term in tenor (less than one year), but also include some long term obligations. As of March 31, 2011, we had aggregate outstanding unsecured term loans of ₹ 8,000.00 million.

Placements of debentures: We place unsecured debentures with institutional investors such as banks, mutual funds and insurance companies. As of March 31, 2011, we had aggregate outstanding unsecured debentures of ₹750.00 million.

Commercial paper: We regularly access the commercial paper market in order to fund working capital. As of March 31, 2011, we had aggregate outstanding commercial paper of ₹ 13,345.12 million.

Inter-corporate deposits: L&T Group companies occasionally lend funds to our Company, L&T Finance and L&T Infrastructure at market-related rates. As of March 31, 2011, we had aggregate outstanding inter-corporate deposits of ₹ 5,291.78 million.

Cash flow from operations

Our cash flow from operations, which is discussed above, contributes to our liquidity, reserves and surplus on an ongoing basis. As of March 31, 2011, we had reserves and surplus of ₹ 14,723.07 million. Our ability to generate cash from our operations depends on our future operating performance, which is in turn dependent, among other things, on general economic, financial, competitive, market, regulatory and other factors, as discussed above under "*Factors Affecting Our Results of Operations*" and in the section titled "*Risk Factors*" on page 18 of this Prospectus.

As a lending institution, we seek to match our assets with corresponding liabilities, and therefore are dependent on external funding from the debt capital markets as well as from commercial banks and other lending institutions. Because we fund most of our capital needs through loans, our cost of capital rises during periods of increasing market interest rates. The pricing on our issuances of debt will also be negatively impacted by any downgrade or potential downgrade in our credit ratings. In addition, given the volatility in interest rates in India, we cannot predict whether the interest rates on our subordinated debt will be reset at a higher or lower rate.

Although we believe that our expected cash flows from available borrowings, together with our expected cash flows from operations, will be adequate to fund our anticipated liquidity and debt service needs, we cannot assure you that operating cash flows and future debt and equity financing will be available to us on favourable terms or in amounts sufficient to fund our liquidity needs or to pay our debts when due.

FINANCIAL CONDITION

Our net worth, which we define as our total assets less our total liabilities, increased by 23.18% to ₹ 28,905.57 million as of March 31, 2011, from ₹ 23,466.38 million as of March 31, 2010.

Assets

The following table sets forth the principal components of our assets as of March 31, 2009, 2010 and 2011:

(₹ in million)

	As of March 31,		
	2009	2010	2011
Fixed assets	2,430.74	3,984.53	4,528.65
Goodwill	167.47	464.98	416.01
Deferred tax assets (net)	-	-	56.66
Investments	1,690.22	3,087.60	7,324.18
Loans and advances towards financing activities	70,984.32	109,490.87	174,112.32
Sundry debtors	1,795.18	3,888.33	3,671.59
Cash and bank balances	721.08	1,168.95	1,634.65
Loans and advances	1,809.15	1,934.71	4,394.42
Other current assets	416.04	638.18	1,204.04
Total assets	**80,014.20**	**124,658.15**	**197,342.52**

Our total assets increased by 55.80% from ₹ 80,014.20 million as of March 31, 2009 to ₹ 124,658.15 million as of March 31, 2010. The most significant element of this increase was a ₹ 38,506.55 million, or 54.25%, increase in loans and advances made towards financing activities. Our total assets increased by 58.31% from ₹ 124,658.15 million as of March 31, 2010 to ₹ 197,342.52 million as of March 31, 2011. The most significant element of this increase was a ₹ 64,621.45 million, or 59.02%, increase in loans and advances made towards financing activities.

Liabilities

The following table sets forth the principal components of our liabilities as of March 31, 2009, 2010 and 2011:

(₹ in million)

	As of March 31,		
	2009	2010	2011
Secured loans	41,547.81	74,467.62	131,777.76
Unsecured loans	20,654.63	22,805.81	27,386.90
Deferred tax liabilities	257.58	89.76	-
Current liabilities	1,791.21	2,906.67	7,253.17
Provisions	426.67	921.91	2,019.12
Total liabilities	**64,677.90**	**101,191.77**	**168,436.95**

Our total liabilities increased by 56.45% from ₹ 64,677.90 million as of March 31, 2009 to ₹ 101,191.77 million as of March 31, 2010. This consisted mainly of a ₹ 32,919.81 million, or 79.23%, increase in secured loans. Our total liabilities increased by 66.45% from ₹ 101,191.77 million as of March 31, 2010 to ₹ 168,436.95 million as of March 31, 2011. This consisted mainly of a ₹ 57,310.14 million, or 76.96%, increase in secured loans.

OFF-BALANCE SHEET ARRANGEMENTS AND FINANCIAL INSTRUMENTS

Contingent Liabilities

The following table sets forth the principal components of our contingent liabilities as of March 31, 2009, 2010 and 2011.

(₹ in million)

	As of March 31,		
	2009	2010	2011
Income Tax liability in respect of matters in appeal	132.95	248.98	254.51
Sales Tax liability in respect of matter in appeal	37.55	49.59	53.93
Others (bond executed in respect of legal matter)	1.00	1.00	2.72
Non-fund based exposure	-	-	103.64
Total	**171.50**	**299.57**	**414.80**

Contingent liabilities increased by 74.68% from ₹ 171.50 million as of March 31, 2009 to ₹ 299.57 million as of March 31, 2010. The main reason for the increase was an 87.27% increase in income tax liability in respect of matters in appeal. This sharp increase was due to the fact that we received orders from the income tax department during the year concerning demands in respect of several matters, including recognition of income against assignment of receivables. Our contingent liabilities increased by

38.47% from ₹ 299.57 million as of March 31, 2010 to ₹ 414.80 million as of March 31, 2011. This is primarily due to non-fund based exposures in the form of letters of credit issued in favour of suppliers to L&T Infra's customers.

FOREIGN EXCHANGE AND DERIVATIVE TRANSACTIONS

As of March 31, 2011, we had one US Dollar-denominated term loan in the aggregate amount of US$24.00 million (equivalent to ₹ 1,200.00 million based on the exchange rate of 1 USD = ₹ 50.00 at the time of drawdown; (***Source****: Bloomberg*)). Our exposure to the US Dollar is hedged by taking positions in cross-currency swaps (in accordance with regulatory requirements), and we also enter into derivative transactions as part of the management of our interest rate risk. Our derivative contracts include rupee-based interest rate swaps and cross-currency swaps.

The following table presents the aggregate notional principal amounts of our outstanding interest rate derivative contracts as of March 31, 2009, 2010 and 2011, together with the fair values on each reporting date.

	As of March 31,					
	2009		**2010**		**2011**	
	Notional	**Fair Value**	**Notional**	**Fair Value**	**Notional**	**Fair Value**
Interest rate swaps and forward rate agreements	500.00	493.16	2,000.00	1,984.56	700.00	699.23
Foreign currency derivatives	1,250.00	1,161.40	1,250.00	1,141.19	1,500.00	1,487.89

Derivative are recognized in our financial statements as Income/Expense and re-measured at fair value (mark to market) as on the balance sheet day.

CAPITAL

We are currently subject to the capital adequacy requirements for NBFCs prescribed by the RBI. As of March 31, 2009, we were required to maintain a minimum capital to risk asset ratio of 10%. This limit was increased to 12% as of March 31, 2010, and to 15% as of March 31, 2011. We have applied to the RBI for classification of our Company as a CIC-ND-SI. In the event that our application is successful and our Company is classified as a CIC-ND-SI, we will become subject to the capital adequacy requirements prescribed by the RBI for CIC-ND-SI. Currently, CICs must maintain a minimum capital to risk asset ratio of 30%.

The RBI does not recognize capital adequacy ratios calculated based on consolidated financial information. L&TFH's capital adequacy ratios, based on audited standalone accounts as reported to RBI, are as follows:

	As of March 31,		
	2009	**2010**	**2011**
	(₹ in million, except ratios)		
Tier I capital(1)	1,098.90	3,146.33	14,179.77
Tier II capital	0.00	0.00	0.00
Risk weighted assets on balance sheet	1,078.57	3,147.75	17,750.91
Risk weighted assets off balance sheet	0.00	0.00	0.00
Total capital to risk assets ratio(2)	100.00%	99.96%	79.88%
Tier I capital to risk assets ratio	100.00%	99.96%	79.88%
Tier II capital to risk assets ratio	0.00%	0.00%	0.00%
Total capital to risk asset ratio required by RBI	**10.00%**	**12.00%**	**15.00%**

(1) Tier I capital includes equity share capital and reserves and surplus, reduced by investments in certain categories specified by RBI which exceed prescribed ceilings, and other intangible assets.

(2) *The total capital to risk assets ratio is calculated as capital funds (Tier I capital plus Tier II capital) divided by risk weighted assets (the weighted average of funded and non-funded items after applying the risk weights as assigned by the RBI).*

L&T Finance is subject to the capital adequacy requirements for NBFCs prescribed by the RBI. As of March 31, 2009, L&T Finance was required to maintain a minimum capital to risk asset ratio of 10%. This limit was increased to 12% as of March 31, 2010, and 15% as of March 31, 2011. As at March 31, 2009, 2010 and 2011, L&T Finance's total capital to risk asset ratio was 16.41%, 15.43% and 16.34%, respectively.

L&T Infra has been designated an Infrastructure Finance Company as from July 2010, and as such, must maintain a capital to risk asset ratio of 15%. As on March 31, 2009, L&T Infra was subject to the general NBFC capital to risk asset ratio requirement of 10%. This limit was increased to 12.% as on March 31, 2010. As at March 31, 2009, 2010 and 2011 L&T Infra's total capital to risk asset ratio was 26.16%, 23.27% and 16.50%, respectively.

For a complete discussion of regulations relating to capital adequacy ratios, see the section titled "*Regulations and Policies in India – The Reserve Bank of India Act, 1934 – Prudential Norms - Capital Adequacy Norms*" on page 199 of this Prospectus.

CAPITAL EXPENDITURES

Our capital expenditures are principally for acquiring assets for operating leases, office equipment, computers and software, and furniture and fittings. In March 2010, L&T Finance also acquired land in Mumbai for the development of its corporate offices (the "**L&T Finance Office Site**"). Our capital expenditures in Fiscal Year 2011 were ₹ 1,168.22 million. Our net fixed assets (including capital work in progress and capital advances) is ₹ 4,528.65 million as of March 31, 2011 consist mainly of assets acquired for operating leases and the L&T Finance Office Site. As at March 31, 2011, the estimated amount of the contract remaining to be executed in respect of the L&T Office Site (on capital account and net of advances) is ₹ 1,100.88 million.

CONTRACTUAL OBLIGATIONS AND COMMERCIAL COMMITMENTS

Our contractual obligations and commercial commitments consist principally of the following, as of March 31, 2011, classified by maturity:

	1 day to 30/31 days month	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
L&T Finance Borrowings:									
From banks	4,000.00	1,430.00	2,062.50	5,557.50	6,995.00	35,897.50	-	-	55,942.50
Market	3,180.00	4,250.00	810.00	5,517.50	98.28	6,776.00	5,179.86	6,720.14	32,531.78
L&T Infra Borrowings:									
From banks	-	83.30	100.00	233.30	2,181.30	9,966.20	19,009.30	2,499.70	34,073.10
Market	250.00	3,500.00	750.00	4,750.00	3,500.00	4,800.00	7,399.60	2,912.56	27,862.16

ANALYSIS OF CERTAIN CHANGES

Changes in Accounting Policies

L&T Finance has not made any changes to its accounting policies which have resulted in any change to its financial statements for the years presented herein. L&T Infra has made certain changes to its accounting policies which have resulted in certain changes to its financial statements for the years presented herein, and these changes are reflected in the restated unconsolidated financial statements of L&T Infra and restated consolidated financial statements of L&TFH. These changes are set forth below:

Changes in Accounting Policies of L&T Infra

Accounting for recognition of interest income on loans

Until the period ended March 31, 2008, interest income on loans was computed on the basis of the relevant contractual interest rate, and income on processing of loans was recognized upon clearance of disbursement memorandum. During the year ended March 31, 2009, L&T Infra modified the basis of recognizing revenues from interest bearing assets. Based on the guidance provided in Accounting Standard (AS) 30 on Financial Instruments: Recognition and Measurement, the company based its income recognition on interest bearing assets and used the effective interest rate in place of the contractual rate. In determining the effective interest rate, cash flows are estimated taking into consideration all contractual terms including fees received, transaction costs, and other premiums or discounts, if any. Thus, with effect from April 1, 2008, such income is amortized over the expected life of the related instrument through the application of a constant effective yield on the instrument. Accordingly, restatement adjustments have been made for the financials of Fiscal Years 2007, 2008, 2009, 2010 and 2011.

Accounting for miscellaneous expenditure

During the period ended June 30, 2007, L&T Infra incurred miscellaneous expenditure in the nature of share issue expenses. This expenditure was being amortized over a period of five years as per the company's accounting policy. In Fiscal Year 2009, L&T Infra changed its accounting policy to write-off the share issue expenditure in the year in which it is incurred. Accordingly, restatement adjustments have been made for the financial statements of Fiscal Years 2007, 2008, 2009 and 2010.

Tax impact on restatement adjustments

Income tax has been computed on restatement adjustments made and has been adjusted in the restated profits for the relevant years and periods ended March 31, 2007, 2008, 2009, 2010 and 2011.

Known trends or uncertainties

Our business has been impacted and we expect will continue to be impacted by the trends identified above in "*Factors Affecting our Results of Operations*" and the uncertainties described in the section titled "*Risk Factors*" on page 18 of this Prospectus. To our knowledge, except as we have described in this Prospectus, there are no known factors, which we expect to have a material adverse impact on our revenues or income from continuing operations.

Total turnover in each major industry segment

We do not report industry segments for our consolidated or unconsolidated financial statements prepared in accordance with Indian GAAP.

Seasonality of business

Our business is not seasonal. However, there could be variation in our quarterly income or profit after tax because of various factors, including those above in "*Factors Affecting our Results of Operations*" and those described in the section titled "*Risk Factors*" on page 18 of this Prospectus.

Significant developments subsequent to the last financial period

In the opinion of the Directors, other than as disclosed in this Prospectus, there has not arisen, since the date of the last financial statements set out herein, any circumstance that materially or adversely affects our profitability, taken as a whole, or the value of our consolidated assets or our ability to pay our material liabilities over the next twelve months.

FINANCIAL INDEBTEDNESS

Borrowings of our Company

As of the date of this Prospectus, our Company has the following outstanding loans:

As on May 31, 2011, our Promoter has issued intercorporate deposits to our Company aggregating to ₹ 4,560 million. These intercorporate deposits are for amounts of ₹ 3,450 million, issued on March 28, 2011, at a coupon rate of 9%; ₹ 110 million, issued on March 31, 2011, at a coupon rate of 9%; and ₹ 1,000 million, issued on April 29, 2011, at a coupon rate of 9.75%.

The details of the indebtedness of our material subsidiaries are set out below:

L&T Finance Limited

As at May 31, 2011, the outstanding borrowing of L&T Finance Limited was ₹ 94,145.50 million. Set forth below, is a brief summary of the borrowings by L&T Finance Limited as of May 31, 2011 together with a brief description of certain significant terms of such financing arrangements:

Secured loans

Sr. No.	Name of lender	Nature of facility	Amount sanctioned (₹ *in million*)	Amount outstanding (₹ *in million*)	Repayment schedule
1.	Axis Bank Limited	Term loan	1,500	1,000	₹ 125 million in 12 quarterly instalments
2.	Axis Bank Limited	Term loan	5,000	5,000	₹ 416.67 million in 12 quarterly instalments
3.	BNP Paribas	Term loan	500	500	Bullet
4.	BNP Paribas	Term loan	500	500	Bullet
5.	Central Bank of India	Term loan	5,000	5,000	₹ 416.67 million in 12 quarterly instalments
6.	Deutsche Bank	Term loan	2,000	2,000	Bullet
7.	Deutsche Bank	Term loan	1,000	1,000	Bullet
8.	Federal Bank Ltd	Term loan	1,000	1,000	₹ 83 million in 12 quarterly instalments
9.	The Hongkong and Shanghai Banking Corporation Limited	Term loan	250	250	Bullet
10.	ICICI Bank Ltd	Term loan	10,000	10,000	Bullet
11.	Infrastructure Development Finance Company Limited	Term loan	1,000	100	₹ 100 million in 10 semi-annual instalments
12.	Indian Overseas Bank	Term loan	5,000	4,583.33	₹ 416.67 million in 12 quarterly instalments
13.	ING Vysya Bank Limited	Term loan	750	312.50	₹ 62.5 million in 12 quarterly instalments
14.	ING Vysya Bank Limited	Term loan	1,500	875	₹ 125 million in 12 quarterly instalments
15.	ING Vysya Bank Limited.	Term loan	1,500	1,375	₹ 125 million in 12 quarterly instalments

Sr. No.	Name of lender	Nature of facility	Amount sanctioned (₹ *in million*)	Amount outstanding (₹ *in million*)	Repayment schedule
16.	Kotak Mahindra Bank	Term Loan	500	500	Bullet
17.	Mizuho Corporate Bank	Term Loan	1,000	1,000	Bullet
18.	Punjab & Sind Bank	Term loan	600	180	₹ 60 million in ten semi-annual instalments
19.	Punjab & Sind Bank	Term loan	400	120	₹ 40 million in ten semi-annual instalments
20.	Punjab & Sind Bank	Term loan	3,000	3,000	₹ 250 million in 20 quarterly instalments
21.	Shinhan Bank	Term loan	350	350	Bullet
22.	Standard Chartered Bank	Term loan	500	500	Bullet
23.	Standard Chartered Bank	Term loan	1,000	1,000	Bullet
24.	Standard Chartered Bank	Term loan	1,000	1,000	Bullet
25.	Standard Chartered Bank	Term loan	1,000	1,000	Bullet
26.	Standard Chartered Bank	Term loan	670	670	Bullet
27.	Standard Chartered Bank	Term loan	670	670	Bullet
28.	Standard Chartered Bank	Term loan	660	660	Bullet
29.	The Bank of Nova Scotia	Term loan	500	500	Bullet
30.	The Bank of Nova Scotia	Term loan	1,000	1,000	Bullet
31.	UBS AG	Term loan	1,000	1,000	Bullet
32.	Yes Bank	Term loan	2,500	2,500	₹ 625 million in four quarterly instalments
	Total			**49,145.83**	

1) Term loans from banks and financial institutions mentioned above are secured by:

   a. *Pari passu* first charge on all present and future specific tangible/intangible, movable, immovable and current assets of L&T Finance;

   b. First charge on all the present and future specific receivables including book debts, outstanding monies, receivables, claims, bills in L&T Finance's books which are now due or which may become due and owing to the Borrower;

   c. Specific charge on the assets to be financed out of loan; and

   d. Exclusive first charge on the specific pool of receivables consisting of Small (service) Enterprises identified by the company qualifying for priority sector norms as per RBI Guidelines.

Unsecured loans

Sr. No.	Name of the Lender	Nature of Facility	Amount Sanctioned (₹ In Million)	Amount Outstanding (₹ In Million)	Repayment Schedule
1.	The Hongkong and Shanghai Banking Corporation Limited	WCDL	3,000	3,000	Bullet

Sr. No.	Name of the Lender	Nature of Facility	Amount Sanctioned (₹ In Million)	Amount Outstanding (₹ In Million)	Repayment Schedule
	Total			**3,000**	

Unsecured, redeemable, non-convertible subordinated debt in form of debentures – tier II

Sr. No.	Name of lender	Deemed date of allotment	Number of NCDs	Amount outstanding (₹ *in million*)	Repayment schedule
1.	Various investors	February 20, 2008	750	750	Bullet
	Total			**750**	

Letters of credit ("LC") and Bank Guarantee Limits ("BG")

Sr. No.	Name of lender	Limits (₹ *in million*)	Amount O/s (₹ *in million*)	
			LC	**BG**
1.	Standard Chartered Bank	250.00	0.00	0.00
2.	IDBI Bank Ltd	150.00	14.92	115.10
3.	DBS Bank	935.00	839.66	0.00
	Total	**1,335.00**	**854.58**	**115.10**

External commercial borrowings

Sr. No.	Name of lender	Nature of facility	Amount sanctioned (₹ *in million*)	Amount outstanding (₹ *in million*)	Repayment schedule
1.	DBS Bank Limited	Term loan	1,200	1,200	Bullet
	Total			**1,200**	

Secured redeemable non-convertible debentures by way of public issue

Sr. No.	Name of lender	Deemed date of allotment	Number of NCDs	Amount outstanding (₹ *in million*)	Repayment schedule
1.	Various investors	September 17, 2009	1,066,400	1,066.40	Bullet
2.	Various investors	September 17, 2009	2,963,500	2,963.50	Bullet
3.	Various investors	September 17, 2009	1,263,200	1,263.20	Bullet
4.	Various investors	September 17, 2009	4,706,900	4,706.90	Bullet
5.	Various investors	March 10, 2010	3,713,363	3,713.36	Bullet
6.	Various investors	March 10, 2010	1,286,637	1,286.64	Bullet
	Total			**15,000**	

Secured redeemable non-convertible debentures by way of private placement

Sr. No.	Name of lender	Deemed date of allotment	Number of NCDs	Amount outstanding (₹ *in million*)	Repayment schedule
1.	Various investors	July 7, 2008	3,000	3,000	Bullet

Sr. No.	Name of lender	Deemed date of allotment	Number of NCDs	Amount outstanding (₹ *in million*)	Repayment schedule
2.	Various investors	July 21, 2009	2,500	2,500	Bullet
3.	Various investors	September 29, 2009	1,150	1,150	Bullet
4.	Various investors	September 17, 2009	1,750	1,750	Bullet
5.	Various investors	May 31, 2011	1,000	1,000	Bullet
	Total			**9,400**	

Note: The secured redeemable non convertible debentures issued by L&T Finance in various tranches on a private placement basis are secured through debenture trust – cum mortgage deeds entered into between L&T Finance and debenture trustee, Bank of Maharashtra, by way of first pari passu mortgage at the office premises bearing no. 3 & 4 of Laxmi Finance & Leasing Company Commercial Premises Co- operative Society Limited, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 and the share certificate pertaining to the same and by way of exclusive first charge by hypothecation of specific receivables of L&T Finance with an asset cover of 1.10 times of the outstanding amount of the secured redeemable non convertible debentures.

L&T Finance has commercial papers aggregating to ₹ 17,350 million outstanding as at May 31, 2011 repayable till November 30, 2011.

L&T Finance has Inter Corporate Deposits received from L&T group companies amounting to ₹ 538.78 million outstanding as at May 31, 2011 repayable till January 19, 2013.

As at May 31, 2011, L&T Finance has an amount aggregating to ₹4419.90 million outstanding on its working capital loans.

Sr. No.	Nature of facility	Name of lender	Amount sanctioned (₹ *in million*)	Amount outstanding (₹ *in million*)
1.	Working capital facility	Standard Chartered Bank	300.00	169.90
2.	Working capital facility	IDBI Bank Limited	600.00	0.00
3.	Working capital facility	Bank of India	500.00	0.00
4.	Working capital facility	Bank of Baroda	100.00	0.00
5.	Working capital facility	Kotak Mahindra Bank Ltd	500.00	500
6.	Working capital facility	Union Bank of India	750.00	750
7.	Working capital facility	HSBC	3,000.00	3000
	Total			**4419.90**

L&T Infrastructure Finance Company Limited

As at May 31, 2011, the outstanding borrowing of L&T Infra was ₹ 61,340.03 million. Set forth below, is a brief summary of the borrowings by L&T Infra as at May 31, 2011 together with a brief description of certain significant terms of such financing arrangements:

Secured loans

Sr. No.	Name of lender	Nature of facility	Amount sanctioned (₹ *in million*)	Amount outstanding (₹ *in million*)	Repayment schedule
1.	Bank of Baroda	Term loan	5,000.00	5,000.00	Bullet payment after five years from date of first disbursement.
2.	Indian Overseas Bank	Term loan	5,000.00	5,000.00	Equated quarterly installments after moratorium of two years

Sr. No.	Name of lender	Nature of facility	Amount sanctioned (₹ *in million*)	Amount outstanding (₹ *in million*)	Repayment schedule
3.	IDBI Bank Limited	Term loan	1,750.00	1,750.00	Equated annual installments after moratorium of three years
4.	Kotak Mahindra Bank	Term loan	1,000.00	1,000.00	Equated semi-annual installments after moratorium of one year
5.	Punjab & Sind Bank	Term loan	1,000.00	300.00	Equated quarterly installments after moratorium of three months
6.	Punjab & Sind Bank	Term loan	1,000.00	700.00	Equated semi-annual installments after moratorium of six months
7.	State Bank of Bikaner and Jaipur	Term loan	2,000.00	2,000.00	Equated quarterly instalments after moratorium of one year
8.	State Bank of India	Term loan	1,000.00	833.40	Equated quarterly instalments after moratorium of two years
9.	Syndicate Bank	Term loan	5,000.00	5,000.00	Equated semi-annual instalments after moratorium of three years
10.	Syndicate Bank	Term loan	4,000.00	4,000.00	Equated semi-annual instalments after moratorium of three years
11.	The Dhanlaxmi Bank Limited	Term loan	600.00	600.00	Equated quarterly instalments after moratorium of two years
12.	The South India Bank Limited	Term loan	1,000.00	800.00	Equated quarterly instalments after moratorium of two years
13.	Central Bank of India	Term loan	3,000	3,000	Equated quarterly installments after moratorium of two years
14.	Federal Bank Limited	Term loan	1,000	1,000	Bullet payment after three years from the date of disbursement
15.	Punjab & Sind Bank	Term loan	5,000	4,500	Equated quarterly installments after moratorium of two years
	Total			**35,483.40**	

Term loans from banks and financial institutions mentioned above are secured by exclusive first charge on specific term loan receivables of L&T Infra, as identified from time to time to the satisfaction of the lenders.

Sr. No.	Nature of facility	Name of lender	Amount sanctioned (₹ *in million*)	Amount outstanding (₹ *in million*)
1.	Working capital facility	Canara Bank	250	0.00
2.	Working capital facility	Citi Bank N.A	400	337.36
3.	Working capital facility	City Union Bank Limited	100	100.84
4.	Working capital facility	Yes Bank	1,000	300.10
5.	Working capital facility	IDBI Bank	1,500	506.17
		Total		**1,244.47**

Secured redeemable non-convertible debentures by way of private placement

Sr. No.	Name of lender	Deemed date of allotment	Number of NCDs	Amount outstanding (₹ *in million*)	Repayment schedule
1.	Various investors	June 1, 2009	1,800	1,800	Bullet
2.	Various investors	June 30, 2009	750	750	Bullet

Sr. No.	Name of lender	Deemed date of allotment	Number of NCDs	Amount outstanding (₹ *in million*)	Repayment schedule
3.	Various investors	July 8, 2009	1,500	1,500	Bullet
4.	Various investors	August 5, 2009	1,250	1,250	Bullet
5.	Various investors	August 5, 2009	1,250	1,250	Bullet
6.	Various investors	February 2, 2010	2,000	2,000	Bullet
7.	Various investors	April 16, 2010	750	750	Bullet
8.	Various investors	April 16, 2010	750	750	Bullet
9.	Various investors	April 16, 2010	750	750	Bullet
10.	Various investors	April 16, 2010	750	750	Bullet
11.	Various investors	April 16, 2010	750	750	Bullet
12.	Various investors	April 16, 2010	750	750	Bullet
13.	Various investors	April 16, 2010	750	750	Bullet
	Total			**13,800.00**	

Sr. No.	Name of the Lender	Deemed Date of Allotment	Number of NCDs	Amount Outstanding (₹ In Million)	Tenor	Repayment Schedule
1	Various	December 2, 2010	190,820	190.82	10 years	Bullet, buyback at the end of five years from the date of allotment
2	Various	December 2, 2010	471,717	471.72	10 years	Bullet, buyback at the end of five years from the date of allotment
3	Various	December 2, 2010	628,978	628.98	10 years	Bullet, buyback at the end of seven years from the date of allotment
4	Various	December 2, 2010	1,270,640	1,270.64	10 years	Bullet, buyback at the end of seven years from the date of allotment
5.	Various	March 21, 2011	906,927	906.93	10 years	Bullet, buyback at the end of seven years from the date of allotment
6.	Various	March 21, 2011	3,093,073	3,093.07	10 years	Bullet, buyback at the end of seven years from the date of allotment
	Total			**6,562.16**		

Note: The secured redeemable non-convertible debentures issued by L&T Infra in various tranches by way of Private Placement basis are secured by exclusive first charge on Specific Receivables of L&T Infra with an asset cover up to 1.10 times of the total amount outstanding, as may be agreed between L&T Infra and the Trustees for the Debenture Holders and first pari-passu mortgage/charge on the leasehold rights on 300 square feet undivided share of vacant land situated at Commander-in-Chief Road, Egmore, Chennai in the State of Tamil Nadu.

Unsecured loans

Sr. No.	Name of lender	Nature of facility	Amount sanctioned (	Amount outstanding (	Repayment schedule

			₹ *in million*)	₹ *in million*)	
1.	Kotak Mahindra Bank	Term loan	500.00	500.00	Bullet
	Total			**500.00**	

Inter-Corporate Deposits

L&T Infra has Inter Corporate Deposits received from L&T group companies amounting to ₹ 1,500 million outstanding as at May 31, 2011 repayable up to December 29, 2012.

Other Money Market Instruments

L&T Infra has Commercial Papers aggregating to ₹ 2,250 million outstanding as on May 31, 2011 repayable till August 30, 2011.

India Infrastructure Development Limited

As at May 31, 2011, the outstanding borrowing of IIDL was ₹ 200 million.

Other Money Market Instruments

IIDL has commercial papers aggregating to ₹ 200 million outstanding as on May 31, 2011 repayable on June 28, 2011.

Secured Loans

Sr. No.	Nature of facility	Name of lender	Amount sanctioned (₹ *in million*)	Amount outstanding (₹ *in million*)
1.	Working capital facility	Central Bank of India	50.00	-

Lender covenants and consents

Some of the corporate actions for which L&T Finance and L&T Infra require the prior written consent of their lenders include the following:

1. to change the capital structure of the borrowing company;
2. for raising any additional indebtedness;
3. to undertake guarantee obligations on behalf of any other company, firm or persons;
4. to declare dividends except out of current profits;
5. to create or permit to exist any lien on any property, revenues or other assets, present or future;
6. to make any drastic change in the management set up of the borrowing company;
7. to remove or shift the security;
8. to affect change in the ownership or control of the borrowing company;
9. to make amendments in the Memorandum of Association or Articles of Association of the borrowing company;
10. to create or allow to exist any encumbrance or security over assets specifically charged in favour of the lenders;
11. to undertake any new project or expansion schemes;
12. to transfer/invest funds of the borrowing company in any other concern;

13. to change the nature or scope of the project or change the nature of the present or contemplated business or operations of the borrowing company;

14. to enter into any form of reconstruction, amalgamation or merger;

15. to create any charge, hypothecation, lien or encumbrance of any kind on the property which is the security for repayment of loans; and

16. to pay any commission to the guarantors towards guarantees executed by them for the credit facilities granted by the lenders to the borrowing company.

We have obtained the approvals for the Issue from our all our lenders from whom we require approvals under the respective loan documents.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below, there are no outstanding litigations, suits, civil prosecutions, proceedings or tax liabilities as of May 31, 2011, and no criminal proceedings as of July 15, 2011, against our Company, Subsidiaries, Directors, Promoter, and our Group Companies, and there are no defaults, non-payment of statutory dues, over-dues to banks/financial institutions, defaults against banks/financial institutions, defaults in dues payable to holders of any debenture, bonds and fixed deposits and arrears of preference shares issued by our Company, defaults in creation of full security as per terms of issue/other liabilities, proceedings initiated for economic/civil/any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part 1 of Schedule XIII of the Companies Act) other than unclaimed liabilities of our Company or Subsidiaries and no disciplinary action has been taken by SEBI or any stock exchanges against our Company, Promoter, Subsidiaries, Group Companies or Directors. Unless stated to the contrary, the information provided below is as of May 31, 2011, and, with respect to criminal proceedings initiated against our Company, Subsidiaries, Directors, Promoter, and Group Companies, as of July 15, 2011.

Neither our Company nor our Promoter, members of the Group Companies, Subsidiaries, associates nor our Directors have been declared as wilful defaulters by the RBI or any other Governmental authority and, except as disclosed in this section in relation to litigation, there are no violations of securities laws committed by us in the past or pending against us.

Litigation involving our Company

There are no litigations pending by or against our Company.

Litigation involving our Directors

Except as disclosed below, there is no litigation pending by or against the Directors of our Company. Mr. Ajit Kumar Jain was a government nominee, non-executive director on the board of IFCI Limited, which is a public financial institution, from January 1994 until September 1998. During this period, among the many loans/ financial assistance provided by IFCI Limited to various companies/ industrial units, loans/ financial assistance was also sanctioned to Mardia Chemicals Limited with the approval of the Board of Directors / Committees of the Board of Directors. On the complaint of one Mr. R. B. Parihar against Mardia Chemicals Limited and others, he has received a notice dated March 9, 2009 (private special case no. 13/2007) from the Court of City Civil & Sessions, Ahmedabad to show cause as to why he should not be arrayed as an accused on the record of these proceedings. However, copy of the complaint of Mr. R. B. Parihar was not enclosed with the show cause notice. IFCI Limited had engaged legal counsel to defend its concerned former directors including Mr. A. K. Jain. Presently, the matter is at show-cause stage.

Litigation involving our Subsidiaries

L&T Finance Limited ("L&T Finance")

Litigation against L&T Finance

Criminal Cases

1. Rajendra Sharma has filed a criminal complaint against an ex-employee under Sections 406 and 420 of the Indian Penal Code, 1872 (the "**IPC**" or "**Indian Penal Code**"). L&T Finance repossessed and sold an asset following a default by Mr. Sharma under the terms of a loan agreement. Subsequently, anticipatory bail was granted by the court to the ex-employee. A petition under Section 482, Code of Criminal Procedure 1973 (the "**CrPC**") has been filed by L&T Finance to have the criminal complaint quashed and this case is currently pending before the Jaipur High Court, Rajasthan.

2. Rati Razwar has filed a criminal complaint against a former employee and L&T Finance. An application for anticipatory bail in favour of the former employee has been filed before the Jharkhand High Court and the High Court has instructed L&T Finance to file anticipatory bail application before the sessions court. L&T Finance has filed a petition under Section 482, CrPC, at the Jharkhand High Court to have the criminal complaint quashed. This case is currently pending before the Jharkhand High Court.

3. A debtor, Rabari P. D, who is liable to repay of the outstanding amount under the loan-cum-hypothecation agreement has filed a criminal case against L&T Finance and its officer. L&T Finance has appeared before the court and filed its reply. This case is currently pending before the Judicial

Magistrate First Class, Deesa, Banaskantha, Gujarat. Also L&T Finance has filed a petition under Section 482 of the CrPC before the Gujarat High Court to have the criminal complaint quashed. The matter is currently pending.

4. Sarjerao B. Jadhav has filed a criminal complaint against an employee of L&T Finance. L&T Finance has filed a petition under Section 482 of the CrPC before the Aurangabad Bench of the Bombay High Court to have the criminal complaint quashed. This case is currently pending before the JMFC, Jalna and Aurangabad Bench of the Bombay High Court.

5. A criminal complaint was lodged against an employee of L&T Finance under Sections 279, 304(A), 337 and 338 of the Indian Penal Code, 1860 by the family members of a deceased person who met with an accident when L&T Finance's employee was taking possession of the asset from Elyas Hussainsaab Shaikh, who was a defaulter to L&T Finance, for non-payment of dues. A bail application was filed on behalf of L&T Finance's employee and bail was granted. This case is currently pending before the Judicial Magistrate First Class, Gangakhed, Parbhani, Maharashtra.

6. Subhiksha Trading Services Limited and its directors have filed two criminal writ petitions against the order of issuance of process by filing criminal applications before the Bombay High Court under Section 482 of the CrPC. L&T Finance had initiated criminal proceedings following the default by Subhiksha in repayment of loan and dishonour of lease rental cheques under Section 138 of Negotiable Instruments Act, 1881 wherein summons were issued to Subhiksha Trading Services Limited and its directors. L&T Finance has filed its reply. The matter is currently pending for hearing before the Bombay High Court, Maharashtra.

7. The Forest Department of Assam has filed a criminal case against L&T Finance before sub-divisional judicial magistrate, Rangia, Kamalpur, Assam on account of repossession of an asset by L&T Finance, which had been seized by the Forest Department. The police have filed their final report on October 4, 2005 stating that L&T Finance has not committed any offence and that they were the owners of the asset. However, no order can be passed on this criminal case since the records of the matter are lying in the Guwahati High Court in a criminal revision application filed by K. P. Construction against the State. This criminal case is currently pending before the Judicial Magistrate, Kamrup, Guwahati, Assam.

8. Puspa Deka has filed a private complaint against L&T Finance and its employees under Section 420 of the Indian Penal Code before the Magistrate's Court, Kamrup at Guwahati. L&T Finance has filed a criminal revision application before the Guwahati High Court under Section 482 of the CrPC wherein the Guwahati High Court has stayed further proceedings of such criminal case. This criminal revision application is currently pending for hearing before the Guwahati High Court, Assam.

9. Hills View Coals Private Limited has filed a criminal case against L&T Finance wherein an FIR was lodged against L&T Finance and its employees. On account of defaults committed by Hills View Coals Private Limited in the repayment of amounts outstanding under two loan agreements, L&T Finance repossessed one of the three assets financed by it in exercise of its rights under the relevant agreements. L&T Finance has obtained anticipatory bail for its employees as well as stay to further proceedings of the said criminal case. A petition filed by L&T Finance under Section 482 of the CrPC is currently pending before the Guwahati High Court. Hills View Coals Private Limited had also filed a criminal case against L&T Finance seeking issuance of search warrant against L&T Finance. The said complaint was rejected by the Senior Division Judicial Magistrate, Kamrup, Guwahati. Against the said order, the borrower has filed a criminal revision before Sessions Court, Kamrup, which is currently pending.

10. Anup Kumar Bera has filed a criminal case against L&T Finance and its officers to avoid payment of an outstanding loan. L&T Finance has obtained anticipatory bail for its officers. This matter is currently pending before the Judicial Magistrate, Kharagpur, West Bengal.

11. Dinesh Prasad Yadav has filed a criminal case against L&T Finance and its employees, wherein summons were issued to L&T Finance. On account of defaults committed by Dinesh Prasad Yadav in repayment of amounts outstanding under the loan-cum-hypothecation agreement, L&T Finance repossessed the asset financed to him in exercise of its rights under the relevant agreement and sold it. L&T Finance has appeared and filed an application under Section 205 of CrPC seeking permanent exemption of its officers. This matter is currently pending before the Judicial Magistrate, Jamshedpur, Jharkhand.

12. Following defaults committed by N. Raja in repayment of loan and dishonour of loan instalment cheques, L&T Finance has initiated criminal proceedings against him under Section 138 of the

Negotiable Instrument Act, 1881. N. Raja has challenged the order of issuance of process by filing a Criminal Revision Application before the Sessions Court, Greater Mumbai under Section 397 of CrPC. This matter is currently pending for hearing.

13. L&T Finance has initiated arbitration proceedings and proceedings under section 9 of Arbitration and Conciliation Act, 1996 against Satish Kumar Sonkar. To avoid payment of loan outstanding, he has filed a criminal case against L&T Finance and its officers by making certain allegations. L&T Finance has obtained anticipatory bail for its officers. This matter is currently pending.

14. Following defaults committed by N. Subramani in repayment of loan and dishonour of loan instalment cheques, L&T Finance has initiated criminal proceedings against N. Subramani under section 138 of the Negotiable Instrument Act, 1881. In those proceedings, summons was issued to N. Subramani, who has challenged the order of issuance of process by filing a criminal revision application before the Sessions Court, Greater Mumbai under section 397 of the CrPC. L&T Finance has appeared and filed its reply. This matter is currently pending for hearing.

15. On account of defaults committed by Subrata Bhakta in repayment of amounts outstanding under the loan agreement, L&T Finance repossessed the asset financed to him in exercise of its rights under the agreement. Thereafter, he filed a criminal case against L&T Finance, in which FIR was lodged against L&T Finance and its employees. L&T Finance has obtained anticipatory bail for its employees as well as stay to further proceedings of the said criminal case. The section 482 petition filed by L&T Finance before the Calcutta High Court is pending.

16. Following the default committed by Gopal Chandra Gorai, L&T Finance had repossessed and sold the asset that was financed through a loan granted by L&T Finance, in exercise of its rights under the loan-cum-hypothecation agreement between Gopal Chandra Gorai and L&T Finance. Gopal Chandra Gorai subsequently filed a criminal complaint against three officers and one ex-officer of L&T Finance. L&T Finance has appeared before the Court and the Court has confirmed anticipatory bail granted to the three officers and one ex- officers of L&T Finance. The matter is currently pending.

17. Being aggrieved by order passed by the Magistrate's court, Vidisha, Madhya Pradesh discharging an officer of L&T Finance, one Prakash Sahu has filed a criminal revision application before the Gwalior Bench of the Madhya Pradesh High Court. This matter is currently pending.

18. Rajesh Amrutrao Deshmukh, a borrower and defaulter of a loan granted by L&T Finance, filed a Criminal Application under section 156(3) of Criminal Procedure Code against four officers of L&T Finance making certain allegations. Under the said Application, the concerned Magistrate issued directions to the concerned police station to register FIR against those four officers of L&T Finance. L &T Finance has obtained anticipatory bail for its officers and has taken steps to get the said order of Magistrate set aside. L&T Finance has obtained an arbitration award against this default and proceedings under section 138 of Negotiable Instrument Act, 1881 are currently pending against the applicant.

19. Jaskaran Singh, a borrower and defaulter of a loan granted by L&T Finance, has filed a criminal writ petition before the Punjab and Haryana Court at Chandigarh against L&T Finance Ltd. *inter alia* praying for criminal action against officer of L&T Finance and direction against L&T Finance to not to take the custody of the vehicle. L&T Finance appeared and filed court affidavit to the criminal writ filed by the borrower. The writ petition is pending.

20. Archit Jhujhunwala, a borrower and defaulter has filed a criminal appeal before the Sessions Court Mumbai. L&T Finance has appeared in the matter. The appeal filed by the borrower is admitted and bail has been granted to him. The matter is currently pending.

21. Jaywant Bhimrao Dange, a borrower has filed a criminal revision petition against L&T Finance under section 397, CrPC, before the Sessions Court at Bandra, Mumbai, Maharashtra. The matter is currently pending.

22. Economic Cargo Private Limited, has filed a criminal case against L&T Finance before JMFC, Vadodara, Gujarat. L&T Finance has appeared in the matter and the matter is currently pending.

23. NSR Construction, a borrower has filed a criminal revision petition u/s 397, CrPC, before the Sessions Court at Bandra, Mumbai, Maharashtra. The matter is currently pending.

24. Shivdas PA, a Borrower has filed a criminal complaint against L&T Finance officers. The matter is currently pending Judicial Magistrate First Class, Ernakulam, Kerala.

25. Jai Laxmi Construction, a borrower and defaulter of L&T Finance, has filed a criminal complaint in Chakeri P. S., Kanpur, UP against L&T Finance, its local officers and repossession agent arising out of repossession of the financed asset by L&T Finance. L&T Finance had taken possession of the financed asset pursuant to appointment of advocate receiver by District Court, Delhi on the financed asset. Police have registered FIR on the said complaint. The matter is currently pending.

26. Sanjay Kumar Mishra, a borrower has filed a private criminal complaint against L&T Finance officers before Chief Judicial Magistrate, Jamshedpur. L&T Finance is taking steps to appear in the matter.

27. Pushpanjali Mohapatra, a borrower has filed a criminal complaint against L&T Finance officers. The matter is currently pending with SDJM, Rourkela, Orissa.

28. Ravjibhai Mangalsinh Solanki, a borrower has filed a criminal complaint against L&T Finance officers. The matter is pending before Judicial Magistrate First Class, Vadodara.

29. Kanubhai Bhikabhai Prajapati, a defaulter has filed a private complaint against L&T Finance before the Chief Judicial Magistrate at Gandhinagar, Gujarat. The Magistrate has passed an order directing the police to conduct inquiry into the case. L&T Finance has fully co-operated with the police during inquiry. Police is yet to submit their report before the Magistrate.

30. Alok Kumar Singh a defaulter and borrower has filed a criminal complaint before District Judge III at Tis hazari Courts, Delhi against L&T Finance

31. P. Ramesh, a borrower and defaulter has filed a criminal complaint of cheating under section 420 IPC against an ex-employee of L&T Finance. An anticipatory bail application was moved before the Sessions Court at Vijaywada but was rejected and steps are being taken to obtain anticipatory bail before the AP High Court at Hyderabad. The matter is currently pending.

32. Certain partners of M/s Srivatsa Electricals, a defaulter of L&T Finance, have filed a Section 482 before the Bombay High Court challenging the process initiated by L&T Finance under Section 138 of the Negotiable Instruments Act, 1881, of the process issued against them. The matter is at the admission stage against L&T Finance and is currently pending.

33. M/s Sahyadri Earthmovers, a borrower and defaulter has filed a criminal appeal before the Sessions Court Mumbai *inter alia* challenging his conviction for offences under Section 138 of Negotiable Instrument Act, 1881. L&T Finance has appeared in the matter. The appeal filed by the borrower is admitted and bail has been granted to him. The matter is currently pending.

Civil Cases

1. Amarjit Singh has filed a suit against L&T Finance *inter alia* seeking an injunction against L&T Finance, restraining it from taking possession of the tractor that was financed through a loan granted by L&T Finance. L&T Finance appeared and filed an application under Section 8 of the Arbitration and Conciliation Act, 1996. The application is currently pending for hearing before the Civil Judge, Junior Division, Pathankot, Punjab.

2. Liyakat Bashir Shaikh has filed 2 motor accident claims against L&T Finance. L&T Finance provided an operating lease facility to Kennametal Widia India Limited for giving cars on lease to Kennametal, which are used by employees of Kennametal. One of the employees of Kennametal met with a motor accident, in which one lady died and two other people sustained injuries. Since L&T Finance was named as the loss payee in the insurance policy, L&T Finance has been made party to the motor accident claim. L&T Finance has filed its reply showing that it is not owner of the car under the definition of owner under the Motor Vehicles Act, 1988 (the "**MVA**" or "**Motor Vehicles Act**"). The Motor Accident Claims Tribunal has issued notices to Kennametal. These cases are currently pending for hearing before the Motor Accident Claims Tribunal – 8, Mumbai, Maharashtra.

3. Raj Kumar Singh has filed a suit against L&T Finance *inter alia* seeking an injunction against L&T Finance to restrain it from taking possession of the tractor that was financed through a loan granted by L&T Finance. L&T Finance has appeared before the court and filed an application under Section 8 of the Arbitration and Conciliation Act, 1996. The application is pending for hearing before the Civil Judge, (Senior Division), Khiri, Uttar Pradesh.

4. Rabari P. D., a borrower, has filed a suit against L&T Finance and one of its officers *inter alia* requesting an injunction against L&T Finance taking possession of the tractor that was financed through a loan granted by L&T Finance. L&T Finance has appeared before the court and filed an

application under Section 8 of the Arbitration and Conciliation Act, 1996. This matter is currently pending for hearing before the City Civil Court, Deesa, Banaskantha, Gujarat.

5. Rajaram Mahadev Bande, a borrower, filed a suit *inter alia* requesting the return of the suit equipment that was financed by through a loan granted by L&T Finance. Following the default of the borrower under the terms of a loan-cum-hypothecation agreement between the borrower and L&T Finance, L&T Finance had repossessed and sold the asset in exercise of its rights under the loan-cum-hypothecation agreement. L&T Finance has appeared before the court and filed its reply. This case is pending before the Civil Court, Pune.

6. Neeraj Kumar Mishra, a borrower, has filed a suit for return of the asset and for seeking an injunction against L&T Finance disposing of an asset that was financed through a loan granted by L&T Finance. Following the default of the borrower under the terms of a loan agreement, L&T Finance had repossessed and sold the asset in exercise of its rights under the loan-cum-hypothecation agreement between Neeraj Kumar Mishra and L&T Finance. L&T Finance has appeared in the suit and filed its application under Section 8 of the Arbitration and Conciliation Act, 1996. The application was rejected by the court for want of the original/notarised loan agreement. L&T Finance has filed a review application before the court. The case is pending before the Civil Court, Sitapur, Uttar Pradesh.

7. Following the default of a borrower, Narayan Chandra Sarkar, under the terms of a loan agreement with L&T Finance, and his subsequent death, the legal heirs of the borrower have filed two suits for declaration and mandatory injunction *inter alia* seeking an injunction against L&T Finance, restraining it from taking possession of the suit equipment that was financed through a loan granted by L&T Finance. In both the suits L&T Finance has filed applications under Section 5 and 8 of Arbitration and Conciliation Act, 1996. The case pending in the City Civil Court, Kolkata has been dismissed in view of Section 5 and 8 application of L&T Finance. Other suit is pending before the civil judge, junior division, Raiganj, Dinajpur, West Bengal.

8. Rajinder, a borrower and defaulter under the terms of a loan agreement, has filed a suit against L&T Finance *inter alia* seeking an injunction against L&T Finance, restraining it from taking possession of the tractor that was financed through a loan granted by L&T Finance. L&T Finance has appeared before the court and has filed an application under Section 8 of the Arbitration and Conciliation Act, 1996. The application is pending for hearing in the City Civil Court, Kaithal, Haryana.

9. Following the default of Ajit Singh Yadav, L&T Finance had repossessed and sold the asset that was financed through a loan granted by L&T Finance, in exercise of its rights under the loan-cum-hypothecation agreement between Ajit Singh Yadav and L&T Finance. Ajit Singh Yadav subsequently filed a suit seeking an injunction against L&T Finance and thereby restraining L&T Finance from disposing of the asset. L&T Finance has appeared before the court and has filed an application under Section 8 of the Arbitration and Conciliation Act, 1996. The case is pending in the Civil Court, Alwar, Rajasthan.

10. Sahib Singh, a borrower under the loan-cum-hypothecation agreement and a defaulter, has filed a suit against L&T Finance and one of its officers *inter alia* requesting a mandatory injunction against L&T Finance using the post-dated cheques issued by him to L&T Finance and for the return of the cheques. L&T Finance has appeared before the court and has filed an application under Section 8 of the Arbitration and Conciliation Act, 1996. This matter is currently pending before the Civil Court, Sirsa, Haryana.

11. Sharad Maruti Nimbalkar has filed a suit against L&T Finance *inter alia* for a declaration that the borrower is not liable to pay any amount to L&T Finance under the loan-cum-hypothecation agreement between Sharad Maruti Nimbalkar and L&T Finance. L&T Finance has appeared before the court and has filed an application under Section 8 of the Arbitration and Conciliation Act, 1996. The application is pending for hearing in the Civil Court, Phaltan.

12. L&T Finance's name was shown as a loss payee under an insurance policy, it has been made a party respondent in a motor accident claim filed by a third party, Mr. Sunil Soren and Budhilal Soren, both sons of the deceased Churvi Besera. L&T Finance has appeared before the Motor Accident Claims Tribunal and filed its reply *inter alia* requesting the tribunal to make the insurance company a party respondent. The case is pending in the Court of the IVth Additional Motor Accident Claims Tribunal, Naugachia, Bhagalpur, Bihar.

13. Sheetl Prasad Shukla, a defaulter under the loan-cum-hypothecation agreement between Sheetla Prasad Shukla and L&T Finance, has filed a suit against L&T Finance *inter alia* seeking an

injunction against L&T Finance, restraining it from taking possession of the tractor that was financed through a loan granted by L&T Finance. L&T Finance has appeared before the court and has filed an application under Section 8 of the Arbitration and Conciliation Act, 1996. The application is pending for hearing in the Civil Court, Lucknow.

14. Harinder Singh, a borrower and a defaulter under the loan-cum-hypothecation agreement between Harinder Singh and L&T Finance, has filed a suit against L&T Finance *inter alia* seeking an injunction to restrain L&T Finance from taking possession of the asset that was financed through a loan granted by L&T Finance. L&T Finance has appeared before the court and has filed an application under Section 8 of the Arbitration and Conciliation Act, 1996. The court has granted an injunction against L&T Finance, restraining it from taking possession of the asset. This matter is currently pending for hearing before the Civil Judge (Senior Division), Gurdaspur, Punjab.

15. L&T Finance had given a loan against securities pursuant to an agreement dated March 10, 2006 of ₹ 20 million to Maliram Makharia Investment Company Private Limited. ("**MMICPL**") for a period of 20 days against 1,292,441 shares of erstwhile United Western Bank Limited ("**UWB**") (now merged with IDBI Bank Limited) held by MMICPL and three other individual security providers. MMICPL failed to repay the loan amount on the due date and L&T Finance enforced the pledge on the shares. L&T Finance sold 450,000 shares of UWB and recovered an amount of ₹ 5,204,148.25 against the outstanding amounts of ₹ 5,110,888. Under the directions issued by RBI, trading of UWB shares was frozen from September 29, 2006, as a result of which L&T Finance could not transfer the balance shares to the demat account provided by MMICPL. Subsequently, UWB was ordered to be amalgamated with IDBI Bank and the shareholders became entitled to receive ₹ 28 per share against each share of UWB. Hence, L&T Finance became a shareholder of UWB in the respect of a balance of 842,441 shares. Thereafter, IDBI Bank filed a petition before the Company Law Board *inter alia* requesting to rectify the Register of Shareholders of UWB and to remove the name of L&T Finance. The petition was dismissed and IDBI Bank has filed an appeal in Bombay High Court against the order of Company Law Board, which is pending. L&T Finance has filed a suit against IDBI Bank for recovery of ₹ 33,266,679 comprising of principal of ₹ 23,588,348 and interest of ₹ 9,678,331.

16. M. V. Ramapriyan, a former employee filed a suit *inter alia* requesting an order against L&T Finance to pay him ₹ 270,000 with interest at 18% p.a. from the date of filing of suit, July 25, 2005 until the date of payment on account of alleged unpaid dues. A notice of motion for interim relief against L&T Finance was dismissed by the Bombay High Court by its order dated January 15, 2007. The suit is currently pending for directions in the Bombay High Court.

17. Pragnesh Vyas, an former employee filed a suit before the Civil Judge Senior Division, Rajkot *inter alia* seeking declaration against L&T Finance that the termination notice sent by L&T Finance is against the law and L&T Finance be restrained from taking action pursuant to said termination notice. His application for interim relief has been dismissed by the court by its order dated April 9, 2010. L&T Finance has filed its written statement. The suit is currently pending for framing issues in the Civil Judge, Senior Division, Rajkot.

18. Nilkamal Construction, a customer of L&T Finance filed a suit for recovery of ₹ 533,916. L&T Finance has filed its written statement. The suit is now pending.

19. L&T Finance had initiated arbitration proceedings as well as proceedings under section 9 of the Arbitration and Conciliation Act, 1996. Advocate Commissioners have been appointed on all assets financed to Mr. Y.L. Sable. He filed three suits before CJJD, Hubli *inter alia* seeking an injunction against L&T Finance, restraining it from repossessing the asset. L&T Finance has appeared and filed an application under Section 8 of the Arbitration and Conciliation Act, 1996 challenging the jurisdiction of civil court in view of arbitration agreement between the parties. Two out of three suits have been dismissed by the CJJD based on the Section 8 application of L&T Finance. Balance one suit is pending for hearing on the Section 8 application of L&T Finance.

20. Pursuant to the defaults committed by Arihant Marbles, L&T Finance has initiated arbitration proceedings as well as proceedings under section 9 of the Arbitration and Conciliation Act, 1996. Court Receiver, High Court, Bombay has taken possession of the asset. Thereafter, Arihant Marbles has filed a suit against L&T and L&T Finance for the same claims. L&T Finance has filed an application under Section 8 of the Arbitration and Conciliation Act, 1996. This application is pending for hearing.

21. Pursuant to defaults committed by Chamanlal Ode, L&T Finance has initiated arbitration proceedings as well as proceedings under section 9 of the Arbitration and Conciliation Act, 1996. Court Receiver, High Court, Bombay has been appointed on the asset. Aggrieved by this Mr.

Chamanlal Ode has filed a suit against L&T Finance before City Civil Court, Ahemdabad. L&T Finance has filed an application under Section 8 of the Arbitration and Conciliation Act, 1996. The same is pending for hearing.

22. K.D. Kumara Shetty, a defaulter, has filed a suit against L&T Finance before Civil Judge (J.D.) Hassan, Karnataka to stop L&T Finance from taking possession of the asset. L&T Finance has filed an application under Section 8 of the Arbitration and Conciliation Act, 1996. The matter is currently pending.

23. Ram Karan, a defaulter, has filed a suit against L&T Finance before Civil Judge Senior Division, Nalagarh, Himachal Pradesh to stop L&T Finance from taking possession of the asset. L&T Finance has filed an application under Section 8 of the Arbitration and Conciliation Act, 1996. This matter is currently pending.

24. Siba Prasad Das, a defaulter, has filed a suit against L&T Finance before Orissa High Court at Cuttack to stop L&T Finance from taking possession of the asset. L&T Finance has filed its counter affidavit. This matter is currently pending.

25. AHK Earthmovers and Financials Services, a defaulter, has filed a suit against L&T Finance before the City Civil Court, Bangalore to stop L&T Finance from taking possession of the asset. L&T Finance has filed an application under Section 8 of the Arbitration and Conciliation Act, 1996. This matter is currently pending.

26. Abhishek Singh, a defaulter of L&T Finance, has filed a writ petition against L&T Finance before the Orissa High Court to stop L&T Finance from taking possession of the asset. The writ petition is pending for hearing.

27. K. Alagu, a defaulter, has filed a suit against L&T Finance before the District Munsif Court, Madurai to stop L&T Finance from taking possession of the asset. L&T Finance has filed an application under Section 8 of the Arbitration and Conciliation Act, 1996. This matter is currently pending.

28. Biju Thomas, a defaulter of L&T Finance, has filed a writ petition against L&T Finance to stop L&T Finance from taking possession of the asset. The writ petition is currently pending.

29. Ashok Kumar had approached L&T Finance for a loan, however his application was rejected. He has filed a case against the dealer before Civil Judge, Hoshiyarpur, Punjab, in which L&T Finance has been made a formal party. This matter is currently pending.

30. L&T Finance has initiated arbitration proceedings against one Mr. Pradip Ghosh who is a defaulter of L&T Finance. Mr. Pradip Ghosh filed a suit against L&T Finance to stop L&T Finance from taking possession of the asset. L&T Finance appeared before the court and filed an application under Section 8 of the Arbitration and Conciliation Act, 1996. The application is pending for hearing. The injunction was vacated against L&T Finance. Pradip Ghosh has filed an appeal against the order of the lower court vacating an injunction earlier granted in favour of L&T Finance. L&T Finance has appeared before the court and filed a reply. The appeal and the suit are pending.

31. Pushpanjali Mohapatra, a defaulter of L&T Finance, has filed a writ petition against L&T Finance before the Orissa High Court to stop L&T Finance from taking possession of the asset. The writ petition is pending for hearing.

32. Om Prakash Yadav, a defaulter of L&T Finance, has filed a suit against L&T Finance before the Civil Judge Ahemdabad to stop L&T Finance from recovering its loan. L&T Finance has filed an application under Section 8 of the Arbitration and Conciliation Act, 1996. This is currently pending for hearing.

33. Narendrasingh L. Rana, a defaulter of L&T Finance, has filed a suit against L&T Finance before the Civil Court, Ahemdabad to stop L&T Finance from recovering its loan. L&T Finance has filed an application under Section 8 of the Arbitration and Conciliation Act, 1996. This matter is currently pending for hearing.

34. Asim Mondal, a defaulter of L&T Finance, has filed two civil suits against L&T Finance before the Civil Judge, Paschim Midnapore to stop L&T Finance from recovering its loan. L&T Finance has filed an application under Section 8 of the Arbitration and Conciliation Act, 1996. This matter is currently pending for hearing.

35. Mohammed Javed, a borrower and defaulter of L&T Finance under the terms of a loan agreement, has filed a suit against L&T Finance *inter alia* seeking an injunction against L&T Finance, restraining it from taking possession of the tractor that was financed through a loan granted by L&T Finance. L&T Finance has appeared before the court and filed an application under Section 8 of the Arbitration and Conciliation Act, 1996. The application is currently pending for hearing.

36. Fakruddin s/o Ballu, a borrower, has filed two suits against L&T Finance in order to stop L&T Finance to recover the loan in the court of Civil Judge (Senior Division), Nuh. L&T Finance has appeared before the court and filed applications under Section 8 of the Arbitration and Conciliation Act, 1996. The application is pending for hearing. L&T Finance has initiated arbitration proceedings and proceedings under section 9 of the Arbitration and Conciliation Act, 1996. A receiver has been appointed on the asset. He has also filed a contempt application against L&T Finance, in which notice has been issued to L&T Finance.

37. Fakruddin s/o Mehtab, a borrower, has filed a suit against L&T Finance before the Civil Judge (Senior Division), Nuh to stop L&T Finance from recovering its loan. L&T Finance has appeared and filed applications under Section 8 of the Arbitration and Conciliation Act, 1996. The application is pending for hearing. L&T Finance has initiated arbitration proceedings and proceedings under section 9 of the Arbitration and Conciliation Act, 1996. A Receiver has been appointed on the assets. He has also filed a contempt application against L&T Finance, in which notice has been issued to L&T Finance.

38. Tahir Hussain, a borrower and defaulter of L&T Finance, has filed a suit against L&T Finance in order to stop L&T Finance to recover the loan. L&T Finance has appeared before the court and filed an application under Section 8 of the Arbitration and Conciliation Act, 1996. The application is currently pending for hearing.

39. Rajendra Sharma, a borrower and defaulter of L&T Finance, has filed a suit against L&T Finance in the City Civil Court, Kolkata *inter alia* praying for injunction against L&T Finance restraining it from selling the asset repossessed from him pursuant to him defaulting. The City Civil Court, Kolkata refused to grant him an interim injunction against L&T Finance. L&T Finance has filed an application under Section 8 of the Arbitration and Conciliation Act, 1996, which is currently pending for hearing. The City Civil Court, Kolkata refused to grant Rajendra Sharma an interim injunction against L&T Finance in the suit filed by him, hence, he filed an appeal against L&T Finance in the Calcutta High Court challenging the order of the City Civil Court, Calcutta. L&T Finance has sold the repossessed asset since there was no injunction and has initiated arbitration proceedings for recovery of loss. The matter is pending.

40. Abdul Razzak, a borrower and defaulter of L&T Finance, has filed a suit against L&T Finance to stop L&T Finance from recovering its loan. L&T Finance has appeared before the court and filed an application under Section 8 of the Arbitration and Conciliation Act, 1996. The application is currently pending for hearing.

41. Suresh Prasad Saha, a borrower and a defaulter of L&T Finance, has filed a suit against L&T Finance to stop L&T Finance from recovering its loan. L&T Finance has appeared before the court. The asset has been repossessed. On refusal of the trial court to grant any interim relief, the borrower filed an appeal before the District Court, Alipore. The District Judge, Alipore admitted the appeal of the borrower. The customer has now filed a revision before the Calcutta High Court. All the proceedings are pending.

42. Susama Das, a borrower and a defaulter of L&T Finance, has filed a writ petition before the Orissa High Court against L&T Finance to stop L&T Finance from taking possession of the asset. L&T Finance has appeared before the court and has filed its reply. The petition is currently pending for hearing before the Orissa High Court.

43. Mohd. Abdul Samad, a borrower and a defaulter of L&T Finance has filed a suit against L&T Finance before City Civil Court, Hyderabad to stop L&T Finance from recovering its loan. L&T Finance has appeared before the court and filed an application under Section 8 of the Arbitration and Conciliation Act, 1996. The application is currently pending for orders.

44. A. Raghunath, a borrower and a defaulter of L&T Finance, has filed a suit against L&T Finance before Senior Judge, Chitoor, Andhra Pradesh to stop L&T Finance from recovering its loan. L&T Finance has appeared before the court and is yet to file an application under Section 8 of the Arbitration and Conciliation Act, 1996.

45. Being aggrieved by the order passed by the lower court allowing an application made by L&T Finance under section 5 and 8 of the Arbitration and Conciliation Act, 1996 in a suit filed by Niranjan Lal, Niranjan Lal has filed an appeal before the District Court, Alwar, Rajasthan. L&T Finance has appeared before the court. The matter is pending.

46. Mohd. Faiyaz a borrower and a defaulter of L&T Finance, has filed a suit against L&T Finance before third civil judge (sr. Division), Howrah, West Bengal to stop L&T Finance from recovering its loan. L&T Finance has entered its appearance before the court and has filed an application under Section 8 of the Arbitration and Conciliation Act, 1996. The case is pending.

47. Kishore Kumar Das, a borrower of L&T Finance has filed a suit against the insurance company and L&T Finance *inter alia* requesting a direction to the insurance company not to pay the claim amount to L&T Finance and to pay it to Kishore Kumar Das. The matter is pending.

48. Baby Joseph, a borrower and a defaulter of L&T Finance, has filed a suit against L&T Finance to stop L&T Finance from recovering its loan. L&T Finance has appeared before the court and filed an application under section 8 of Arbitration and Conciliation Act, 1996, which was rejected. The matter is pending.

49. Subha Mondal, a borrower and a defaulter of L&T Finance, has filed a suit against L&T Finance before City Civil Court, Kolkata to stop L&T Finance from recovering its loan. L&T Finance has appeared before the court and filed an application under Section 8 of the Arbitration and Conciliation Act, 1996. The application is pending for hearing. The borrower has filed another suit against L&T Finance before the Civil Judge, Paschim Midnapore to stop L&T Finance from recovering its loan. This matter is currently pending for hearing.

50. Vithalbhai Govardhan Padaliya, a borrower and a defaulter of L&T Finance, has filed a suit against L&T Finance before City Civil Court, Rajkot, Gujarat to stop L&T Finance from recovering its loan. L&T Finance has appeared before the court and filed an application under Section 8 of the Arbitration and Conciliation Act, 1996. The application is pending for hearing.

51. Anup Kumar Bera, a borrower and a defaulter of L&T Finance, has filed a suit against L&T Finance to stop L&T Finance from recovering its loan. L&T Finance has appeared before the court and filed an application under Section 8 of the Arbitration and Conciliation Act, 1996. The application is pending for hearing.

52. Kamal Khan, a third party, who bought a vehicle from Mr. Soma Mujumdar, such vehicle having been financed by us, has filed a suit against L&T Finance before the City Civil Court, Kolkata *inter alia* seeking an injunction against L&T Finance, restraining it from selling the financed asset, which is in L&T Finance's custody. L&T Finance has appeared before the court and filed an application under Section 8 of the Arbitration and Conciliation Act, 1996. This suit is currently pending. This person has also filed a writ petition before Calcutta High Court against L&T Finance and others for the same cause of action, which is also pending for hearing.

53. L&T Finance has initiated arbitration proceedings. To stop L&T Finance from recovering its loan, Pooran Chand filed a suit against L&T Finance. L&T Finance has appeared before the court and filed an application under Section 8 of the Arbitration and Conciliation Act, 1996, which was rejected by the civil court. In the meantime, an arbitration award has been passed in favour of L&T Finance. Hence, L&T Finance has filed an application for dismissal of suit on the ground of arbitration award having been passed against the plaintiff and in favour of the defendant. An injunction has been granted against L&T Finance as of date.

54. L&T Finance had initiated arbitration proceedings against one Mr. Ravindra Singh. To stop L&T Finance from recovering its loan, Ravindra Singh filed a suit against L&T Finance before City Civil Court, Kolkata, West Bengal. L&T Finance has filed an application under Section 8 of the Arbitration and Conciliation Act, 1996. The said Section 8 application was allowed by the court and the suit was dismissed. However, the borrower has once again filed a civil suit on the same facts and grounds. This is currently pending.

55. L&T Finance had initiated arbitration proceedings against one Bhanu Jana. To stop L&T Finance from recovering its loan, Bhanu Jana filed a suit against L&T Finance. L&T Finance has filed an application under section 8 of the Arbitration and Conciliation Act, 1996. Suit is currently pending. During the pendency of hearing of the application, arbitration award was passed in favour of L&T Finance. Being aggrieved by the order of the City Civil Court, Kolkata refusing to extend the interim

stay, borrower filed an appeal before the Calcutta High Court, which is also pending. L&T Finance has appeared before the court in the suit.

56. L&T Finance had initiated arbitration proceedings against one Hazi Rahmat Khan. To stop L&T Finance from recovering its loan, Hazi Rahmat Khan filed a suit against L&T Finance before Civil Judge, Alwar, Rajasthan. L&T Finance has filed an application under section 8 of Arbitration and Conciliation Act, 1996. This matter is currently pending.

57. To stop L&T Finance from recovering its loan, Shankar V has filed suit against L&T Finance before the District Munsif Court, Tiruchirapally, Tamil Nadu. L&T Finance has filed a Section 8 Application. This matter is currently pending.

58. Being aggrieved by an order of the Civil Judge, Junior Division, Hubli in favour on L&T Finance, Mohd. Gouz Dalayat, a borrower and defaulter of L&T Finance, has filed an appeal before the Additional Civil Judge – 1, Hubli. This matter is currently pending.

59. Pittala Kommuraiah, a borrower and defaulter of L&T Finance, has filed an insolvency petition before the Civil Judge, Senior Division, Karimnagar, Andhra Pradesh *inter alia* seeking an order to declare him insolvent. This matter is currently pending.

60. Brijesh Kumar Pandey, a borrower, has filed a suit seeking direction to grant an injunction against L&T Finance and thereby restrain L&T Finance from disposing of the asset that was financed through a loan granted by L&T Finance. L&T Finance has appeared before the court and has filed application under Section 8 of the Arbitration & Conciliation Act, 1996. The case is pending before the Civil Judge, Sultanpur, Uttar Pradesh.

61. A suit has been filed by B. Srinivas for removal of hypothecation which was allegedly created by mistake even though no loan has been sanctioned to B. Srinivas by L&T Finance. The suit has been filed for possession of documents of title and consequential injunction. The case is pending before the Civil Judge, Jangaon, Warangal, Andhra Pradesh.

62. A tractor was financed to the borrower, Elyas Hussainsaab Shaikh, under the loan-cum-hypothecation agreement entered into between the borrower and L&T Finance. The tractor met with an accident and one person died. Since, L&T Finance's name was included in the insurance policy as loss payee, L&T Finance has been made a party to the motor accident claim. L&T Finance has filed its reply before the Motor Accident Claims Tribunal, Parbhani, Maharashtra, showing that it is not the owner of the said asset as per definition of owner given under the Motor Vehicles Act. The case is pending in the Motor Accident Claims Tribunal, Parbhani, Maharashtra.

63. Asif Tamboli, a borrower and defaulter under the loan-cum-hypothecation agreement between Asif Tamboli and L&T Finance, has filed a suit against L&T Finance *inter alia* seeking injunction against L&T Finance from taking possession of assets that were financed through a loan granted by L&T Finance. L&T Finance has appeared before the court and has filed an application under section 5 and 8 of Arbitration and Conciliation Act, 1996. The application is currently pending for hearing in the Civil Judge (Junior. Division), Gadag, Karnataka.

64. A motor accident claim has been filed by one Parveen Anis Baig against L&T Finance before Motor Accident Claim Tribunal, Mumbai. This pertains to an operating lease facility provided by L&T Finance to Kennametal Widia India Limited ("Kennametal") for giving cars on lease to Kennametal, which are used by employees of Kennametal. One such car used by one of the employees of Kennametal met with an accident, in which one lady died and two other people met with injuries. Since, L&T Finance's name was shown on the insurance policy as Loss Payee; L&T Finance has been made party to the MACT claim. L&T Finance has filed its reply showing that it is not owner of the said car as per definition of owner given under the Motor Vehicles Act. The MACT has issued notices to Kennametal. These cases are currently pending for hearing. L&T Finance has filed its reply. Notice has been issued to Kennametal. This case is currently pending for hearing.

65. To stop L&T Finance from recovering its loan, Narender Joginder Sharma has filed a suit against L&T Finance. L&T Finance has filed an application under section 5 and 8 of the Arbitration and Conciliation Act, 1996. The application has been decided against L&T Finance. The matter is currently pending.

66. Om Prakash has filed a claim before Motor Accident Claims Tribunal at Hisar with respect to an accident to a tractor financed by L&T Finance to Mr. Sucha Singh. L&T Finance has appeared and filed its defence in the matter.

67. Bimla w/o Late Prabhat Singh has filed a claim before Motor Accident Claims Tribunal at Hisar with respect to an accident to a tractor financed by L&T Finance to Mr. Sucha Singh. L&T Finance has appeared and filed its defence in the matter.

68. To stop L&T Finance from recovering its loan, Vijay Bahadur Singh brother of the Borrower *i.e.* Suryabahadur Singh has filed a suit against L&T Finance in the court of Civil Judge, Junior. Division, Faizabad, Uttar Pradesh. L&T Finance has appeared and filed an application under section 5 and 8 of the Arbitration and Conciliation Act, 1996. The suit is pending.

69. To stop L&T Finance from recovering its loan, Baldev Krishnan has filed 2 suits against L&T Finance in the court of Civil Judge, Junior. Division, Alwar. L&T Finance has appeared in the suit and filed an application under section 5 & 8 of the Arbitration and Conciliation Act, 1996. The matter is pending for hearing

70. Pursuant to defaults of Sivadas P., L&T Finance took possession of the asset from Mr. Sivadas P. under the order of Madras High Court and sold it to Mr. Varghese. However, on account of objections raised by Sivadas P. for transfer of asset in the name of Mr. Varghese, Mr. Varghese has filed a writ petition before Kerala High Court at Ernakulam against Sivadas P. and others *inter alia* seeking injunction against Mr. Sivadas restraining them from interfering with his possession of the asset. L&T Finance has been made formal party. L&T Finance has appeared and will file an appropriate reply.

71. To stop L&T Finance from recovering its loan, Mahesh Kumar has filed a suit against L&T Finance in the court of Civil Judge, Sr. Division, Palwal, Haryana. L&T Finance has appeared in the suit and filed an application under section 5 & 8 of the Arbitration and Conciliation Act, 1996. The matter is pending for hearing.

72. To stop L&T Finance from recovering its loan, Keshubhai Vadher has filed a suit against L&T Finance in the court of Civil Judge, Sr. Division, Porbunder, Gujarat. L&T Finance has appeared in the suit and has filed an application under section 5 & 8 of the Arbitration and Conciliation Act, 1996. The matter is pending for hearing.

73. To stop L&T Finance from recovering its loan, Jayantibhai Chauhan has filed a suit against L&T Finance in the court of Civil Judge, Jr. Division, Rajkot, Gujarat. L&T Finance has appeared in the suit and has filed an application under section 5 & 8 of the Arbitration and Conciliation Act, 1996. The matter is pending for hearing.

74. One Daivshala Kamble has filed a case before Labour Court, Latur, Maharashtra *inter alia* claiming compensation from L&T Finance for death of the deceased Amol Kamble. Amol Kamble was neither employed by L&T Finance nor was he an associate of L&T Finance. The matter is currently pending.

75. Mohammed Hanif, a borrower and defaulter of L&T Finance, has filed a suit against L&T Finance in the court of Civil Judge (Sr. Division), Yamunanagar, Jagadhri, Haryana. L&T Finance has entered its appearance and has filed Section 8 Application under Arbitration and Conciliation Act, 1996. Suit is currently pending.

76. Ghanshyam S/o Gaje Singh a borrower and defaulter of L&T Finance, has filed a suit against L&T Finance in the court of Civil Judge (Jr. Division), Karnal Haryana. L&T Finance has appeared and has filed an application under Section 5 and 8 of Arbitration and Conciliation Act, 1996. Suit is currently pending.

77. Ganesh Ramrao Deshmukh a borrower and defaulter of L&T Finance, has filed a suit against L&T Finance in the court of Civil Judge (Sr. Division), Washim Maharashtra. Suit is currently pending.

78. Nazirbhai Kapadia a borrower and defaulter of L&T Finance, has filed a suit against L&T Finance before second Civil Judge, Anand, Gujarat. L&T Finance has appeared and has filed an application under Section 5 and 8 of Arbitration & Conciliation Act, 1996. The suit is currently pending.

79. Jaswant Singh, a third party has filed a civil suit before Civil Judge, Junior Division, Pathankot, Punjab against L&T Finance *inter alia* praying for decree of permanent injunction restraining L&T Finance from seizing the vehicle. The vehicle pertaining to the suit was refinanced to Mr. Surinder Singh, Borrower on loan-cum-hypothecation basis. The borrower had furnished forged Registration Certificate bearing the endorsement of hypothecation in favour of L&T Finance. On non-payment of loan installment L&T Finance repossessed the vehicle under the terms and conditions of the loan cum hypothecation agreement. Thereafter the original owner of the vehicle furnished original Registration Certificate bearing endorsement of hypothecation in favour of Sriram Transport Finance

Co. Ltd. The vehicle was released by L&T Finance to the actual owner. Thus, the aforesaid suit has been filed by the original owner *i.e.* Mr. Jaswant Singh as a pre-emptive measure. L&T Finance initiated criminal proceeding for forgery against the borrower *i.e.* Mr. Surendra Singh. The matter is currently pending.

80. In an execution petition filed by L&T Finance against its defaulter *viz.* International Hometex Limited, immovable property, wherein International Hometex Limited had its registered office was attached by Bombay High Court. Now, one Mr. Rajesh Gopal Ahuja has moved a chamber summon against L&T Finance in its execution petition before the Bombay High Court *inter alia* praying for cancellation of warrant of attachment dated August 18, 2010, raising the attachment executed by the Bailiff on October 29, 2010, and claiming damages to the tune of ₹ 5,00,000/-. The matter is currently pending.

81. Abhiram Nayak, a defaulter of L&T Finance, has filed a writ petition against L&T Finance before the Orissa High Court to stop L&T Finance from taking possession of the asset. The writ petition is pending for hearing.

82. Harbhajan Singh S/o Chanan Singh, a borrower has filed a civil suit before the Civil Judge at Ponta Sahib, Himachal Pradesh. L&T Finance has appeared in the matter. During the pendency of the suit L&T Finance has obtained an order and the asset was repossessed by the Court Receiver. Thereafter, the borrower got the asset released by foreclosing his account. The suit is currently pending.

83. Ramjan S/o Samay Singh, a Borrower has filed a civil suit before the Additional Civil Judge, Senior Division at Ferozepur Jhirka, Mewat, Haryana. The suit is currently pending.

84. Vijay Singh Naruka, a borrower has filed a civil suit before the Additional Civil Judge, at Jaipur, Rajasthan. L&T Finance has appeared in the matter. The suit is currently pending.

85. Raju Antony, a borrower has filed a civil suit before the Munsif Court at Chenganasherry, Kottayam, Kerala. L&T Finance has appeared in the matter. The suit is currently pending.

86. D. Jacob Jayraj, a borrower has filed a civil suit before the City Civil Judge, Chennai, Tamil Nadu. L&T Finance has appeared in the matter. The suit is currently pending.

87. Narayan Jaganath Babar, a borrower has filed a civil suit before the Civil Judge, Junior Division, Mhasvad, Maharashtra. L&T Finance has appeared in the matter. The suit is currently pending.

88. M Thillai Kumar, a borrower has filed a civil suit before the City Civil Judge, Chennai, Tamil Nadu. L&T Finance has appeared in the matter. The suit is currently pending.

89. Faruk Kapali, a borrower has filed a civil suit before the Civil Judge, Hubli, West Bengal. L&T Finance has appeared in the matter. The suit is currently pending.

90. State Bank of India, a creditor of International Hometex Ltd. has filed a company application in Bombay High Court in winding up petition filed by L&T Finance *inter alia* seeking leave to take legal action against International Hometex Ltd. for recovery of its dues. L&T Finance has been made a formal party.

91. Deka Consultancy & Agency Services has filed a suit against L&T Finance before Civil Judge Senior Division No. 2 Guwahati, Assam.

92. Sankalp Motors a third party in whose possession one asset of the customer of L&T Finance namely Pirojiwal Infrastructure was found and High Court has appointed Court Receiver to repossess the asset from his custody, being aggrieved by this order Sankalp Motors has filed a Revision petition against L&T Finance before High Court at Calcutta. The matter is currently pending

93. Tarak Mandal (Bullet Battery Co.) has filed a Suit against L&T Finance before Civil Judge, Sivasagar, West Bengal. The matter is currently pending.

94. Gajanan Jadhav (Re: Nitin Jagannath Mahale) has filed a Civil Suit against L&T Finance before Civil Judge, Junior Division, Sangrampur, Buldhana, Maharashtra. The matter is currently pending.

95. Jayawanth Killikethar, has filed a civil suit against L& T Finance before Civil Judge Junior Division & Judicial Magistrate First Class, Dharwad, Karnataka. The matter is currently pending.

96. Mahadab Nandi, has filed a civil suit against L&T Finance before City Civil Court, Calcutta, West Bengal praying, amongst other things, that L&T Finance be permanently restrained from selling the suit property. The matter is pending.

97. Chidambaranathan B.S., has filed a civil suit against L&T Finance before Civil Judge, Tindivanam, Villuppuram, Tamil Nadu. The matter is currently pending.

98. Nesar Ahmed, has filed a suit against L&T Finance before City Civil Court, Kolkata. The matter is currently pending.

99. Pramod Kumar Nayak, has filed a suit against L&T Finance before Civil Judge Senior Division, Balasore. The matter is currently pending.

100. Pramod Kumar Nayak, has filed writ petition against L&T Finance before Orissa High Court. The matter is currently pending.

101. Pawan Kumar, has filed a suit against L&T Finance before Addl. Civil Judge Senior Division, Bhatinda, Punjab. The matter is currently pending.

102. Raksha Devi w/o Pawan Kumar, has filed a suit against L&T Finance before Addl. Civil Judge Senior Division, Bhatinda, Punjab. The matter is currently pending.

103. Maltesh More, has filed a revision petition before the District Judge at Dharwad, Karnataka against order passed whereby Section 5 and 8 Application filed in suit against L&T Finance was allowed in favour of L&T Finance. LTF has appeared in the matter and the matter is currently pending.

104. Sanjeev Kumar Malhotra, has filed a civil suit before Civil Judge Junior Division, Alwar, Rajasthan against L&T Finance. The matter is currently pending

105. Rakesh Kapoor, has filed a civil suit before Civil Judge Junior Division, Alwar, Rajasthan against. L&T Finance. The matter is currently pending

106. L Khadar Basha, has filed a civil suit before Senior Civil Judge, Pungapur, Mangalore against L&T Finance. The matter is currently pending.

107. Guru Dronacharya High School, has filed a civil suit before Senior Civil Judge Narnaul, Haryana against L&T Finance. The matter is currently pending

108. Janak Singh, has filed a civil suit before Civil Judge Junior Division, Alwar, Rajasthan against L&T Finance. The matter is currently pending

109. Rachpal Singh has filed two civil suits before Civil Court, Tis Hazari, Delhi against L&T Finance. The matter is currently pending

110. Kirpal Singh has filed a civil suit before Civil Court, Tis Hazari, Delhi against L&T Finance. The matter is currently pending.

111. Basavraj M Dadibhau, has filed a civil suit before IInd Principal Civil Judge, Hubli against L&T Finance alleging forcible and illegal possession of the suit vehicle by L&T Finance and praying, amongst other things, for return of the vehicle to the plaintiff. The matter is currently pending

112. Mallikarjun S Rayapur, has filed a civil suit before IInd Principal Civil Judge, Hubli against L&T Finance praying for the return of the vehicle repossessed by L&T Finance and a decree of permanent injunction restraining L&T Finance from alienating the suit vehicle. The matter is currently pending.

113. Tapan Kumar Mandla, has filed a civil suit before IInd Principal Civil Judge, Midnapore, West Bengal against L&T Finance. The matter is currently pending.

114. Baljinder Singh, had filed a civil suit before the Additional Civil Judge Senior Division, Rajpura, Punjab against L&T Finance. L&T Finance filed an application under section 5 and 8 of Arbitration and Conciliation Act, 1996. In terms thereof, the suit was dismissed. Now, the customer has filed a writ petition in the Punjab and Haryana High Court. The writ petition is currently pending.

115. Sunil Kumar S/o Shyam Bir, has filed a civil suit before Civil Judge, Senior Division, Tis Hazari, Delhi against L&T Finance. The matter is currently pending.

116. Prahallad Mondal, has filed 2 civil suits before IIIrd Civil Judge, Junior Division, Midnapore, West Bengal. L&T Finance is taking steps to appear and file Section 8 Application under Arbitration and Conciliation Act, 1996. The matters are currently pending.

117. Mother India Logistics and Mineral, has filed an Appeal against L&T Finance (arising out of execution of decree) before Bombay High Court. The matter is currently pending before the High Court.

118. Sk. Sirajuddin, has filed an Appeal against L&T Finance (arising out of suit against L&T Finance) before Calcutta High Court. The matter is currently pending before the Court.

119. Krishna Marble Stone, has filed a complaint against L&T Finance before the Lok Adalat at Dausa, Rajasthan. The matter is currently pending before the Lok Adalat.

120. Sk. Monirul, a borrower and defaulter of L&T Finance has filed a writ petition before Calcutta High Court against L&T Finance and others. The same is pending for hearing.

121. Anamallais Agencies (RE: C Jayarani) has filed a civil suit against L&T Finance before the IInd Additional Sub-Judge, Coimbatore. The matter is currently pending.

122. Mohd Yusuf has filed a civil suit before the 1st Senior Civil Judge at Hyderabad against L&T Finance praying for the return of the suit vehicle in the possession of L&T Finance. The matter is currently pending.

123. Mallikarjunaiyya, a borrower and defaulter of L&T Finance has filed a suit against L&T Finance in the court of Civil Judge (Senior Division), Chitradurga. L&T Finance has filed s. 5 and 8 application. The matter is currently pending.

124. Ramneek Singh, a borrower and defaulter of L&T Finance has filed a suit against L&T Finance in the court of City Civil Court, Kolkata against L&T Finance. The matter is currently pending.

125. Paramjit Singh has filed a civil writ petition against L&T Finance before the Punjab and Haryana High Court.

Arbitration

1. Dhanpal Tamanna Gulavane, a borrower under the loan-cum-hypothecation agreement between Dhanpal Tamanna Gulavane and L&T Finance has filed a petition under Section 34 of the Arbitration and Conciliation Act, 1996 before the Bombay High Court, *inter alia* challenging the award passed by the Arbitral Tribunal in favour of L&T Finance. L&T Finance has filed its reply. The matter is currently pending for hearing before the Bombay High Court Ordinary Original Civil Jurisdiction.

2. Being aggrieved by an award dated November 30, 2009 passed and published by the sole arbitrator, Advocate Prashant Chande of the Bombay High Court, in favour of L&T Finance, for default by the borrower, Mr. Ramdas Himmatrao Lahane, under the loan-cum-hypothecation agreement, the borrower has challenged the award by filing a petition under Section 34 of the Arbitration and Conciliation Act, 1996 in the Court of the District Judge, Buldhana. L&T Finance has appeared. The petition is pending for hearing in the Court of the District Judge, Buldhana, Maharashtra.

3. Madhya Pradesh State Road Corporation has challenged the award dated May 16, 2009 passed and published by sole arbitrator, Mr. Arvind Savant in favour of the L&T Finance, by filing Section 34 petition in the Bombay High Court. L&T Finance has filed its reply. This matter is currently pending before the Bombay High Court.

4. Being aggrieved by the award passed by the Arbitral Tribunal in favour of L&T Finance, Real Fab, a Hirer has filed a Section 34 petition before Bombay High Court *inter alia* challenging the said award. L&T Finance has filed its reply. This matter is currently pending before the Bombay High Court.

5. Being aggrieved by the award passed by the Arbitral Tribunal in favour of L&T Finance, Edwin Mascarenhas has filed a petition before the Bombay High Court *inter alia* challenging the said award. L&T Finance has filed its reply. The matter is currently pending.

6. Pooran Chand has challenged the arbitration award passed in favour of L&T Finance by filing a Section 34 petition before the District Court, Narnaul. L&T Finance has filed its reply. This matter is currently pending.

7. Alkesh Solanki has filed a petition against L&T Finance under section 9 of the Arbitration and Conciliation Act, 1996 *inter alia* seeking injunction, to avoid payment of loan outstanding. An injunction has been granted against L&T Finance. L&T Finance has appeared and has filed its reply. This matter is currently pending.

8. Kishore Raghoji Rokde, a borrower and defaulter of L&T Finance, has filed an application under section 9 of Arbitration and Conciliation Act, 1996 before the Dist. Judge, Nagpur *inter alia* seeking a direction against L&T Finance to release the asset repossessed by it pursuant to his defaults under the loan cum hypothecation agreement. L&T Finance has appeared before the court. The matter is currently pending.

9. Pirojiwal Infrastructure Services, a borrower and defaulter of L&T Finance, has filed an application under section 9 of the Arbitration and Conciliation Act, 1996 before Calcutta High Court *inter alia* seeking injunction against L&T Finance from taking possession of assets financed by it. Award has been passed in favour of L&T Finance. L&T Finance has appeared and filed its reply. Borrower has filed its rejoinder. Case is pending for hearing.

10. Lalanji Pandey, a borrower and defaulter of L&T Finance, has filed two applications under section 9 of the Arbitration and Conciliation Act, 1996 before City Civil Court, Kolkata *inter alia* seeking injunction against L&T Finance from taking possession of assets financed by it. The matter is currently pending.

11. Tarajnjit Singh, a borrower and defaulter of L&T Finance, has filed a petition under section 34 of Arbitration & Conciliation Act, 1996 before District Judge, Ludhiana *inter alia* challenging the arbitration award passed in favour of L&T Finance. The matter is currently pending.

12. Being aggrieved by the arbitration award passed by arbitral tribunal in favour of L&T Finance, Mr. Baliram Bhosale has filed a petition before District Court, Solapur, Maharashtra under section 34 of Arbitration and Conciliation Act, 1996 *inter alia* challenging the said award. L&T Finance has entered its appearance. This matter is currently pending.

13. Annamalai Bulk Carrier, a borrower and defaulter of L&T Finance, has filed an appeal before Division Bench of Bombay High Court, challenging the order passed by the Single Judge of Bombay High Court on s. 9 petition of L&T Finance *inter alia* appointing Court Receiver, High Court, Bombay as received on the asset financed by L&T Finance to it. L&T Finance has appeared and has filed its reply. Case is pending for hearing.

14. Being aggrieved by the arbitration award passed by arbitral tribunal in favour of L&T Finance, Mr. T. S. Venkateshwara Rao has filed a petition before Bombay High Court under section 34 of Arbitration and Conciliation Act, 1996 *inter alia* challenging the said award. The matter is currently pending.

15. Being aggrieved by the arbitration award passed by arbitral tribunal in favour of L&T Finance, Mr. Suresh Kumar Agarwal has filed a petition before City Civil Court, Kolkata under section 34 of Arbitration and Conciliation Act, 1996 *inter alia* challenging the said award. The matter is currently pending.

16. Being aggrieved by the award passed by the Arbitral Tribunal in favour of L&T Finance, Jayanta Das, has filed a petition before the Court of District Judge at Hooghly *inter alia* challenging the said awards. This matter is currently pending.

17. Siddharth Jagdev, a borrower and defaulter has filed a Section 9 petition under the Arbitration and Conciliation Act, 1996 against L&T Finance before the District & Sessions Judge at Kolhapur, Maharashtra *inter alia* seeking injunction on arbitration proceedings. L&T Finance has appeared in the matter and it is currently pending.

18. Biju Thomas, a borrower and defaulter has filed a Section 11 petition under the Arbitration and Conciliation Act, 1996, against L&T Finance before the Kerala High Court. L&T Finance has appeared in the matter and reply has been filed by L&T Finance.

19. Hakimuddin B. Pathan, a borrower and defaulter against whom award has been passed has filed a Section 34 petition under Arbitration and Conciliation Act, 1996, challenging the award before the Principal District Judge, Chandrapur, Maharashtra. L&T Finance has appeared in the matter.

20. Hills View Coals Private Limited, a borrower and defaulter has filed two Section 9 Applications under Arbitration and Conciliation Act, 1996, against L&T Finance before the Principal District Judge, Kamprup, Assam. L&T Finance has appeared in the matter.

21. M. Abdul Kareem, a borrower and defaulter against whom award has been passed has filed a Section 34 petition under Arbitration and Conciliation Act, 1996, challenging the award before the Principal District Judge, Manjeri, Kerala.

22. Bhailalbhai Prajapati, a borrower and defaulter has filed a petition under section 9 of the Arbitration and Conciliation Act, 1996 against L&T Finance before the District & Sessions Judge at City Civil Court, Ahemdabad, Gujarat *inter alia* seeking injunction against L&T Finance. L&T Finance has appeared in the matter.

23. Harpreet Singh S/o Mejor Singh, a borrower and defaulter against whom award has been passed has filed a Section 34 petition under Arbitration and Conciliation Act, 1996, challenging the award before the Principal District Judge, Ludhiana, Punjab.

24. Usha Devi, a borrower and defaulter against whom award has been passed has filed a Section 34 petition under Arbitration and Conciliation Act, 1996, challenging the award before the Principal District Judge, Tis Hazari, Delhi.

25. Bhailalbhai Prajapati, a borrower and defaulter against whom award has been passed, has filed a Section 34 petition under Arbitration and Conciliation Act, 1996, challenging the award before the Principal District Judge, Ahemdabad, against L&T Finance.

26. Sri Janakshi Construction, a borrower and defaulter of L&T Finance, has filed a Section 34 petition under the Arbitration and Conciliation Act, 1996 before the Bombay High Court *inter alia* praying for setting aside of arbitral award in favour of L&T Finance. L&T Finance has appeared. The matter is currently pending.

27. Grand Movers India, a borrower under the loan-cum-hypothecation agreement between Grand Movers India and L&T Finance has filed a petition under Section 34 of the Arbitration and Conciliation Act, 1996 before the Bombay High Court, *inter alia* challenging the award passed by the Arbitral Tribunal in favour of L&T Finance. The matter is currently pending for hearing before the Bombay High Court.

28. Jai Lakshmi Construction, a borrower and defaulter against whom award has been passed, has filed a Section 34 petition under Arbitration and Conciliation Act, 1996, challenging the award in favour of L&T Finance, before the Principal District Judge, Tis Hazari, Delhi.

29. TCC Readymix Concrete (Vipin Talwar), a borrower and defaulter against whom award has been passed has filed a Section 34 petition under Arbitration and Conciliation Act, 1996, challenging the award L&T Finance before the Delhi High Court.

30. Anand A., a borrower and defaulter against whom an award has been passed has filed a Section 34 petition under Arbitration and Conciliation Act, 1996, challenging the arbitral award in favour of L&T Finance giving possession of the suit property to L&T Finance before the Principal District Judge, Madurai.

31. Deepa M., a borrower and defaulter against whom an award has been passed has filed a Section 34 petition under Arbitration and Conciliation Act, 1996, challenging the arbitral award in favour of L&T Finance giving possession of the suit property to L&T Finance before the Principal District Judge, Madurai.

32. Bhagwat Prasad Ratrey, a borrower and defaulter against whom an award has been passed has filed a Section 34 petition under Arbitration and Conciliation Act, 1996, challenging the arbitral award in favour of L&T Finance before the Principal District Judge, Raipur, Chhattisgarh.

33. Beerpal Singh, a borrower and defaulter against whom an award has been passed has filed a Section 34 petition under Arbitration and Conciliation Act, 1996, challenging the arbitral award in favour of L&T Finance before the Principal District Judge, Tis Hazari, Delhi.

34. Bhanu Jana, a borrower and defaulter against whom an award has been passed has filed a Section 34 petition under Arbitration and Conciliation Act, 1996, challenging the arbitral award in favour of L&T Finance before the Calcutta High Court.

35. Economic Cargo Private Limited, a borrower and defaulter against whom an award has been passed has filed a Section 34 petition under Arbitration and Conciliation Act, 1996, challenging the arbitral award in favour of L&T Finance before the Principal District Judge, Baroda, Gujarat.

36. Pradip Ghosh, a borrower and defaulter against whom an award has been passed has filed a Section 34 petition under Arbitration and Conciliation Act, 1996, challenging the arbitral award in favour of L&T Finance before the Calcutta High Court.

37. Rajinder Singh s/o Mehar Singh, a borrower and defaulter against whom an award has been passed has filed a Section 34 petition under Arbitration and Conciliation Act, 1996, challenging the arbitral award in favour of L&T Finance before the Principal District Judge, Ludhiana.

38. M D Mohasin, a borrower and defaulter against whom an award has been passed has filed a Section 9 petition under Arbitration and Conciliation Act, 1996, challenging the arbitral award in favour of L&T Finance before the City Civil Court, Calcutta.

39. Suresh Kumar Agarwal, a borrower and defaulter against whom an award has been passed has filed a Section 9 petition under Arbitration and Conciliation Act, 1996, challenging the arbitral award in favour of L&T Finance before the City Civil Court, Calcutta.

40. Brijesh Kumar Pandey, a borrower and defaulter against whom an award has been passed has filed a Section 9 petition under Arbitration and Conciliation Act, 1996, challenging the arbitral award in favour of L&T Finance before the District Judge, Sultanpur, UP.

41. Economic Cargo Pvt Ltd, a borrower and defaulter against whom an award has been passed has filed a Section 9 petition under Arbitration and Conciliation Act, 1996, challenging the arbitral award before the District and Session Court, Baroda against L&T Finance

42. Manoj Kumar Choudhary, a borrower and defaulter against whom an award has been passed has filed a Section 9 petition under Arbitration and Conciliation Act, 1996, challenging the arbitral award in favour of L&T Finance before the Calcutta High Court.

43. Niranjan Lal, a borrower and defaulter against whom an award has been passed has filed a Section 9 petition under Arbitration and Conciliation Act, 1996, challenging the arbitral award in favour of L&T Finance before the District Judge, Alwar**.**

44. In the matter of Abhishek Talwar (borrower), the Guarantor Sunil Nanda has challenged the arbitral award in favour of L&T Finance under Section 34 of Arbitration and Conciliation Act, 1996 before the Bombay High Court.

45. In the matter of Aditya Talwar (borrower), the Guarantor Sunil Nanda has filed an Arbitration Petition before the Bombay High Court whereby he has prayed for stay of the Arbitration Proceedings pending before the Arbitral Tribunal.

46. Dushmant Nayak (borrower) has challenged the arbitral award under section 34 of Arbitration and Conciliation Act, 1996 before the Principal District Judge at Baripada, Mayurbhanj, Orissa. L&T Finance is taking steps to appear in the matter and to file a reply.

47. Mohd Faiyaz has filed a Section 9 petition against L&T Finance before the District judge at Howrah. L&T Finance has appeared in the matter and has filed written objections. The matter is currently pending.

48. Surya Kumar Jha has filed a Section 9 petition against L&T Finance before the Calcutta High Court. The matter is currently pending.

49. Abdul Razzak has challenged the arbitral award passed against him under Section 34 of the Arbitration and Conciliation Act, 1996 before the Bombay High Court. L&T Finance has appeared in the matter and is taking steps to file a counter affidavit. The matter is currently pending.

50. Dhiraj Khurana has filed five Section 9 petitions before the Court of the District Judge at Rohini, New Delhi against L&T Finance praying, amongst other things, for restraining L&T Finance from repossessing the suit vehicle. The matter is currently pending.

51. Rampal Sharma has filed a Section 9 petition before the court of District Judge, New Delhi against L&T Finance alleging that documents relating to the suit vehicle be handed over to him by L&T Finance. The matter is currently pending.

52. K Alagu has challenged the arbitral award passed against him under Section 34 of the Arbitration and Conciliation Act, 1996 before the District Judge at Madurai, Tamil Nadu. L&T Finance has appeared in the matter. The matter is currently pending.

53. Kirtikumar D. Bhore has challenged the arbitral award passed against him under Section 34 of the Arbitration and Conciliation Act, 1996 before the Bombay High Court. L&T Finance is taking steps to appear in the matter and to file a counter affidavit. The matter is currently pending.

54. Suryavanshi Organisations has challenged two arbitral award passed against him under Section 34 of the Arbitration and Conciliation Act, 1996 before the Bombay High Court by filing two petitions. L&T Finance is taking steps to appear in the matter and to file a counter affidavit. The matter is currently pending.

55. Swarlal Agarwal has filed two S. 9 petitions against L&T Finance in the court of City Civil Court, Kolkata. The matters are currently pending.

56. Garlapati Ramanaiah Nayudu has filed an appeal before division bench of Madras High Court against order passed in favour of L&T Finance by a single judge of the Madras High Court in a S. 9 petition filed by L&T Finance. The matter is currently pending.

57. Anirudha Mandal has filed a s. 9 petition against L&T Finance in the court of City Civil Court, Kolkata. The matter is currently pending.

58. Sk. Shah Mohammed has filed a s. 9 petition against L&T Finance in Calcutta High Court. Matter is currently pending.

59. Shambhu Prasad Saha has filed a s. 34 petition against L&T Finance before Sub-Judge – I, Dumka *inter alia* challenging the arbitration award passed in favour of L&T Finance. The matter is currently pending.

60. Subhasis Chakraborty has filed a s. 9 petition against L&T Finance in Calcutta High Court. The matter is currently pending.

Consumer Cases

1. Harbhajan Singh, a borrower, has filed a consumer case before the District Consumer Disputes Redressal Forum, challenging the repossession and sale of the asset that was financed through a loan granted by L&T Finance on account of default by him under the loan-cum-hypothecation agreement between him and L&T Finance. L&T Finance filed its reply before the Forum. However, the complaint was decided against L&T Finance. L&T Finance therefore preferred an appeal before the Punjab State Consumer Dispute Redressal Commission and obtained a stay of the order of the District Forum. The appeal is pending for hearing in the Punjab State Consumer Dispute Redressal Commission, Chandigarh. L&T Finance has appeared in the execution proceedings before the District Forum and has filed a certified copy of the order of the State Commission. The matter is currently pending in the Punjab State Consumer Dispute Redressal Commission, Chandigarh, Punjab.

2. Sedu Ram has filed a consumer case challenging the repossession and sale of the asset by L&T Finance on account of the borrower's defaults under the loan-cum-hypothecation agreement between Sedu Ram and L&T Finance. L&T Finance appeared before the District Forum and filed its reply. However, the complaint was decided against L&T Finance. L&T Finance preferred an appeal before the Rajasthan State Consumer Commission, Jaipur, and obtained an order of stay on the execution of the orders of the District Forum. An appeal is pending for hearing in the Rajasthan State Consumer Commission, Jaipur. L&T Finance has appeared in the execution proceedings before the District Forum and has filed a certified copy of the order of the State Commission. The matter is pending in the Rajasthan State Consumer Commission, Jaipur.

3. Suraj Bhan has filed a consumer case challenging the repossession and sale of the asset by L&T Finance on account of the borrower's defaults under the loan-cum-hypothecation agreement between Suraj Bhan and L&T Finance. L&T Finance filed its reply before the Forum. However, the complaint was decided against L&T Finance. L&T Finance preferred an appeal before the Haryana State Consumer Disputes Redressal Commission, Chandigarh, and obtained an order of stay on the execution of the orders of the District Forum. L&T Finance has appeared in the execution proceedings before the District Forum and filed a certified copy of the order of the State Commission. The matter is pending in the Haryana State Consumer Disputes Redressal Commission, Chandigarh, Punjab.

4. Noor Mohammed has filed a consumer case challenging the repossession and sale of the asset by L&T Finance on account of the borrower's defaults under the loan-cum-hypothecation agreement between Noor Mohammed and L&T Finance. L&T Finance filed its reply before the District Consumer Forum. However, the complaint was decided against L&T Finance. L&T Finance

preferred an appeal before the Haryana State Consumer Redressal Commission, Chandigarh, Punjab and obtained a stay on the order of the District Forum. L&T Finance has appeared in the execution proceedings before the District Forum and has filed a certified copy of the order of the State Commission and based on the same the District Forum has adjourned the matter sine die.

5. Puniram Suryavanshi, a borrower, has filed a consumer case challenging repossession and sale of the asset by L&T Finance on account of default by the borrower under the loan-cum hypothecation-agreement between Puniram Suryavanshi and L&T Finance. The district Consumer Forum has ordered in favour of the complainant. L&T Finance has filed an appeal before the State Consumer Commission, Raipur against the order of the district consumer forum. The appeal has been admitted and the order of the Consumer forum has been stayed. The case is currently pending.

6. Wahedkhan Shabbirkhan, a borrower, has filed a consumer case challenging the repossession and the sale of the asset by L&T Finance on account of the default by the borrower of the loan availed under the loan-cum-hypothecation agreement between Wahedkhan Shabbirkhan and L&T Finance. L&T Finance filed its reply before the Forum but the complaint was decided against L&T Finance. Hence, L&T Finance preferred an appeal and obtained a stay on the execution of the order of the District Forum. An appeal is pending for hearing in the State Consumer Dispute Redressal Commission, Nagpur, Maharashtra. L&T Finance has appeared in the execution proceedings before the District Forum and has filed a certified copy of the order of the State Commission. The matter is currently pending before the State Consumer Disputes Redressal Commission, Nagpur, Maharashtra.

7. Dhanpal Tamanna Gulavane, a borrower and a defaulter under the terms of a loan agreement, has filed a consumer case challenging the repossession and the sale of the asset that was financed through a loan granted by L&T Finance, *inter alia* requesting compensation and the return of cheques given by him to L&T Finance. L&T Finance has filed its reply before the District Forum. The case is currently pending in the Consumer Forum, Sangli, Maharashtra.

8. Kondaiah Manne, a borrower, has filed a consumer complaint to avoid the liability under the loan-cum-hypothecation agreement between Kondaiah Manne and L&T Finance, *inter alia* claiming compensation. The case was decided against L&T Finance by the Consumer Forum, Sangareddy, Andhra Pradesh. L&T Finance has filed an appeal before the State Commission, Hyderabad and prayed for stay. Appeal is yet to come up for hearing. In the same matter, New Holland Tractors have also preferred an appeal against the order of the District Forum making L&T Finance as one of the parties. The matter is currently pending

9. K. Ramayya, a borrower, has filed a consumer case challenging the repossession of the asset by L&T Finance on account of his defaults under the loan-cum-hypothecation agreement between K. Ramayya and L&T Finance, *inter alia* requesting compensation and the return of the asset. L&T Finance filed its reply before the Forum. The order issued by the District Forum directed L&T Finance to release the asset. L&T Finance filed a revision petition before the Orissa State Consumer Disputes Redressal Commission. A stay was granted on the order of the District Forum by the State Commission. The case is currently pending before the Consumer Forum, Rayagada, Orissa.

10. Raj Kumar Singh, a borrower, has filed a consumer complaint to avoid the liability under the loan-cum-hypothecation agreement between Raj Kumar Singh and L&T Finance, *inter alia* claiming compensation on frivolous grounds. L&T Finance has appeared and filed its reply before the Consumer Forum, Lakhimpur. The case is pending in the Consumer Forum, Lakhimpur.

11. Following the default of a borrower, Uttam Ramdas Patil, L&T Finance had repossessed and sold the asset that was financed through a loan granted by L&T Finance, in exercise of its rights under the loan-cum-hypothecation agreement between the borrower and L&T Finance. The borrower filed a consumer case *inter alia* claiming compensation from L&T Finance. L&T Finance has appeared before the District Forum and has filed its reply. The case is pending for orders in the District Consumer Court, Jalgaon has allowed the consumer complaint. L&T Finance has preferred an appeal before the State Commission, Circuit Bench at Aurangabad. The State Commission has granted stay on the order passed by the District Forum, Jalgaon.

12. Vijay Bhardwaj, a borrower, has filed a consumer complaint to avoid the liability under the loan-cum-hypothecation agreement between Vijay Bhardwaj and L&T Finance, *inter alia* claiming compensation on frivolous grounds. L&T Finance has appeared before the Forum and has filed its reply. The case is pending in the District Consumer Forum, Yamunanagar.

13. Balwinder Singh, a borrower, filed a consumer complaint *inter alia* claiming compensation on frivolous grounds. L&T Finance has appeared and filed its reply before the Forum. The case has been

decided against L&T Finance by the District Consumer Forum, Patiala, Punjab vide its order dated August 27, 2010. L&T Finance has filed an appeal against the said order before the State Commission. The State Commission has stayed the execution of the order of the Consumer Forum.

14. Rajesh Amrutrao Deshmukh, a borrower, filed a consumer case challenging the repossession and the sale of the asset by L&T Finance pursuant to default of the borrower under the loan-cum-hypothecation agreement between the borrower and L&T Finance. L&T Finance appeared before the District Consumer Forum and filed its reply. However, the complaint was decided against L&T Finance. L&T Finance preferred an appeal before the Maharashtra State Consumer Disputes Redressal Commission. The State Commission has granted a stay on the order of the District Forum. An Appeal is pending as of now in the State Consumer Disputes Redressal Commission, Aurangabad. In the meantime, the borrower has initiated execution of order of the District Forum. L&T Finance has appeared in the execution proceedings and has informed the District Forum of the stay order passed by the State Commission. The stay was granted until June 14, 2010. The Stay could not be extended thereafter, as the concerned bench of the State Commission was vacant and other benches refused to grant a stay. The Execution application as well as the appeal are pending.

15. Babu Lal Lahore, a borrower and a defaulter under the terms of a loan agreement, has filed a consumer complaint *inter alia* claiming compensation on frivolous grounds. L&T Finance has appeared before the District Consumer Forum and filed its reply. The case is pending in the Consumer Forum, Bilaspur, Madhya Pradesh.

16. Shaikh Ahmed Hanibsab, a borrower, has filed a consumer complaint *inter alia* claiming compensation. L&T Finance has appeared before the District Consumer Forum and filed its reply. The case is pending in the Consumer Forum, Latur, Maharashtra.

17. Following the default in the repayment of amounts due to L&T Finance under the terms of a loan agreement, Sujeet Dubey, the borrower, made requests for issuing of a No-Objection Certificate and subsequently filed a consumer case *inter alia* claiming compensation from L&T Finance. L&T Finance has appeared before the District Consumer Forum and filed its reply. The case is pending in the Consumer Forum, Garhwa, Jharkhand.

18. Mukesh Tiwari, a borrower, filed a consumer complaint *inter alia* claiming compensation various grounds. L&T Finance has appeared and filed its reply. The case is pending in the Consumer Forum, Lucknow, Uttar Pradesh.

19. Ramdas Gajbhiye, a borrower, has filed a consumer complaint *inter alia* claiming compensation on frivolous grounds. L&T Finance has appeared before the District Consumer Forum and filed its reply. However, an order was passed against L&T Finance by the District Forum. L&T Finance has preferred an appeal and obtained a stay on operation of the District Forum order. The case is pending in the State Consumer Redressal Commission, Nagpur, Maharashtra.

20. Following the default under the terms of the loan-cum-hypothecation agreement between Shadilal and L&T Finance, L&T Finance repossessed and sold the asset that was financed through a loan granted by L&T Finance in exercise of its rights under the agreement. Shadilal filed a consumer case *inter alia* claiming compensation from L&T Finance. L&T Finance has appeared before the Forum and has filed its reply. The case is pending in the Consumer Forum, Bhopal, Madhya Pradesh.

21. Tati Samaiah, a borrower and defaulter under the terms of a loan agreement, filed a consumer complaint *inter alia* claiming compensation on certain grounds. L&T Finance repossessed and sold the asset in exercise of its rights under the loan-cum-hypothecation agreement between Tati Samaiah and L&T Finance. L&T Finance has appeared and has to file its reply. The case is pending in the Consumer Forum, Warangal.

22. Following the default of a borrower, Basanti Devi, under the loan-cum-hypothecation agreement between Basanti Devi and L&T Finance, L&T Finance had repossessed and sold the asset that was financed through a loan granted by L&T Finance, in exercise of its rights under the agreement. Basanti Devi filed a consumer case *inter alia* claiming compensation from L&T Finance. L&T Finance has appeared and has filed its reply before the District Consumer Forum. The case is pending in the Consumer Forum, Garhwa, Jharkhand.

23. Following the default of the borrower under the loan-cum-hypothecation agreement between Ambalal Chhaganji Thakore and L&T Finance, L&T Finance had repossessed and sold the asset that was financed through a loan granted by L&T Finance, in exercise of its rights under the agreement. Ambalal Chhaganji Thakore filed a consumer case *inter alia* claiming compensation from L&T

Finance. L&T Finance has appeared before the District Consumer Forum, and has to file its reply. The case is pending in the Consumer Forum, Ahmedabad.

24. Following the default of the borrower, Aneesh Saxena, under the loan-cum-hypothecation agreement between Aneesh Saxena and L&T Finance, L&T Finance repossessed and sold the asset that was financed through a loan granted by L&T Finance, in exercise of its rights under the agreement. The borrower subsequently filed a consumer case *inter alia* challenging repossession and sale and has also claimed compensation. L&T Finance has appeared before the District Consumer Forum and is to file its reply. The case is pending in the District Consumer Court, Bhopal, Madhya Pradesh.

25. To avoid the liability under the loan-cum-hypothecation agreement between Subhash Laxmanrao Hurasnale and L&T Finance, Subhash Laxmanrao Hurasnale has filed a consumer complaint *inter alia* claiming compensation. L&T Finance has appeared before the District Consumer Forum and has filed its reply. The case is pending in the District Consumer Court, Latur, Maharashtra.

26. Sunil Kumar Gupta, a borrower, has filed a consumer case against the dealer and L&T Finance *inter alia* claiming compensation from the dealer and L&T Finance for supplying the wrong tractor and seeking an injunction against L&T Finance from demanding the outstanding loan amount from the borrower. L&T Finance has appeared before the District Consumer Forum. The case is pending in the Consumer Forum, Sultanpur, Uttar Pradesh.

27. Rajinder, a borrower and defaulter under the terms of a loan agreement, has filed a consumer case against L&T Finance *inter alia* seeking direction against L&T Finance for issuing him a no-objection certificate and for returning to him the extra amount allegedly charged to him by L&T Finance. L&T Finance has appeared before the District Consumer Forum and has filed its reply. The case is pending for hearing in the District Consumer Forum, Kaithal, Haryana.

28. Pratiraj Kumar Baxi, a borrower, has filed a consumer case *inter alia* seeking an injunction against L&T Finance restraining it from taking possession of the tractor that was financed through a loan granted by L&T Finance. L&T Finance appeared before the Forum and filed its reply. However, the complaint was partly decided against L&T Finance. L&T Finance preferred an appeal and obtained stay of order of the District Forum. An appeal is pending for hearing in the State Consumer Disputes Redressal Commission, Cuttack. L&T Finance has appeared in the execution proceedings before the District Forum and filed a certified copy of the order of the State Commission. The case is pending in the State Consumer Disputes Redressal Commission, Cuttack, Orissa.

29. K. Murugan, a borrower and defaulter under the terms of a loan agreement, has filed this frivolous consumer complaint *inter alia* for returning the tractor that was financed through a loan granted by L&T Finance. L&T Finance has appeared before the Forum and filed its reply. The Consumer Forum has passed an interim order for releasing the tractor and directing the borrower to pay the instalments on time. Subsequent to the Forum's order, L&T Finance released the tractor. The case is pending final orders in the Consumer Forum, Sambalpur, Orissa.

30. Following the default of a borrower, Subramanyya Nadar, under the loan-cum-hypothecation agreement between M. Subramanyya Nadar and L&T Finance, L&T Finance did not issue a no-objection certificate to the borrower as there were outstanding dues. M. Subramanyya Nadar has filed a consumer case against L&T Finance *inter alia* requesting the issuance of a no-objection certificate and claiming compensation. The Consumer Forum has passed an order against L&T Finance which was never served upon L&T Finance. Subsequently, the borrower moved the Forum for execution of the order. L&T Finance was served summons to show cause in the execution application. L&T Finance preferred an appeal before the State Commission. The State Commission refused to grant a stay and ordered an emergent notice to be issued to the borrower. L&T Finance has appeared before the Consumer Forum in the execution proceedings and is taking further steps. The case is pending in the Consumer Dispute Forum, Raichur. Karnataka.

31. Hanumant P. Anna Dongre has filed a consumer case against L&T Finance *inter alia* seeking an injunction against L&T Finance, restraining it from selling the tractor that was financed through a loan granted by L&T Finance. Following the default of the borrower under the loan-cum-hypothecation agreement between Hanumant P. Anna Dongre and L&T Finance, L&T Finance had repossessed the tractor in exercise of its right under the loan-cum-hypothecation agreement. L&T Finance has appeared before the Forum and filed its reply. The case is pending in the District Consumer Court, Osmanabad, Maharashtra.

32. Muharram Ali, a borrower and defaulter under the loan-cum-hypothecation agreement between Muharram Ali and L&T Finance, has filed this frivolous consumer complaint *inter alia* claiming

compensation on frivolous grounds. L&T Finance has appeared before the Forum and is to file its reply. The case is pending in the District Consumer Court, Sultanpur, Uttar Pradesh.

33. Yogiraj Bhujang Mande, a defaulter under the terms of a loan agreement filed a consumer case against L&T Finance *inter alia* claiming compensation. L&T Finance has to appear before the Forum and has to file its reply. The case is pending in the Consumer Dispute Forum, Latur, Maharashtra.

34. Ajay Verma, a defaulter under the terms of a loan agreement, filed a consumer case against L&T Finance *inter alia* claiming compensation. L&T Finance has appeared before the Forum and filed its preliminary objections. The case is pending in the Consumer Dispute Forum, Rewa, Madhya Pradesh.

35. Following the default of a borrower, Boini Prabhudas, under the loan-cum-hypothecation agreement between Boini Prabhudas and L&T Finance, L&T Finance had repossessed and sold the asset in exercise of its rights under the Loan-cum-Hypothecation Agreement. Boini Prabhudas filed a consumer case *inter alia* claiming compensation. L&T Finance has appeared before the Forum and has filed its reply. A case is pending in the Consumer Forum, Karimnagar. Prior to filing of this consumer complaint, a similar consumer complaint on the same cause of action was filed at the Consumer Forum which was dismissed for default in favour of L&T Finance.

36. Chanderpal, a borrower and defaulter under the loan-cum-hypothecation agreement between Chanderpal and L&T Finance, has filed a consumer complaint. L&T Finance has only received the summons to appear before the District Consumer Forum and is not in receipt of the copy of the complaint. L&T Finance has appeared and filed its written statement before the Forum. The case is pending in the District Consumer Forum, Gurgaon, Haryana.

37. Surender Dalal, a borrower and defaulter under the loan-cum-hypothecation agreement entered into between the borrower and L&T Finance, has filed a consumer case against the manufacturer of the asset that was financed through a loan granted by L&T Finance, alleging that the asset did not work. The borrower had sought an order against L&T Finance, requesting that L&T Finance be directed not to demand the outstanding amount from him till the disposal of the consumer case against the manufacturer of the asset. Such an order was passed by the Consumer Forum subject to certain conditions. However, the borrower has not complied with the conditions set out in the order of the Consumer Forum. L&T Finance has filed its reply as well as an application for setting aside the above interim order passed against it. The case is pending for hearing in the Consumer Forum, Bhiwani, Haryana.

38. Dinesh Pratap Singh, a borrower and defaulter under the loan-cum-hypothecation agreement between the borrower and L&T Finance, has filed a consumer case against L&T (the manufacturer of the assets) and L&T Finance *inter alia* seeking direction L&T and L&T Finance to repair the assets and pay a compensation of ₹ 2,900,000. L&T Finance has appeared before the Forum and has filed its reply. There is an injunction against L&T Finance restraining it from taking possession of the assets. This matter is currently pending for hearing in the State Consumer Commission, Cuttack, Orissa.

39. Md. Shamim Akhtar, a borrower and defaulter under the loan-cum-hypothecation agreement between Shamim Akhtar and L&T Finance, has filed a consumer case for release of the assets repossessed by L&T Finance on account of the borrower's defaults. An ex-parte ad-interim order was passed by the District Consumer Forum directing L&T Finance to release the assets. L&T Finance has to file an appeal revision against the said order before the State Commission at Cuttack. The said revision was partly allowed and L&T Finance was directed to release the asset. L&T Finance has then filed a revision petition before the National Commission at New Delhi, which was rejected hence withdrawn. This matter is currently pending in the Consumer Disputes Redressal Forum, Keonjhar, Orissa.

40. Dhabaleshwar Stone Company, a borrower and defaulter under the loan-cum-hypothecation agreement between Dhabaleshwar Stone Company and L&T Finance, has filed a consumer case against L&T Finance to avoid payment of overdue compensation. L&T Finance has to enter appearance before the District Consumer Forum and has to file its reply. An injunction has been granted by the Forum against L&T Finance restraining it from taking possession of the assets. This matter is currently pending in the Consumer Disputes Redressal Forum, Khurda, Orissa.

41. Ramnivas Yadav, a borrower and defaulter under the loan-cum-hypothecation agreement between Ramnivas Yadav and L&T Finance, has filed a consumer case against L&T Finance to avoid payment of outstanding loan amounts. L&T Finance has entered appearance before the Forum and has filed its reply. The matter is currently pending for hearing in the District Consumer Disputes Redressal Forum, Jaipur, Rajasthan.

42. Ratiram Yadav, a borrower and defaulter under the loan-cum-hypothecation agreement between Ratiram Yadav and L&T Finance, has filed a consumer case against L&T Finance to avoid payment of outstanding loan amounts. L&T Finance has entered appearance before the Forum and has filed its reply. This matter is pending for hearing in the District Consumer Disputes Redressal Forum, Jaipur, Rajasthan.

43. Manjuben Sisodiya, a borrower and defaulter under the loan-cum-hypothecation agreement between Manjuben Sisodiya and L&T Finance, has filed a consumer case against L&T Finance to avoid payment of outstanding loan amounts. L&T Finance has entered appearance before the Forum and has filed its reply. This matter is currently pending for hearing in the District Consumer Disputes Redressal Forum, Bharuch, Gujarat.

44. Bijay Kumar Sharma, a borrower and defaulter under the loan-cum-hypothecation agreement between Bijaya Kumar Sharma and L&T Finance, has filed a consumer case against L&T Finance to avoid payment of outstanding loan amounts. L&T Finance has entered appearance before the Forum and has filed its reply. The matter is currently pending for hearing in the District Consumer Disputes Redressal Forum, Dhenkanal, Orissa.

45. Ezaz Ansari, a borrower and defaulter under the loan-cum-hypothecation agreement between Ezaz Ansari and L&T Finance, has filed consumer cases against L&T Finance to avoid payment of outstanding loan amounts. This matter has been decided against L&T Finance by the District Consumer Disputes Redressal Forum, Sundargarh, Orissa. L&T Finance has filed an appeal before the State Commission and obtained stay on the order of the District Consumer Forum.

46. Shiv Narayan, a borrower and defaulter of L&T Finance has filed a consumer case against L&T Finance before District Consumer Disputes Redressal Forum, Harda, Madhya Pradesh against L&T Finance *inter alia* seeking injunction against L&T Finance. L&T Finance has appeared and filed its reply. This matter is currently pending.

47. Om Prakash Rawat, a borrower and defaulter under the loan-cum-hypothecation agreement between Om Prakash Rawat and L&T Finance, has filed consumer cases against L&T Finance to avoid payment of outstanding loan amounts. This matter is currently pending in the District Consumer Disputes Redressal Forum, Satna, Madhya Pradesh.

48. Jasobanta Narayan Ram, a defaulter has filed two consumer cases against L&T Finance to avoid making payment of loan outstanding, one before State Consumer Disputes Redressal Commission, Orissa at Cuttack and another before District Consumer Disputes Redressal Forum, Jagatsinghpur, Orissa. Complaint filed before Dist. Forum, Jagatsinghpur has been dismissed in favour of L&T Finance. In other complaint before State Commission, Orissa, L&T Finance has appeared and filed its reply. The same is pending.

49. Satish Kumar Luthra, a borrower under the loan-cum-hypothecation agreement between Satish Kumar Luthra and L&T Finance, has filed a consumer case against L&T Finance and one of its officers *inter alia* praying for an injunction against L&T Finance and thereby restraining L&T Finance from selling the asset that was financed through a loan granted by L&T Finance and to return the suit equipment to the borrower. L&T Finance has appeared before the Court and filed its reply. The case is pending for hearing in the Consumer Forum, Yamunanagar, Haryana.

50. Shiv Kumar Tiwari, a borrower and defaulter under the terms of a loan agreement, has filed this consumer complaint *inter alia* claiming compensation on certain grounds that L&T Finance believes to be frivolous. L&T Finance has appeared before the Court and is yet to file its reply. The case is pending in the District Consumer Court, Raibareli, Uttar Pradesh.

51. Mohammed Javed, a borrower, has filed a consumer complaint to avoid the liability under the loan-cum-hypothecation agreement between Mohammed Javed and L&T Finance, *inter alia* claiming compensation on frivolous grounds. L&T Finance has appeared before the Forum and filed its reply. The case is pending in the Consumer Forum, Lakhimpur.

52. Jaripiti Krishna Murthy has filed a consumer case before District Consumer Court, Anantpur claiming compensation and seeking the return of the asset seized by L&T Finance. Following the default of the borrower under the loan cum hypothecation agreement between Jaripiti Krishna Murthy and L&T Finance, L&T Finance had repossessed and sold the asset in exercise of its rights under the loan-cum-hypothecation agreement. The Consumer Complaint has been decided against L&T Finance. L&T Finance has filed an appeal before the State Consumer Commission, Hyderabad

and has obtained stay of the order of District Forum. The complainant has moved an execution application before the District Consumer Forum, Anantpur.

53. Pursuant to defaults committed by Mandeep Traders, L&T Finance repossessed the asset and sold the same in exercise of its rights under the loan-cum-hypothecation agreement. District Consumer Forum passed an ex-parte order against L&T Finance *inter alia* directing it to pay compensation to borrower. L&T Finance has filed appeal before Orissa State Consumer Commission and has obtained stay of the Dist. Forum order. This matter is still pending.

54. Following the default of a borrower, Rafi Afzal Khan under the terms of a loan agreement, L&T Finance repossessed and sold the asset in exercise of its rights under the loan-cum-hypothecation agreement between Rafi Afzal Khan and L&T Finance. Rafi Afzal Khan subsequently filed a consumer case against L&T Finance seeking direction from the court to L&T Finance to return the custody of the tractor or to refund the margin money. L&T Finance has appeared before the court and has filed its reply. The case is pending in the District Consumer Court, Rewa, Madhya Pradesh.

55. Harpreet Singh Sandhu, a borrower and defaulter of L&T Finance, instead of clearing the outstandings of L&T Finance, has filed a consumer case against L&T Finance before the Dist. Consumer Redressal Forum at Udhamsingh Nagar, Uttarakhand claiming no objection certificate. L&T Finance has appeared in the matter. The matter is currently pending.

56. Pradeep Kumar Shehrawat, a borrower and defaulter of L&T Finance, has filed a consumer case against L&T Finance *inter alia* seeking an injunction order against L&T Finance from selling his asset and claiming compensation. L&T Finance has appeared before the Forum and has filed its reply. The case is currently pending for hearing before the Consumer Disputes Redressal Forum at Delhi.

57. Suryabhan More, a borrower and defaulter of L&T Finance, has filed a consumer case against L&T Finance before District Consumer Forum, Bandra at Mumbai *inter alia* seeking directions against L&T Finance to return his asset back to him and pay him compensation. Consumer Forum directed L&T Finance to adjust all the unaccounted receipt and to return the asset after collecting the balance dues. The complainant has not paid the balance dues and has filed an execution petition**.** The matter is currently pending.

58. In view of the default committed by the borrower Mr. Ajaib Singh, L&T Finance took the custody of the vehicle. Ajaib Singh had filed a consumer case against L&T Finance before the District Consumer Forum, Moga, Punjab *inter alia* praying for compensation against L&T Finance and direction against L&T Finance to release the vehicle. The consumer forum proceeded ex-parte against L&T Finance. District Forum has partly allowed the complaint and directed Ajaib Singh to pay the total outstanding and on receiving the payment, L&T Finance to release the vehicle. Ajaib Singh has also filed an Appeal against the said order of the Dist. Forum before State Commission. The same is pending before the State Consumer Disputes Redressal Commission at Chandigarh.

59. Ramapada Maity, a defaulter of L&T Finance, has filed a consumer case against L&T Finance before District Consumer forum, Purba Medinipur, West Bengal *inter alia* praying for return of his asset taken into custody by L&T Finance and compensation from L&T Finance. L&T Finance has appeared in the matter and filed its reply. The asset has already been sold and there is loss on transaction. The matter is currently pending.

60. Anil Keshavrao Kanhe, a borrower and defaulter of L&T Finance, has filed a consumer case against L&T Finance before District Consumer Forum, Parbhani, Maharashtra. The matter is currently pending.

61. Durga Prasad Dwivedi, a borrower and defaulter of L&T Finance, has filed a consumer case against L&T Finance before District Consumer Forum, Satna, Madhya Pradesh. The matter is currently pending.

62. Gajanan Kasale, a borrower and defaulter of L&T Finance, has filed a consumer case against L&T Finance before District Consumer Forum, Latur, Maharashtra. The matter is currently pending.

63. Narendra Mahanta, a borrower and defaulter of L&T Finance, has filed a consumer case against L&T Finance before District Consumer Forum, Keonjhar, Orissa. The matter is currently pending.

64. Shankar Prasad Patra, a borrower and defaulter of L&T Finance, has filed a consumer case against L&T Finance before District Consumer Forum, Jagatsinghpur, Orissa. The Forum has allowed the consumer complaint. L&T Finance has preferred an appeal before the State Commission at Cuttack and the same is yet to come up for admission and consideration on stay application.

65. Umeshchandra Sarangi, a borrower and defaulter of L&T Finance, has filed a consumer case against L&T Finance before District Consumer Forum, Sambalpur, Orissa. The matter is currently pending.

66. Netrananda Patel, a borrower and defaulter of L&T Finance, has filed a consumer case against L&T Finance before the District Consumer Disputes Redressal Forum, Jharsuguda, Orissa *inter alia* seeking injunction against L&T Finance restraining it from taking possession of the asset financed by L&T Finance to him. Vide its order dated November 20, 2010, District Forum has passed an interim order against L&T Finance restraining it from taking possession of the asset. The matter is currently pending.

67. Jitendra Singh, a borrower and defaulter of L&T Finance, instead of clearing the outstandings of L&T Finance, has filed a consumer case against L&T Finance before the District Consumer Redressal Forum at Lucknow, Uttar Pradesh alleging deficiency in service and claiming compensation. The matter is currently pending.

68. Sachin Ananda Mehetre, a borrower and defaulter of L&T Finance, instead of clearing the outstandings of L&T Finance, has filed a consumer case against L&T Finance before the District Consumer Redressal Forum at Ahmednagar, Maharashtra alleging deficiency in service and claiming compensation. The matter is currently pending.

69. Sant Prakash Singh, a borrower and defaulter of L&T Finance, instead of clearing the outstandings of L&T Finance, has filed a consumer case against L&T Finance before the District Consumer Redressal Forum at Rewa, Madhya Pradesh alleging deficiency in service and claiming compensation. The matter is currently pending.

70. Dinesh Kumar, a Borrower and defaulter of L&T Finance has filed a Consumer Complaint before District Consumer Forum at Rewari, Haryana. The main prayer is against the insurance company and L&T Finance is a proforma opponent. The matter is currently pending.

71. Milakh Raj, a Borrower has filed a Consumer Complaint before District Consumer Redressal Forum at Sirsa, Haryana. The matter is currently pending.

72. Sanjay Suresh Sinha, a borrower and defaulter whose asset was repossessed and sold as per the agreement has filed a consumer complaint before the District Consumer Redressal Forum at Nagpur, Maharashtra. L&T Finance has appeared in the matter. The matter is currently pending.

73. Krishna Murari Tiwari, a borrower has filed a consumer Complaint before the District Consumer Redressal Forum at Rewa, Madhya Pradesh. The consumer complaint is still pending.

74. Biswajit Sarkar, a borrower and defaulter whose asset was repossessed and sold as per the agreement has filed a consumer complaint before the District Consumer Redressal Forum at Raiganj, West Bengal. The consumer complaint is still pending.

75. Rajesh Shivhare, a borrower has filed a consumer complaint before the District Consumer Redressal Forum at Guna, Madhya Pradesh. The consumer complaint is pending.

76. T Govindaiah, a borrower has filed a consumer Complaint before the District Consumer Redressal Forum at Bangalore, Karnataka. L&T Finance has appeared in the matter. The consumer complaint is pending.

77. Rameshwar Prasad, a borrower has filed a consumer complaint before the District Consumer Redressal Forum at Jaipur, Rajasthan. L&T Finance has appeared in the matter. The consumer complaint is pending.

78. Sukanta Tripathy, a borrower has filed a consumer Complaint before the District Consumer Redressal Forum at Kendrapada, Orissa. L&T Finance has appeared in the matter. The consumer complaint is pending.

79. Suresh Chandra Mishra, a borrower has filed a consumer Complaint before the District Consumer Redressal Forum at Kanpur, Uttar Pradesh. L&T Finance has appeared in the matter. The consumer complaint is pending.

80. Aajad Khan, a borrower has filed a consumer complaint before the District Consumer Redressal Forum at Guna, Madhya Pradesh. L&T Finance has appeared in the matter. The consumer complaint is pending

81. Babab Tatoba More, a borrower and defaulter whose asset was repossessed and sold as per the agreement has filed a consumer complaint before the District Consumer Redressal Forum at Kolhapur, Maharashtra. L&T Finance has appeared in the matter and has filed its reply. The consumer complaint is pending.

82. Bipin Kumar Martha, a borrower has filed a consumer Complaint before the District Consumer Redressal Forum at Bhubhaneshwar, Orissa. L&T Finance has appeared in the matter. The consumer complaint is pending.

83. Karan Singh S/o Baru Ram, a borrower has filed a consumer complaint before the District Consumer Redressal Forum at Kurukshetra, Haryana. L&T Finance has appeared in the matter. The consumer complaint is pending.

84. Keerat Ram Kukreja, a borrower has filed a consumer Complaint before the District Consumer Redressal Forum at Raipur, Chhattisgarh. L&T Finance has appeared in the matter and is taking steps to file a reply. The consumer complaint is pending.

85. Lal Chand Patel, a borrower has filed a consumer Complaint before the District Consumer Redressal Forum at Raigarh, Chhattisgarh. L&T Finance has appeared in the matter. The consumer complaint is pending.

86. Alok Kumar Singh, a borrower has filed a consumer complaint before the District Consumer Redressal Forum at Sitapur, Uttar Pradesh. L&T Finance has appeared in the matter. The consumer complaint is pending.

87. Swapan Kumar Pal, a borrower has filed a consumer complaint before the District Consumer Redressal Forum at Paschim Midnapore, West Bengal. L&T Finance has appeared in the matter. The consumer complaint is pending.

88. I K Mandappa, a borrower has filed a consumer complaint before the District Consumer Redressal Forum at Bangalore, Karnataka. L&T Finance has appeared in the matter. The consumer complaint is pending.

89. Jogendra Prasad Shah, a borrower has filed a consumer complaint before the District Consumer Redressal Forum at Jalpaigudi, west Bengal. L&T Finance has appeared in the matter and is taking steps to file reply. The consumer complaint is pending

90. Zia-ul-haq Khan, a borrower has filed a consumer complaint before the District Consumer Redressal Forum at Paschim Midnapur, West Bengal against L&T Finance praying, amongst other things, for restraining L&T Finance from selling the vehicle in the custody of L&T Finance and compensation of ₹ 200,000. The consumer complaint is pending

91. Prahallad Mondal, a borrower has filed a consumer complaint against L&T Finance before the District Consumer Redressal Forum at Paschim Midnapore, West Bengal. The consumer complaint is pending.

92. Niranjan Lal, a borrower has filed a consumer complaint against L&T Finance before the District Consumer Redressal Forum at Alwar Rajasthan. LTF has appeared in the matter and is taking steps to file a reply. The consumer complaint is pending.

93. Anup Kumar Bera, a borrower has filed a consumer complaint against L&T Finance before the West Bengal State Commission. The consumer complaint is pending.

94. Alkesh Solanki, a borrower has filed a consumer complaint against L&T Finance before the District Consumer Redressal Forum at Baroda, Gujarat. The consumer complaint is pending.

95. Gajanan Suryabhan Dahatre, a borrower has filed a consumer complaint against L&T Finance before the District Consumer Redressal Forum at Washim, Maharashtra. The consumer complaint is pending.

96. Lok Ram, a borrower has filed a consumer complaint against L&T Finance before the District Consumer Redressal Forum at Lakhimpur Kheri, Uttar Pradesh. The consumer complaint is pending.

97. Priyank Sharma, a borrower has filed a consumer complaint against L&T Finance before the District Consumer Redressal Forum at Sawai Madhopur, Rajasthan. The consumer complaint is pending.

98. Golaram Rasul Ansari, a borrower has filed a consumer complaint against L&T Finance before the District Consumer Redressal Forum at Raiganj, West Bengal alleging that the default in repayment of loan amount arose due to the defect in the suit vehicle and the failure of the authorised dealer of the defendants to replace it quickly. The complainant has prayed for compensation for loss suffered by his inability to use the suit vehicle in farming. The consumer complaint is pending.

99. Subhash Shripat Neghte, a borrower has filed a consumer complaint against L&T Finance before the District Consumer Redressal Forum at Jalgaon, Maharashtra. The consumer complaint is pending.

100. Chova Ram Sahu, a borrower has filed a consumer complaint against L&T Finance before the District Consumer Redressal Forum at Durg, Chhattisgarh. The consumer complaint is pending.

101. Shivaji Govinda Patil, a borrower has filed a consumer complaint against L&T Finance before the District Consumer Redressal Forum at Jalgaon, Maharashtra. The consumer complaint is pending.

102. Bodhi Ram Verma, a borrower has filed a consumer complaint against L&T Finance before the District Consumer Redressal Forum at Kabirdham, Chhattisgarh. The consumer complaint is pending.

103. Zulfan, a borrower has filed a consumer complaint against L&T Finance before the District Consumer Redressal Forum at Yamunanagar, Haryana praying, amongst other things, for release of a 'No Objection Certificate' due to him by L&T Finance. The consumer complaint is pending.

104. K Murugesan, a borrower has filed a consumer complaint against L&T Finance before the District Consumer Redressal Forum at Coimbatore, Tamil Nadu. The consumer complaint is pending.

105. Chakaudi Lal Mishra, a borrower has filed a consumer complaint against L&T Finance before the District Consumer Redressal Forum at Satna, Madhya Pradesh. The consumer complaint is pending.

106. Bhimrao Motiram Wadhe, a borrower has filed a consumer complaint against L&T Finance before the District Consumer Redressal Forum at Amrawati, Maharashtra. The consumer complaint is pending.

107. Bobby Chacko, borrower and defaulter of L&T Finance has filed a consumer case against L&T Finance before the District Consumer Disputes Redressal Forum, Ernakulum *inter alia* seeking an injunction against L&T Finance from taking possession of the asset financed to him under the loan cum hypothecation agreement. This matter is currently pending. L&T Finance has filed its appearance. The matter is pending.

108. Jai Laxmi Construction, a borrower and defaulter of L&T Finance, has filed a consumer complaint against L&T Finance before District Consumer Disputes Redressal Forum, K. G. Marg, New Delhi *inter alia* praying for return of amount allegedly stolen by L&T Finance's representative at the time of repossession and compensation. The matter is pending.

109. Arista Mahapatra, a borrower and defaulter of L&T Finance, has filed a consumer case against L&T Finance before District Consumer Redressal Forum, Balassore, Orissa *inter alia* praying for directing L&T Finance to release the asset taken into custody by L&T Finance pursuant to defaults by the borrower. The matter is pending.

110. Lekh Ram, a borrower has filed a consumer complaint against L&T Finance before the District Consumer Redressal Forum at Mandi, Himachal Pradesh. The consumer complaint is pending.

111. Kailash Chandra Nayak, has filed a consumer complaint before Consumer Disputes Redressal Forum, Bhubhaneshwar against L&T Finance. The matter is currently pending.

112. Ritesh Narendrabhai Shah has filed a consumer complaint before Consumer Disputes Redressal Forum at Baroda, Gujarat against L&T Finance & others. The matter is currently pending.

113. K Nanjee has filed a consumer complaint before Consumer Disputes Redressal Forum at Vishakhapatnam, Andhra Pradesh against L&T Finance. The matter is currently pending.

114. Hardeep Singh has filed a consumer complaint before Consumer Disputes Redressal Forum at Fatehgarh Sahib, Punjab against L&T Finance. The matter is currently pending.

115. Brajendra Narayan Sahoo has filed a consumer complaint before Consumer Disputes Redressal Forum at Balasore, Orissa against L&T Finance. The matter is currently pending.

116. Subhash Chandra Barik has filed a consumer complaint before Consumer Disputes Redressal Forum at Bargarh, Orissa against L&T Finance. The matter is currently pending.

117. Madhukar Laxman Thombare has filed a consumer complaint before District Consumer Disputes Redressal Forum at Sambhapur, Orissa against L&T Finance. The matter is currently pending.

118. Sanjay Kumar Das, a borrower and defaulter under the loan-cum-hypothecation agreement between Sanjay Kumar Das and L&T Finance has filed a consumer case against L&T Finance before the Orissa Consumer State Commission, Cuttack *inter alia* claiming compensation of ₹ 49,00,000/- from L&T Finance. L&T Finance has filed its reply. The case is decided against L&T Finance. Hence, L&T Finance has filed appeal and obtained stay of the order.

119. Nathu Lal Teli had filed a consumer case against L&T Finance before District Consumer Disputes Redressal Forum. Satna which has been decided against L&T Finance.

120. Takhatsingh Zala had filed a consumer case against L&T Finance before District Consumer Disputes Redressal Forum, Gandhi Nagar, which was decided ex parte against L&T Finance. Customer has initiated execution of order of District Forum. L&T Finance has obtained stay from State Consumer Commission. The matter is pending.

121. Randhir Singh has filed a consumer case against L&T Finance before District Consumer Disputes Redressal Forum, Vidisha, Madhya Pradesh. The matter is currently pending.

122. Muttappa M Hirekumbi has filed a consumer case against L&T Finance before District Consumer Disputes Redressal Forum, Bagalkot, Karnataka. The matter is currently pending.

123. Hargovind Singh has filed a consumer appeal against L&T Finance before Madhya Pradesh State Consumer Disputes Commission, Bhopal *inter alia* challenging the order passed against him by Dist. Consumer Forum, Raisen. Matter is currently pending.

124. B. N. Adinarayana has filed a consumer case against L&T Finance before District Consumer Disputes Redressal Forum, Bagalkot, Karnataka. The matter is currently pending.

125. Balaji Stone Works has filed a consumer complaint before Consumer Disputes Redressal Forum at Sambhalpur, Orissa against L&T Finance. The matter is currently pending.

Litigation by L&T Finance

Criminal Cases

1. 4,843 cases have been filed by L&T Finance under Section 138 of the Negotiable Instruments Act, 1881 for an aggregate claim amount of ₹ 909,905,027.70.

2. 50 criminal cases have been filed by L&T Finance against defaulters for an aggregate claim amount of ₹ 7,44,034.

3. 11 criminal cases have been filed by L&T Finance for custody of/ permission to sell assets seized by police/Government authorities.

4. Eight criminal writ petitions/revision applications have been filed by L&T Finance under Section 482 of CrPC.

5. Three criminal revision applications have been filed by L&T Finance under Section 397 of the CrPC.

6. 24 appeals against acquittals in cases filed under Section 138 of the Negotiable Instruments Act, 1881 have been filed by L&T Finance.

7. 2 criminal cases have been filed by L&T Finance against unknown persons for the offence of theft under Indian Penal Code.

8. One criminal case has been field by L&T Finance against proprietor of Dashmesh Tractors for criminal intimidation of one of its employees / associates.

9. One criminal appeal has been filed by L&T Finance against the order of a Forest Officer *inter alia* praying for quashing the order of Forest Officer seizing the asset.

Civil Cases

1. 3,387 execution proceedings have been initiated by L&T Finance for an aggregate claim amount of ₹ 2,443,762,429.09.

2. Three suits have been filed by L&T Finance for an aggregate claim amount of ₹ 49,504,632.

3. Five winding up petitions have been filed by L&T Finance for an aggregate claim amount of ₹ 158,985,253.50.

4. 2 civil revision applications have been filed by L&T Finance arising out of the orders of the lowers courts in suits filed against it.

5. L&T Finance has filed a contempt petition against a borrower and defaulter.

6. 2 Appeals have been filed by L&T Finance arising out of the orders of the lower courts in suits filed against it.

Consumer Cases

26 appeals have been filed by L&T Finance against the orders of various District Consumer Disputes Redressal Forums passed against it in consumer cases filed by its borrowers / defaulters against it.

Arbitration Proceedings

1. 2,419 arbitration proceedings initiated by L&T Finance for an aggregate claim amount of ₹ 1,524,179,171.22

2. 2,352 petitions under Section 9 of the Arbitration and Conciliation Act, 1996, have been filed by L&T Finance.

3. Two appeals have been filed by L&T Finance against the orders passed on Applications/Petitions filed it under Section 9 of Arbitration and Conciliation Act, 1996.

Labour Cases

1. In 11 criminal cases filed by L&T Finance against ex-employees / associates for an aggregate claim amount of ₹ 6,433,871/-, first information report has been registered by police

Litigation against L&T Infra

Criminal Cases

1. A petition has been filed by Rajiv Banga and Sunil Kumar Bansal, ex directors of IDEB Projects Private Limited ("**IDEB**") under section 482 of the CrPC against L&T Infra. L&T Infra had filed a complaint under section 138 of the Negotiable Instrument Act, 1881 before the Court of Metropolitan Magistrate, Bandra. Rajiv Banga and Sunil Kumar Bansal have filed a complaint in the Bombay High Court to quash the complaint. The matter is currently pending in the Bombay High Court.

2. A petition has been filed by Mr. Oan Ali Zaheed and Mr. Sarkar, ex directors of IDEB Projects Private Limited ("**IDEB**") under section 482 of the CrPC against L&T Infra in Bombay High Court. L&T Infra had filed a complaint under section 138 of the Negotiable Instrument Act, 1881 before the Court of Metropolitan Magistrate, Bandra. Mr. Oan Ali Zaheed and Mr. Sarkar have filed a complaint in the Bombay High Court to quash the complaint. The matter is currently pending in the Bombay High Court.

3. L&T Infra had approved a Rupee Term Loan of ₹ 500 million to Ansal Colours Engineering SEZ Ltd. ("Borrower") (erstwhile Ansal Kamdhenu Engineering SEZ Ltd.) to part finance their Engineering SEZ project in Murthal, Sonepat (Haryana). The entire facility amount of ₹ 500 million was disbursed in October 2007. The borrower was irregular in payments and due to non payment of interest and principal repayment from the borrower, the overdue amount as on 1st March 2010 was ₹ 108.8 millions. L&T Infra enforced its rights and remedies available under the Facility Agreement and invoked the share pledged to them as security under the loan Agreement and sold the shares of the Borrower pledged to L&T Infra for the recovery of outstanding amounts. Subsequently, one Mr. Naresh Jaggi had filed a criminal case *inter alia* against L&T Infra, directors of L&T Infra and an officer of L&T Infra apart from Ansal Properties & Infrastructure Limited and others. Pursuant thereto, FIR was registered by Model Town Police Station, New Delhi. L&T Infra and directors of L&T Infra have moved petition before Delhi High Court for quashing the FIR, in which Delhi High

Court stayed the further proceedings against directors of L&T Infra Investigation of the said FIR is pending. Section 482 petitions filed by L&T Infra and directors of L&T Infra are pending for hearing.

Civil Cases

1. L&T Infra had approved a Rupee Term Loan of ₹ 500 million to Ansal Colours Engineering SEZ Ltd.("Borrower") (erstwhile Ansal Kamdhenu Engineering SEZ Ltd.) to part finance their Engineering SEZ project in Murthal, Sonepat (Haryana). The entire facility amount of ₹ 50 crores was disbursed in October 2007. The Borrower was irregular in payments and due to non payment of interest and principal repayment from the Borrower, the overdue amount as on 1st March 2010 was ₹ 108.8 millions. Despite repeated requests and reminders, the borrower did not clear the outstanding dues. Sometime in the month of June, 2010, after giving due notice to the Borrower and the pledgor, L&T Infra enforced its rights and remedies available under the Facility Agreement and invoked the share pledged to them as security under the loan Agreement and sold the shares of the Borrower pledged to L&T Infra for the recovery of outstanding amounts. A petition has been filed before the Company Law Board, Principal Bench, New Delhi ("CLB") under section 397,398.399 read with section 235(2), 237(b), 240, 250(3), 402,403 and 408 of the Companies Act, 1956, sometime in Nov, 2010 by Seagull Buildwell Pvt. Ltd and others against Ansal Seagull SEZ Developers limited (Respondent No. 1), Ansal Colours Engineering SEZ Ltd (Respondent No. 2) and others, where L&T Infrastructure Finance Company Limited is Respondent NO. 18. The main prayer (amongst other prayers) is that an order be passed to set aside the sale of 2 crore equity shares of Borrower (Respondent No. 2) company by L&T Infra (Respondent No. 18)in favour of Ansal Properties and Infrastructure Ltd. (Respondent No. 9) and Anand Rathi Financial Services Ltd. (Respondent No. 15), as void and illegal. Interim order of Status quo qua immovable assets, shareholding and composition of board , has been passed by the CLB on December 2, 2010. The matter is currently pending.

Litigation by L&T Infra

Criminal Cases

1. A case has been filed by L&T Infra under Section 138 of the Negotiable Instruments Act, 1881 against IDEB Projects Private Limited on October 23, 2009 for a claim amounting to ₹ 3,688,858. The matter is currently pending in the 12th Court, Bandra, Mumbai, Maharashtra.

2. A case has been filed by L&T Infra under Section 138 of the Negotiable Instruments Act, 1881 against PVP Ventures Limited on December 3, 2009 for a claim amounting to ₹ 99,999,999. Summons has been served and the acknowledgment has been received. The matter is currently pending in the 12th Court, Bandra, Mumbai, Maharashtra.

3. Section 138 case has been filed by L&T Infra under Section 138 of the Negotiable Instruments Act, 1881 against PVP Ventures Limited (SSI) on December 3, 2009 for a claim amounting to ₹116,664,000. Summons has been served and the acknowledgment has been received. The matter is currently pending in the 12th Court, Bandra, Mumbai, Maharashtra.

4. Two criminal cases have been filed by L&T Infra under Section 138 of the Negotiable Instruments Act, 1881 against Sujana Towers Limited on for a total claim amounting to ₹141,965,470/-. The cases are pending for consideration and verification of complainant in the Court of Metropolitan Magistrate, 12th Court, Bandra, Mumbai, Maharashtra.

5. A cheque worth ₹ 14.5 million drawn on L&T Infra bank account with Canara Bank and signatures of authorised signatories were forged and the cheque was deposited in Dhanlaxmi Bank's branch at Trivendram in account of one Akhila Loka Tathwasi Trust. No money has gone out of L&T Infra's account. L&T Infra has filed a complaint in this regard with Circle Police Station, Trivandram against the said Akhila Loka Tathwasi Trust and other unknown persons for the offences of cheating, forgery, *etc.* Pursuant thereto FIR has been registered. Investigation is going on.

6. Five cheques worth total ₹ 106.2 million drawn on L&T Infra's bank account with IDBI Bank, signatures of authorised signatories of L&T Infra and letter-head of L&T Infra have been forged and deposited in four different accounts of Mr. Pankaj Bahindarkar (for ₹ 9.2 million), M/s Om Associate (for ₹ 35 million), Mr. Pradeep Nambiar (for ₹ 50 million), Mr. Vikas V. Wayal, proprietor of M/s Chhatrapati Agro International (for ₹ 6 million) and D. S. Satnamsingh Jude (for ₹ 6 million). L&T Infra has filed complaints in BKC Police Station, Mumbai against these people as well as other

unknown persons for the offences of cheating, forgery, *etc.* Police have registered FIR and Investigation is going on.

Civil Cases

7. A petition has been filed by L&T Infra under Section 9 of the Arbitration and Conciliation Act, 1996 against IDEB Projects Private Limited on January 21, 2010. Interim injunction has been granted and the matter is to come up for final disposal. The matter is currently pending in the Bombay High Court, Maharashtra.

8. A petition has been filed by L&T Infra under Section 9 of the Arbitration and Conciliation Act, 1996, against H.S. Bedi on January 21, 2010. Interim injunction has been granted and the matter is to come up for final disposal. The matter is currently pending in the Bombay High Court, Maharashtra.

Tax related matters

An appeal has been filed by L&T Infra before the Commissioner of Income Tax (Appeals) against the assessment order dated December 18, 2009. L&T Infra has claimed that the Assessing Officer had erred in disallowing the following advisory fees, commission and brokerage and contribution to provident fund in the Assessment Order for Assessment Year 2007-08. The appeal has been partly decided in favour of L&T Infra.

Arbitration Proceedings

9. Arbitration proceedings have been initiated by L&T Infra against IDEB Projects Private Limited on April 28, 2010 for a claim amounting to ₹ 321,777,510, The parties were directed to attend the preliminary meeting on June 9, 2010. A statement of claim has been filed and the matter is posted for framing of issues. The matter is currently pending before the Arbitral Tribunal presided by Presiding Arbitrator Justice Sujata Manohar (Retd.), Co-Arbitrator Justice Shivraj Patil (Retd.) and Co-Arbitrator Justice H. Suresh (Retd.). The place of arbitration is Mumbai, Maharashtra.

10. Arbitration proceedings have been initiated by L&T Infra against H. S. Bedi on April 28, 2010 and the parties were directed to attend the preliminary meeting on June 9, 2010. A statement of claim has been filed and the matter is posted for framing of issues. The matter is currently pending before the Arbitral Tribunal presided by Presiding Arbitrator Justice Sujata Manohar (Retd.), Co-Arbitrator Justice Shivraj Patil (Retd.) and Co-Arbitrator Justice H. Suresh (Retd.). The place of arbitration is Mumbai, Maharashtra.

Litigation involving our Promoter

Litigation against our Promoter

Criminal cases

11. A criminal case has been filed by the Labour Enforcement Officer (Central), Patna before the Sub-Divisional Judicial Magistrate, Sherghati against L&T under Sections 47, 48 and 49 of the Building and Other Construction Workers (RE and CS) Act, 1996 for alleged breach of rules 226(a) and (c), 228, 231(a), 239(1) and 26(3) of the Building and Other Construction Workers (RE andCS) Rules, 1996. L&T has filed a discharge petition on behalf of the accused persons. The matter is currently pending.

12. A criminal case Special case has been filed by the State of Bihar through the Central Bureau of Investigation ("**CBI**"), Patna before the Special Judge CBI, South Bihar Patna against L&T and two of its officials Mr. S. K Soni and Mr. J. Ganguly, under Sections 420/120B of the IPC and Sections 13(2)/13(1) (d) of the Prevention of Corruption Act, relating to execution of Golden Quadrilateral project in Delhi-Kolkata leg awarded by NHAI to L&T-HCC JV alleging criminal conspiracy. The Patna High Court has granted stay on the proceedings of lower Court *i.e.* Special Judge, CBI, South Bihar, Patna. A petition has also been filed before Patna High Court under section 482, CrPC, 1973 for quashing of the criminal complaint, which was dismissed. The matter is pending before the Special Court for CBI, Patna.

13. A criminal case CC 70/04 has been filed by the CBI against officials of L&T alleging conspiracy with officials of Oriental Insurance in respect of NTPC Simhadri job claims settled by them for an amount of ₹ 3,667,000. The matter is currently pending before the Special CBI Court, Chennai.

14. Government Stock were purchased by L&T from Trust Capital Services Private Limited. A summons was issued from the police station, City Kotwali, Amravati asking L&T to produce the frozen securities and deposit the same in the SGL account of the Court of Chief Judicial Magistrate with HDFC Bank in accordance with orders passed by the Chief Judicial Magistrate. The matter is currently pending before the Chief Judicial Magistrate, Amravati.

15. A criminal complaint has been filed by Mr. S A Hussain against L&T before the Court of Chief Judicial Magistrate, Patna alleging offences under Section 406, 409, 420 and 120B of the Indian Penal Code. The Chief Judicial Magistrate, Patna had taken cognizance of the alleged offences and issued non bailable warrants for arrest against officials of L&T. The High Court of Patna based on the application made by L&T has stayed the proceedings before the Court of Chief Judicial Magistrate, Patna till the disposal of the application filed before the High Court by L&T. The matter is currently pending.

16. M/s Scrap and Scrap, a scrap dealer has filed a case against L&T before Sessions Court, Indore claiming refund of the security deposit which has been adjusted against the sales tax liability of the party. This matter is currently pending.

17. The General Secretary, Kansbahal Industrial Labour Association filed a complaint petition before the District Labour Officer, Rourkela on April 7, 2007 alleging that L&T as the principal employer has failed to pay the wages of the concerned workers for the month of March 2007 and such action of L&T contravenes the provisions of Section – 21 (4) of the Contract Labour (Regulation and Abolition) Act. Based on the said complaint, the Dist. Labour Officer, Rourkela issued notice to L&T on April 12, 07. L&T submitted reply stating that the labourers have not accepted the wages deliberately being instigated by the said Labour Association. But the District Labour Officer has filed a criminal case before JMFC, Rajgangpur, Orissa under Section- 23 read with Section-25 of the said Act to harass L&T. The case will be taken up for hearing in due course.

18. A criminal case is filed against L&T for the alleged kidnap of a workman from the site of L&T, before the Chief Judicial Magistrate, Shahjahanpur. The matter is pending.

19. A criminal case is filed against L&T before the Judicial Magistrate, Class I, Kota in connection with the collapse of coal bunkers at KTPS Kota site. The matter is pending.

20. A criminal case has been filed against L&T before the Secretary, Labour Department, Government of India, claiming an amount of ₹9,000 for violation of the provisions of Building and Other Construction Workers Act. The matter is pending.

21. One Mr. R. Rajagopalan has filed a first information report ("**FIR**") dated July 13, 2011, before the Hulimavu Police Station, Bangalore against the chairman and managing director of L&T, a whole time director of L&T and others, in relation to L&T South City Project in Bangalore and the Bangalore Police has registered the FIR under Section 406 and 420 of the Indian Penal Code, 1860. Further, in relation to L&T South City Project, South City Group Housing Apartment Owners' Association represented by Mr. Rajagopalan has filed a criminal complaint before the Additional Chief Metropolitan Magistrate at Bangalore against the chairman and managing director of L&T, a director of L&T and others, alleging offences under Section 14 and 15 of the Karnataka Ownership Flats (Regulation of the Promotion of the Construction, Sale, Management and Transfer) Act, 1972 and Section 420 of the Indian Penal Code, 1860. The FIR and criminal complaint are pending.

22. A complaint has been filed by Labour Department of State of Maharashtra before the court of Metropolitan Magistrate, Andheri, Mumbai against L&T, Mr. A. M. Naik, Mr. J. P. Naik and others alleging violation of safety and health policies under the Buildings and Other Construction Workers (Regulation of Employement and Conditions of Service) Act, 1996 . the matter is currently pending.

23. NHPC Limited has awarded two contracts to L&T to execute the work of rural electrification in Udhampur District, Jammu. Based on a complaint by a whistle blower within NHPC, alleging irregularities by NHPC officials in the contract works executed, a FIR was lodged against Mr. B.L.Gupta, Chief Engineer, NHPC and others, for cheating and criminal misconduct. CBI has been investigating against L&T officials, Mr.Chakbarthy, Cluster – Project Manager and Mr.Ram Dayal, Construction Manager in colluding with NHPC and causing loss to the exchequer by supplying substandard materials from unapproved firms. Investigation is still on and the matter is currently pending.

Civil Cases

24. G K Granites Limited has filed an appeal in the High Court of Kerala against the suit dismissal order passed by the District Court, Ernakulam, in the suit filed by GK Granites against L&T for encashment of bank guarantees and recovery of bank guarantees for an amount of ₹ 5.7 million from L&T for the Tumkur - Haveri section of western transport corridor of National Highway Authority of India ("NHAI") project. The matter is currently pending before the High Court Kerala

25. Petrochemical Engineering Construction, Haldia has filed a civil suit against L&T before the Civil Judge – Senior Division, Tamluk, East Midnapore, West Bengal claiming a sum of ₹5,063,738.94 on account of certain alleged outstanding dues L&T has filed its written statement in the above suit for rebutting the claims made against L&T. L&T has also made a counter claim of ₹ 578,365. The matter is currently pending before the Civil Judge – Senior Division, Tamluk East Midnapore, West Bengal.

26. Variava W/o Ex Supreme Court Judge has filed a civil suit before the Civil Judge (Senior Division) Wadgaon, Pune against L&T for the excavation and extraction of soil/ Murum from Variava's neighbour's land relating to Mumbai Pune Express Way project. Variava has requested for original restoration of the land by filing in the excavated portion and for building a restraining wall supporting the property. The matter is currently pending.

27. V Arks Engineering Private Limited has filed a suit before City Civil Court, Bangalore for recovery of outstanding amount of ₹ 16.78 million against L&T pertaining to a subcontract. The claim is for escalation and retention. The matter is pending for appointment of arbitrator.

28. In a suit filed against Delhi Development Authority before Delhi High Court with respect to a project in the Vasant Kunj area in Delhi, Delhi Development Authority has filed a counter claim for ₹ 216,000,000. L&T was awarded the contract for construction of multi storied building under the said project but the construction was stayed by the Delhi High Court in a Public Interest Litigation filed before it. After two years the High Court stay was vacated and dispute arose between L&T and Delhi Development Authority for revision of the terms of the construction contract due to increase in cost during the pendency of the stay. L&T terminated the contract Delhi High Court has granted stay on the encashment of bank guarantees provided by L&T to Delhi Development Authority under the contract Delhi Development Authority has filed suit for counter claim for ₹ 212.6 million claiming compensation, forfeiture of bank guarantees and recovery of excess amount of work done at the risk and cost of L&T. L&T has also filed its claim of ₹ 38.2 million. The matter is currently pending before the Delhi High Court.

29. A civil suit has been filed in 2004 by Alumayer India Private Limited, the glazing and cladding sub-contractor in respect of the Indian Oil Corporation Limited contract New Delhi, against L&T towards recovery of outstanding bill amounts of ₹ 24.5 million with interest. The matter is pending for settlement before the High Court of Madras.

30. A compensation suit has been filed in 2008 by Encee Rail Linkers before the Civil Judge Senior Division, Panvel against the L&T, claiming compensation of ₹ 79.9 million for non payment of sub contract and loss of profit with respect to Railway Electrification Contract by Rail Vikas Nigam Limited. The matter is pending for hearing of application challenging the jurisdiction of the court to hear the suit.

31. A suit has been filed by Aban Lloyd Chiles Offshore Limited in 2000 against L&T in City Civil Court, Chennai. The Aban Lloyd Chiles Offshore Limited has placed a purchase order with L&T for the wind mill towers inclusive of excise duty. The dispute is with respect to exemption of excise duty for the purchase of the wind mill towers. The matter is currently pending before City Civil Court, Chennai for a claim amount of ₹ 62,000.

32. A money suit has been filed by Nilkamal Construction, one of the contractors of L&T, in 2009 against L&T and L&T Finance. Nilkamal Construction has filed the suit claiming a sum of ₹533,916 along with interest @ 18% per annum and L&T Finance for execution of earth work excavation. The matter is currently pending before the Vth Bench, City Civil Court at Kolkata, West Bengal.

33. A suit has been filed by Mr B.N. Mukherjee, proprietor of Gour Sundar Enterprises, in 2009 before the Additional District Judge at Durg, Chhattisgarh against L&T. Mr. B.N. Mukherjee has claimed a sum of ₹ 1,505,986 towards alleged unpaid dues for construction of site office at Bhilai Steel Plant. L&T has filed a preliminary objection under section 8 of the Arbitration and Conciliation Act, 1996 for referring the dispute to arbitration as per the agreed contractual terms and conditions. The matter is currently pending before the Additional District Judge at Durg, Chattisgarh.

34. A suit has been filed in 2004 by Bengal Mills Stores Supplies before the Bombay High Court in respect of supplies to work shop Kanchipuram. by Bengal mills for ₹ 487,000. The matter is currently pending before the Bombay High Court. The issue is pertaining to supplies of iron plates to L&T workshop at Kanchipuram, Tamil Nadu.

35. A suit has been filed by M/s Electro Fibers against L&T for recovery of ₹ 200,000 before the Bangalore City Civil Court. The matter is pending for appointment of arbitrator under Section 8 of the Arbitration and Conciliation Act, 1996. The matter is currently pending before the Bangalore City Civil Court.

36. An appeal has been filed by Bangalore Water Supply and Sewerage Board-Cauvery Water Supply Project before the 11th City Civil Court, Bangalore against the arbitral award of ₹ 37.3 million rendered in favor of L&T. The matter is currently pending before the 11th City Civil Court, Bangalore.

37. An appeal has been filed by National Highway Authority of India before the High Court of Delhi against the arbitration award in favor of L&T for ₹ 40.5 million along with interest with respect to Tumkur-Sira road project. The matter is currently pending before the High Court of Delhi.

38. Special Leave Petition has been filed by Public Works Department, Government of Orissa, before Supreme Court of India against the order of the High court of Orissa quashing the appeal of PWD, Government of Orissa against the order of the District Court, Bhubaneshwar quashing the appeal against arbitral award passed in favor of L&T. The arbitration award is for ₹ 222.1 million towards extended stay, extra cost towards work done and interest on withheld amounts. An award had been passed in favor of L&T. The matter is currently pending before the Supreme Court of India.

39. An appeal has been filed by NHAI before the High Court of Delhi against the arbitration award in favor of L&T for ₹ 94.3 million with respect to Chandikhole-Bhadrak Rd Job ORISSA-II Lot-II Package. The matter is currently pending before the High Court of Delhi.

40. An appeal has been filed by NHAI before the Balasore District Court, Orissa against the arbitration award in favor of L&T for ₹ 909.7 millions with respect to escalation, extension of time and additional work done for Balasore-Laxamanath Road Job Lot-I. The matter is currently pending before the Balasore District Court, Orissa.

41. An appeal has been filed by PWD, Government of Punjab, Rajpura Road before the Patiala District Court against the arbitration award in favor of L&T for ₹ 60.6 million for the Rajpura Road Job Lot-2. The matter is currently pending before the Patiala District Court, Punjab

42. MKS Engineering has filed an arbitration petition in the Orissa High Court, for appointment of an arbitrator to resolve their claim for ₹ 3,899,418 against L&T. The case pertains to a work order issued by L&T office at Kolkata and the matter has been referred by L&T to the Arbitrator. The matter is currently pending before the Arbitrator.

43. Mukerian Papers Limited has filed an appeal before the Calcutta High Court against the arbitration award rendered in favor of L&T for ₹ 21 million towards non-execution and non-payment of dues. The matter is currently pending before the Calcutta High Court

44. A civil suit has been filed in 2009 by Mr. Joseph Pulical before the Sub-Court, Koyilandy, Khozikode district against L&T claiming compensation of ₹250,000 with interest, towards Arecanut trees damage at the Kerala Water Authority Project at Calicut. The matter is currently pending before the Sub-Court, Koyilandy, Kozhikode, Kerala.

45. A summary suit has been filed by Gujarat Ferro Alloys (P) Limited in 2008 against L&T before the Bombay High Court, seeking payment towards the outstanding of ₹1,443,000 along with the interest in connection with the supply of steel castings to EWL workshop. L&T has filed an application under Section 8 of the Arbitration and Conciliation Act, 1996. The matter is currently pending before the Bombay High Court.

46. A civil suit has been filed in 2009 by Mr. M. Venkatiah before the District Judge, Ananatapur against L&T, for recovery of ₹1,398,000 against excess sand quarried for Sri Satya Sai Water Supply Project. The matter is currently pending before the District Judge, Anantpur, Andhra Pradesh.

47. A civil suit has been filed in 2009 by Sugruha (Association of the residents of South City Complex) before the 5th City Civil Court, Bangalore, Karnataka in respect of South City Property Development against L&T, BDA, BBMP and the land owner seeking relief of injunction, cancellation of

relinquishments made in favor of Bangalore Development Authority and declaratory reliefs. The matter is currently pending before the 5th City Civil Court, Bangalore. Karnataka

48. An execution suit was filed by Nazeer Mohiddin Sayed Binga before the Additional Civil Judge, Senior division Karwar, Uttar Kannada, Karnataka, against L&T to recover an amount of ₹ 243,000 awarded in an exparte decree against L&T.

49. A suit has been filed by Mr. A. Ravindranathan an ex-employee of L&T before the Bombay High Court against L&T, for reinstatement to services with full back wages, he has also claimed damages of ₹ 1.2 million. The matter is pending hearing before Bombay High Court.

50. High Energy Batteries (I) Limited ("**HEB**") has filed a suit before the Bombay High Court against L&T for invoking the performance of bank guarantee given by HEB, involving a sum of ₹ 854,355.7. The matter is pending for hearing before Bombay High Court.

51. Mr. Kantilal Kothari and others, filed an Eviction Suit bearing T. E & R Suit No. 32/35 of 2001 (the "**Suit**") against L&T and Mr. Amar Munot (co-owner). On August 30, 2001, a deed of conveyance was executed by Mr. Amar Munot in favour of L&T, on account of which, L&T became a co-owner in the larger property to the extent of 7% undivided interest therein. L&T filed a suit, No. 2467 of 2002, in the Bombay High Court for partition of the larger property, which is pending as on the date of this Prospectus. On January 10, 2007, the Trial Court passed a Judgment and order, dismissing the TER suit. Thereafter in March 2007, an appeal was filed by Mr. Kantilal Kothari and others against the Judgment of the Trial Court dismissing the Suit. On February 15, 2010 the Appellate Court reversed the Judgment of the Trial Court and directed L&T to handover possession of the property on or before June 30, 2010. The Appellate Court further sought for an enquiry to be held for *mesne* profits due to Mr. Kantialal Kothari and others, from May 30, 2000 until delivery of possession of the suit premises. On April 20, 2010 a Civil Revision Application was filed by L&T challenging the judgment of the Appeal Court for eviction and *mesne* profits. The Mesne Profit Application, No. 4 of 2010, filed by Mr. Kantilal Kothari & Others for determination of *mesne* profits has been challenged by L&T and is currently pending as on the date of this Prospectus. Thereafter on March 16, 2011 a Civil Application (St) No. 7008 of 2011 was filed by Mr. Kantilal Kothari & Others, seeking fixation of interim rent payable at the rate of ₹22,65,846.60 per month by L&T, which is payable from May 30, 2000 onwards. L&T has filed its reply opposing the same. L&T has also independently conducted valuation by an approved valuer which report shows that the rent is substantially lower. At the last date of hearing held in June 2011, the High Court has appointed an independent valuer to inspect the property and determine the interim market rent. The next date in the matter is fixed for July 19, 2011.

52. The Municipal Corporation of Greater Mumbai called upon L&T to make payment of octroi of ₹ 2,355,154 within 7 days from the receipt of their letter and L&T's trucks were prevented from entering the Municipal limits of Greater Mumbai. A Writ Petition has been filed by L&T. The matter is pending before the Bombay High Court and the appeal has been admitted.

53. APT (Project and Turnkey) Engineers Pvt. Limited ("**APT**") has filed a suit against L&T to recover a sum of ₹ 4,193,818.93 before the Delhi High Court, claiming dues for a project for which they were contractors. L&T has made counter claim against APT amounting to ₹ 2,405,000 with costs. The matter is currently pending before Delhi High Court.

54. Pioneer Electricals Works filed a suit against L&T before the Bombay High Court for balance of payment for goods supplied by them for an amount of ₹ 863,270. The matter is currently pending before Bombay High Court.

55. A suit relating to ancestral and undivided property in Orattukappai Village, Coimbatore was filed by Thayarammal, wife of Krishnaswamy along with others against L&T. One of the defendants sold a part of the land to another defendant. The matter is pending before the Court of District Judge, Coimbatore.

56. Mr. Kartik Shankar Aiyar has filed a suit before Bombay High Court against L&T demanding compensation of ₹ 2 million, for termination of employment as "Senior Legal Adviser". The matter is currently pending before the Bombay High Court.

57. Empire Finance Company Limited has filed a suit against L&T. L&T had entered into a buy-back agreement with Empire Finance Company Limited. for providing finance to clients of L&T and according to the buy-back agreement, in case of default in payment of lease rental by lessee or customer, L&T would pay to Empire Finance compensation charges. Fortis Finance Services Limited. made default in payment. The matter is currently pending before the Bombay High Court.

58. A suit has been filed by Bhagwandas Sharma and others before Bangalore City Civil Court against Krishna Kumar Sharma and others including L&T regarding inheritance of a property belonging to their father. L&T has rented this property and is made a party to the suit as tenant. The matter is currently pending before Bangalore City Civil Court.

59. National Textile Corporation ("**NTC**") has filed a case before the Bombay High Court for eviction of L&T who is occupying the 3rd floor of a building as a tenant which is owned by NTC. The matter is currently pending before Bombay High Court.

60. A case has been filed by Mr. V Murugan before the Motor Accident Claims Tribunal, Cheyyar, Tamil Nadu with respect to a car accident, involving a car which is registered in the name of L&T although L&T has sold the car to one of its retired employee. The matter is currently pending before Motor Accident Claims Tribunal, Cheyyar, Tamil Nadu.

61. Polylink and Polimers (India) Limited has filed a suit for compensation before the Gujarat High Court against L&T for supply of a defective Electronic Trivector Static Meter. The matter is currently pending before the Gujarat High Court.

62. Prema Syntax has filed a complaint on January 20,1999 for offences under Section 420 and 120-B Indian Penal Code which was sent for investigation under Section 156(3) CrPC to Police Station Shahjapur. Application was moved for investigation before the Court and an FIR No.63/2002 was registered by police at Police Station. On the said FIR investigation had commenced and after conclusion of the investigation final report was submitted by the police in the Magistrate Court, Shahjapur. The Petitioner filed a protest petition and the Magistrate declined to take cognizance of offence against the accused and was dismissed. Thereafter a revision Petition was filed and pending before the Magistrate Court, Shahjapur.

63. Shanmugam and Murugesan has filed a Civil Suit against L&T before the Madras High Court praying for mandatory injunction on L&T to deliver a new, defect free hydraulic excavator of specified or equivalent model or to deliver back their own excavator along with defect free parts and compensation of ₹ 4,200,000 with subsequent interest. The matter is currently pending before Madras High Court.

64. ORES Enterprises Private Limited ("**ORES**") has filed an appeal against the exparte order passed by the city civil court in favor of L&T. L&T supplied products to ORES against orders placed by them. ORES failed to pay a balance sum of ₹ 358,964 and also failed to hand over the Sales Tax Declaration Form. L&T had filed a civil suit and when ORES failed to appear, the case was decreed exparte in favor of L&T. The exparte order has been set aside. The civil suit filed by L&T is currently pending before Civil Judge (Sr. Dvn.) Rourkela.

65. Kansbahal Industrial Labour Association ("**KILA**") has filed a case in the Orissa High Court with a prayer for issue of direction to the Revenue authorities for demolition of the Northern side compound wall of L&T, Kansbahal Works alleging that it has been constructed on Government Land. L&T has filed its counter affidavit in the said case. The Court has passed an order of status-quo in the said case on August 27, 1998. The matter is currently pending before Orissa High Court.

66. Kansbahal Shramik Sangha ("**KSS**") has filed a writ petition before the Orissa High Court regarding adjustment of ex-gratia payment of employees with the bonus by the management by entering into an agreement with one workers union namely Kansbahal Mazdoor Union ("**KMU**"), by ignoring KSS, when two unions are functioning in the establishment. L&T has filed it counter affidavit in the case. The matter is currently pending before the Orissa High Court.

    A group of 50 contract labourers and another group of 15 contract labourers working in the Town Administration Department of L&T, Kansbahal Works has filed two industrial dispute miscellaneous applications in the Court of the Presiding Officer, Labour Court Sambalpur claiming equal pay for equal work. The matter is currently pending before the Labour Court,

67. Mr. B K Murty has filed a writ petition before the High Court of Orissa challenging the award of the Industrial Tribunal in favor of L&T. L&T had terminated his services because during probation his services were not found satisfactory even after extending his probation for another six months. The Industrial Tribunal in its order has upheld the termination of services of Mr. B K Murty. The matter is pending before the High Court of Orissa.

68. Maurice Minz has filed an Industrial Dispute Case against L&T before Industrial Tribunal, Rourkela *inter alia* challenging his dismissal pursuant to a disciplinary proceeding against him. L&T has appeared and filed its written statement. Case is pending for hearing.

69. Kansbahal Industrial Labour Association has filed a case in the Orissa High Court with a prayer for with a prayer for grant of interim stay against construction of compound wall by L&T, Kansbahal Works alleging that the same is being constructed on the Government land. The Court has passed an order in the said case on August 27, 1998 directing that the boundary wall shall be constructed only on the acquired land. The matter is currently pending before Orissa High Court.

70. Karantaka Bank, D D Urs Road, Mysore had filed a case against L&T before Principal Civil Judge Senior Division for encashment of the account payee cheque of Periwal Hi-tech Mouldings Private Limited during 1993. Karnataka Bank's appeal against L&T has been dismissed. L&T is currently awaiting dismissal order.

71. A suit has been filed Aba Piraji Shingte and Shingte Construction Co., Mr. Balaram Piraji Shingte, Mr. Laxman Piraji Shingte, Larsen and Toubro Limited and Lafarge Aggregates and Concrete Pvt Ltd. in the Bombay City Civil Court at Bombay Dindoshi Branch, Dindoshi Division, Goregaon, claiming *inter alia*, reliefs against the other partners regarding his share in the partnership firm and demanding lease rentals from L&T for the entire period from May 1, 2005 to February 28, 2008 as also for the additional period from March 1, 2008 to August 31, 2008. The Plaintiff has sought an order and injunction of the Court directing L&T and other lessees ceasing use of the said property. A Notice of Motion was filed by the Plaintiff seeking interim and ad interim for permanent order and injunction against L&T and servants, agents, staff, representatives, officers, subordinates and/or any person/s claiming through and/or conducting activities of any nature on the said property. The City Civil Court by its order dated December 19, 2008 refused to grant any ad-interim reliefs. They filed an appeal before the Mumbai High Court against the order dated December 19, 2008 of the City Civil Court refusing grant of ad-interim relief. This appeal has been disposed off by the High Court on July 16, 2010 directing the trial court to dispose of the matter within 4 weeks. The Plaintiff has on August 5, 2010 withdrawn the above suit, and has initiated a new civil suit for specific performance of the partnership deed before the Mumbai High Court where Larsen and Toubro Limited is not a party. A certified copy of the order dated August 5, 2010 is awaited. A letter dated August 16, 2010 was received by Larsen and Toubro Limited to furnish documents on the basis of which L&T has paid lease rents to the Plaintiff. L&T, vide its advocate's letter dated October 19.2010 addressed to the plaintiff, replied to the above letter dated August 16, 2010 *inter alia* stating that the said payment was made by L&T only in commercial prudence and for the purpose of facilitating its continuation of business operations without interruptions. This matter is currently pending.

72. There are 199 interse shareholders dispute pending, relating to matters such as valid transfer of shares, where L&T has been made a performa party. These matters are pending across various courts / consumer forums in India.

73. Civil suit No 499/2008 at the Surat Civil Court by Manchiben w/o Becharbhai and others - against GIDC, where the land acquired by GIDC has been allotted to L&T. The petitioners have filed a case against GIDC & L&T has been made a party pleading that the price paid by GIDC for land acquisition is inadequate - No interim order has been passed, hearings have been conducted twice where GIDC has responded.

74. L&T is dredging in the river Tapi. M/s Jairam Bhai & others and Bhaghu Bhai & others have filed a case in the Surat Civil court suit Nos 382/2008 & 383/2008 respectively that the land where we are dredging belongs to them. The lands are now under water- case 382/2008 interim order passed in L&T's favour, hearing for 383/2008 continues.

75. L&T had acquired private lands in early 1990s through the Government's consent award for its housing colony. A few land losers have subsequently filed case in Surat Civil courts saying the land prices paid are inadequate. The documents pertaining to the case were misplaced in the court and last hearing took place in 2009 where L&T has filed the reply saying that the land acquisition was done by the govt. and L&T had no role in the price fixation.

76. M/s Ramubhai Keshavbhai & others had agreed to sell some lands to ESSAR - which L&T is now planning to acquire. They have filed a case (Suit no 255/ 2010 in Surat Civil court) against ESSAR & L&T restraining both the parties to not complete the deal without taking their consent – L&T has been made a party in this case, Essar has filed its reply.

77. A case has been filed against L&T in the Motor Accident Claim Tribunal, Cuttack, by Keshab Charan Nayak, who was injured by a vehicle belonging to the Company, claiming a compensation amount of ₹100,000. The matter is pending.

78. A case has been filed against L&T before the 3rd Motor Accident Claim Tribunal, Amarchhak, Orissa, by Kumari Bishnu Priya Sethi, who was injured by a Tipper of L&T which hit her motorcycle, for a claim of ₹50,000. The objections have been filed by L&T, as well as a reply to the amendment petition filed by the insurance company. The matter is pending.

79. A case was filed by Makiri Sethi against L&T in the Motor Accident Claim Tribunal, Amarchhak, Orissa as her motorcycle was hit by a tipper of L&T. An award was passed against the insurance company to pay ₹97,500. On application by the insurance company, L&T was directed to secure the said amount, and objections have been filed against this order.

80. A case was filed against L&T in the Motor Accident Claim Tribunal 2nd Court at Asansol, West Bengal, by Kamal Kanti Ghosh claiming compensation of ₹500,000, for physical disabilities caused by an accident of a dumper of L&T. The matter is pending.

81. A case was filed against L&T in the Motor Accident Claim Tribunal 2nd Court at Asansol, West Bengal, by Namita Ghosh claiming compensation of ₹300,000, for physical disabilities caused by an accident of a dumper of L&T. The matter is pending.

82. A case is filed against L&T and another party before the District Judge, Motor Accident Claim Tribunal, Nadia Krishnagar, West Bengal, by Smt. Gita Poddar claiming ₹300,000, for the death of her son caused by a motorcycle and road roller, one of which is allegedly registered in the name of L&T. The matter is pending.

83. A case is filed by K. Prabhavati against L&T before the Motor Accident Claim Tribunal, Vijayawada, Andhra Pradesh, claiming a compensation of ₹1,220,000, for the death of her husband, allegedly caused by the negligent driving of the driver of a tipper belonging to L&T. The matter is pending.

84. A case is filed by G. Narasimha Rao against L&T before the District Judge, Mahbunagar, Andhra Pradesh, seeking compensation of ₹100,000, for the injuries caused to him in an accident by a tipper belonging to L&T. The matter is pending.

85. A case is filed by Aqua Seal against L&T before the Civil Judge, Chandigarh, for the recovery of ₹214,000 pertaining to Mohali ready mix cement site against supply of ready mix cement from Mohali. The matter is pending.

86. A writ petition is filed by L&T against TWAD in the High Court of Madras seeking stay on invocation of performamce bank guarantee of ₹49,200,000. High Court has granted stay in favour of L&T. The matter is pending.

87. An appeal has been filed by L&T in Calcutta High Court against the order passed by Kolkata Municipal Corporation for refund of enhanced taxes paid relating property at No. 41, Theatre Road, Kolkata. The matter is pending.

88. A Writ Petition has been filed by L&T against the Government of Orissa and Labour Commisssoner against demand of 1% of total contract value made under Buildings & Other Construction Workers Cess Act, 1996 in respect of contract awarded by Sterlite Energy Limited for railway siding works involving a total amount of ₹24,375,000. Sterlite Energy Limited has also filed a similar writ petition and has obtained stay. Both the matters are clubbed and matter is pending for final disposal.

89. A case has been filed by Sujatha Transporters against L&T claiming ₹3,000,000 for the load of cement alleged to have been received by L&T, in the District Court of Ranga Reddy District, Andhra Pradesh. The matter is pending.

90. A case was filed against L&T by Sugruha in the High Court of Karnataka regarding the tenders with respect to two CA sites. The matter is pending.

91. A case has been filed against L&T by a sub contractor of Surat Manor Road Project in the High Court of Delhi, claiming ₹2,005,000. The matter is pending.

92. A suit was filed by Ropar Constructions Private Limited against L&T in the District Court of Barnala for a sum of ₹ 9,900,000. L&T has filed appeal before the High Court of Punjab and Haryana in

pursuance of the rejection of its application under section 5 & 8 of Arbitration & Conciliation Act, 1996. The matter is pending.

93. An appeal was filed against L&T by Vadivelu in the District Court of Kanchipuram for the partition of a piece of land. The matter is pending.

94. A suit of specific performance is filed against L&T by Ganapathy in the City Civil Court of Pondicherry, regarding the agreement with L&T's predecessor. The matter is pending.

95. A case was filed against L&T by C. Prakasan claiming ₹823,000 towards reimbursement of WCT/VAT claims pertaining to Dwarka DDA site. The suit has been decreed in favour of the Plaintiff. Plaintiff has filed an execution petition, which is pending.

96. A case was filed by Pioneer Metal Private Limited., a supplier against L&T for ₹143,000 towards interest on delayed payments in the City Civil Court, Kolkata. The matter is pending.

97. A case was filed by Narasimhan against L&T regarding the order of the ILO, involving an amount of ₹1,800,000, in the High Court of Madras. The matter is pending.

98. A case was filed by V. Narasimhan against L&T seeking reinstatement with back wages, involving a sum of ₹1,600,000, in the Labour Court, Chennai. The matter is pending.

99. A case was filed against L&T by the Mathadi Union challenging the cessation of employment, at the Indl. Court, Mumbai. The matter is pending.

100. A case was filed against L&T by Kishore Chnadarkar regarding the title of a land, before the Civil Judge, Jaipur. The matter is pending.

101. A case is filed by Dilip Kumar Dey before the Civil Judge, Sr. Division, Ballasore seeking declaration of title and injunction against lifting of soil from his land. The matter is pending.

102. An appeal filed by L&T in the High Court of Orissa against the order of payment of ₹134,000 towards cost of paddy and cost of raising earth from the land of Chamer Gandhar. The matter is pending.

103. A case was filed by S.N. Yadhav against L&T before the Civil Judge, Tiz Hazari, for the recovery of an outstanding amount of ₹160,000. The matter is pending.

104. A case was filed by G.S. Enterprises against L&T in the District Court of Kota for the recovery of an outstanding amount of ₹811,000. The matter is pending.

105. A Case has been filed by one Mr. Prateek & Others against Power Grid Corporation of India Limted ("**PGCIL**") & Others before the 3rd Civil Judge, Senior Division, Class 2, Rajnandgaon praying for injunction against laying of power cables through the lands of the petitioners. L&T being contractors to PGCIL has been made a party. The matter is pending.

106. A case is filed by R. G. Hiregange against L&T challenging the arbitration award of ₹24,800,000 regarding the construction of priority housing at Karwar. The matter is pending.

107. South India Infrastructure Development Company Private Limited has filed a Company Petition before Company Law Board, Chennai Bench against Kakinada Seaports Limited and 13 others (L&T one of the Respondents) *inter alia* alleging that L&T/L&T IDPL have transferred their shares in the Respondent company without strictly following the procedure as agreed in the Shareholders Agreement. L&T which originally held 86,30,975 shares (16.47%) has transferred the shares to L&T IDPL. L&T IDPL has exited the project by transferring all its shares to M/s Kakinada Infrastructure Holdings Private Limited.

108. Oriental Institute of Science and Technology, Bhopal has filed an arbitration case before the Bhopal District Court for setting aside the award of ₹ 5,400,000 passed in favour of L&T in a dispute with respect to construction of campus of Oriental Institute of Science and Technology, Bhopal. The matter is currently pending.

109. Punjab Institute of Medical Science has filed a suit against L&T before the Jalandhar District Court claiming towards interpretation of contract in respect of laying of laps for an amount of ₹ 2,400,000. The suit is currently pending.

110. Maharashtra State Road Development Corporation has filed a second appeal against L&T before the Bombay High Court against an arbitration award of 33,800,000 in favour of L&T in respect of claim towards retention money, WCT and final bill amount. The matter is currently pending.

111. Avatar Singh, has filed a suit in industrial dispute ID 278/ 2010 before the DO Labour Court seeking reinstatement in service and claiming dues/ claims in the amount of ₹ 1,091,000. The matter is currently pending.

112. Matthew & others have filed a suit against L&T before the DMC Perambra seeking permanent prohibitory injunction on carrying out blasting of rocks. The suit is currently pending.

113. Joseph Pullikal has filed a suit in the Sub Court Koyilandy seeking compensation in the amount of ₹ 250,000. The matter is currently pending.

114. Susheelama and Others have filed a suit against L&T seeking compensation for the death of a villager who was a beneficiary under the Rajiv Gandhi Grameen Vidyu Tikama Yojna. The matter is currently pending

115. Prathiba Rangaswamy has filed a writ petition against L&T regarding Land Acquisiton. The Matter is currently pending

116. Laskhmi Electricals Work has filed a suit against L&T towards alleged retention and service tax amount of ₹ 1.686 million pertaining to Kakinada Onshore Electrical Projects. The matter is currently pending

117. Ansh Mohammad Ansari has filed suit against L&T for Garnishee Relief . The matter is currently pending

Arbitration Proceedings

118. In an arbitration involving the Cement Corporation of India, L&T has expressed inability to pay the enhanced fees of arbitrators. Thereupon, by order dated August 29, 2007, the arbitral tribunal declined to proceed with the arbitration proceedings. The Bank Guarantee was extended. The amount involved is ₹ 2,996,750. The matter is currently pending.

119. A second appeal in suit no. 04/07 has been filed by Dewas Municipal Corporation before the District and Sessions Judge, Dewas for challenging of arbitration award rendered in favor of L&T. Arbitration proceedings has taken place in respect of outstanding, extra claims, and return of performance bank guarantees for ₹ 8.9 million and return of bank guarantees worth ₹14 million. Dewas Municipal Corporation has challenged the said arbitration award before the District and Sessions Judge, Dewas and the challenge was dismissed hence the second appeal. The matter is pending hearing. The matter is currently pending before Madhya Pradesh High Court, Indore Bench

120. Arbitration proceedings have been initiated by Siirtec Nigi s.p.a., against Hindustan Petroleum Corporation Limited, in which L&T is representing because its stake worth ₹ 55 million is involved in the matter.

121. A claim of ₹114,50,000 is filed by A.K. Patel & Co. against L&T for arbitration, on account of interest charges, reimbursement of royalty charges, *etc.* and three work orders. The matter is pending.

122. A claim of ₹49,000,000 is filed by NHAI against L&T for arbitration, with respect to Jharkhand Road Job Project on account of claim towards recovery of Barrow Area re-development. The arbitration is pending.

Tax Related Cases

123. An appeal has been filed by the Brihanmumbai Mahanagar Pallika relating to a dispute with regard to rateable value fixed by the Assessor and Collector of Brihan Mumbai Municipal Corporation at ₹ 253,790 with effect from 1995 in respect of land under construction. The matter is currently pending before the Bombay High Court.

124. An appeal has been filed by the Brihanmumbai Mahanagar Pallika relating to a dispute with regard to rateable value fixed by the Assessor and Collector of BMC (Property Tax dept.) at ₹ 69,525 with effect from April 1, 1994 in respect of land under construction. The matter is pending before the Bombay High Court.

125. The Commissioner of Customs (Exports) has filed a counter appeal before the CEGAT against L&T. The Commissioner of Customs issued a show cause notice and an order was passed after which L&T filed an appeal with the Appellate Tribunal who ruled in their favor. The matter is currently pending before the Appellate Tribunal.

126. Brihanmumbai Mahanagar Pallika filed an appeal against the order passed by the Additional Chief Judge of Small Causes Court in Mumbai. L&T is liable to pay property tax in respect of the property situated at Paspoli Vihar Lake Road. The matter is currently pending.

127. The Assistant Commercial Tax Officer has filed a complaint for fraudulent use of the C Form for the year 2002-2003 against Murugan and others under Section 190(1) (a) of the Criminal Procedure Code in the Court of Judicial Magistrate – II, Karaikal. L&T is one of the defendants in the matter. This matter is currently pending.

128. On the issue of applicability of the Standards of Weights and Measures (Packaged Commodities) Rules, 1976 to the Switchgear Standard Products, L&T's special leave petition is pending in the Supreme Court. This pertains to EBG-ESP unit of L&T. The relevant period is April 2002 to March 2008 and the duty involved is ₹ 30 million. The demand is time – barred. This matter is currently pending.

129. On the issue of applicability of the Standards of Weights and Measures (Packaged Commodities) Rules, 1976 to the Switchgear Standard Products, L&T's special leave petition is pending in the Supreme Court. This pertains to EBG-ESP unit of L&T. The relevant period is April 2002 to March 2008 and the duty involved is ₹ 1.3 million. L&T has given bond and bank guarantee of ₹ 15 million under High Court to get the seized goods released. This matter is currently pending.

130. On the issue of applicability of the Standards of Weights and Measures (Packaged Commodities) Rules, 1976 to the Switchgear Standard Products, L&T's special leave petition is pending in the Supreme Court. This pertains to EBG-ESP unit of L&T. The relevant period is April 2002 to March 2008 and the duty involved is ₹ 15.98 million. L&T has given bond and bank guarantee of 25% of bond amount for the difference of duty leviable under Section 4 and that under Section 4A till the issue gets resolved. L&T implemented MRP and started paying duty under Section 4A from April 1, 2008 under protest, pending SLP in the Supreme Court.

131. On the issue of applicability of the Standards of Weights and Measures (Packaged Commodities) Rules, 1976 to the Switchgear Standard Products, L&T's has filed an appeal on December 28, 2010 against the order of Commissioner (Appeals). This pertains to EBG-ESP unit of L&T. The relevant period is March 2003 to March 2008 and the duty involved is ₹ 0.13 million. This matter is currently pending.

132. Regarding denial of modvat credit on invoices issued by vendor on their own volition (EBG-Powai), 5 show cause notices have been issued by Superintendent Of Central Excise. The total duty involved is ₹ 0.19 million. The adjudication is pending before Assistant Commissioner of Central Excise, Powai Division, Mumbai II.

133. The exemption under notification 108/95 for supplies made for Baggase based power generation plant of Balaram Chini was denied. This case pertains to EBG-ESE unit and the year 2004. Duty involved is ₹ 0.1 million. Common Adjudicating authority is appointed by CBEandC to decide all the notices issued to different manufacturers on the same issue and matter is pending adjudication.

134. Short quantity export is alleged due to non endorsement of ARE-1 number on shipping bill. This pertains to EBG, Electricals Systems and Equipments, Powai unit and the year 2008.

135. This case regarding valuation of excise duty on design and engineering supplied by L&T free to vendors pertains to EBG Electrical Standard Products, Ahmednagar and the year 2005-10. 15 show cause notices were issued against L&T by Central Excise for a total duty amount of ₹ 6.1 million. A demand has been issued to L&T. L&T has filed an appeal with the Commissioner (Appeals) for the two show cause notices. Stay granted by Commissioner (Appeals) vide Order No 56 & 57 dated March 31, 2011. Matter is still pending.

136. A show cause notice has been issued for denial of cenvat credit to vendor as the activity does not amount to manufacturing. This pertains to L&T EBC electrical standard products for the period April 1, 2007 to July 31, 2010. The amount involved is ₹ 9.49 million.

137. This case regarding denial of cenvat credit of 4% SAD on imported capital goods claimed in the year of receipt, pertains to EBG, Electrical Standard Products, Ahmednagar and the year 2010. The duty involved is ₹ 0.3 million. A show cause Notice was issued by Asst. Commr. Of Central Excise and Customs - Ahmednagar Div. Adjudication is pending before Asst. Commr. Of Central Excise and Customs - Ahmednagar Div. A notice is issued to L&T on Audit objection but the CBEandC clarification on this is in favor of L&T.

138. This case regarding classification of PLC under 84.71 which was challenged by the department, pertains to EBG – Control and Automation, Mahape, Navi Mumbai. Two show cause notices have been issued by Central Excise. The relevant period is 1988 and the duty involved is ₹ 5.3 million. Demand confirmed by the Commissioner imposing penalty of ₹ 25,000. Stay has been granted. L&T has paid ₹ 0.5million as pre-deposit.The CESTAT has granted releif to L&T, holding classification under 90.32, in the court. The copy of the order is awaited.

139. This case regarding demand for excise duty on sales tax benefit availed under the deferral scheme, pertains to EBG- Control and Automation, Mahape, Navi Mumbai unit and the year 2006. A show cause notice was issued by Addl. Commissioner, Belapur for a sum of ₹ 1.2 million. The Commissioner (Appeals) decided the matter in favor of L&T and set aside the demand. The Department has filed an appeal before CESTAT. The clarification issued by CBEandC is in favor of L&T.

140. This case regarding denial of cenvat credit availed on Petrol Pumps transferred from Thaneerpandal to Malumichampatti, pertains to EBG – ESE, Coimbtore and the year 2009. The duty involved is ₹ 1.6 million. L&T has filed appeal before the Commissioner (Appeals) as an order was passed against L&T by the Additional Commissioner of Central Excise, Coimbatore.

141. This case regarding denial of exemption under notification 6/2006, pertains to EBG – Electrical Supply and Equipments, Coimbtore and the years 2009 and 2010. One show cause notice was issued by Central Excise with respect to duty of ₹ 12.58 million.

142. L&T has received a show cause notice issued by Assistant Commissioner, Central Excise, Coimbatore-III Division on account of rejection of refund application seeking refund of Centvat credit reversed on input/capital goods. This is for the Financial Year 2010 and the amount involved is ₹ 16.69 million.

143. This case regarding denial of input service tax credit on Goods Transport Agency services for non declaration of abatement on the invoices, pertains to EBG, Powai and the year 2005-06. A show cause notice was issued with respect to duty of ₹ 4.7 million. The Commissioner (Appeals) decided the matter against L&T. L&T has filed an appeal before CESTAT.

144. This case regarding demand of service tax on certain services rendered without registration and for import of services pertains to EBG, Powai and the year 2009. A show cause notice was issued with respect to duty of ₹1.2 million. The adjudication is currently pending.

145. This case regarding denial of input service tax credit on outward freight, pertains to EBG, Powai and the years 2005 to 2008. A show cause notice was issued with respect to duty of ₹2.4 million. The demand notice sought appropriating the service tax paid ₹ 766,724 and the interest paid ₹ 124,867 for the period 2007-08. The personal hearing is over and the order is pending.

146. This case regarding denial of input service tax credit on invoices issued by L&T, Chennai, pertains to EBG, Coimbatore for the years December 2007 to March 2008. The amount involved is ₹ 3.55 million. We have filed an appeal before Commissioner, (Appeals).

147. This case regarding denial of input service tax credit on garden maintenance, pertains to EBG - Electrical Standard Products Ahmednagar and the years 2008 to 2010. Two show cause notices were issued with respect to duty of ₹ 0.11 million. The demand has been dropped by CESTAT.

148. This case regarding denial of input service tax credit on garden maintenance pertains to EBG Metering Solutions and Relays, Mysore and the year 2009-10. Two show cause notices were issued by service tax authorities with respect to duty of ₹ 0.17 million. A personal hearing was granted by the Assistant Commissioner and the show cause notice was set aside. In the appeal before Commissioner (Appeals) by the Department the order of the Assistant Commissioner was set aside. L&T has filed appeal before CESTAT.

149. This case regarding denial of input service tax credit on catering services pertains to EBG-Electrical Standard and Products Ahmednagar and the years 2008-10. Three show cause notices were issued by Asst. Commr. Of Central Excise and Customs - Ahmednagar Div. with respect to duty of ₹ 1.1 million. In case of two notices, demands have been dropped by the Commissioner (Appeals) but department has filed appeal in CESTAT and the same is pending. In case of third notice, adjudication pending which will get disposed off when the High Court decides the matter in the above notice.

150. This case regarding denial of input service tax credit on food management services and car hiring services, pertains to EBG – Control and Automation, Mahape, Navi Mumbai and the year 2010. Two show cause notices were issued by Asst. Commissioner, Belapur III with respect to total duty of ₹ 0.29 million. Demand confirmed by the Asst Commissioner with interest and penalty. L&T filed an appeal with the Commissioner (Appeals), which denied the credit and confirmed the order. L&T has filed an appeal before CESTAT.

151. This case regarding denial of input service tax credit availed on invoices issued by L&T Chennai as ISD pertains to EBG – Electrical Systems and Equipments, Coimbatore and the year 2009. A show cause notice was issued by Addl Commissioner, Coimbatore with respect to duty of ₹ 3.5 million. Personal hearing is over and order is pending.

152. A dispute is pending with respect to service tax credit availed on canteen and bus services before the Additional Commissioner, Indore for a sum of ₹ 1.4 million. The relevant periods are 2005-06, 2006-07 and 2007-08.

153. A dispute is pending with respect to service tax credit availed on canteen and bus services before the Assistant Commissioner, Pithampur for a sum of ₹ 0.3 million. The relevant period is April 2008 – November 2008.

154. A dispute is pending with respect to service tax credit availed on courier, telephone, rent-a-cab, insurance and outward transportation before the Joint Commissioner, Indore for a sum of ₹ 2.8 million. The relevant period is 2004-05 to December 2008.

155. A dispute is pending with respect to service tax credit availed on catering, bus services, courier, telephone, rent-a-cab and insurance before the Additional Commissioner, Indore involving a sum of ₹ 0.5 million. The relevant period December 2008 to August 2009.

156. A dispute is pending with respect to central excise duty demand on central warehouse before the Commissioner, Indore involving a sum of ₹ 91.5 million. The relevant period is from June 1, 2006 to December 16, 2009.

157. A dispute is pending with respect to service tax on business auxillary service, delay payment, AGMP Audit before the Superintendent, Pithampur involving a sum of ₹ 80,000. The relevant period is 2007 to 2008.

158. A dispute is pending with respect to service tax credit availed on catering, bus services, courier, telephone, rent-a-cab, insurance and freight before the Additional Commissioner, Indore involving a sum of ₹ 0.6 million. The relevant period is September 2009 to June 2010.

159. A classification dispute is pending under the Karnataka Sale Tax Act, pertaining to period 2001-02 and 2002-03 involving amount of ₹ 4,800,602.

160. A dispute as regards interest and penalty is pending under the Tamil Nadu GST Act, 1959 for the period 2000-01 involving a sum of ₹ 87,142.

161. A dispute as regards penalty with respect to Udaipur Depot Case- Nimbahera Case road permit is pending under the Rajasthan Sales Tax Act, 1994 for the period 2001-02 involving a sum of ₹ 411,765.

162. A dispute as regards non-availability of C Form (3 nos.) is pending under the Rajasthan Sales Tax Act, 1994 for the period 2002-03 involving a sum of ₹ 608,787.

163. A dispute as regards non-submission of declaration forms (Udaipur depot) is pending under the Central Sales Tax Act, 1957 for the period 2004-05 involving a sum of ₹ 602,700.

164. A dispute as regards tax rate is pending under the Rajasthan Sales Tax Act, 1994 for the period 2000-01 involving a sum of ₹ 11,307,707.

165. A dispute as regards tax rate is pending under Central Sales Tax Act, 1957 for the period 2000-01 involving a sum of ₹ 5,201,300.

166. A dispute as regards non-submission of H form is pending under the Madhya Pradesh VAT Act for the period 2007-08 involving a sum of ₹ 65,554.

167. A dispute as regards expansion tax benefit/non submission of forms is pending under the Central Sales Tax Act, 1957 for the period 2007-08 involving a sum of ₹ 28,692,524.

168. The Assistant Commissioner of Central Excise, Mysore issued a show-cause notice to L&T for having availed input service cenvat credit on service tax paid for catering services by M/s. Raghavendra Caterers, Mysore. L&T's submission was rejected by the Assistant Commissioner of Central Excise, Mysore and an order was passed disallowing L&T to avail the input service cenvat credit on catering services. This case pertains to the period 2006-07. The amount involved is ₹ 0.2 million towards tax and ₹ 40,000 towards penalty. Favourable order issued by Commisioner Appeals. However order not accepted by CESTAT (Appellate Tribunal) This matter is pending hearing before the CESTAT.

169. A consignment of MED was detained by Intelligence Wing of Commercial Taxes, Calicut, Kerala. The relevant period is 2007-08 and the amount involved is ₹ 3 million towards tax and ₹ 1.3 million towards interest and penalty. L&T submitted the Bank Guarantee with an undertaking that the bank guarantee will be encashed only based on the appellate order of the Deputy Commissioner of Calicut. This matter is currently pending.

170. Two showcause notices were issued to L&T by Asst. Commissioner of Central Excise on eligibility of Service Tax Credit on garden maintenance. A favourable order is issued in favour of L&T for availing service tax credit upto ₹178,430. The matter is pending before Commissioner (Appeals).

171. Custom Department has filed the application before CESTAT-Bangalore against the Order passed by Commissioner of Custom (Appeals)-Bangalore in favour of L&T in respect to demand of duty by Customs Department on certain imports classified under ‘GSM Chipset’. The matter is currently pending.

172. The case regarding valuation of excise duty on design and engineering supplied by L&T free to vendors pertains to EBG Electrical Standard Products, Ahmednagar and the year 2009-10. A showcause notice is issued against L&T by Central Excise for a total duty amount of ₹30,675. A demand has been issued to L&T. The matter is pending.

173. A notice has been issued to L&T for denial of CENVAT credit on the inputs, interest and penalty amounting to ₹9,494,129 alleging that the activity of the vendor does not amount to manufacture. The matter is pending.

174. A show cause notice has been issued by the Asst. Commissioner of Central Excise, Coimbatore III Division, seeking reply as to why the refund on an amount of ₹16,694,585 as CENVAT credit should not be rejected, in the light of the business transfer agreement. The matter is pending.

175. This case regarding denial of input service tax credit on food management services and car hiring services, pertains to EBG – Control and Automation, Mahape, Navi Mumbai and the year 2010. A show cause notice was issued by Asst. Commissioner, Belapur III with respect to duty of for denial of CENVAT credit on the inputs, interest and penalty amounting to ₹121,376. A reply has been filed by L&T and the matter is pending.

176. On the issue of HARP, the Assam Sales Tax Department disallowed deemed inter-state sales, deducted sub-contractor's turnover and lower tax rates on declared goods. An appeal was preferred to Deputy Commissioner (Appeals), who granted stay on part payment of 25% demand. On revised appeal, the Commissioner (Appeals) denied relief from payment of 25% received by L&T. Though an appeal was made to the High Court, the Court denied any intervention.

177. On the issue of OGSP, a demand was made for the SCN received from Gujarat Hazira Sales Tax Department towards the rejection of the claim under CST Act in case of goods delivered to Mumbai High Area (Exclusive Economic Zones). The case filed with Deputy Commissioner (Corporate cell) received a preliminary notice questioning the legal validity of the claim of L&T.

178. On the issue of ENC Powai, L&T received a show cause cum demand notice under the category Manpower Recruitment and Supply Agency's Services Recruitment Agency on S&A transactions. The reply from department is awaited.

179. On the issue of Baroda-HMD, the SCN alleged that services provided by HMD-SEZ unit to its DTA unit is taxable. The matter is pending.

180. On the issue of HCP – Kenya (Magadi Soda Ash Company Project, Kenya), a claim of ₹752,158,649 has been made against L&T towards VAT payable on overseas invoices.

181. A case is filed against L&T in the Bombay High Court for ₹ 108,035,000, on the ONGC-CRMP II project executed by OGSP, as a part of the submarine line pipes sourced from France lay outside the designated area. A petition has also been filed in the CEGAT for an early hearing of the appeal by Department against the Commissioner's order in favour of L&T. The matter is pending.

182. A claim of ₹105,000 has been made by customs department against L&T before the Office of Commissioner of Customs, Air Intelligence Unit, for import duty on software supplied by SAP, Germany. The matter is pending.

183. A claim of ₹17,000 has been made by the Andhra Pradesh Sales Tax Department against L&T, on pending declaration forms for the year 2001-02. The matter is pending with the assessing officer.

184. A claim of ₹103,000 has been made by the Andhra Pradesh Sales Tax Department against L&T, on pending declaration forms for the year 2004-05. The matter is pending with the assessing officer.

185. On the issue of VPGL, a claim of ₹ 270 million has been made by the Andhra Pradesh Sales Tax Department against L&T in the High Court of Andhra Pradesh, on disallowance of exemption claimed for transit sales in the year 2004-05. The matter is pending.

186. On the issue of KEOPL, a claim of ₹50,697,000 has been made by the Andhra Pradesh Sales Tax Department against L&T in the High Court of Andhra Pradesh, on disallowance of exemption claimed for transit sales and re-sales within the State in the year 2004-05. The matter is pending.

187. On the issue of VPGL, a claim of ₹ 130 million has been made by the Andhra Pradesh Sales Tax Department against L&T in the High Court of Andhra Pradesh, on disallowance of exemption claimed for transit sales and high seas sales in the year 2005-06. The matter is pending.

188. On the issue of VPGL, a claim of ₹94,000 has been made by the Andhra Pradesh Sales Tax Department against L&T in the High Court of Andhra Pradesh, on tax charged on transaction already taxed in the year 2005-06. The matter is pending.

189. On the issue of KEOPL, a claim of ₹ 330 million has been made by the Andhra Pradesh Sales Tax Department against L&T in the High Court of Andhra Pradesh, on disallowance of exemption claimed for transit sales and high seas sales in the year 2005-06. The matter is pending.

190. On the issue of KEOPL, a claim of ₹123,000 has been made by the Andhra Pradesh Sales Tax Department against L&T in the High Court of Andhra Pradesh, on disallowance of exemption claimed for transit sales, labour charges and high seas sales in the year 2006-07. The matter is pending.

191. On the issue of VPGL, a claim of ₹107,020 has been made by the Andhra Pradesh Sales Tax Department against L&T in the High Court of Andhra Pradesh, on disallowance of exemption claimed for transit sales, labour charges and high seas sales in the year 2006-07. The matter is pending.

192. A dispute is pending against L&T by the Delhi Sales Tax Department on pending declaration forms in 2002-03, for an amount of ₹3,896,000 before the Additional Commissioner. The matter is pending.

193. A dispute is pending against L&T by the Delhi Sales Tax Department on pending declaration forms in 2003-04, for an amount of ₹996,000 before the Additional Commissioner. The matter is pending.

194. A claim of ₹16,700,000 is made by the Gujarat Sales Tax Department against L&T for disallowance of exemptions claimed for deemed sales in import in 1999-00, before the Appellate Tribunal, Ahmedabad. The matter is pending.

195. A claim of ₹1,300,000 is made by the Gujarat Sales Tax Department against L&T for disallowance of exemptions claimed for higher rate of tax rate in scrap sales in 1999-00, before the Appellate Tribunal, Ahmedabad. The matter is pending.

196. A claim of ₹17,000,000 is made by the Gujarat Sales Tax Department against L&T for disallowance of exemptions claimed for higher rate of tax rate in scrap sales in 1999-00, before the Appellate Tribunal, Ahmedabad. The matter is pending.

197. A claim of ₹24,881,000 is made by the Gujarat Sales Tax Department against L&T for disallowance of exemptions claimed for sales occasioning imports in 2004-05, before the Joint Commissioner. The matter is pending.

198. A claim of ₹9,835,000 is made by the Gujarat Sales Tax Department against L&T for disallowance of exemptions claimed for sales occasioning imports in 2005-06, before the Joint Commissioner. The matter is pending.

199. A claim of ₹1,891,000 is made by the Gujarat Sales Tax Department against L&T for disallowance of exemptions claimed for pending declaration forms in 1997-98.

200. A claim of ₹2,209,000 is made by the Gujarat Sales Tax Department against L&T for the period of 1987-89, before the Appellate Tribunal, Ahmedabad. The matter is pending.

201. A claim of ₹7,178,000 is made by the Gujarat Sales Tax Department against L&T for the period of 1987-89, before the Appellate Tribunal, Ahmedabad. The matter is pending.

202. A claim of ₹4,654,000 is made by the Gujarat Sales Tax Department against L&T for the period of 1987-89, before the Appellate Tribunal, Ahmedabad. The matter is pending.

203. A claim of ₹5,297,000 is made by the Gujarat Sales Tax Department against L&T for the period of 1989-90, before the Appellate Tribunal, Ahmedabad. The matter is pending.

204. A claim of ₹507,000 is made by the Gujarat Sales Tax Department against L&T for the period of 1989-90, before the Appellate Tribunal, Ahmedabad. The matter is pending.

205. A claim of ₹3,000 is made by the Gujarat Sales Tax Department against L&T for the period of 1990-91, before the Appellate Tribunal, Ahmedabad. The matter is pending.

206. A claim of ₹ 110 million is made by the Gujarat Sales Tax Department against L&T for the period of 1990-91, before the Appellate Tribunal, Ahmedabad. The matter is pending.

207. A claim of ₹23,949,000 is made by the Gujarat Sales Tax Department against L&T for the period of 1991-92, before the Appellate Tribunal, Ahmedabad. The matter is pending.

208. A claim of ₹4,264,000 is made by the Gujarat Sales Tax Department against L&T for the period of 1991-92, before the Appellate Tribunal, Ahmedabad. The matter is pending.

209. A claim of ₹2,270,000 is made by the Gujarat Sales Tax Department against L&T for the period of 1993-94, before the Joint Commissioner (Appeal), Baroda. The matter is pending.

210. A claim of ₹140,000 is made by the Gujarat Sales Tax Department against L&T for the period of 1994-95, before the Joint Commissioner (Appeal), Baroda. The matter is pending.

211. A claim of ₹1,238,000 is made by the Gujarat Sales Tax Department against L&T for the period of 1995-96, before the Joint Commissioner (Appeal), Baroda. The matter is pending.

212. A claim of ₹1,154,000 is made by the Gujarat Sales Tax Department against L&T for the period of 1998-99, before the Joint Commissioner (Appeal), Baroda. The matter is pending.

213. A claim of ₹462,000 is made by the Gujarat Sales Tax Department against L&T for the period of 1999-00, before the Joint Commissioner (Appeal), Baroda. The matter is pending.

214. A claim of ₹317,000 is made by the Gujarat Sales Tax Department against L&T for the period of 2000-01, before the Joint Commissioner (Appeal), Baroda. The matter is pending.

215. A claim of ₹1,663,000 is made by the Gujarat Sales Tax Department against L&T for the period of 2001-02, before the Joint Commissioner (Appeal), Baroda. The matter is pending.

216. A claim of ₹789,000 is made by the Haryana Sales Tax Department against L&T for the period 2004-05, before the Deputy Commissioner (Appeals). The matter is pending.

217. A claim of ₹816,000 is made by the Haryana Sales Tax Department against L&T for the period 2004-05, before the Deputy Commissioner (Appeals). The matter is pending.

218. A claim of ₹350,000 is made by the Haryana Sales Tax Department against L&T for the period 2004-05, before the Deputy Commissioner (Appeals). The matter is pending.

219. A claim of ₹41,000 is made by the Jharkhand Sales Tax Department against L&T for the period 2003-04, before the Commissioner of Commercial Taxes. The matter is pending.

220. A claim of ₹1,453,000 is made by the Karnataka Sales Tax Department against L&T for the period 1995-96, before the Joint Commissioner of Commercial Taxation. The matter is pending.

221. A claim of ₹3,555,000 is made by the Karnataka Sales Tax Department against L&T for the period 1996-97, before the Appellate Tribunal. The matter is pending.

222. A claim of ₹1,522,000 is made by the Karnataka Sales Tax Department against L&T for the period 1996-97, before the Appellate Tribunal. The matter is pending.

223. A claim of ₹16,345,000 is made by the Karnataka Sales Tax Department against L&T for the period 2001-02, before the Appellate Tribunal. The matter is pending.

224. A claim of ₹32,000 is made by the Karnataka Sales Tax Department against L&T for the period 2001-02, before the Appellate Tribunal. The matter is pending.

225. A claim of ₹14,000 is made by the Kerala Sales Tax Department against L&T for the period 1997-98, before the Deputy Commissioner (Appeals). The matter is pending.

226. A claim of ₹4,534,000 is made by the Kerala Sales Tax Department against L&T for the period 1998-99, before the Deputy Commissioner (Appeals). The matter is pending.

227. A claim of ₹ 700 million is made by the Kerala Sales Tax Department against L&T for the period 1999-00, before the Appellate Tribunal. The matter is pending.

228. A claim of ₹92,934,000 is made by the Kerala Sales Tax Department against L&T for the period 2000-01, before the High Court of Kerala. The matter is pending.

229. A claim of ₹558,000 is made by the Kerala Sales Tax Department against L&T for the period 2001-02, before the Deputy Commissioner (Appeals). The matter is pending.

230. A claim of ₹965,000 is made by the Madhya Pradesh Sales Tax Department against L&T for the period 2007-08, before the Deputy Commissioner (Appeals). The matter is pending.

231. A claim of ₹1,200,000 is made by the Maharashtra Sales Tax Department against L&T for the period 1989-90, before the Deputy Commissioner (Appeals). The matter is pending.

232. A claim of ₹19,000 is made by the Maharashtra Sales Tax Department against L&T for the period 2000-01 before the Tribunal. The matter is pending.

233. A claim of ₹2,205,000 is made by the Maharashtra Sales Tax Department against L&T for the period 2000-01 before the Tribunal. The matter is pending.

234. A claim of ₹78,000 is made by the Maharashtra Sales Tax Department against L&T for the period 2000-01 before the Tribunal. The matter is pending.

235. A claim of ₹380,000 is made by the Maharashtra Sales Tax Department against L&T for the period 2000-01 before the Tribunal. The matter is pending.

236. A claim of ₹1,399,000 is made by the Maharashtra Sales Tax Department against L&T for the period 2001-02 before the Joint Commissioner (Appeals). The matter is pending.

237. A claim of ₹293,000 is made by the Maharashtra Sales Tax Department against L&T for the period 2001-02 before the Joint Commissioner (Appeals). The matter is pending.

238. A claim of ₹48,000 is made by the Maharashtra Sales Tax Department against L&T for the period 2001-02 before the Joint Commissioner (Appeals). The matter is pending.

239. A claim of ₹617,000 is made by the Maharashtra Sales Tax Department against L&T for the period 2001-02 before the Joint Commissioner (Appeals). The matter is pending.

240. A claim of ₹2,592,000 is made by the Maharashtra Sales Tax Department against L&T for the period 2002-03 before the Tribunal. The matter is pending.

241. A claim of ₹74,000 is made by the Maharashtra Sales Tax Department against L&T for the period 2002-03 before the Tribunal. The matter is pending.

242. A claim of ₹49,163,000 is made by the Maharashtra Sales Tax Department against L&T for the period 2004-05 before the Bombay High Court. The matter is pending.

243. A claim of ₹391,000 is made by the Maharashtra Sales Tax Department against L&T for the period 2004-05 before the Bombay High Court. The matter is pending.

244. A claim of ₹ 157 million is made by the Maharashtra Sales Tax Department against L&T for the period 2004-05 before the Bombay High Court. The matter is pending.

245. A claim of ₹28,000 is made by the Maharashtra Sales Tax Department against L&T for the period 2004-05 before the Joint Commissioner (Appeals). The matter is pending.

246. A claim of ₹490,000 is made by the Maharashtra Sales Tax Department against L&T for the period 2004-05 before the Joint Commissioner (Appeals). The matter is pending.

247. A claim of ₹66,000 is made by the Maharashtra Sales Tax Department against L&T for the period 2004-05 before the Joint Commissioner (Appeals). The matter is pending.

248. A claim of ₹1,945,000 is made by the Maharashtra Sales Tax Department against L&T for the period 2004-05 before the Joint Commissioner (Appeals). The matter is pending.

249. A claim of ₹392,000 is made by the Maharashtra Sales Tax Department against L&T for the period 2004-05 before the Joint Commissioner (Appeals). The matter is pending.

250. A claim of ₹511,000 is made by the Maharashtra Sales Tax Department against L&T for the period 2004-05 before the Joint Commissioner (Appeals). The matter is pending.

251. A claim of ₹868,000 is made by the Maharashtra Sales Tax Department against L&T for the period 2004-05 before the Joint Commissioner (Appeals). The matter is pending.

252. A claim of ₹15,024,000 is made by the Maharashtra Sales Tax Department against L&T for the period 2005-06 before the Joint Commissioner (Appeals). The matter is pending.

253. A claim of ₹1,328,000 is made by the Maharashtra Sales Tax Department against L&T for the period 2005-06 before the Joint Commissioner (Appeals). The matter is pending.

254. A claim of ₹7,367,000 is made by the Maharashtra Sales Tax Department against L&T for the period 2005-06 before the Joint Commissioner (Appeals). The matter is pending.

255. A claim of ₹1,304,000 is made by the Maharashtra Sales Tax Department against L&T for the period 2005-06 before the Joint Commissioner (Appeals). The matter is pending.

256. A claim of ₹6,202,000 is made by the Orissa Sales Tax Department against L&T for the period 1993-94 before the Orissa High Court. The matter is pending.

257. A claim of ₹323,000 is made by the Orissa Sales Tax Department against L&T for the period 1994-95 before the Appellate Tribunal. The matter is pending.

258. A dispute exists between the Orissa Sales Tax Department against L&T for the period 1998-99 before the Commercial Tax Officer. The matter is pending.

259. A claim of ₹772,000 is made by the Orissa Sales Tax Department against L&T for the period 1999-00 before the Additional Commissioner (Commercial Taxation). The matter is pending.

260. A claim of ₹114,000 is made by the Orissa Sales Tax Department against L&T for the period 2000-01 before the Additional Commissioner (Commercial Taxation). The matter is pending.

261. A claim of ₹3,932,000 is made by the Rajasthan Sales Tax Department against L&T for the period 1996-97 before the Deputy Commissioner (Appeals). The matter is pending.

262. A claim of ₹573,000 is made by the Rajasthan Sales Tax Department against L&T for the period 2003-04 before the Deputy Commissioner (Appeals). The matter is pending.

263. A claim of ₹52,000 is made by the Uttar Pradesh Sales Tax Department against L&T for the period 2003-04 before the Tribunal. The matter is pending.

264. A claim of ₹52,000 is made by the Uttar Pradesh Sales Tax Department against L&T for the period 2003-04 before the Tribunal. The matter is pending.

265. A claim of ₹84,000 is made by the Uttar Pradesh Sales Tax Department against L&T for the period 2003-04 before the Tribunal. The matter is pending.

266. A claim of ₹4,277,000 is made by the Uttar Pradesh Sales Tax Department against L&T for the period 2004-05 before the Tribunal. The matter is pending.

267. A show cause cum demand notice is issued to L&T claiming ₹2100 million pursuant to the rejection of adjustment of excess service tax paid on Cairn project, for the years 2003-07. The matter is in pending.

268. A show cause cum demand notice is issued to L&T claiming ₹18,213,000 pursuant to the rejection of adjustment of excess service tax paid on Cairn project, for the years 2008-09. The matter is in pending.

269. A claim of ₹865 million is made on L&T for non-payment of Sales Tax on LSTK projects for the years 2002-07. The matter is pending.

270. A dispute exists between L&T and FACT on difference over outstanding payments upto the tune of ₹24,300,000. L&T has filed a special leave petition in the Supreme Court after the rejection of its arbitration petition by District Court and High Court. The matter is pending.

271. A dispute exists between L&T and Cement Corporation of India regarding outstanding payments up to a value of ₹700,000 before a Chief Arbitrator appointed by Indian Council of Arbitration. The matter is pending.

272. A case is filed against L&T by Yennamani Durga Prasad, who met with an accident while employed by L&T, for a compensation of ₹300,000. The matter is pending.

273. A case is filed by Indo European Breweries Ltd. Against L&T in the Patna High Court, claiming ₹144 million, challenging the arbitral award in favour of L&T on the prematurely terminated contract. The matter is pending.

274. A case is filed by Jasubhai engineering Ltd. against L&T claiming ₹1,100,000 for additional argon welding carried on by them without the instruction of L&T. The matter is pending.

275. A case is filed by ABG Heavy Industries claiming ₹2,500,000, for the hire charges for the period crane was idle, allegedly due to delay from L&T. The matter is pending.

276. Three cases are filed against L&T before the Andhra Pradesh Sales Tax Appellate Tribunal for the period 2004-05 for differential tax due to non-submission of Concessional Tax Forms (Form C), involving disputed dues of ₹1,817,000.

277. Four cases are filed against L&T before the Appellate Deputy Commissioner of Andhra Pradesh for the period 2005-06 and 2006-07 for differential tax due to non-submission of Concessional Tax Forms (Form C), involving disputed dues of ₹1,721,000.

278. Two cases are filed against L&T before the Asst. Commissioner, Assessing Officer for the period 2000-01 and 2002-03 for differential tax due to non-submission of Concessional Tax Forms (Form C), involving disputed dues of ₹101,000.

279. Two cases are filed against L&T before the High Court of Andhra Pradesh for the period 2000-01 and 2003-04 for non-acceptance of exemption granted during assessment, involving disputed dues of ₹15,036,000.

280. A case is filed against L&T before the High Court of Andhra Pradesh for the period 2005-06 for VAT on work contract business, , involving disputed dues of ₹7,374,000.

281. A case is filed against L&T before the High Court of Andhra Pradesh for the period 2005-06 for VAT on work contract business, involving disputed dues of ₹281,000.

282. Eleven cases have been filed against L&T before the Additional Commissioner, Commercial Taxes, New Delhi, for the period of 2002-07 for differential tax due to non-submission of Concessional Tax Forms (Form C), involving disputed dues of ₹13,768,000.

283. A case is filed against L&T before the Assistant Commissioner of Goa for the period 2006-07 for VAT for differential tax due to non-submission of Concessional Tax Forms (Form C), involving disputed dues of ₹3,000.

284. Three cases are filed against L&T before the Joint Commissioner, Haryana, for the period 2006-07 for differential tax due to non-submission of Concessional Tax Forms (Form C), involving disputed dues of ₹7,948,000.

285. Two cases are filed against L&T in Haryana for the period 2005-06 for differential tax due to non-submission of Concessional Tax Forms (Form C), involving disputed dues of ₹7,204,000.

286. Ten cases are filed against L&T in Jharkhand for the period 2004-08 for differential tax due to non-submission of Concessional Tax Forms (Form C), involving disputed dues of ₹2,084,000.

287. Two cases are filed against L&T in Bihar for the period 2003-05 for differential tax due to non-submission of Concessional Tax Forms (Form C), involving disputed dues of ₹153,000.

288. Two cases are filed against L&T before the Karnataka Appellate Tribunal for the period 1996-97 for differential tax due to non-submission of Concessional Tax Forms (Form C), involving disputed dues of ₹200,000.

289. Two cases are filed against L&T before the Joint Commissioner, Commercial Taxes Appeal, Karnataka for the period 2000-01 and 2002-03 for differential tax due to non-submission of Concessional Tax Forms (Form C), involving disputed dues of ₹1,025,000.

290. A case is filed against L&T before the Deputy Commissioner (Appeals), Ernakulam for the period 1997-98 for differential tax due to non-submission of Concessional Tax Forms (Form C), involving disputed dues of ₹9,000.

291. A case is filed against L&T in Kerala for the period 2000-01 in consequence of a tax rate dispute, involving disputed dues of ₹831,000.

292. A case is filed against L&T before the Deputy Commissioner (Appeals), Ernakulam for the period 2001-02 in consequence of a tax rate dispute due to wrong classification, involving disputed dues of ₹64,000.

293. A case is filed against L&T before the Deputy Commissioner (Appeals), Ernakulam for the period 1998-1999 for requirement of check post sealed copies, involving disputed dues of ₹101,000.

294. Three cases are filed against L&T before the Deputy Commissioner (Appeals), Ernakulam for the period 1997-98 for non-submission of stock transfer LR copy, involving disputed dues of ₹215,000.

295. Four cases are filed against L&T before the Assistant Commissioner, Ernakulam for the period 1996-97 regarding stock transfer and LR copy, involving disputed dues of ₹400,000.

296. A case is filed involving L&T before the Assistant Commissioner, Ernakulam for the period 1996-1997 regarding LR copy and disputed tax rate, involving disputed dues of ₹120,000.

297. Two cases are filed against L&T before the Deputy Commissioner (Appeals), Ernakulam for the period 1998-99 regarding warranty replacement and stock transfers out LR copy, involving disputed dues of ₹1,185,000.

298. Four cases are filed against L&T before the Appellate Deputy Commissioner, Madhya Pradesh, for the period 2006-08 for differential tax due to non-submission of Concessional Tax Forms (Form C), involving disputed dues of ₹1,014,000.

299. Seven cases are filed against L&T before the Appellate Deputy Commissioner, Maharashtra, for the period 2001-02, 2004-05 and 2005-06 for differential tax due to non-submission of Concessional Tax Forms (Form C), involving disputed dues of ₹270 million.

300. A case involving L&T is filed before the Appellate Deputy Commissioner, Maharashtra, for the period 1991-92 due to disallowance of work contract TDS certificate, involving disputed dues of ₹22,000.

301. A case involving L&T is filed before the Appellate Tribunal, Maharashtra, for the period 2004-05 differential tax due to non-submission of Concessional Tax Forms (Form C), involving disputed dues of ₹12,855,000.

302. Five cases are filed against L&T before the Deputy Commissioner of Sales Tax, Orissa, for the period 2004-06 for differential tax due to non-submission of Concessional Tax Forms (Form C), involving disputed dues of ₹3,336,000.

303. A case is filed against L&T before the Orissa High Court, for the period 1997-1998 for differential tax due to non-submission of Concessional Tax Forms (Form C), involving disputed dues of ₹219,000.

304. Two cases are filed against L&T before the Additional Commissioner of commercial taxes Orissa, for the period 1999-2000 and 2001-02 for differential tax due to non-submission of Concessional Tax Forms (Form C), involving disputed dues of ₹1,028,000.

305. Four cases are filed against L&T before the Deputy Commissioner of commercial Tax, Rajasthan for the period 2004-06 for differential tax due to non-submission of Concessional Tax Forms (Form C), involving disputed dues of ₹1,531,000.

306. A case is filed against L&T before the Deputy Commissioner of commercial Tax, Rajasthan for the period 2005-2006 for differential tax due to non-submission of Concessional Tax Forms (Form C), involving disputed dues of ₹43,000.

307. Four cases are filed against L&T before the Sales Tax Appellate Tribunal -Chennai for the period 1994-97 for differential tax due to non-submission of Concessional Tax Forms (Form C), involving disputed dues of ₹925,000.

308. A case is filed by L&T before the Sales Tax Appellate Tribunal -Chennai for the period 1996-1997 due to disallowance of tax credit, involving disputed dues of ₹82,000.

309. Eleven cases are filed against L&T before the Jt.Commissioner, Appeals Commercial Taxes Uttar Pradesh for the period 2002-05 for differential tax due to non-submission of Concessional Tax Forms (Form C), involving disputed dues of ₹4,342,000.

310. Five cases are filed against L&T before the Sales tax Appellate Tribunal Uttar Pradesh for the period 1997-2002 for differential tax due to non-submission of Concessional Tax Forms (Form C), involving disputed dues of ₹4,094,000.

311. Seven cases are filed against L&T before the Sales tax Appellate Tribunal Uttar Pradesh for the period 2004-07 for differential tax due to non-submission of Concessional Tax Forms (Form C), involving disputed dues of ₹2,595,000.

312. A dispute is pending for the financial year 2002-03 before the Joint Commissioner of Sales Tax (Appeals)- 2,Mumbai with respect to disallowances of high seas for want of the complete set of documents like the purchase order, bill of entry, bill of lading, *etc.* under the Central Sales Tax Act and Bombay Sales Tax Act for an amount of ₹5,365,052.00 out of which ₹2,682,526.00 has been paid.

313. A dispute is pending for the financial year 2002-03 before the Joint commissioner of Sales Tax (Appeals)-2, Mumbai with respect to disallowances of high sea sales for want of complete set of documents like purchase order, bill of entry, boll of lading, *etc.* under the Central Sales Tax Act and Bombay Sales Tax Act for an amount of ₹1,714,172.00 out of which ₹250,000.00 has been paid.

314. A dispute pending for the financial year 2004-05 with respect to disallowances of Works Contract tax payment under the Work Contracts (Re-enacted) Act 1989 for an amount ₹124,182.00. The entire amount has been paid.

315. An appeal has been filed by L&T against the order for refund of tax amounting to ₹49,200,000 in the High Court of Calcutta. The matter is pending.

316. Service tax demand for ₹ 242,315,659/- has been raised on L&T-ECC (CNRO) for Tripur water supply under the category of construction service and consulting services for the disputed period October 16, 2002 to July 5, 2007 vide SCN/Summons No. 5/08 dated April 23,.2008.

317. Service tax demand of ₹ 4,024,222/- has been raised on L&T-ECC (CNRO) for New Tripur development project under the construction services (Commercial or individual construction service) for the period from August 1, 2007 to June 30, 2008 vide SCN / Summons No. C. No. V/CICS/15/36/2008-STC. Adj. and SCN No. 11/08 – COMMR dated October 21, 2008.

318. Excise demand has been raised for ₹ 1,091,935/- on L&T-ECC (Pondy Form Work) on account of goods cleared to SEZ developers without payment of duty for the period February 1, 2007 to December 30, 2008 vide C. No. V/Ch/84/15/46/2008 – C. Ex. Adjn. SCN No. 04/2009 dated October 6, 2009. Hearing has been fixed.

319. Excise demand has been raised for ₹ 462,312/- on L&T-ECC (Pondy Form Work) on account of goods cleared to SEZ developers without payment of duty for the period August 22, 2006 to November 28, 2007 vide C. No. V/Ch/73/15/07/2009 – C. Ex. Adjn. SCN No. 02/2009 dated October 9, 2009. Hearing has been fixed.

320. A show cause notice bearing no. C. No. V/73/18/19/2008 – Refund (PF-1) dated June 19, 2009 has been issued to L&T-ECC (Hyro) on account of unjust enrichment HWSSB – ED refund claim for a sum of ₹ 2,015,500/-. Reply to show cause notice has been filed on July 16, 2009. Hearing was fixed.

321. A notice bearing no. C. No. V/15/73/53/3009 Adj. to L&T-ECC (EWL Kanchi) for ₹ 215,490/- for the period June 2008 to March 2009 on account of CENVAT credit on input services (GTA) used by a provider of output service. Hearing was attended. Order is awaited.

322. A show cause notice bearing no. 48/2009 dated August 19, 2009 was issued to L&T-ECC (HYRO) on account of non-payment of excise duty on Accropodes and other manufacturing site pre-cost items with regard to Gangavaram Port Ltd. Dispute is pending for hearing.

323. A show cause notice bearing no. 375/2009 dated September 9, 2009 has been issued to L&T-ECC (CNRO) for ₹ 3,296,000/- for the period April 2008 to March 2009 on account of service tax demand on New Tirupur development project under construction services (commercial or individual construction service).

324. A show causes notice bearing no. C. No. I-26/494/S/Adt/ G. I./L&T/412/07/24474 dated October 21, 2009 and an addendum to show cause notice bearing no. C. No. I-26/494/S.T. Adt./G. I./L&T/412/07/24803 dated October 23, 2009 have been issued to L&T-ECC (DLRO) for the periods September 10, 2004 to January 30, 2007, 2005-09, 2007-08 and 2008-09 (half yearly) for a total sum of ₹ 908,706,683/- on account of IT park for railway (DMRC) under construction service.

325. A demand has been raised for excise duty amounting to ₹ 3,635,163/- for the period February 19, 2009 to July 6, 2009 vide notice bearing no. C. No. IV (Hqrs. Prev.) INT /35/08/3767/04.12.2009 dated December 2, 2009 and C. No. IV (Hqrs.Prev.) INT / 35/ 08/ 3768/04.12.2009 dated December 12, 2009 on account of pre-fabricated pre-cast MTG. It is pending.

326. A demand has been raised on L&T-ECC (TLT Pithampur) for excise duty vide notice bearing no. F.No.V(73)15-01/2009-adj-I/34446 dated December 31, 2009 received. on January 2, 2010 for ₹ 71,861,599/- on account of supply of tower to Jindal power project and Koldam hydro project not being eligible to get the ED exemption under 21/2002 & 6/2006. Tower - 6/2006 - Condition not fulfilled.üICB condition fulfilled custom duty exempted under the sl.no. 400 only for the machinery (*i.e.*) 98.01. Tower is not considered as machinery. Hence not eligible for ED exemption.

327. A demand has been raised on L&T-ECC (CNRO) for Service Tax for a total sum of ₹ 71,299,021/- for the period March 2006 and October 2004 to April 2008 on account of wrongly availed and utilised Cenvat credit under 1/2006 - Construction of Complex Service & Commissioning & Erectioning - Short paid Service Tax on above Output Services - Amount (₹376195631) received from M/s. Chemplast Sanmar Ltd. for design & Construction of a port (October 2004 - April 2008)

328. A demand notice has been raised on L&T-ECC (EWL Kanchi) for Service Tax for a total sum of ₹ 436,244,823/- vide show cause notice bearing no. SCN No. 14/2010 dated February 25, 2010 for the period Feb. 2005 to December 2009 on account of tower classification dispute.

329. A demand has been raised on L&T-ECC (Pondy TLT) for a total sum of ₹ 262,739/- vide show cause notice bearing no. SCN No. 18/2010(c) dated 20.04.2010 for the period 2006-07 on account of interest on the supplementary invoice raised.

330. A demand has been raised on L&T-ECC (BLRO) for an excise duty of ₹ 76490803/- vide show cause notice bearing no. SCN No. 24/2010-11 dated May 17, 2010 on March 1, 2006 to October 31, 2008 on account of demand on pre-cast items at site in between the notification period 21/2006 C.Ex. and 15/2009 C.Ex.

331. A show cause notice bearing no. SCN: 356/2010 dated June 17, 2010 has been issued to L&T-ECC (L&T Arun Excello – Temple Steps) for service tax on account of short payment and wrong availment of CENVAT credit on intelligible input services.

332. A show cause notice bearing no. SCN No.02/2010 dated July 19, 2010 has been issued to L&T-ECC (Pondy TLT) on account of non-submission of CAS4.

333. A show cause notice bearing no. SCN No.37/2010 dated August 5, 2010 and C.No.V/15/73/24/2010 Adj. to L&T-ECC (EWL Kanchi) for service tax of ₹ 454,646/- for the period July 2009 on account of disallowance of CENVAT credit availed on Outdoor Catering Services.

334. A show cause notice bearing no. SCN No.93/2010 dated October 4, 2010 has been issued to L&T-ECC (Pondy TLT) for service tax of ₹ 1,468,320/- for the period April 2008 to March 2009 on account of non-payment of service on testing charges received.

335. A penalty of ₹ 19,776,000/- was charged to L&T-ECC (DLRO-MTG) on account of Pre-fabrical pre-cast (metro tunnelling). In this regard, L&T-ECC has filed a writ petition before Delhi High Court and has obtained stay.

336. A demand was raised on L&T-ECC (DLRO-MTG) for ₹ 17,291,146/- on account of excise duty on account of pre-fabricated pre-cast – MTG for the period February 29, 2008 to February 19, 2009. L&T-ECC has filed writ petition before Delhi High Court and has obtained stay.

337. A show cause notice bearing no. SCN 76/2008 dated July 31, 2008 has been issued to L&T – ECC (HYRO) for ₹ 317,415,901/- on account of service tax on construction of onshore terminal at Kakinada for Reliance Industries Limited for the period October 2006 to March 2008.

338. A notice bearing no. C.No.IV/16/297/2008-S.Tax-Gr.VI O.R.No.128/2009-Adjn ST. dated October 16, 2009 was issued to L&T-ECC (HYRO) for ₹ 245,975,735/- on account of service tax on construction of onshore terminal at Kakinada for Reliance Industries Limited for the period May 2008 to March 2009.

Consumer Cases

1. Kusum Yadav filed a consumer complaint in the District Consumer Forum, Lucknow regarding a defective ultrasound machine purchased by her from L&T. She has demanded either replacement of the machine or repayment of the entire amount of consideration of ₹1,025,000 with interest and with damages worth ₹500,000 towards mental agony and ₹11,000 towards cost of the complaint. The matter is currently pending.

2. The complainant has filed for repair or replacement of the part of the machine not working properly and damages amounting to ₹180,000 along with interest. The matter is currently pending.

3. M/s Mona Stone Crushers has filed a consumer complaint before the District Consumer Dispute Redressal Forum, Jaipur against L&T and L&T Komatsu seeking ₹1,022,000 as damages. The damages have been claimed for defective machine. The matter is currently pending.

4. Mr. Hari Krishna Singh has filed a consumer complaint in the District Consumer Dispute Redressal Forum at Patna alleging that ultra sound machine sold to him by L&T was defective. He has made a claim of sum of ₹1,999,000 with interest. The matter is currently pending.

5. Mr. Ambadas Pisal has filed a consumer complaint in Consumer disputes Redressal Forum, Pune District, Pune claiming ₹ 6,30,000/- towards cost of L&T Komatsu PC71 Hydraulic Excavator and compensation along with interest at the rate of 18 per cent per annum. L&T had tried to arrange financiers like Magma Fincorp, L&T Finance Ltd. and SREI Equipment Finance Ltd., to Mr. Pisal for after the order placed by him for the machine in April, 2010. In the meantime Mr. Pisal had sent a legal notice, for which L&T had successfully persuaded the customer not to pursue the case further through L&T's customer. The matter is pending.

6. Roshan Bhandari, has filed a consumer complaint before the Himachal Pradesh Consumer Dispute Redressal Commission, Shimla, Himachal Pradesh against L&T claiming compensation of ₹ 5,243,912 for deficiency of services and financial losses suffered by him due to defective machinery. The matter is currently pending.

7. Abdul Kareem TV has filed a consumer complaint with the Kerala State Consumer Dispute Redressal Commission, Thiruvananthapuram regarding a hydraulic excavator purchased from L&T and insured with ICICI and claiming compensation for ₹ 2,500,000. The matter is currently pending.

8. Vilas Narayan Papde, has filed a consumer complaint involving ₹ 600,000 before the Maharashtra State Consumer Dispute Redressal Commission, Mumbai regarding a sale of defective machine by L&T. The matter is currently pending.

9. Vibjeor Structural has filed a consumer complaint before Dist. Consumer Disputes Redressal Forum, Sambalpur / Bhubaneshwar, Orissa for a claim of ₹ 0.8 million. The complainant has expired. The family is not pursuing the case nor withdrawing.

10. Razia Bee, a widow of ECC transporter's driver, who died on road accident, has wrongly filed a case against Insurance Co., in which L&T Case has been wrongly made party. Verdict was given in favor of the Razia Bee by lower court and court ordered to Oriental Insurance Company to pay claimed amount to her. But further Insurance pleads the case. The case is under motion hearing before the High Court.

11. Abid Singh, a gunman of DSS Security Services has filed a case against L&T Case before Industrial Court, Indore alleging that he was working with L&T Case. The case is up for final hearing on October 4, 2010.

12. St Mary's Hospital, Trivendram has filed a consumer case against L&T before Kerala State Redressal consumer Commission. The matter is pending.

13. Dr Praveen Sharma, Jodhpur has filed a consumer case against L&T before President, District forum, Jodhpur. The matter is pending.

14. Ganesh Khupase has filed a Consumer Complaint against the Company before the Hon’ble District Consumer Dispute Redressal Forum at Bhuldana under Section 12 of the Consumer Protection Act claiming compensation of total ₹ 1.3 million and repair the machine free of cost.

15. Dr Atul Seth has filed a Consumer Complaint against the Company before the Hon’ble District Consumer Dispute Redressal Forum at New Delhi under Section 12 of the Consumer Protection Act claiming for compensation of total of ₹ 1.2 million and to replace the machine with new machine of similar description free of defect along with warranty.

Labour Cases

1. R. Goswami, an employee whose employment was terminated for loss of confidence, has filed a case against L&T before High Court. His case has been admitted and pending for hearing.

2. Abid Ali, who employment was terminated on account of theft, has filed a case against L&T before High Court. His case has been admitted and likely to come up for hearing in October, 2010.

3. Dhanraj Jagdeo, a worker who was dismissed for long absence, has filed a case against L&T before Labour Court, Dhar, Pithampur Bench. The case was dismissed by the court; however, the worker filed a review, which is pending.

4. Workmen Compensation Case has been filed against L&T by the legal heirs of Late Mr. S G Kaviraj of Sree Enterprises Shimoga (Contractor's employee) before Commissioner of Workmen's Compensation and Labour Officer, Shimoga. The matter is pending.

5. D A Rane, who was dismissed for insubordination on January 13, 2003 has filed a case in Labour Court against L&T *inter alia* praying for reinstatement in services and payment of wages of ₹ 2.11 million. This matter is currently pending.

6. R. G. Khare, a workman, who was dismissed for absenteeism from July 24, 1997, has filed a case against L&T in Labour Court *inter alia* praying for reinstatement in services and full pay back of wages. This matter is currently pending.

7. S.B. Kamble, T.A., who was suspended for pending enquiry for insubordination from February 1, 2001 till retirement on October 31, 2007, has filed a case in the Labour Court against L&T *inter alia* praying for difference in wages of ₹1.33 million. This matter is currently pending.

8. S. D. Dorage, who retired on October 31, 2008, has filed a case against L&T in Industrial Court *inter alia* claiming that a wrong date of birth was entered in the record and praying for wages of 3 years service from 2008 to 2011 for ₹ 1.2 million.

9. S. G. Mestry, a workman, who raised dispute on the change of work profile due to which L&T had revised his pay, has filed a case in the Labour Court against L&T *inter alia* praying for wages applicable to his earlier work profile. This matter is currently pending.

10. Mr. S. G. Mestry, workman, who raised dispute on reduction in wages has filed a case in the Labour Court against L&T *inter alia* praying for refund of the wages deducted amounting to ₹ 25,000. This matter is currently pending.

11. M. Thomas, an employee, who was dismissed on October 4, 2001 for misconduct of late coming has filed a case in Labour Court against L&T *inter alia* claiming reinstatement with full back wages of ₹ 2.27 million. L&T filed writ petition in Bombay High Court and obtained stay of the lower court order which was in favor of M. Thomas. This matter is currently pending.

12. B. L. Dangi, a security supervisor, whose services were terminated on August 14, 2001 as per contract, has filed a case in the Labour court *inter alia* praying for reinstatement with full pay back of wages of ₹ 2.29 million. This matter is currently pending.

13. V T Narvekar had filed a complaint before Industrial Court against L&T, in which award was passed against L&T for ₹ 20,000. L&T has challenged the said award in Bombay High Court by filing a writ petition. Bombay High Court has given a stay to award till further hearing. This matter is currently pending.

14. Mr. V T Narvekar has filed a case against L&T in Labour court under Section 33 C (2) of Industrial Dispute Act, *inter alia* objecting the deduction made towards union contribution from special payment and bonus, deduction for welfare foundation, *etc.* amounting to ₹ 15,000. This matter is currently pending.

15. V T Narvekar was issued chargesheet dated January 21, 2006 on complaint of one of employees of L&T. After enquiry, he was suspended for 4 days. He challenged this action in the industrial court. Industrial court held the chargesheet and enquiry to be fair and proper but order, reduced the punishment of suspension to warning. Mr. Narvekar has filed an appeal against the above order in Bombay High Court and claimed an amount of ₹10,000. This matter is currently pending.

16. V T Narvekar has filed a defamation case against officers of L&T in July 2008 before Metropolitan magistrate. Magistate had issued summons to some of those officers. Summons was received by one of those officers and case is pending. In the meantime, revision application against that officer was rejected by the Sessions court, however in case of another officer. The summons was cancelled. Mr. Narvekar has filed appeal in high court against the order of the Sessions court and his appeal has been rejected by the HC.

17. In a writ petition filed by L&T against State of Orissa, Labour Commissioner and others before Orissa High Court But the Hon'ble Court vide order dated November 1, 2010 dismissed the said writ application at the admission stage by allowing the names of the Advanced Trainees for inclusion in the list of voters. In view of the said order, if the Advanced Trainees would be considered as employees, it would have other ramifications at a later stage viz claim for status of

permanent employees / regularization *etc.* Further, L&T has filed a review petition before the Orissa High Court against the said order. Also, L&T has filed a SLP before the Supreme Court of India against the said order. Both review petition and SLP are pending.

18. Kansbahal Industrial Labour Association has filed three industrial dispute cases against L&T before Industrial Tribunal, Rourkela *inter alia* praying for equal pay for temporary workmen at par with permanent workmen, claim for payment of ex-gratia to temporary workmen for the years 1990-91, 1991-92 and 1992-93 and claim of 81 contract labourers for declaration of the Contract Labourers engaged under Town Administration Dept. As the regular workman of the principal employer. Industrial Disputes are pending. L&T has appeared and filed its written statements. L&T was not allowed to engage an advocate to represent them before Industrial Court. Hence, L&T has challenged the said order before Orissa High Court.

19. L&T has filed a writ petition before Orissa High Court against State of Orissa challenging the order dated order dated September 25, 2001 passed by the Presiding Officer of Industrial Court referring back the matter to the Government for amendment of the 'schedule of reference' with a direction to send back the same for adjudication as to whether the contract between L&T, KBL and Saharoom Mistry (Labour Contractor) is sham or genuine. The further proceeding of the I.D.Case No-10 of 2000 has been stayed vide order dated December 10, 2001 passed by the Hon'ble High Court. The writ application will be taken up for hearing in due course.

World Bank Sanction

The World Bank has recommended on March 31, 2011, that certain sanctions be imposed on L&T Limited ("L&T") and its affiliates (which includes the Issuer) on account of a sanctionable practice undertaken by an ex-employee of the medical equipment division of L&T in relation to a bid submitted during September 2008 by the medical equipment division of L&T in connection with a tender for supply of medical equipment floated by Tamil Nadu Medical Services Corporation Limited, the value of which was approximately ₹ 6,81,24,830. L&T did not participate thereafter or win the tender. Pending final determination and evaluation of the sanctions recommendation, L&T and its affiliates are temporarily excluded from participating in certain new activities in any World Bank financed or executed project. L&T is currently in settlement discussions with the World Bank, and, depending on the outcome of such discussions, may challenge the recommended sanctions.

Notices

1. An incident involving a worker designated as a RIGGER at L&T site in HPCL Vizag who met with an accident on January 28, 1999. The worker was rushed to hospital by L&T and was later was released from the hospital on February 19, 1999. The worker expired at his native village on June 4, 2000. The heirs of the said worker have filed a workmen compensation case before the court of WC Srikakulam against HPCL and L&T. The matter is pending at Workmen Compensation Court, Srikakulam.

2. A case is filed by B. Sanathan Dora working in Jindal Steel Plant at Torangal against L&T before the Commissioner for Workmen's Compensation Behrampur, Ganjam District, Orissa, alleging the non-payment of compensation of ₹250,000 with interest at 12% p.a., under Section 22 of the Workmen's Compensation Act. The matter is pending.

3. A case is filed against L&T by Rajesh Kumar before the Deputy Labour Commissioner cum Workmen's Compensation Commissioner, Begusarai District, Bihar, claiming a sum of ₹500,000. The matter is pending.

4. A case is filed by Panchu Das against L&T before the SDJM, Behrampore, Ganjam District, Orissa, claiming ₹170,000 under Payment of Wages Act, for allegedly suffering grievous injury while employed as a khalasi at Bellari Jindal Steel Plant Ltd.

5. A writ petition is filed by Sanjay Yadav against L&T before the High Court of Madhya Pradesh challenging the order presuming that his services were terminated during his accident in DRP Site.

6. A workmen's compensation case filed by Sukh Bhai against L&T in Bilaspur claiming ₹273,000 for the period of her bed-rest after her injury due to the accident under M/s Bipin Kumar, a contractor of L&T. She was paid half monthly compensation during her bed-rest period, and objections have been filed against her claim by L&T and M/s Bipin Kumar. The matter is pending.

7. A workmens compensation case filed by Suresh Nayagam against L&T before the Deputy Commissioner of Labour –Nagercoil The matter is currently pending

8. Panchu Das has filed a compensation case against L&T before the Lok Adalat, Ganjam, Orissa for ₹ 0.54 million in respect of an ccident at Vijay Nagar Steel Plant

9. An appeal is filed by Executive Engineer KUWS against L&T before the High Court of Karnataka, against the order of the Commissioner of Workmen's Compensation involving an amount of ₹91,497. The matter is pending.

10. L&T has received Legal notice from one Mr. Dudhe on behalf of P&M Oil Fields.

11. Notice received by L&T from NMMC on September 21, 2010, staying any development activity being done on the project site by L&T.

12. Notice received by L&T from CIDCO on May 4, 2010 regarding non-submission of BG and consequently, the contractual obligations that remain with L&T.

13. L&T received a Show Cause and the Demand Notice under Section 73 of the Finance Act 1994 regarding the non-payment of service tax on man power recruitment and supply agency services on October 13, 2010 demanding service tax amounting to ₹ 1,91,81,648 along with the interest and the penalty as applicable. The same is pending under litigation as well.

14. L&T has received notice from AMW Marine dated November 17, 2010 demanding payment for a sum of EUR 413,984.50. The demand of MAW Marine is with respect to alleged failure of L&T to adhere to the terms of the Purchase order for purchasing an Renk gearbox.

15. L&T has received a notice dated October 28, 2010 from Wartsila Finland Oy with respect to cancellation of purchase orders for Bow Thuster for DG sets. Wartsila Finland Oy has demanded L&T to fulfill its obligations under the purchase order.

16. L&T received a notice for demand of payment of tax/interest/penalty under the Maharashtra State Tax on Professions, Trades, callings and Employments Act, 1975 demanding profession tax including interest & penalty amounting to ₹ 15,161,575 and same is pending under litigation.

17. L&T-Scomi Engineering Consortium (“LTSE”), Mumbai has received a notice from Municipal Corporation of Greater Mumbai (“MCGM”) for property tax of ₹ 371,314,634/-. L&T has filed a representation on March 11, 2010 and written objection on August 12, 2010. Last hearing was scheduled on October 15, 2010; however it was postponed due to non-availability of the hearing officer. In the meantime, MCGM has asked LTSE to pay 80% of the total property tax amount.

Litigation by the Promoter

Criminal Cases

1. L&T has filed an appeal before the Rajasthan High Court under the Section 482 of the CPC, 1973 for quashing of the order of the case filed by A.K. Jain / J.K. Jain against L&T alleging an offence under Section 420 of the Indian Penal Code. The Rajasthan High Court has granted a stay order in the appeal filed by L&T. The dispute is relating to refusing to renew dealership. The matter is currently pending.

2. L&T has filed a criminal complaint against an ex-employee Mr. T. K. Bandhopadhyay in the 12th Metropolitan Magistrate Court, Calcutta alleging manipulation and falsifying accounts with reference to receipts against supplies affected. The court has directed a police inquiry and submission of a report. A chargesheet has been filed by the police. The matter is currently pending.

3. L&T has filed a criminal case before the 22nd Metropolitan Magistrate Court, Andheri, Mumbai, Mumbai against an ex-employee, Ramesh V Bhatt for allegedly forging documents to leading to misappropriation of funds from L&T. The matter is currently pending.

4. L&T has filed a criminal complaint against Mr. Seshagiri Rao, an ex-employee of L&T before the Judicial Magistrate First Class, Poonamallee Court, Thiruvallur, Tamil Nadu, for the offences of cheating and mis-appropriation. The matter is currently pending.

5. L&T has filed a case before the Tiz Hazari Court, Delhi under section 138 of the Negotiable Instruments Act, 1881 against Global Switchgear as their partners issued a cheque amounting to ₹ 2,8166,539.59 which was dishonoured. The matter is currently pending.

6. A criminal case has been filed by L&T before the Metropolitan Magistrate, Chandigarh against Dr. Manjit Singh Gill and Manvir Hospital under Section 138 of the Negotiable Instruments Act, 1881 for dishonour of a cheque. The matter is currently pending.

7. L&T has filed a case before the Tis Hazari Delhi Court, Delhi under Section 138 of the Negotiable Instruments Act, 1881 against ASG Controls and Switchboard as they issued a cheque amounting to ₹ 893,826 which was dishonoured. The matter is currently pending.

8. L&T has filed a case for cheque bounce against K.A. Abdul Rahiman at Bangalore for recovery of ₹ 0.18 million. The customer is not traceable.

9. L&T has filed a case against Andhra Cements Limited, Secunderabad and others under section 138 read with 141 of Negotiable Instrument Act, 1881 for dishonour of cheque of ₹ 4,189,510/- before Judicial Magistrate First Class, Ranigangpur. Summons have been issued to the accused.

Civil Cases

1. L&T has filed a case before the Supreme Court of India to procure a refund from Bhilai Power Supply Co. Limited. A security deposit was provided by L&T to the Madhya Pradesh Electricity Board for a power project which was eventually not granted to L&T. By the time the case was filed for a refund, Madhya Pradesh had been bifurcated into two states, Chattisgarh and Madhya Pradesh. Initially, the electricity boards of the respective states refused any liability towards the payment due to L&T. Eventually L&T an amount of ₹ 1 billion was paid to L&T by Chattisgarh electricity board. L&T has moved to the Supreme Court for recovery of the interest amount of ₹ 80 million by Chattisgarh electricity board. The matter is currently pending before Supreme Court.

2. A writ petition was filed in 2005 by L&T before the Bombay High Court challenging the constitutional validity of the levy of extra water and sewerage charges by Brihan Mumbai Mahanagarpalika, Mumbai and also claiming a refund of approximately ₹ 250,000 charged as extra sewerage charges. The matter is currently pending.

3. An appeal has been filed by the L&T in the Bombay High Court against the order passed by the Additional Judge of the Small Causes Court in Mumbai which had ruled in favor of the Brihan Mumbai Mahanagarpalika. The dispute is relating to rateable value. The matter is currently pending before Bombay High Court.

4. L&T has filed a writ petition in the High Court of Orissa at Cuttack challenging the actions of the State of Orissa, Director of Health Services ("**DHS**"), challenging certain irregularities in relation to a tender process as per tender notice dated September 29, 2005 issued by DHS. Along with L&T's writ petition other writ petitions have been filed challenging the tender process as well. State of Orissa has filed an application before the High Court seeking liberty to proceed for fresh tender process in respect of the items covered under the tender under challenge and dispose of the petitions. The matter is currently pending.

5. L&T and Hindustan Petroleum Corporation Limited ("**HPCL**") have filed appeals before Division Bench, Bombay High Court against the order of the Single Judge of Bombay High Court in the High Court of Bombay. Hindustan PetroCL had filed an appeal before the Single Judge of Bombay High Court against an arbitration award rendered in favor of L&T for ₹ 74.5 million with respect to L&T's claims towards extra works and Liquidated Damages in Vizag Vijaywada Project Limited project against Hindustan Petroleum Corporation Limited. The Single Judge of Bombay High Court in HPCL's appeal upheld the arbitration award to the extent of ₹ 29.1 million. Hence the present appeal has been filed by L&T and Hindustan Petroleum Corporation Limited. The matter is currently pending.

6. L&T Officers and Supervisory Staff Provident Fund, L&T Gratuity Fund, L&T Provident Fund of 1952, Ewac Officers and Supervisory Gratuity Fund and Tengl Gratuity Fund had received Summons in respect of Securities issued by the Hon'ble Chief Judicial Magistrate pursuant to the order dated April 18, 2006 passed under Section 91 of the CrPC. The Applicants are bonafide purchasers of the said securities which are transferable and transferred in favor of the Applicant in April 2002. It was only several months later in October/November 2002 that the Applicant

learnt that the alleged fraud/scam by M/s Home Trade. The Applicant had purchased the securities from other transferors and were entitled to the rights/ benefits/ protection of the Negotiable Instruments Act 1881 in their capacity as holder in due course. Order dated April 18, 2006 has been passed on the assumption that the ultimate purchasers are not getting any benefit from those securities being frozen by the investigating agency. Hence the present application has been filed. The application is currently pending before the Magistrate Court, Amravati.

7. L&T has filled a writ petition before the Delhi High Court against Union of India with respect to an application for prospecting license / mining lease made by L&T for iron ore mines situated in Badamgarh Pahad, Orissa, which was rejected by the Government of Orissa. The matter is currently pending.

8. L&T has filed a suit before the Bombay High Court against Kartik Shankar Aiyar (a former employee of L&T) for recovery of dues with respect to loans for a house, a car and a mobile phone availed by him during his employment with L&T. The matter is currently pending.

9. A writ petition is filed by the L&T before the Bombay High Court to determine whether L&T is liable to pay research and development cess under the section 2(h) Research and Development Cess Act 1986. L&T has also prayed in the petition for refund of ₹ 3,448,603 mistakenly paid to the Technology and Development Board in the matter. The matter is currently pending.

10. An appeal in Arb No. 3/03 has been filed by L&T before the Punjab and Haryana High Court against the order passed by District and Sessions Court, Patiala quashing the arbitration award passed in the favor of L&T in the arbitration proceedings between L&T and PWD and Government of Punjab. The arbitration award passed in favor of L&T was for ₹ 28.3 million in respect of amongst others, idling of machinery, compensation towards truckers strike, interest on delayed release of retention money with respect to Rajpura Road Job Lot-1. The matter is pending hearing.

11. L&T and Puri Construction Limited have filed appeals before the Division Bench of the High Court of Delhi against the order passed by Single Judge, Division Bench, quashing the arbitral award in its entirety made in favor of Puri Constructions Limited in respect of the disputes relating to development of Kensington Park project at Gurgaon. The matter is currently pending before Division Bench, Delhi High Court.

12. L&T has filed an appeal before the City Civil Court, Ahmedabad against the arbitral award passed against L&T and in favor of JMC Projects India Ltd with respect to claims of ₹ 128.1 million towards additional works, extension of time *etc.* The matter is currently pending.

13. L&T has filed an appeal before the High Court of Bombay against the Maharashtra State Electricity Board with respect to the arbitral award, majority of which was passed in favor of L&T towards claims of ₹ 282.6 million in respect of additional work done, idling charges and refund of retention amount and encashed Bank Guarantees. The matter is currently pending.

14. L&T has filed an execution petition in the District Court of Kathmandu, Nepal for execution of an arbitral award rendered in favor of L&T with respect to dispute between L&T and Sunsari Morang Irrigation Board Government of Nepal for a claim amounting to ₹ 25.4 million towards additional work, interest on delayed payments, release of certified outstanding dues, *etc.* The matter is currently pending.

15. A suit has been filed by L&T before the Civil Judge (Senior Division) Kanpur Nagar against Uttar Pradesh Cooperative Spinning Federation Mill, for failure on payment of interest on the debentures purchased by L&T since December 24, 1999. The matter is currently pending.

16. L&T has filed a trademark infringement suit before the Delhi High Court for the use of the mark 'Larson' by Mr. Pradeep Kashyap of Swastik Pen and General Stores. The matter is currently pending.

17. L&T has filed a trademark infringement suit before the Pune District Court for the use of the mark 'Larsen and Larsen Ply' by Kiran Parmar. The matter is currently pending.

18. L&T has filed a suit before the Delhi High Court against Lakshmi Industries Private Limited for unauthorised use of the trademark "LT". The matter is currently pending.

19. L&T has filed a suit before the Bombay High Court against Larsen Engineers due to trademark infringement. The impugned mark is "Larsen". The matter is currently pending.

20. L&T filed a suit before the Delhi High Court against LNT Global School due to trademark infringement. The High Court has directed the defendant to use the full name of its founder or L.N. Tayal and the use of LNT was unacceptable. The matter is currently pending.

21. L&T filed a suit before the Tis Hazari District Court, Delhi against Puneet Badani for trademark infringement. The impugned mark is "L.T." The matter is currently pending.

22. L&T filed a suit before the Tis Hazari District Court, Delhi against Ram Chandra Swami for trademark infringement. The impugned mark is "L.T." The matter is currently pending.

23. L&T filed a suit before the Delhi High Court against Vishal T. Ghumre for trademark infringement. The impugned mark is "LTI". The matter is currently pending.

24. L&T filed a suit before the Madras High Court against Batalbalakshmana Mahalingam and others for trademark infringement. The mark involved is "LNT GOLD". The matter is currently pending.

25. L&T has filed a suit before the Bombay High Court against Bhumi Electricals (Standard Gold Control and Switchgear) for infringement of its various registered designs in respect of electrical switches, fuses and a handle. The matter is currently pending.

26. L&T has filed a suit before the Bombay High Court against Mr. Manoj Modi Mendon for recovery of a sum of ₹ 2,900,000 plus interest on account of loss suffered due to the fraudulent act *i.e.* forgery of cheques committed by him against L&T along with ₹ 500,000 as exemplary damages. The matter is currently pending before Bombay High Court.

27. L&T has filed a writ petition before the Bombay High Court against State of Bombay. L&T had taken a sub-lease for a term of 96 years and 9 months commencing July 1, 1951. The High Court had granted injunction restraining the State of Bombay from dealing with the said power estate. L&T filed an appeal before the Additional Commissioner and the Additional Commissioner dismissed the application on May 25, 2005. L&T challenged the order and the appeal was dismissed.

28. L&T has filed a writ petition before the High Court of Madras, against the Government of Pondicherry challenging the land acquisition proceedings pertaining to about 17 acres of L&T's land at Puducherry. The High Court has granted stay on the acquisition of land. The matter is currently pending.

29. L&T has filed a writ petition before the High Court of Madras, against the Government of Puducherry, challenging the land reforms proceedings whereby summons were issued by the Government of Puducherry treating the lands owned by L&T as agricultural lands. The High Court has granted stay on the acquisition of land. The matter is currently pending.

30. A petition under Section 9 of the Arbitration and Conciliation Act, 1996 was filed by L&T against National Highway Authority of India Tamil Nadu-01 road project before the High Court of Madras seeking stay on levy of liquidated damages. The Madras High Court allowed the Section 9 petition and an injunction was granted in favor of L&T. National Highway Authority of India has preferred an appeal before Division Bench, Madras High Court, challenging the order of the Single Bench.

31. L&T has filed a winding up petition before the Bombay High Court against S. M. Dychem. In respect of contract to construct ethylene oxide reactor, SM Dychem owed L&T ₹ 51.8 million. In the meantime S.M. Dychem referred the matter to BIFR which recommended winding up. The matter is pending hearing before Appellate Authority for Industrial and Financial Reconstruction.

32. L&T has filed a writ petition against the Government of Tamil Nadu before the High Court of Madras, for refund of forfeited deposit amount of ₹ 10.2 million collected towards grant of quarry lease for Chinakuppam Vadakunadu/Therkunadu, Salem District. The Government Tamil Nadu could not grant query lease since the lands were declared as 'Reserve Forest Lands'. The matter is currently pending.

33. L&T has filed a suit against the Government of Andhra Pradesh before the 2nd Additional Chief Judge, City Civil Court, Hyderabad for recovery of ₹68.1 million towards outstanding and claims pertaining to execution of Shri Ram Sagar canal project. The Government of Andhra Pradesh has also filed two connected declaration suits seeking declaration that the

recommendations given by technical adjudicator in L&T's favor are invalid. The matter is currently pending before City Civil Court, Hyderabad**.**

34. L&T has filed a suit against the Sports Authority, Government of Andhra Pradesh before the Chief Judge, City Civil Court, Hyderabad for recovery of ₹ 63 million towards outstanding and claims in respect of construction of hockey stadium at Gachibowli. The matter is currently pending.

35. L&T has filed claims of ₹ 75 million along with accrued interest before the Official Liquidator appointed pursuant to order of the Madras of High Court for wounding up of against SPIC Petro Chemicals. The matter is currently pending.

36. L&T has filed a writ petition against the Government of Andhra Pradesh before the High Court of Andhra Pradesh, against recovery of excess interest amounting to 2.5% on mobilization advance in respect of GNSS Package-IV contract. The High Court had granted stay and the matter is currently pending.

37. L&T has filed batch of 13 writ petitions against the Government of Andhra Pradesh before the High Court of Andhra Pradesh against withholding and recovery of 0.25% of the gross bill value towards corpus fund of national academy of construction. The High Court has granted stay and the matter is currently pending.

38. L&T has filed contempt petition against Maharashtra State Road Development Corporation ("**MSRDC**") before the High Court of Bombay with respect to default by MSRDC. L&T has filed writ petition against MSRDC in respect of the Satara-Kolhapur road project wherein MSRDC had agreed in the wri***t*** proceedings before the Bombay High Court, to pay L&T a sum of ₹ 46.8 million towards bonus claim within 8 weeks. MSRDC, while disputing the date of completion, has paid 50% of the amount and sought for further discussions. The matter is currently pending.

39. L&T has filed a writ petition against the Commissioner of Labour, Government of Andhra Pradesh before the High Court of Andhra Pradesh against the demand of labour cess amounting to ₹ 25.3 million under Builders and Other Construction Workers Cess Act. The High Court has granted stay of the demand. The matter is currently pending.

40. L&T has filed a civil suit against Seshagiri Rao, a former employee in the High Court of Madras for recovery of ₹ 15.29 million along with interest. On an application made by L&T seeking attachment of property, the High Court directed Mr. Rao to secure the suit amount within four weeks from June 21, 2007 failing which the attachment of property of Mr. Rao would take effect. Due to failure to secure the suit amount, attachment of property has come into effect. The matter is referred to Mediation Officer. The matter is currently pending.

41. L&T has filed a writ petition against the T.N. Water and Drainage Board ("**TWAD**") before the High Court of Madras to pass on the excise duty benefit of ₹ 14.2 million availed by L&T due to exemption of excise duty. The High Court has granted stay and the matter is currently pending.

42. L&T has filed a suit against SVM Industries and Properties Ltd before the City Civil Judge (Senior Division), Alipore for declaration of title and specific performance for execution of registered deed of conveyance of four flats at 171, S. P. Mukherjee Road purchased in favor of L&T for a value of ₹ 2.9 million. The matter is currently pending.

43. L&T has filed a suit in the High Court of Calcutta on April 1, 2004 against Canara Bank, Chennai and State of West Bengal regarding letter of invocation dated March 24, 2004 issued by the executive engineer, Krishnanagar, Nadia, relating to performance guarantee of approx. 12.9 million given by L&T. By an order dated November 21, 2005 of the High Court the stay of invocation of the bank guarantees will continue till disposal of the suit. The matter is currently pending.

44. L&T has filed writ petition against the Commissioner of Labour, Korba before the High Court of Chattisgarh against the demand of labour welfare cess of ₹ 2.1 million under the Building and Other Construction Workers Cess Act. The High Court has granted stay of the demand. The matter is currently pending.

45. L&T has filed a suit against the Madras Port Trust and clearing agent in the High Court of Madras alleging shortfall of steel billets amounting to ₹ 1.15 million. The High Court appointed advocate commissioner to prepare a report on the short fall. The matter is currently pending.

46. L&T has filed a writ petition against the Union of India in the High Court of Orissa challenging the notice of demand for ₹1,542,034 towards royalty relating to s3 and s4 packages of Sambhalpur-Rourkela-way, issued to L&T against an earlier settlement reached between L&T and Union of India. The High Court has granted stay. The matter is currently pending before High Court of Orissa.

47. L&T has filed a writ petition along with an application for stay against Rajendra Kumar Mohanty (Administrator of Jagannath Temple) and Ors, in the High Court of Orissa challenging the demand of ₹ 16.2 million from L&T by the Administrator of Jagannath Temple towards ground rent, salami, compensation and penalty and the authority of the administrator to do so. By an order dated March 22, 2005 L&T has deposited ₹ 661,188 in the High Court of Orissa at Cuttack and the Administrator of Jagannath Temple have been directed not to take any coercive action against L&T. The matter is currently pending before High Court of Orissa.

48. L&T has filed an appeal against the decree passed by the District Court, Rangareddy, Hyderabad, Andhra Pradesh in favor of G. K. Erectors for a sum of ₹111,000 and damages at the rate of ₹ 3,000 per day from the date of plaint till January 2001. The matter is pending before the High Court of Andhra Pradesh for disposal.

49. L&T has filed an appeal before the Madhya Pradesh High Court against Gupta Refractories Ltd. The appeal is against the against the decree for ₹ 312,000 along with interest passed by the Civil Court in respect of the suit filed by L&T's sub-contractor for the recovery of the outstanding. L&T deposited 50% of the decreed amount in the High Court. The matter is pending hearing in Madhya Pradesh, High Court, Gwalior Bench.

50. L&T has filed a special leave petition in the Supreme Court of India with respect to claims for damages of ₹ 250,000 made by Lakshmi Automatic Loom Works on account of leakage of factory buildings executed by L&T at Hosur. The matter is pending before the Supreme Court.

51. L&T has filed an appeal against decree passed in respect of a civil suit filed by M/s Maruti Engg Co., a sub-contractor against L&T claiming a sum of ₹ 391,000 in connection with execution of works for Chennai Metro Water Supply and Sewerage Board project. The suit was decreed for ₹382,000 with future interest at the rate of 6 per cent per annum. The appeal is pending with the District Court, Nagerkoil.

52. L&T has filed a writ petition in the Jharkhand High Court at Ranchi and also an application for quashing of the final order dated April 17, 2010 passed by the Certificate Officer, (Mines), Hazaribagh in respect of the case initiated by the Dist. Mining Officer (Hazaribagh) for recovery of ₹3,877,392 from L&T towards market price and interest on minor minerals namely stone chips. The case is pending before the Certificate Officer (Mines), North Chhotanagpur Division, Hazaribag, Jharkhand.

53. L&T has filed a writ petition against the State of West Bengal, sub-divisional land and land reform officer, block land reform officer and others challenging the levy of royalty of ₹ 293,508 and levy of cess of ₹ 110,065.60 by the Sub-divisional land and land Reforms Officer, Asansol on account of cess by a notification dated March 26, 1998. On April 13, 1998 an order of injunction was passed restraining the authority from taking any step in furtherance of the said notification and subsequently the said interim order of stay was extended until further orders. The matter is pending before the High Court at Calcutta.

54. L&T has filed a petition before the Civil Judge (Senior Division), Chandrapur, Maharashtra to set aside the ex-parte decree passed against L&T by the Court in Chandrapur Maharashtra, in a suit for recovery filed by Swastik Enterprises for ₹ 236,466.34. The matter is currently pending before the Civil Judge (Senior Division), Chandrapur, Maharashtra.

55. L&T has filed an application for discharge/dismissal of a criminal case initiated by the police against its officials for an accident that occurred at site in February 2004 in which two labourers died. The anticipatory bail application filed before the Sessions Judge, Nalanda, Bihar on behalf of L&T staff, J. R. Patel was rejected and thereafter L&T moved to the Patna High Court when anticipatory bail was granted to its official. Subsequently Mr. Patel has surrendered and has been granted bail by the Judicial Magistrate First Class, Bihar Shariff, Nalanda, Bihar. The

chargesheet has been filed in the case and L&T's Section 205, CrPC, 1973. The application has been allowed. The matter is pending for hearing before the Judicial Magistrate First Class, Bihar Shariff, Nalanda, Bihar.

56. L&T has filed a writ petition before the Orissa High Court disputing the levy of Water Cess by the Orissa State Pollution Control Board upto an amount of ₹ 350,000 for a period during April 1, 1984 and July 31, 1989. The Orissa High Court passed an order staying against the demand notice issued by the Orissa State Pollution Control Board. The matter is currently pending before the Orissa High Court.

57. L&T has filed a Memorandum of Appeal in 1999 before the Conservator of Forests, Samabalpur Circle since the Divisional Forest Office ("**DFO**") asked the L&T to stop their sawing operations as they violated the Orissa Saw Mills and Saw Pits (Control) Act and Rules there under. L&T argued that they were carrying out ordinary operations of carpentry that could be exempted under the Act. Conservator of Forests has observed that the Appeal was not maintainable and no further notices have been received after 1999 from the DFO or any orders from the Conservator of Forests. The matter is currently pending.

58. L&T has filed a money suit against Indian Seamless Metal Tubes Limited ("**ISMTL**"), Mumbai in the City Civil Court, Calcutta for the outstanding amount of ₹ 250,000 plus interest. The principal sum has been paid but the interest is outstanding. ISMTL has filed a petition in the Court stating that the City Civil Court, Calcutta has no jurisdiction to entertain the suit as per the Purchase Order. The matter is currently pending.

59. After the enforcement of the Orissa Irrigation (Amendment) Act 1993, L&T was instructed to pay Industrial Water Tax. In the case filed against it, L&T protested the water rate claiming it was not imposable. Eventually L&T filed a writ petition in the Orissa High Court regarding the constitutionality of the Act and Rules and for Segregation of water tax according to industrial and domestic use. Finally the writ petition has been withdrawn and an order for a final calculation of tax is awaited.

60. L&T has filed an appeal in the Court of the District Judge, Sundargarh to set aside the order passed by the Civil Court with respect to transfer of a teacher, Mrs. Padmini Das, in a school established by L&T. The Civil Court has granted a permanent injunction preventing her transfer and observed that she is an employee of L&T. The matter is currently pending.

61. L&T has filed a claim statement before the CMD, Northern Coal Fields Ltd ("**NCL**") claiming the sum deducted towards liquidated damages and an additional ₹ 127,000 towards equipment and works provided. NCL has recovered liquidated damages from L&T for unpunctual project completion. The matter is currently pending.

62. L&T has filed a Civil Suit in the Court of the Civil Judge, Sundargarh, against Mr. Jayaram Toppo, Secretary, L&T Displaced Committee, Kansbahal. The Committee demanded employment from the company and had disruptively protested L&T's response. L&T has filed for permanent as well as interim injunction against the Secretary.

63. L&T with respect to its Kansbahal Works property has filed two revenue miscellaneous cases before the Tahasildar Rajgangpur for correction of Record of Right. L&T has filed revision cases before the Commissioner of Land Records and Settlement for issue of separate record of right ("**ROR**") in respect of the two categories of land. The Commissioner has allowed the prayer for correction of ROR based on which the present cases have been filed before the Tahasildar. The matters are pending since the matters relating of relating to resumption of alleged surplus land of L&T Kansbahal works is now pending before the Orissa High Court.

64. L&T in 1995 had filed an FIR with respect to trespassing by a group of persons on its land at Kansbhal Campus. Based on L&T's FIR, the proceedings under section 144/145 of the IPC was initiated in the Court of the Executive Magistrate, Rajgangpur. The Court passed the prohibitory order against the trespassers on September 10, 1995. The trespassers have contested the case and the case is pending since the land being subject matter of the suit is covered under proceedings with respect to resumption of alleged surplus land of L&T Kansbahal Works. The matter is currently pending before the Orissa High Court.

65. L&T with respect to it Kansbahal Works property has 5 Mutation cases before the Tahsildar Rajgangpur for transfer entry of in the name of L&T with respect to certain patches of land. The matters are pending since the land being subject matter of the suit is covered under proceedings

with respect to resumption of alleged surplus land of L&T Kansbahal Works. The matter is currently pending before the Orissa High Court.

66. L&T has filed a writ petition before the High Court of Orissa challenging the orders passed by the Collector, Sundargarh on April 6, 1998 for resumption of around 169 acres of land of L&T, Kansbhal Works land. The High Court has granted interim stay against Collector's order on April 21, 1998. The matter is currently pending.

67. L&T has filed a recovery suit against Sanjeev Singh (Ladbharol) in the court of JMFC, Chandigarh for recovery of ₹ 0.24 million. An arrest warrant was issued against Sanjeev Singh. The matter is currently pending.

68. L&T has filed a suit against Udaipur Municipal Corporation for recovery of ₹ 2.143 million on account of non payment of invoice amounting to ₹1.37 million. District court ordered MC to pay ₹ 2.143 million. MC appealed against the same in High Court. Cheque received against BG valid upto December 21, 2010. This case is currently pending before the High Court of Jodhpur.

69. L&T has filed a suit against Vivek Sharma for recovery of ₹ 0.196 million at Udaipur. The case is currently pending.

70. L&T has filed a suit against Tractor Machinery Corporation for recovery of ₹ 0.57 million at Jaipur. The final verdict is expected.

71. L&T has filed a suit against Swastik Hitech for recovery of ₹ 0.17 million at Jaipur. The Court is unable to serve the summons to the party as the party is not traceble on the address. The case is currently is pending .

72. L&T has filed a suit against Rang Lal Arya for recovery of ₹ 0.12 million at Jaipur. The matter is pending.

73. L&T has filed a suit against State of Punjab in the Court of MDS Dhillion-CJ Chandigarh for recovery of ₹ 0.26 million. The suit is pending for hearing.

74. L&T has filed a suit against Perminder Saini at Kullu for recovery of ₹ 0.3 million. This case was decided in favor of L&T case. The customer has filed a new case by way of appeal.

75. L&T has filed a suit against Basappa S Tuljannavar at Bijapur before recovery of ₹ 1.62 million. Customer property details being looked into for attachment by court.

76. L&T has filed an execution petition against Malakondayya (Devi Engg.) at Visakhapattaranam for recovery of ₹ 0.23 million. The court has ordered to attach property belonging to customer.

77. L&T has filed an execution petition against Sri Sai Constructions at Vijaywada for recovery of ₹ 0.18 million. The court has ordered to attach property belonging to customer.

78. L&T has filed a suit against P. Hanumantha Rao at Hyderabad for recovery of ₹ 0.09 million. The case is moved to 1st Additional Chief Metroplolitiaon. The date of hearing and allotment of new number is pending.

79. L&T has filed a suit against Ram Lalla Sing for recovery of ₹ 1.29 million at Jabalpur. Ram Lalla is going for out of court settlement as the High Court has given judgement in favor of L&T, negotiating a settlement amount (upward of ₹ 0.1 million).

80. A suit has been filed by L&T against Dreamz Achievers India Private Ltd. ("**Dreamz**") before Bombay High Court *inter alia* for recovery of outstanding amount of ₹29,852,727 together with interest as set out in the particulars of claim along with interest at the rate of 21% per annum pursuant to agreements that have been executed between the parties. A declaration has been also been sought that the L&T has a statutory charge on suit properties bearing Survey No.119, Hissa No.3, corresponding to City Survey No.456 admeasuring about 4322.4 square metres and Survey No.119 Hissa No.2 (Part), corresponding to City Survey No.454G, admeasuring approximately 1884.1 square metres situate lying and being at the Western Express Highway Service Road, in the Revenue Village of Pahadi, Goregaon (East), Taluka-Borivali, Mumbai Suburban District. This matter is currently pending.

81. L&T has filed a writ petition before original side of Delhi High Court against Union of India, NTPC and others *inter alia* seeking declaration that the bid for a contract submitted by L&T to

NTPC was complete and the same should have been allowing to them and challenging the rejection of the same. L&T has filed a special leave petition against Ministry of Defence in Supreme Court *inter alia* challenging the order of Delhi High Court awarding a Ministry of Defence contract to a third party. L&T has challenged its rejection for the same tender. This matter is currently pending.

82. A case has been filed by L&T against Srinivasa Enterprises before the 13th Additional Chief Metropolitan Magistrate, Bangalore, for the recovery of ₹84,400 due towards supply of RMC. The cheque issued by Srinivasa Enterprises has bounced, and hence, the action was initiated under Section 138 of the Negotiable Instruments Act. The matter is pending.

83. A case has been filed by L&T against Hasanabba before the 15th Additional Chief Metropolitan Magistrate, Bangalore, for the recovery of ₹142,500 due towards supply of RMC. The cheque issued by Hasanabba has bounced, and hence, the action was initiated under Section 138 of the Negotiable Instruments Act. The matter is pending.

84. A case has been filed by L&T against Aruna Building & Co. before the 21st Additional Chief Metropolitan Magistrate, Bangalore, for the recovery of ₹50,000 due towards supply of RMC. The cheque issued by Aruna Building & Co. has bounced, and hence, the action was initiated under Section 138 of the Negotiable Instruments Act. The matter is pending.

85. A case has been filed by L&T against Jay Construction & Co. before the Metropolitan Magistrate, Patiala House, Delhi, for the recovery of ₹700,000 due towards supply of RMC. The cheque issued by Jay Construction & Co. has bounced, and hence, the action was initiated under Section 138 of the Negotiable Instruments Act. The matter is pending.

86. A case has been filed by L&T against Balaji Construction & Co. before the Metropolitan Magistrate, Patiala House, Delhi, for the recovery of ₹125,000 due towards supply of RMC. The cheque issued by Balaji Construction & Co. has bounced, and hence, the action was initiated under Section 138 of the Negotiable Instruments Act. The matter is pending.

87. A case has been filed by L&T against Dadhimati Contracts before the Metropolitan Magistrate, Patiala House, Delhi, for the recovery ₹130,000 due towards supply of RMC. The cheque issued by Dadhimati Contracts has bounced, and hence, the action was initiated under Section 138 of the Negotiable Instruments Act. The matter has been referred to Mediation Centre for settlement. The matter is pending.

88. A case has been filed by L&T against Engineering Projects India Ltd. before the City Civil Court, Bangalore, for the recovery of ₹1,558,629 due towards supply of RMC. The matter is pending.

89. A complaint is filed by L&T against S.B. Associates before the 11th ACMM, Secunderabad and II Sr. Civil Judge, Hyderabad, for the dishonour of two cheques issued by S.B. Associates towards dues against payment of RMC. This matter for the recovery of ₹327,446 is pending.

90. Two suits have been filed by L&T against Suryanarayana & co. before the I Sr. Civil Judge, Vishakapatanam for the recovery of ₹1210,207 against supplies of RMC to two of their construction sites.

91. A case has been filed by L&T against Sai Kamal Constructions before the VII Sr. Civil Judge, Hyderabad, claiming ₹392,700 against the RMC supplied to the construction of their residential complex at Madinaguda. The matter is pending.

92. A case has been filed by L&T against Nova Constructions before the I Additional Sr. Civil Judge, Ranga Reddy District, Andhra Pradesh, for the recovery of ₹422,895 against the supplies of RMC for their construction site at Air Force Station, Hakimpet. The matter is pending.

93. A case is filed by L&T against Gupta Brothers before the 14th ACCM at Nampally Criminal Court, Hyderabad, for the dishonour of cheques for ₹3,288,780, under Section 138 of the Negotiable Instruments Act. The matter is pending.

94. A case is filed by L&T against Devi Constructions in the High Court of Andhra Pradesh challenging the decree of ₹330,000 with interest, after setting off the counter claim filed by Devi Constructions against the recovery of ₹415,500 by L&T towards the supply of RMC to the construction site of Devi Constructions at Balkampet.

95. A case is filed by L&T against Sunil Mondal before the District and Sessions Court, Modnapore, West Bengal, for the recovery of ₹266,000 for default of bond. The suit was decreed in favour of L&T. The EP is pending.

96. A case is filed by L&T against Hansha Vardhan before the Civil Court, Vizianagaram, Andhra Pradesh, claiming ₹200,000 for breach of bond conditions. The decree is transmitted to the Civil Court for execution. The matter is pending.

97. A case is filed by L&T against M. Pawan Kumar before the Jr. Civil Court, Ranga Reddy District, Andhra Pradesh, claiming ₹200,000 for breach of bond conditions. The decree is transmitted to the Civil Court for execution. The matter is pending.

98. A case is filed by L&T against V. Gupta before the City Civil Court, Chennai, claiming ₹200,000 for breach of bond conditions. The matter is pending.

99. On April 6, 1998 in OLR Misc. Case No-3 of 1983 the Collector passed orders for resumption of around 169 acres of land of company's land. L&T, Kansbahal has challenged the order in Orissa High Court in OJC – 5566 of 1998. The Court granted interim stay against Collector's order on April 21, 1998. The said case could not be taken up for hearing due to increasing number of cases. However L&T filed representations before the Revenue Secretary on October 19, 2007 and November 19, 2007 for negotiated settlement. The Secretary, Revenue Deptt. vide letter dated January 7, 2008 had directed the Revenue Divisional Commissioner (RDC) and the Collector to submit a report on the present position. On June 20, 2009, August 5, 2009 the Collector has submitted a report in favour of L&T to the RDC and the RDC has also sent a report to the Govt. on 8.09.2009 to re-allot the lands to L&T. The final decision of the Secretary is awaited. If the Govt. will agree to return back the lands L&T will withdraw the case. The writ petition is currently pending before Orissa High Court.

100. L&T has filed a suit before the Ahmedabad Civil Judge in the year 2006 against Sonar Industries Limited (Stockist) for recovery of dues of ₹ 34,86,649.95. The matter is currently pending.A writ petition has been filed by L&T against Public Health Engineering Department, Government of Rajasthan before the High Court of Rajasthan at Jaipur for quashing the demand/recovery notice for ₹ 220,000,000 issued by Public Health Engineering Department.

Arbitration Proceedings

1. L&T has referred two matters to arbitration arising out of work order dated January 7, 1995 and purchase order dated January 6, 1995 issued by Fertilizers and Chemicals Travancore Ltd. Kochi (FACT). L&T has claimed that on completion, FACT refused to pay the total dues of ₹ 15,179,250 under the work order dated January 7, 1995, which includes liquidated damages and total dues of ₹ 27,986,398 under the purchase order dated January 6, 1995. The matters are currently pending.

2. L&T has referred an issue against Oil and Natural Gas Corporation to arbitration pertaining to their project I-MNTW. ONGC has sought to levy liquidated damages amounting to ₹ 51.2 million on L&T. L&T made a counter-claim against ONGC towards the "Deemed Export Benefit" which it had calculated in its profits while bidding for the ONGC project. However during execution of the project, the benefit was withdrawn by the Government causing L&T to claim approximately ₹ 85 million from ONGC. The matter is currently pending with the Arbitrator.

3. L&T has initiated arbitration against Mr. Umang Parekh who was appointed to work for a continuous period of two years failing which he was required to pay compensation of ₹ 200,000 as damages. Mr. Umang Parekh has unilaterally terminated the agreement before the expiry of the term, hence L&T has initiated arbitration proceedings. The matter is currently pending with the Arbitrator.

4. L&T has initiated arbitration against Urmila Shinde who was appointed to work for a continuous period of two years failing which she was required to pay compensation of ₹ 200,000 as damages. Ms Shinde remained absent from the office and had failed to inform the reasons of her absence, hence L&T has initiated arbitration proceedings. The matter is currently pending with the Arbitrator.

5. L&T has initiated arbitration against C. Kandakumar who was appointed to work for a continuous period of two years failing which he was required to pay compensation of ₹ 200,000

as damages. Mr. Kandakumar remained absent from the office and informed of his inability to continue to work with L&T, hence L&T has initiated arbitration proceedings. The matter is currently pending with the Arbitrator.

6. A writ petition was filed by DSL Enterprises Private Limited, a successor in interest of Datar Switchgears Limited before the Bombay High Court against Department of Income Tax, being aggrieved by order dated September 24, 2007 passed by the Appellate Authority for Industrial and Financial Reconstruction on appeal filed by the Director General of Income Tax *inter alia* allowing the words "to consider " to be added to the Rehabilitation Scheme sanctioned by BIFR on December 5, 2006 for Datar Switchgears Ltd., whose electrical division was taken over by L&T. Since the said order had potential to affect the interest of L&T also being the transferee company, L&T intervened in the said Writ Petition by filing a Civil Application, which was allowed by the Bombay High Court. The writ petition is currently pending for hearing before the Bombay High Court.

7. A writ petition was filed by Datar Switchgear Limited *inter alia* challenging the auction notice dated November 3, 2003 issued by Commissioner of Central Excise and Customs with respect to certain consignments lying with central warehousing corporation at bonded import warehouse at Nasik. In the said writ petition, the Bombay High Court was pleased to stay the auction notice. Since the subject consignments were transferred to L&T as a part of the Rehabilitation Scheme sanctioned by BIFR on December 5, 2006 for Datar Switchgears Ltd., whose electrical division was taken over by L&T, L&T filed a civil application *inter alia* praying for replacing it as petitioner in place of demerged Datar Switchgears Ltd. The said civil application was allowed and L&T has become new petitioner. The petition is currently pending for hearing before the Bombay High Court.

8. L&T has initiated 30 arbitration proceedings against 30 graduate engineering trainees and their guarantors for jumping the bonds executed by them in favor of L&T. In each of those arbitration proceedings, L&T's claim is ₹ 200,000 per case with further interest @18% per annum.

9. L&T has initiated arbitration proceedings against NHAI with respect to NHAI-AP19 Road Project - Lot-1 for a claim of ₹ 36,000,000 in respect of its claims towards refund on subsequent legislation, change/reduction in scope, extended stay, *etc.*, We have also filed an application under Section 9 of the Arbitration and Conciliation Act, 1996 before District Court, Elluru to restrain NHAI from deducting amounts paid towards labour escalation. Section 9 pending. Hearing of arbitration proceeding in pending.

10. L&T has initiated arbitration proceedings against NHAI with respect to NHAI-AP19 Road Project Lot-2 for a claim of ₹ 19,800,000 on Payment of amounts certified as IPC against final statement.

11. L&T has initiated arbitration proceedings against NHAI with respect to NHAI-AP20 Road Project- Lot-1 for a claim of ₹ 44,000,000 in respect of its claims towards refund on subsequent legislation, change/reduction in scope, extended stay, *etc.* L&T have also filed an application under Section 9 of the Arbitration and Conciliation Act, 1996 before District Court, Elluru to restrain NHAI from deducting amounts paid towards labour escalation. The application under Section 9 is pending.

12. L&T has initiated arbitration proceedings against NHAI with respect to NHAI-AP20 Road Project- Lot-2 for a claim of ₹ 55,300,000 on Payment of amounts certified as IPC against final statement. Hearing in progress.

13. L&T has initiated arbitration proceedings against NHAI with respect to NHAI-Jharkhand Road Project for a claim of ₹ 44,200,000 in respect of its claims towards additional cost incurred due to non-payment of work executed as per provisions in the contract. NHAI has also made a claim of ₹.49,000,000. The matter is pending.

14. L&T has initiated arbitration proceedings against NHAI with respect to OR-IV Package NHAI-Balasore-Laxamanath Road Job Lot-II for ₹ 150,000,000 on account of refund of Excise Duty claim. The arbitration proceedings have been concluded and the award is awaited.

15. L&T has initiated arbitration proceedings against NHAI with respect to OR-IV Package NHAI - Balasore-Laxamanath Road Job Lot-III for claim of ₹ 177,300,000 on account of additional work, unprecedented hike in steel prices, *etc.* Arbitration is in progress.

16. L&T has initiated arbitration proceedings against NHAI with respect to OR-IV Package NHAI - Balasore-Laxamanath Road Job Lot-IV for claim of ₹ 710,500,000 for claim towards idling and under utilization of resources. Arbitration is in progress.

17. L&T has initiated arbitration proceedings against Northern Railway with respect to Jammu-Udhampur Rail Link Bridge 93 for ₹ 29,800,000 on account of additional cost for extra work, unprecedented hike in steel prices, *etc.* Arbitration is in progress.

18. L&T has initiated arbitration proceedings against Northern Railway with respect to Northern Railway Jammu-Udhampur Rail Link Bridge 20 for claim of ₹ 57,500,000/- on account of unprecedented hike in steel prices, idling charges, *etc.* Arbitral Tribunal constituted. Since one of the Arbitrators, Mr. Arunkumar has resigned, Northern Railway has intimated the appointment of Mr V. P. Singh. The preliminary hearing date yet to be fixed.

19. L&T has initiated arbitration proceedings against NHAI with respect to TN-01 Package for a claim of ₹ 190,100,000 on account of disputes arising out of the contract for construction, widening and upgrading of NH-5 construction package TN-01. Claims pertaining to difference in rate, payments, price adjustment, painting works, variations, anti corrosive treatment, excise duty claims. Arbitration in progress.

20. L&T has initiated arbitration proceedings against NHAI in relation to disputes arising out of embankment portion for clearing & grubbing and recovery of money in IPC-42 . Arbitration is in progress.

21. L&T has initiated arbitration proceedings against NHAI with respect to Jharkhand Road Project for a claim of ₹ 44,200,000 on account of disputes arising out of claim towards additional cost incurred due to non-payment of work executed as per provisions in the contract. NHAI has also filed a counter claim of ₹ 49,000,000. Arbitration is in progress.

22. L&T has initiated arbitration proceedings against NHAI with respect to OR-II Package NHAI-Chanikole-Badrak Road Job for a claim of ₹ 132,300,000 on account of disputes arising out contract for widening to 4/6 lanes and strengthening of existing 2 Lane of NH-5. Claims pertaining to Deemed Export benefits and non payment of certified amounts. Arbitration is in progress.

23. L&T has initiated arbitration proceedings against NTPC with respect to Construction of underground tunnel- Tapovan Project for a claim of ₹ 270,000,000 on account of disputes arising Disputes arising out of construction of 12 kms long underground tunnel and HRT for Tapovan Vishnugad Hydro Electric Power Project of NTPC. L&T in joint venture with M/s.Alpine Mayreder Bau GmbH who are the contractor and disputes have arisen pertaining to the works under different heads. Arbitration is in progress.

24. L&T has filed an SLP before the Supreme Court of India seeking stay on the execution petition filed by Maharaji Educational Trust for the enforcement of award passed against L&T for an amount of ₹124, 000 along with interest. Supreme Court has granted the stay on the execution proceedings during the pendency of the SLP. The matter is currently pending.

Tax Related Cases

1. NFL placed an order dated January 4, 1985 for supply of reformed Gas Waste Boiler. Unit as per their specification with L&T. The contract was entered into on January 4, 1985 between L&T and NFL. L&T was assessed by the Assessing officer by order dated May 21, 1990. The assistant commissioner reopened the assessment proceedings and passed order dated December 30, 1995 under section 19(1) of the M.P General Sales Tax Act. L&T had thereafter filed a WP challenging the order dated December 30, 1995 before the Madhya Pradesh High Court at Jabalpur.

2. L&T has filed a petition in the Bombay High Court challenging the validity of the order passed by Deputy Director of Income Tax (International Taxation) directing L&T to deduct tax at source at the rate of 11.729% on payments made by L&T to certain non-resident ship owners for taking on charters barges and tugs for the purpose of its business. The petition also challenges the validity of the order passed under Section 264 of the Income Tax Act by Director of Income Tax, rejecting L&T's application seeking a revision of order passed under Section 195 of the Income Tax Act. The matter is currently pending.

3. L&T has filed a writ petition against the Assistant Commissioner, Sales Tax with respect to L&T's contract with National Fertilizer Guna (NFL) for supply of reformed Gas Water Boiler Unit. L&T was assessed by the assessing officer by order dated May 21, 1990. The matter is pending hearing.

4. L&T Mcneil Business Unit in Chennai had filed an anti dumping case with the Government of India against import of Tyre Curing Presses from China. The Government had, therefore, imposed an anti-dumping duty of 10%. The Automotive Tyre Manufacturers Association has filed an appeal with CESTAT against imposition of this anti dumping duty. This matter is currently pending.

5. On the issue of applicability of the Standards of Weights and Measures (Packaged Commodities) Rules, 1976 to the Switchgear Standard Products, Lawson Fuses was issued show cause notices by their jurisdictional excise authority for ₹2,832,750, and one of the vendors contested the matter without consulting L&T. The Commissioner (Appeals) ordered against L&T. L&T is in the process of filing of appeal in CESTAT. CESTAT granted stay in the first show cause notice. Personal hearing fixed on 10.6.11 for balance three notices for stay application. Matter still pending.

6. A case has been filed by L&T before the Additional Commissioner, Commercial Taxes, New Delhi, for the period of 2004-05 for rectification of a totalling mistake, involving disputed dues of ₹445,000.

7. Seven cases are filed by L&T before the Commercial Taxes Department Jharkhand Tribunal, against erroneous penalty imposed for late payment of tax for the period 1991-92, 1992-93 and 1996-97, involving disputed dues of ₹45,000.

8. A case is filed by L&T before the High Court of Kerala for the period 2005-06 for imposing tax wrongfully, involving disputed dues of ₹401,000.

9. A case is filed by L&T before the High Court of Kerala for the period 2005-06 for rectification of totalling mistake, involving disputed dues of ₹1,279,000.

10. Six cases are filed by L&T before the Deputy Commissioner (Appeals), Ernakulam for the period 1997-2000 for wrong tax rate due to wrong classification, involving disputed dues of ₹1,140,000.

11. A case is filed by L&T before the Jt.Commissioner, Appeals Commercial Taxes Uttar Pradesh for the period 2007-2008 due to Rejection of 6(2)b Sales (Transit Sales) and Taxed at Full Rate of Tax, involving disputed dues of ₹11,249,000.

12. A case is filed by L&T before the Jt.Commissioner, Appeals Commercial Taxes Uttar Pradesh for the period 2007-2008 due to Rejection of Turnover and Taxed during the Assessment, involving disputed dues of ₹936,000.

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13. A refund claim of ₹2,498,000 is filed by L&T for payment of service tax against services received from service providers in UK. The matter is pending.

14. A case is filed by L&T against Apex Electricals Limited for the dishonour of cheques worth ₹14,700,000, under Section 138 of the Negotiable Instruments Act. The matter is pending.

Labour Cases

1. L&T has filed a suit in the Court of the District Judge, Sundargarh challenging the order of the Deputy Director, Employees' State Insurance Corporation asking L&T to pay ₹ 134,924 towards arrear ESI contribution. The Deputy Director, Employees' State Insurance Corporation initiated proceeding to recover of ₹ 757,182 towards arrear ESI contribution from L&T. L&T has requested the Deputy Director not to fix liability of contractors with independent code numbers under the Act on L&T. The matter is currently pending.

2. The L&T has filed a suit before the High Court of Orissa against the order of the Industrial Tribunal, Rourkela rejecting application of L&T for engagement of Advocate for the pending petition before it with respect to the industrial dispute raised by Kansbahal Industrial Labour

Association. The Orissa High Court has granted stay on the proceedings of the Industrial Tribunal till the finalization of the writ petition. The matter is currently pending.

3. The L&T has filed a suit before the High Court of Orissa against the order of the Industrial Tribunal, Rourkela rejecting application of L&T for engagement of Advocate for the pending petition before it with respect to the industrial dispute raised by Kansbahal Industrial Labour Association. The Orissa High Court has granted stay on the proceedings of the Industrial Tribunal till the finalization of the writ petition. The matter is currently pending.

4. The L&T has filed a suit before the High Court of Orissa against the order of the Industrial Tribunal, Rourkela referring back the matter to the Government of Orissa for amendment of the 'schedule of reference' in the pending petition before it with respect to the industrial dispute raised by Kansbahal Industrial Labour Association. The Orissa High Court has granted stay on the proceedings of the Industrial Tribunal till the finalization of the writ petition. The matter is currently pending.

Litigations involving the Group Companies

L&T-Chennai Tada Tollway Limited

Mr. K.P. Ramaswamy has filed a writ petition before the Madras High Court challenging the right of L&T-Chennai Tada Tollway Limited along with the other concessionaire to levy and collect toll from users of Chennai Tada section of NH-5 from Km. 11.00 to Km.54.40 in the State of Tamil Nadu and other related facilities. The matter is currently pending.

L&T Transportation Infrastructure Limited

1. L&T Transportation Infrastructure Limited has filed an application under Section 9 of the Arbitration and Conciliation Act, 1996 before the Delhi High Court for obtaining interim relief for maintaining status quo in respect to the Build Operate and Transfer project on Coimbatore Bypass and Athupalam Bridge on NH-47. The Ministry of Road Transport and Highways, Government of India ("**MoRTH**") has terminated the Concession Agreement with respect to the said project. The High Court of Delhi has passed an order restraining MoRTH from interfering with the operation of the said project until further orders. The matter is currently pending.

2. Syed Kasim has filed a suit before the Additional District Munsif Court 1-Coimbatore against various parties including L&T Transportation Infrastructure Limited with respect to certain land dispute. The disputed lands are adjacent to the Build Operate and Transfer project at Athupalam Bridge on NH-47. No prayer has been sought against L&T Transportation Infrastructure Limited.

3. Coimbatore District Bus Owners Association has filed a Special Leave Petition before the Supreme Court of India against L&T Transportation Infrastructure Limited and Larsen and Toubro Limited for challenging the levy and collection of toll pursuant to toll notification. The matter is currently pending.

4. L&T Transportation Infrastructure Limited has referred a matter to arbitration in respect to the build operate and transfer project on Coimbatore Bypass and Athupalam Bridge on NH-47 as the Ministry of Road Transport and Highways, Government of India ("**MoRTH**") has terminated the Concession Agreement with respect to the said project. L&T Transportation Infrastructure Limited has appointed its arbitrator. The matter is currently pending.

L&T- Krishnagiri Thoppur Toll Road Limited

Devayee Ammal has filed a suit before the District Munsif Court, Dharmapuri against L&T- Krishnagiri Thoppur Toll Road Limited for seeking a decree of perpetual injunction restraining L&T- Krishnagiri Thoppur Toll Road Limited from building of compound wall and obstructing her ingress and egress to the National Highway. The matter is currently pending.

L&T Uttaranchal Hydro Power Limited

Tulsi Ram Bhatt has filed a criminal complaint before the Court of District and Sessions Judge, Rudraprayag against various parties including L&T Uttaranchal Hydro Power Limited for transferring of land to L&T Uttaranchal Hydro Power Limited by three other defendants on the basis of fraudulent documents/ land records. The matter is currently pending.

L&T South City Projects Limited

S. Kokila has filed a consumer case against L&T South City Projects Limited before District Consumer Disputes Redressal Forum (south), Chennai. S Kokila had booked one flat in Eden Park, subsequently she cancelled the booking. L&T-South City returned the booking amount after deduction of 10% of the total money paid. Against the deduction Mrs. Kokila lodged a complaint before the District Consumer Disputes Redressal *inter alia* praying for refund of the deducted amount of ₹ 1,80,000/-, interest for ₹1,80,000 from the date of request made by the complainant *i.e.*, from November 25, 2008 at the rate of 18% per annum, compensation of ₹5,00,000/- for deficiency in service and a sum of ₹10,000/- towards the cost of this action. Posted for enquiry on October 30, 2010

L&T Arun Excello IT SEZ

L&T Arun Excello IT SEZ has filed a writ petition before the Madras High Court against Union of India and others, challenging the levy of Export Duty on the supply of steel to SEZ which was imposed vide Notification 66/08 dated May 10, 2008 by Union of India. The matter is currently pending.

L&T Western India Tollbridge Limited

L&T Western India Tollbridge Limited has referred its various disputes relating to additional costs for the Watrak Bridge Project to arbitration proceedings under the concession agreement. L&T Western India Tollbridge Limited has presented a claim of ₹ 487.16 million against Government of Gujarat. The matter is currently pending.

- L&T Western India Toll Bridge Limited ("**WIT**") for the AY 2004-05 had won a case against the Assessing Officer (ITO) before the ITAT. The Department has filed an appeal to the Madras High Court. This matter is currently pending.

- Kannubhai Hiralal Shah had filed a suit in City Civil Court, Nadiad, Ahmedabad against L&T WIT , Government of Gujarat (GOG) and Ministry of Surface Transport (MOST) by one Kannubhai Hiralal Shah residing at Nadiad , on the file of the Civil Judge at Nadiad *inter alia* seeking forbearance to L&T WIT from levying Toll fees from the vehicle users who are not crossing the bridge and declarations. The Suit was partly allowed against L&TWIT vide Order dated July 21, 2008 Pursuant to the above Order L&T WIT has preferred an Appeal bearing No: 43/2009 against the above order before the District Judge Nadiad and pending. In the meantime, the plaintiff has died.

EWAC Alloys Limited

Sales Tax

An appeal has been filed before the Joint Commissioner of Sales Tax (Appeals-II) for the period 2002-03 and 2003-04 on disallowance of high sea sales involving disputed dues of ₹ 7,079,224.

- An appeal is pending before the Joint Commissioner of Sales Tax (Appeals)-II for the period 2002-03 on disallowances CST Sales and non-submission of C Form involving disputed dues of ₹ 215,750.

- A dispute is pending before the Sales Tax Tribunal-Mazgaon, Mumbai for the period 2001-02 on Disallowances of Form-N-14B sale by Appellate Authority, which was earlier allowed by the Assessing Authority involving disputed dues of ₹ 1,083,330.

- An appeal is pending before the Joint Commissioner of Sales Tax (Appeals)-II for the period 2004-05 on disallowances of high sea sales, 6(2) sales and non submission of C forms and E1 Forms involving disputed amount of ₹ 9,202,799.

Audco India Limited ("Audco")

- There are five cases pending against Audco India Limited under the labour laws, out of which three are pending in Madras High Court for reinstatement of workmen with full back wages and two are pending before First Additional Labour Court, Chennai. These matters are currently pending.

- There are four sales tax disputes (total eight cases) pending against Audco India Limited for a total service tax amount of ₹ 10.99 million. In one of those four disputes, Madras High Court issued order in favour of Audco and Audco has applied for refunds from lower authorities. Balance matters are currently pending.

- There is one service tax dispute (total nine cases) pending against Audco India Limited Dispute due denial of cenvat credit on the service tax paid to cab operators and caterers before Assistant/Deputy Commissioner involving a duty amount of ₹ 2.53 million. This matter is currently pending.

- There are eight various disputes (23 cases) pertaining to Central Excise pending against Audco India Limited before various excise authorities/appellate authorities. The total amount of duty involved in the disputes is ₹ 93.63 million. This matters are currently pending. In one of those cases, appeal filed by Audco before Commissioner – Appeals got rejected. Hence, Audco in going for appeal before CESTAT.

L&T Infotech Limited ("L&T Infotech")

Litigation against L&T Infotech

- An FIR was lodged on August 9, 2006 with Powai police station being FIR No.337 of 2006 against certain unknown persons working at the Network Operation Centre ("**NOC**") of Larsen & Toubro Infotech Ltd. ("**L&T Infotech**") alleging commission of offences under Sections 420, 120B, 34 of Indian Penal Code and Sections 20 and 25C of Indian Telegraph Act, 1884. In the aforesaid FIR it was alleged that L&T Infotech joined IPLC lines with EPABX lines and illegally transferred the international calls to anywhere in India and caused losses and cheated the Govt. of India and Tata Teleservices (Maharashtra) Ltd. to the tune of ₹64,47,250/-. The investigation of FIR No.337 of 2006 of Powai Police Station was transferred to D.C.B. CID unit VIII. D.C.B. CID unit VIII renumbered the FIR No.337 of 2006 as C.R. 60 of 2007. On the basis of aforesaid and investigation conducted a criminal case (Criminal Case No. 3700327/PW/ 2007) has been initiated against 5 officials of L&T Infotech *viz.* Mr. Chris Colaco (now Retd.), Mr. Munnawar Bux, Mr. Ghanshyam Mahatre, Mr. Ganesh Apte (now Retd.) and Mr. Vijay Kumar Magapu (Director in Charge) respectively and charged with sections 420, 120B, 406, 201 and 34 of Indian Penal Code, 1860 (hereinafter referred to as "**IPC**") r/w Sections 20 and 25 of Indian Telegraph Act, 1885 r/w Sections 65, 66 and 85 of Information Technology Act, 2000. The accused(s) has filed a writ petition before the Bombay High Court and by an order dated February 22, 2010, the Writ Petitions have been admitted by the Hon'ble Court and interim orders passed, staying all further proceedings / steps in the Criminal Case No. 3700327/PW/ 2007. The matter is currently pending.

- L&T Infotech executed a project for certain software development for National Highway Authority of India ("**NHAI**"). NHAI wanted certain extra work to be done which was not in the scope as per the agreement. On follow-up for recovery of payment due for the work done amounting to ₹3.15 million, NHAI sent a counter claim for ₹ 300 million for defective work quality and cost incurred by them in getting the work done from a third party. Matter was referred to arbitration. Arbitration award was passed in favor of L&T Infotech in November 2007. NHAI has filed petition with the Delhi High Court under Section 34 of the Arbitration and Conciliation Act, 1996 for setting aside the Arbitration Award dated November 13, 2007. The matter is currently pending before the Delhi High Court.

- FIR dated July 10, 2008 has been registered against L&T Infotech at the Police Station under the Kalyan Jurisdiction alleging unauthorized use of electricity by L&T Infotech for the purpose of construction. L&T Infotech paid the amount mentioned under the bill dated July 10, 2008 as assessed and raised by MSED Co. Ltd. vide Cheque bearing Ref. No. 275158 dated July 11, 2008 for ₹ 9,68,502/-. A Receipt bearing Ref. No. WS 10811675 dated July 11, 2008 was also issued in respect thereof. Vide its letter dated July 11, 2008 L&T Infotech informed office of MSED Co. Ltd. that the amount of the bill has been paid and thereby requested MSED Co. Ltd. to compound the alleged offence as early as possible as the same is compoundable as per the provisions of Section 152 of the Electricity Act, 2003 (the Act). The compounding of offence has been approved by MSED Co. Ltd vide its letter dated August 28, 2009.

- L&T Infotech has received summons from the Downtown Superior Court of California, County of Sana Clara with respect to claim filed by Mr. Sunmeet Jolly who is an ex-employee of L&T Infotech. The claim has been made *inter alia*, Wrongful Termination, Conversion, Defamation, UCL *etc.* His lawyer had earlier put in a claim of USD 2 million (₹ 89.18 million) but the suit does not quote any figures but states cost pursuant to labour laws. L&T Infotech's Attorney has responded with a "Defendants notice of Demurrer". The matter is currently pending.

- The Deputy Director, of Employees State Insurance Corporation, Chennai has passed an order against GDA Technologies Ltd. (a company acquired by L&T Infotech) that it violated the rule on the number of employee count who are paid less than the minimum amount and hence the amount need to be covered under ESI. A writ petition was filed by GDA Technologies and an interim stay was granted on the condition of deposit of 50 percent of the amount demanded ₹ 26,026 out of the total demand of ₹ 52,052. This matter is currently pending before the Principal Labour Court Cum Employees State Insurance Court.

- An application with the original application No. 405 of 2010 has been filed in the Debts Recovery Tribunal No.III Mumbai by Indian Overseas Bank ("Applicants") against Poorti Rent A Car & Logistics Private Limited and Others ("Defendants") for the recovery of the various credit facilities sanctioned against the Defendants. Pursuant to the above original application, the Applicants have also filed an application for interim relief in which L&T Infotech is one of the Respondents among fourteen others. As per the said application for the interim relief, L&T Infotech is indebted to the Defendants to the extent of the outstanding balance of ₹ 3,830,846 standing in their name in the sundry debt list of the Defendants. Accordingly, in terms of Section 13(4)(d) of Securitization and Reconstruction of Financial Assets and Enforcement of the Security Interest Act, 2002, the Applicants have issued notices to Respondents calling upon them to pay their outstanding amount owing to the Defendant directly to the Applicant and further have applied to the court to direct the Respondents for making such payment. However, as per records with L&T Infotech the payments owing to the Defendants has already been settled and there are no outstanding balances standing against the Defendants in L&T Infotech records. The matter is currently pending

Litigation by L&T Infotech

L&T Infotech has initiated 199 arbitration proceedings against its former employees, who jumped the employment bonds executed in favor L&T Infotech, for a total claim of approximately ₹ 69,905,470

Larsen & Turbo (Oman) LLC

Cases involving Larsen & Turbo (Oman) LLC

1. A case has been filed against Larsen & Turbo (Oman) LLC by an ex-employee, Shamis Mohammed Obid Al Qatati, for seeking compensation on termination from services. The matter is pending.

2. A case has been filed against Larsen & Turbo (Oman) LLC by an ex-employee, Dawood Suliman Issa Al Baraki, for seeking compensation on termination from services. The matter is pending.

3. Larsen & Turbo (Oman) LLC has filed a case against Qandil Real Estate for the rental property dispute. Matter is pending.

4. A case has been filed by Al Qatati Garage against Larsen & Toubro (Oman) LLC seeking compensation for damage to his garage citing that the flood water has entered his premises due to the diversion made by Larsen & Turbo (Oman) LLC in the flow of water while carrying out the works. The matter is pending.

5. Larsen & Toubro (Oman) LLC has filed a case against an employee Ali Abdulla Mohammed Al Balushi for misusing the fuel card of the company vehicle. The matter is pending.

6. Larsen & Toubro (Oman) LLC has filed a case against an employee Moosa Shambhi Al Balushi for non-payment of money received for attending company matters. The matter is pending.

*Tamco Switchgear (Malaysia) Sendirian Berhad ("**TSSB**")*

1. An ex-employee, Simon Tan, whose employment was terminated, has filed a case against TSSB challenging the termination. This matter is currently pending before the Industrial Relations Court. The matter is currently pending.

2. An ex-employee, Sri Balan, whose employment was terminated, has filed a case against TSSB before Industrial Relations Court *inter alia* challenging the termination. The matter is currently pending.

*L&T-Valdel Engineering Limited("**LTV**")*

Litigation filed against LTV

L&T Valdel Engineering Limited had rendered certain services to Hyundai Heavy Industries, Korea through Valdel Engineers and Constructors Private Limited ("**VEC**") during the year 2006-07 to 2008-09. LTV had claimed exemption from payment of Service Tax on the subject services, claiming them to be out of the purview of the levy, since the services were rendered outside India and Service Tax being a destination based levy. The Service Tax Department has contended that the subject services are provided to VEC in India and hence attracts the levy of Service Tax. The Department has served a show cause notice on LTV demanding an amount of ₹1.62 million for the said period. This matter is currently pending adjudication.

L&T Chiyoda Limited

Litigation filed against L&T Chiyoda Limited

There are three appeals filed by L&T Chiyoda Limited against Income Tax Department for the assessment years 2004-05, 2005-06 and 2006-07 for, *inter alia*, disallowance of payments for an amount aggregating to ₹ 4.07 million.

Litigation filed by L&T Chiyoda Limited

L&T Chiyoda Limited has received an audit objection query from the Income tax Department for the assessment year 2006-07 and 2007--08 on account of excess claim of DIT Relief and others for an amount aggregating to ₹ 29.235 million.

*L&T Modular Fabrication Yard LLC ("**LTMFY** ")*

Litigation filed against LTMFY

1. Khalid Bin Abdullah Al-Maqbali, who was working as welder in LTMFY, has filed a case against LTMFY in the primary court. He has filed a claimed to change his job profile.Primary Court has ordered to reinstate the employee as worker and not as welder and to pay salary as per contract. LTMFY has filed an appeal in he Higher Court against the order of the Primary Court. This matter is currently pending.

2. Mohammed Sultan Al-Mamary, who worked as office clerk in MFY, has filed a case against LTMFY in Primary Court. He has resigned from MFY but not settled his dues to company. Hence company has not cancelled his registration with Ministry of Manpower. He has filed a case against the company seeking compensation for not cancellation of registration with Ministry of Manpower. This matter is currently pending.

Litigation filed by LTMFY

Ali Qasim Al-Ajmi has filed a case against LTMFY in High Court for a sum of ₹ 0.24 million. Ali Qasim Al-Ajmi, an ex-employee, under limited contract has filed a case in the court seeking reemployment and salary for the period he has not worked, which was upheld. LTMFY has filed an appeal and the same is currently pending.

*L&T Plastic Machinery Limited ("**LTPML**")*

1. A show cause notice dated April 30, 2009 has been issued by the Assistant Commissioner, Central Excise, on tour operating service and outdoor catering service with respect to tax liability of ₹ 274,612 plus interest and penalty.

2. A show cause notice dated June 26, 2009 has been issued by the Assistant Commissioner, Central Excise, on tour operating service and outdoor catering service with respect to tax liability of ₹ 294,114 plus interest and penalty.

3. A show cause notice dated June 7, 2010 has been issued by the Superintendent, Central Excise, on tour operating service and outdoor catering service with respect to tax liability of ₹ 84,295 plus interest and penalty;

L&T Komatsu Limited ("LTK")

1. LTK has filed an appeal before Karnataka High Court on October 17, 2006 with respect to sales to Finance companies within state at concessional rate of 2% tax. Sales Tax department contested that these equipments have moved outside the state hence attract Inter State Sales liable to tax at the rate of 10%. Claim is ₹ 13,276,354/- for the period 1999-2000 and 2002-03. High Court has confirmed the tax imposed by the Sales Tax Department by its order. LTK has filed a review petition before the Karnataka High Court against the said order. The matter is currently pending.

2. LTK has filed an appeal before CESTAT, Bangalore with respect to Central Excise's demand for ₹ 3,160,000/- for the period August 2007 to August 2008 with respect to equipments cleared by LTK to

SEZ developers without payment of duty under export procedure. Department contested that such supplies required to reversal of 10% cenvat credit on clearance of final products to SEZ developers. CESTAT stayed the Order of the Commissioner demanding the duty amount. The matter is currently pending.

3. L&T Finance has filed an appeal before CESTAT, Bangalore with respect to Central Excise's demand for ₹ 119,761,791/- for the period 2004-05 and 2008-09 with respect to supply of equipments to project funded by United Nations or International organisations and as approved by Government of India with out payment of duty under Notification. No 108/95. Department contended that equipments have moved out of the project after completion of the project therefore do not qualify for exemption of duty. CESTAT stayed the Order of the Commissioner demanding the duty amount. The matter is currently pending.

4. LTK has filed an Appeal with CESTAT, Bangalore on April 11, 2010 with respect to service tax demand of ₹ 614,478,463/- for the period 09/2005 to 12/2008. As per provisions of Service Tax Act, L & T is charging service tax on commission to LTK; LTK has been taking credit of such service tax for offsetting excise duty payable on FG. Department has alleged that such credit can not be taken as this service is not in relation to manufacturing CESTAT Hearing took place on October 20, 2010 and have reserved the order, but directed the Department not to initiate any coercive measure for recovery of duty till the order is passed.

5. Commissioner of Central Excise, Bangalore II has passed an order against LTK for service tax of ₹ 109,633,738/- for the period 01/2009 to 12/2009. As per provisions of Service Tax Act, L & T is charging service tax on commission to LTK; LTK has been taking credit of such service tax for offsetting excise duty payable on FG. Department has alleged that such credit can not be taken as this service is not in relation to manufacturing. LTK has received the Commissioner's Order demanding the payment of alleged duty. LTK has filed an appeal before the CESTAT. The matter is currently pending.

6. Legal action initiated by Hindustan Unilever Ltd. for alleged misuse of import licence by their agent Krishna traders before City Civil Court, Banglore for ₹ 88,000/-. The case was heard on August 10, 2010 and kept for orders.

7. Abdul Kareem has filed a consumer case against LTK in State Commission, Trivandram for a compensation of ₹ 2,100,000/- on account of burning of machine due to fire. The Court has accepted the Mr. Abdul Kareem's request for appointing an external commissioner for identifying the cause of the fire accident and also directed LTK to submit the relevant reports to the court during the next hearing, which is scheduled for February 10, 2011.

8. Arihant Marbles has filed a consumer complaint against LTK amongst others before Consumer Forum, Katni, MP on the ground of unsatisfactory performance of machine and has *inter alia* sought compensation of ₹ 300,000/-. Submitted L&T's stand with the honourable judge of civil court at Katni in August 2010. The court has to fix up the dates for the next hearing date.

9. G. Santha kumari of GKB Granites has filed a consumer case against LTK amongst others before Consumer Forum *inter alia* claiming compensation of ₹ 17,25,000/- on account of vibration problem of his machine. The matter is currently pending.

Dhamra Port Company

Litigation involving Dhamra Port Company

1. A PIL is filed by environmentalists Mr. Bittu Sahagal, Mr. Sekhar Dattatri, and Mr Romulus Whitaker before the Supreme Court in 2009, alleging that Dhamra Port Company is violating the Forest Conservation Act, 1970 and the port construction and operation will adversely affect the nesting areas Olive Ridley Turtles. The matter is pending.

2. A case is filed before the High Court of Orissa by Biswajit Mohanty in 2000, involving Dhamra Port Company, for the protection of sea turtles. The matter is pending. 582 cases are filed against Dhamra Port Company in the District Court of Bhadrak, Orissa, claiming higher compensation for the land acquired by the port for its economic corridor.

Narmada Infrastructure Construction Enterprise Limited ("NICE")

Litigation filed by NICE

1. NICE claimed under income tax depreciation on the bridge constructed by it across River Narmada (under a BOT concession) in Gujarat at the rate of 25% per annum by treating the bridge constructed as plant and machinery. The income tax department contended that the bridge is to be classified as a building and therefore is only eligible for a lower rate of depreciation which would be 10% per annum. Accordingly, the unabsorbed depreciation/ brought forward losses for the company were reworked by the assessing officer but this did not result in any demand on the NICE. Commissioner of Income Tax (Appeals) had decided in NICE's favor and the Income Tax Appellate Tribunal decided in favor of the Department. NICE has filed an appeal which is currently pending before Madras High Court.

2. Navinchandra Sidhhhiwala has filed a special civil suit against NICE in the court of the Second Joint Civil Judge (Sr. Division) of Bharuch for a claim of ₹300,000/-. An accident had occurred at the Project Site on May 27, 2001, wherein Mr. Sidhhhiwala was driving the scooter and his wife was sitting as a pillion. It is alleged by Mr. Sidhhhiwala that due to heavy wind, a barrier erected by NICE fell on him and his wife causing injuries to both of them. Subsequently the Plaintiff filed the present suit for compensation.

3. Ranjanben Sidhhhiwala has filed a special civil suit against NICE in the court of the Second Joint Civil Judge (Sr. Division) of Bharuch for a claim of ₹ 115,000/- arising out of the same facts of the case of Navinchandra Siddhiwala mentioned above.

PT Tamco Indonesia

PT Tamco Indonesia has filed a case against PT. Rakiram Elektrical for recovery of (IND) Rp 854,023,000. PT. Rakiram Elektrical has placed an order with PT Tamco Indonesia for certain goods but only took delivery of goods partially and also made partial payment to PT Tamco Indonesia. The matter is pending

*Tractor Engineers Limited ("**TENGL**")*

1. This case regarding disallowance of VRS under section 14A of the Income Tax Act, 1961 pertains to the Assessment Year 2004-05 and the amount involved is ₹ 253,123. A penalty order was passed under section 271(1)(c). TENGL has filed an appeal against the penalty order before the CIT (A)- 6, Mumbai which is currently pending for disposal.

2. A case regarding disallowance of VRS, pertains to the Assessment Year 2005-06 and the amount involved is ₹ 11,323. An appeal has been filed by the Department before the ITAT. The ITAT hearing is currently pending for disposal.

3. A case regarding disallowance under section 14A of the Income Tax Act, 1961, pertains to the Assessment Year 2006-07 and the amount involved is ₹ 181,420. An assessment order was passed under section 143(3). TENGL has filed an appeal against the assessment order before the CIT (A). The matter is pending.

4. A case regarding disallowance under section 14A of the Income Tax Act and commission pertains to the Assessment Year 2007-08 and the amount involved is ₹ 144,995. An assessment order was passed under section 143(3). TENGL has filed an appeal against the assessment order before the CIT (A)- 6, Mumbai which is currently pending for disposal.

5. A case regarding penalty against previously wrong CENVAT credit taken and subsequently reversed, pertains to the Assessment Year 2008-09 for an amount involving ₹ 296,017. The order was passed by the Commissioner Appeals. TENGL has filed an appeal against the order before the CESTAT and a stay for recovery has been granted. The matter is pending.

6. A dispute involving an amount of ₹ 1,208,627 regarding cess payable to Navi Mumbai Corporation, pertaining to the Assessment Year 1998-99, is pending before the Bombay High Court.

7. A case regarding seven times penalty of VAT and Entry Tax for not carrying entry form for Madhya Pradesh by Commercial Tax Officer, Madhya Pradesh Government for an amount of ₹ 663,061. TENGL has filed an appeal before the higher authority.

L&T Infocity Limited:

L&T Infocity Limited has filed a suit against Radha Foods and Beverages in Chief Judge, City Civil Court, Hyderabad for ₹ 22,826.23. Agreement was executed between L& T Infocity Limited and the Radha Foods Beverages on May 8, 1999 for the Lease of 182 Sft (Built -up area) , podium area, Ground floor lease for a period of 2 Years for the purpose of its business. Legal Notice was issued by the L&T Infocity on March 18, 2008 demanding the arrears of rent, maintenance, parking, and electricity charges payable by the Lessee. Further to which a Suit for Eviction has been filed by L&T Infocity Limited before the Chief Judge, City Civil Court at Hyderabad and the same is pending.

L&T Western Andhra Tollway Limited

L&T Western Andhra Tollway Limited ("L&T WATL") has filed a suit and interim application against Megha Engineering & Infrastructure Limited ("MEIL") in the Additional District Court, Mehboobnagar for a sum of ₹ 3,200,000. MEIL has been awarded the contract of laying water pipeline by Rural Water Supply Department, Mehboobnagar. MEIL was supposed to lay the pipeline in the utility corridor but the same is being violated by MEIL. L&T-WATL approached NHAI on many occasions requesting NHAI to direct Megha to lay the pipeline in a diligent manner. As no relief has come from NHAI, L&T WATL has approached the Court seeking injunction against MEIL. Court vide its order dated November 16, 2010 has directed NHAI to ensure that the works are being carried by MEIL as per the guidelines and contract.

L&T Vadodara Bharuch Tollway Limited

1. One Subhashchndra Naranbhai & ors has filed Special Civil Application before High Court of Gujarat against NHAI, Special Land Acquisition Officer and L&T Vadodara Bharuch Tollway Limited ("L&T-VBTL") with respect to dispute related to excess rights of the petitioners of its land due to acquisition of land for project. The matter is pending.

2. One Mukund Prashant Chatterjee has filed a civil suit before Senior Civil Judge, Vadodara against L&T- VBTL seeking injunction on L&T-VBTL's action to clear encroachments of the Project Land. The matter is pending.

Material Developments since the Company's last balance sheet:

In the opinion of the Board, other than as disclosed in this Prospectus, there has not arisen, since the date of the last financial statements set out herein, any circumstance that materially or adversely affects our profitability, taken as a whole, or the value of our consolidated assets or our ability to pay our material liabilities over them next twelve months.

GOVERNMENT AND OTHER APPROVALS

Our Company can undertake this Issue and no further major approvals from any governmental or regulatory authority are required to undertake the Issue other than as provided below. Unless otherwise stated, these approvals are all valid as of the date of this Prospectus. For further details in connection with the regulatory and legal framework within which we operate, please see "*Regulations and Policies in India*" *on page* 197 *of this Prospectus.*

GOVERNMENT APPROVALS FOR OUR COMPANY

A. L&TFH

Issue Related Approvals

- The Board of Directors has, pursuant to a resolution passed at its meeting held on March 22, 2011, authorised the Issue subject to the approval of the shareholders of our Company under Section 81(1A) of the Companies Act and approvals by such other authorities as may be necessary.

- The shareholders of our Company have authorized the Issue by a resolution dated March 24, 2011 under Section 81 (1A) of the Companies Act. The shareholders' resolution date March 24, 2011 authorizes issue of Equity Shares up to ₹ 18,500 million by our Company.

- The IPO Committee, had pursuant to its resolution dated March 29, 2011, approved the Draft Red Herring Prospectus

- Our Company has obtained in-principle listing approvals from the BSE and NSE *vide* letters dated April 21, 2011 and April 20, 2011, bearing numbers DCS/IPO/PVN/IPO-IP/17/2011-12 and NSE/LIST/163601-H, respectively.

- Our Company has obtained an approval from the FIPB dated December 16, 2010, permitting eligible non-resident investors *i.e.* FIIs, NRIs, multilateral and bilateral development financial institutions and other eligible non-resident investors to participate in this Issue to the extent of 20% of the post Issue paid-up Equity Share capital of our Company and subject to the inflow of FDI pursuant to the Issue being less than ₹ 10,000 million.

- Pursuant to letters dated April 15, 2011 and May 2, 2011, our Company had sought the approval of the FIPB for the purpose of undertaking the Pre-IPO Placement. The FIPB has pursuant to their letter dated June 7, 2011, approved the Pre **–** IPO Placement within the aforesaid limit of ₹ 10,000 million subject to compliance with the RBI's regulatory framework for CICs and the SEBI regulations.

- The IPO Committee, pursuant to its resolution dated July 15, 2011, approved the Red Herring Prospectus.

- The IPO Committee, pursuant to its resolution dated August 3, 2011, approved this Prospectus.

Incorporation Details

- Certification of Incorporation No.11-181833 dated May 1, 2008 issued by the Registrar of Companies, Maharashtra located in Mumbai.

- Corporate Identification No.: U67120MH2008PLC181833.

Business Approvals

- Certificate of Registration No. N-13.01925 dated March 31, 2009 issued by RBI, under section 45-IA of the Reserve Bank of India Act, 1934 as an NBFC-ND-SI.

Tax Related Registrations

- Permanent Account Number issued pursuant to the Income Tax Act: AABCL5046R.

- Tax Deduction Account Number issued pursuant to the Income Tax Act: MUML07224A.

Approvals Applied for

- Our Company had applied to the RBI for classification and registration as a CIC-ND-SI on June 20, 2011.

GOVERNMENT APPROVALS FOR OUR OPERATING SUBSIDIARIES

B. L&T Finance

Incorporation details

- Certification of Incorporation No.11-83147 dated November 22, 1994 issued by the Registrar of Companies, Maharashtra located in Mumbai.

- Corporate Identification No.: U65990MH1994PLC083147.

Business Approvals

- Original Certificate of Registration No.B-13.00602 dated April 2, 1998 was issued by the RBI under section 45-IA of the Reserve Bank of India Act, 1934, registering L&T Finance as a non-banking financial institution not accepting public deposits. Thereafter, a fresh Certificate of Registration No.B-13.00602 dated March 21, 2007 was issued by the RBI re-classifying L&T Finance under the category "*Asset Finance Company-Non Deposit Taking*", pursuant to revised regulatory framework prescribed by RBI.

- AMFI Registration No.ARN-56817 dated January 16, 2008 issued by AMFI enrolling L&T Finance as AMFI Registered Mutual Fund Advisor This approval is valid up to January 15, 2013.

- Approval (No. 7878/02.13.001/2009-010) received from the RBI dated March 18, 2010 permitting L&T Finance to market and distribute mutual fund products for a period of two years.

- Registration (No. 01/2010) received from the Office of the Registering Authority and Project Director, IKP-Urban, MEPMA, Srikakulam district, dated October 29, 2010 for registration of L&T Finance Limited under the MFI Ordinance for continuing its micro financing activities in the urban areas of Srikakulam district, in the state of Andhra Pradesh, for a period of one year from the date of the registration.

- Registration (No. DRDA/CTR ®/MFI/008/2010) received from the Office of the Registering Authority and Project Director, DRDA, Chittoor District, dated November 01, 2010 for registration of L&T Finance Limited under the MFI Ordinance for continuing its micro financing activities in rural areas of Chittoor district, in the state of Andhra Pradesh for a period of one year from the date of registration.

- Registration (No. DPMU/6/MF/WGL/2010) received from the Office of the Registering Authority and Project Director, DRDA - Warangal District, dated November 02, 2010 for registration of L&T Finance Limited under the MFI Ordinance for continuing its micro financing activities in 29 mandals of the Warangal District, in the state of Andhra Pradesh for a period of one year from the date of registration.

- Registration (No. B-1300602) received from the Office of the Registering Authority and Project Director, IKP-URBAN (MEPMA), Warangal District, dated October 28, 2010 for registration of L&T Finance Limited under the MFI Ordinance for continuing its micro financing activities in Warangal Municipal Corporation & Janagaon Municipality in the state of Andhra Pradesh for a period of one year from the date of registration. .

- Registration (No. IKP-Urban/86/05/ MFI-Urban/NZB/2010) received from the Office of the Registering Authority & Project Director, IKP-URBAN, Nizamabad District, dated November 03, 2010 for registration of L&T Finance Limited under the MFI Ordinance for continuing its micro financing activities in the in the urban areas listed in

Annexure 1 of the registration certificate, in the state of Andhra Pradesh for a period of one year from the date of registration.

- Registration (No. DRDA/31/NZB/05/2010) received from the Office of the Registering Authority & Project Director, DRDA, Nizamabad District, dated November 03, 2010 for registration of L&T Finance Limited under the MFI Ordinance for continuing its micro financing activities in the rural areas listed in Annexure 1 of the registration document, in the state of Andhra Pradesh, for a period of one year from the date of registration.

- Registration (No. 010/2010/Guntur Rural) received from the Office of the Registering Authority and Project Director, DRDA, Guntur dated November 01, 2010 for registration of L&T Finance Limited under the MFI Ordinance for continuing its micro financing activities in the 30 villages detailed in the list enclosed with the registration document, in the state of Andhra Pradesh, for a period of one year from the date of registration.

- Registration (No. 365/03/MFI/MEPMA/RR/2010) received from the Office of the Registering Authority and Project Director, IKP-urban-MEMPA, Rangareddy District, dated October 29, 2010 for registration of L&T Finance Limited under the MFI Ordinance for continuing its micro financing activities in the state of Andhra Pradesh, for a period of one year from the date of registration for the following urban areas:

    1. Tandur and Vikarabad ULBs of Rangareddy District and Greater Hyderabad Municipal Corporation, Hyderabad (GHMC) Outer Circles *i.e.*
    2. Circle No. 1 (Kapra)
    3. Circle No. 2 (Uppal)
    4. Circle No. 3 (L.B. Nagar)
    5. Circle No. 6 (Rajendra Nagar)
    6. Circle No. 14 (Kukatpally)
    7. Circle No. 15 (Qutbullapur)
    8. Circle No. 16 (Alwal)
    9. Circle No. 17 (Malkajgiri).Registration

- (No. 02/2010/Rural) received from the Office of the Registering Authority and Project Director, DRDA, Srikakulam, dated October 29, 2010 for registration of L&T Finance Limited under the MFI Ordinance for continuing its micro financing activities in the rural areas as permitted, in the state of Andhra Pradesh, for a period of one year from the date of registration.

- Registration (No. ATP/002/2010) received from the Office of the Registering Authority and Project Director, DRDA, Anantapur dated November 1, 2010 for registration of L&T Finance Limited under the MFI Ordinance for continuing its micro financing activities in the rural areas as permitted, in the state of Andhra Pradesh, for a period of one year from the date of registration.

- Registration (No. 003 of 2010/MEPMA, IKP-URBAN/ATP) received from the Office of the Registering Authority and Project Director, IKP-Urban, MEPMA, Anantapur dated October 30, 2010 for registration of L&T Finance Limited under the MFI Ordinance for continuing its micro financing activities in the urban areas as permitted, in the state of Andhra Pradesh, for a period of one year from the date of registration.

- Registration (No. 04/2010) received from the Office of the Registering Authority and Project Director, DRDA, Nellore dated November 2, 2010 for registration of L&T Finance Limited under the MFI Ordinance for continuing its micro financing activities in the rural areas as permitted, in the state of Andhra Pradesh, for a period of one year from the date of registration.

- Registration (No. 4/2010/MFI/PD-RPRP-DRDA,VZM) received from the Office of the Registering Authority and Project Director, DRDA, Vizianagaram District dated October 30, 2010 for registration of L&T Finance Limited under the MFI Ordinance for continuing its micro financing activities in the rural areas as permitted, in the state of Andhra Pradesh, for a period of one year from the date of registration.

- Registration (No. 06/2010/B/179/MFI-URBAN/EGDT) received from the Office of the Registering Authority/ Project Director, IKP-Urban, East Godavari District, Kakinada dated October 29, 2010 for Registration of L&T Finance Limited under the MFI Ordinance for continuing its micro financing activities in the urban areas as permitted, in the state of Andhra Pradesh. The registration will expire on October 28, 2011.

- Registration (No. B-13.00602) received from the Office of the District Rural Development Agency, Karimnagar, dated October 30, 2010 for Registration of L&T Finance Limited under the MFI Ordinance for continuing its micro financing activities in the rural areas as permitted, in the state of Andhra Pradesh. The registration will expire on October 29, 2011.

- Registration (No. A/MFI-Urban/32/2010/04) received from the Office of the Project Director, IKP-Urban (MEPMA), Karimnagar District, dated October 29, 2010 for Registration of L&T Finance Limited under the MFI Ordinance for continuing its micro financing activities in the urban areas as permitted, in the state of Andhra Pradesh. The registration will expire on October 28, 2011.

- Registration (No. B-13.00602) received from the Office of the Registering Authority and Project Director, IKP (Urban) MEPMA, Nalgonda District dated November 8, 2010 for Registration of L&T Finance Limited under the MFI Ordinance for continuing its micro financing activities in the Nalgonda, Suryapet and Miryalaguda municipal areas of Nalgonda district as permitted, in the state of Andhra Pradesh. The registration will expire on November 7, 2011.

- Registration (No. 06/MFI/RD/DRDA-KNL/2010) received from the Office of the Registering Authority, DRDA-IKP, Kurnool District dated November 02, 2010 for registration of L&T Finance Limited under the MFI Ordinance for continuing its micro financing activities in the rural areas as permitted, in the state of Andhra Pradesh, for a period of one year from the date of registration.

- Registration (No. MEPMA/IKP-U/CTR/MFI/2010/No. 6) received from the Office of the Registering Authority and Project Director, IKB URBAN (MEPMA), Chittoor District dated October 29, 2010 for registration of L&T Finance Limited under the MFI Ordinance for continuing its micro financing activities in the urban areas, namely Tirupati Municipal Corporation, Puttur & Srikalahasti Municipality, in the state of Andhra Pradesh, for a period of one year from the date of registration.

- Registration (No. 011/MFI/DRDA/2010) received from the Office of the Registering Authority and Project Director, DRDA, Nalgonda District dated November 04, 2010 for registration of L&T Finance Limited under the MFI Ordinance for continuing its micro financing activities in the rural areas as permitted, in the state of Andhra Pradesh, for a period of one year from the date of registration.

- Registration (No. 5/VSKP/RURAL/2010) received from the Office of the Registering Authority and Project Director, DRDA, Visakhapatnam District dated November 02, 2010 for registration of L&T Finance Limited under the MFI Ordinance for continuing its micro financing activities in the rural areas as permitted, in the state of Andhra Pradesh, for a period of one year from the date of registration.

- Registration (No. DRDA/KMM/9/2010) received from the Office of the Registering Authority, Project Director, DRDA, Khammam District dated November 02, 2010 for registration of L&T Finance Limited under the MFI Ordinance for continuing its micro financing activities in the 46 villages/wards as permitted, in the state of Andhra Pradesh, for a period of one year from the date of registration.

- Registration (No. 03/2010/MFI/MEPMA/VSP) received from the Office of the Registering Authority/ Project Director, IKP Urban (MEPMA), Visakhapatnam District dated November 03, 2010 for registration of L&T Finance Limited under the MFI

Ordinance for continuing its micro financing activities in the slum areas in an urban setting, as permitted in Part E of Form 1 enclosed as an annexure to the certificate, in the state of Andhra Pradesh, for a period of one year from the date of registration.

- Registration (No. WG006/ OCT 2010) received from the Office of the Registering Authority and Project Director, West Godavari District, DRDA dated October 29, 2010 for registration of L&T Finance Limited under the MFI Ordinance for continuing its micro financing activities in the rural areas as permitted, in the state of Andhra Pradesh, for a period of one year from the date of registration.

- Registration (No. 310/ 2010-06) received from the Office of the Registering Authority and Project Director, West Godavari District, DRDA dated October 28, 2010 for registration of L&T Finance Limited under the MFI Ordinance for continuing its micro financing activities in the urban areas as permitted, in the state of Andhra Pradesh, for a period of one year from the date of registration.

- Provisional Registration (No. B/1229/05/MFI-RURAL/EGDIST/2010) received from the Office of the Registering Authority and Project Director, East Godavari District, DRDA-IKP dated October 30, 2010 for registration of L&T Finance Limited under the MFI Ordinance for continuing its micro financing activities in the rural areas as permitted, in the state of Andhra Pradesh, for a period of one year from the date of registration.

- Registration (No. IKP-U (MEPMA)/DPMU/105/21) received from the Office of Registering Authority and Project Director, IKP-Urban- MEPMA, Adilabad District, dated November 04, 2010 for registration of L&T Finance Limited under the MFI Ordinance for continuing its micro financing activities in the wards in the urban areas as permitted, in the state of Andhra Pradesh, for a period of one year from the date of registration.

- Registration (No. 03/2010) received from the Office of the Registering Authority and Project Director, DRDA-IKP, Adilabad District dated November 01, 2010 for registration of L&T Finance Limited under the MFI Ordinance for continuing its micro financing activities in the 315 villages as permitted, in the state of Andhra Pradesh, for a period of one year from the date of registration.

- Registration (No. IKP-URBAN/MEPMA/KURNOOL/2010/10) received from the Office of Registering Authority and Project Director, IKP Urban, Kurnool District dated October 30, 2010 for registration of L&T Finance Limited under the MFI Ordinance for continuing its micro financing activities in the Nandyal Municipal wards only, in the state of Andhra Pradesh, for a period of one year from the date of registration.

- Registration (No. AMFI/PKM/MEPMA/2010/01) received from the Office of the Registering Authority and Project Director, IKP-URBAN (MEPMA), Prakasam District, Prakasam District dated November 01, 2010 for registration of L&T Finance Limited under the MFI Ordinance for continuing its micro financing activities in the Ongole, Chirala and Kandukur Municipal areas as permitted, in the state of Andhra Pradesh, for a period of one year from the date of registration.

- Registration (No. PKM/DRDA/01/2010) received from the Office of the Registering Authority and Project Director, DRDA, Prakasam District dated November 01, 2010 for registration of L&T Finance Limited under the MFI Ordinance for continuing its micro financing activities in the rural areas as permitted, in the state of Andhra Pradesh, for a period of one year from the date of registration.

- Registration (No. 310/2010-06) received from the Office of the Registering Authority, MEPMA, West Godavari District dated October 28, 2010 for registration of L&T Finance Limited under the MFI Ordinance for continuing its micro financing activities in the rural areas as permitted, in the state of Andhra Pradesh, for a period of one year from the date of registration.

- Registration (No. 003/MFI/MEPMA/2010) received from the Office of the Registering Authority and Project Director, MEPMA, Vizianagaram District dated October 30, 2010 for registration of L&T Finance Limited under the MFI Ordinance for continuing its micro financing activities in the rural areas as permitted, in the state of Andhra Pradesh, for a period of one year from the date of registration.

- Registration (No. 365/03/MFI/MEPMA/RR/2010) received from the Office of the Registering Authority, IKP-Urban-MEPMA, Rangareddy District dated October 29, 2010 for registration of L&T Finance Limited under the MFI Ordinance for continuing its micro financing activities in the rural areas as permitted, in the state of Andhra Pradesh, for a period of one year from the date of registration.

- Registration (No. 005/2010) received from the Office of the Registering Authority and Project Director, DRDA, Ranga Reddy District dated November 3, 2010 for registration of L&T Finance Limited under the MFI Ordinance for continuing its micro financing activities in the rural areas as permitted, in the state of Andhra Pradesh, for a period of one year from the date of registration.

- Registration (No. 06/2010) received from the Office of the Registering Authority, DRDA, Medak District dated October 29, 2010 for registration of L&T Finance Limited under the MFI Ordinance for continuing its micro financing activities in the rural areas as permitted, in the state of Andhra Pradesh, for a period of one year from the date of registration.

- Registration (No. IKP URBAN MFI 3/MDK/2010) received from the Office of the Registering Authority and Project Director, MEPMA, Medak District dated November 2, 2010 for registration of L&T Finance Limited under the MFI Ordinance for continuing its micro financing activities in the urban areas as permitted, in the state of Andhra Pradesh, for a period of one year from the date of registration.

Labour Related Approvals

- Registration certificate under Section 7 (2) of the Contract Labour (Regulation and Abolition) Act, 1970.

- Gratuity fund no. AAATL1570G dated April 1, 1996 under the Payment of Gratuity Act, 1972.

- L&T Finance Limited Group Superannuation Scheme, Master Policy No. GS/CA/611148, approved by the Income Tax Commissioner, Mumbai dated March 29, 2001 under rule 2(1) of part B of the Fourth Schedule of the Income Tax Act. The fund is maintained by Life Insurance Corporation of India.

- The Office of the Regional Provident Fund Commissioner, Mumbai 51 has by way of its letter No. MH/43774/PF/EXM.II/MMR/632 dated December 21, 2001 stated that L&T Finance is permitted as an exempted establishment to contribute to the Trust of the parent company.

Tax Related Registrations

- Permanent Account Number issued pursuant to the Income Tax Act: AAACL8668G.

- VAT Registration - Tax Payer Identification Number (TIN): 27190283132 V.

- Service Tax Registration no. AAACL8668GSD001 submitted with Central Board of Excise and Customs.

Approvals Applied for

- L&T Finance has made an application to Insurance Regulatory Authority of India for registration as corporate agent under the Insurance Act, 1938 for distribution of insurance product of L&T General Insurance Company Limited.

- L&T Finance has obtained shops and establishment registrations for 79 of its branch offices and has applied or is in the process of applying for 12 of its branch offices as required under applicable law. L&T Finance is not required to obtain registration certificates for 4 of its branch offices.

Intellectual Property Rights

L&T Finance has registered the following trademarks:

Sr. no.	Trademark	Trademark no.	Class	Date	Issuing authority
1.	Kisan Bandhu	1650434	36	February 6, 2008	GOI, TradeMarks Registry
2.	Udyog Bandhu	1664248	36	March 13, 2008	GOI, TradeMarks Registry
3.	Kisan Vanijya	1664249	36	March 13, 2008	GOI, TradeMarks Registry
4.	Gram Bandhu	1650435	36	February 6, 2008	GOI, TradeMarks Registry
5.	Smart Rupee	1650436	36	February 6, 2008	GOI, TradeMarks Registry
6.	Kisan Gaurav	1310647	36	September 28, 2006	GOI, TradeMarks Registry
7.	TracFin	1310648	36	September 23, 2004	GOI, TradeMarks Registry

C. L&T Infra

- Incorporation Details
  - Certification of Incorporation dated April 18, 2006 issued by the Registrar of Companies, Tamil Nadu.
  - Certificate of Commencement of Business dated June 12, 2006 issued by the Registrar of Companies, Tamil Nadu
  - Corporate Identification No.: U67190TN2006PLC059527.
- Business Approvals
  - Notification dated June 10, 2011 published in the Gazette of India notifying L&T Infra as a Public Financial Institution as defined under Section 4A of the Companies Act.
  - Certificate of Registration No. N-07-00759 dated January 10, 2007 was issued by the RBI under section 45-IA of the Reserve Bank of India Act, 1934, registering our Company as a non-deposit taking, non-banking financial company.
  - Fresh Certificate of Registration dated July 7, 2010 issued by the RBI classifying L&T Infra as an 'Infrastructure Finance Company'.
  - Import Export Code No: 0407005552.
- Labour Related Approvals
  - The Office of the Asst. Provident Fund Commissioner Regional Office, Mumbai II, Thane has by way of its letter No. MH/200588/PF/APP/THN/Circle II/7529 dated April 18, 2007 stated that the provisions of the Employees Provident Fund and Miscellaneous Provisions Act, 1952 are applicable to L&T Infra with effect from October 1, 2006.
- Tax Related Registrations
  - Permanent Account Number issued pursuant to the Income Tax Act: AABCL2283L.
  - VAT Registration - Tax Payer Identification Number (TIN): 27320599523V.
  - CST Registration - Tax Payer Identification Number (TIN): 27320599523C.
  - Service Tax Registration – Code no. AABCL2283LST001.

- Shops and Establishment Registration

L&T Infra has obtained shops and establishment registrations for all of its branch offices as required under applicable law except for its branch office at Hyderabad, for which L&T Infra has applied for registration.

D. L&TIM

- Incorporation Details
    - Certification of Incorporation No. 35321 dated April 25, 1996 issued by the Registrar of Companies, Tamil Nadu as Cholamandalam Cazenove AMC Limited. The name of Cholamandalam Cazenove AMC Limited was changed to DBS Cholamandalam Asset Management Limited on May 9, 2006. DBS Cholamandalam Asset Management Limited received its certificate of commencement of business on May 20, 1996 by the Registrar of Companies, Tamil Nadu. A fresh certificate of incorporation was issued by the Registrar of Companies, Tamil Nadu, Chennai, Andaman & Nicobar Islands on February 15, 2010 upon change of name from DBS Cholamandalam Asset Management Limited to L&T Investment Management Limited.
    - Corporate Identification No.: U65991TN1996PLC035321.
- Business Approvals
    - Certificate of Registration No. MF/035/97/9 dated January 3, 1997 issued to the L&T Mutual Fund by SEBI.
    - Certificate of registration as a portfolio manager under the SEBI (Portfolio Managers) Regulations, 1993 by way of a certificate number - INP000003682 on May 31, 2010. This approval is valid until May 30, 2013.
- Labour Related Approvals
    - DBS Cholamandalam Asset Management Limited-Staff Group Superannuation Fund, Master Policy No. 430008 dated April 1, 2007 under rule 2(1) of part B of the Fourth Schedule of the Income Tax Act, 1961 (48 of 1962) and is maintained by Life Insurance Corporation of India. This approval is in the name of erstwhile Sponsor, Cholamandalam DBS Finance Limited; however, the Company has filed an application with Income Tax Commissioner, Chennai to obtain approval in the name of "L&T Investment Management Limited" and is awaiting final approval.
    - Gratuity fund no. 430218 dated September 1, 2007 under the Payment of Gratuity Act, 1972.
- Tax Related Registrations
    - Permanent Account Number issued pursuant to the Income Tax Act: AABCC5819R.
    - Service Tax Registration no. AABCC5819RST001 submitted with Central Board of Excise and Customs.
    - TAN No. CHEC02167E.
- Shops and Establishment Registration

  L&TIM has also obtained shops and establishment registrations for some of its branch offices and has applied or is in the process of applying for the rest of its branch offices as required under applicable law.
- Approvals Applied For

  L&TIM has applied for the following approvals:
    - Following the Company Law Board order passed on September 24, 2010, L&TIM has filed relevant forms with the Registrar of Companies, Tamil Nadu for final approval of shifting of registered office of L&TIM from Tamil Nadu to Maharashtra.

- Applied to the Ministry of Corporate Affairs, Government of India for approval under Section 309(5B) of the Companies Act for waiver of recovery of excess remuneration paid to the earlier Manager of L&TIM during the tenor ranging from April 27, 2009 to July 29, 2010.

E. L&T MFTL

- Incorporation Details
  - Original Certificate of Incorporation dated April 30, 1996. The name of Cholamandalam Cazenove Trustee Company Limited was changed to DBS Cholamandalam Trustees Limited on May 2, 2006. Fresh Certificate of Incorporation was issued by the Registrar of Companies, Tamil Nadu, Chennai, Andaman & Nicobar Islands upon change of name from DBS Cholamandalam Trustees Limited to L&T Mutual Fund Trustee Limited on February 11, 2010. L&T MFTL has altered the provisions of its Memorandum of Association by special resolution with respect to the place of the Registered Office by changing it from the state of Tamil Nadu to the Maharashtra and such alteration have been confirmed by an order of CLB, Southern Region Bench, Tamil Nadu dated September 24, 2010. L&T MFTL has received Certificate of Registration of Company Law Board order for Change of State dated December 24, 2010 from Registrar of Companies, Maharashtra, Mumbai.
  - Certificate of commencement of business no. 35349 on May 15, 1996 from the Registrar of Companies, Tamil Nadu.
  - Corporate Identification No.: U65993MH1996PLC211198.
- Business Approvals
  - Certificate of registration issued to L&T Mutual Fund, bearing no. MF/035/97/9, dated January 3, 1997.
- Tax Related Registrations
  - Permanent Account Number issued pursuant to the Income Tax Act: AABCC9718P.
  - TAN No. CHEC02168F.
  - Service Tax Registration no. AABCC9718PSD001submitted with Central Board of Excise and Customs.

F. IIDL

- Incorporation Details
  - Original Certificate of Incorporation dated May 21, 1997 in the name of L&T Samsung Telecom Limited. Its name was changed to India Infrastructure Developers Limited on November 6, 1998 pursuant to Fresh Certificate of Incorporation issued by the Registrar of Companies, Maharashtra.
  - Certificate of commencement of business dated July 21, 1997 from the Registrar of Companies, Maharashtra.
  - Corporate Identification No.: U40100MH1997PLC108179
- Business Approvals
  - Certificate of Registration No. N-13.01660 dated February 26, 2003 issued by RBI, under section 45-IA of the Reserve Bank of India Act, 1934 as an NBFC-ND.
- Tax Related Registrations
  - Permanent Account Number issued pursuant to the Income Tax Act: AABCI4598Q
  - TAN No. MUMI05380E

- VAT Registration - Tax Payer Identification Number (TIN): 29240385552.

G. L&T Unnati

- Incorporation Details
    - Certificate of Incorporation dated June 16, 2011.
    - Corporate Identification No.: U65910TN2011PLC081100

H. L&T Infra Investment

- Incorporation Details
    - Certificate of Incorporation dated May 30, 2011.
    - Corporate Identification No.: U65923MH2011PTC218046

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Board of Directors has, pursuant to a resolution passed at its meeting held on March 22, 2011, authorised the Issue subject to the approval of the shareholders of our Company under Section 81(1A) of the Companies Act, and such other authorities as may be necessary.

The shareholders of our Company have, pursuant to a resolution dated March 24, 2011 in accordance with Section 81(1A) of the Companies Act, authorised the Issue.

The IPO Committee has, through its resolution dated August 3, 2011, approved the Prospectus.

Our Company has obtained an approval from the FIPB dated December 16, 2010, permitting eligible non-resident investors *i.e.* FIIs, NRIs, multilateral and bilateral development financial institutions and other eligible non-resident investors to participate in this Issue to the extent of 20% of the post Issue paid-up Equity Share capital of our Company and subject to the inflow of FDI pursuant to the Issue being less than ₹ 10,000 million. It is to be distinctly understood that VCFs and FVCIs registered with SEBI are not permitted to invest in our Company in terms of the SEBI (Venture Capital Funds) Regulations, 1996, as amended, and the SEBI (Foreign Venture Capital Investors) Regulations, 2000, as amended, respectively.

Pursuant to letters dated April 15, 2011 and May 2, 2011, our Company had sought the approval of the FIPB for the purpose of undertaking the Pre-IPO Placement. The FIPB has pursuant to their letter dated June 7, 2011, approved the Pre – IPO Placement within the aforesaid limit of ₹ 10,000 million.

Prohibition by SEBI

We confirm that neither (i) our Company, its Subsidiaries, our Promoter, persons in control of our Company, the Promoter Group, our Directors and our Group Companies, nor (ii) companies with which any of the Promoter, Directors or persons in control of our Company are or were associated as a promoter, director or person in control are debarred or have been prohibited from accessing the capital markets under any order, direction passed by SEBI or any other authority.

None of our Directors are associated with the securities market in any manner other than (i) Mr. Y. M. Deosthalee, who is a director on the board of directors of L&T Mutual Fund Trustee Limited, an entity registered with SEBI; (ii) Mr. N. Sivaraman, who is on the board of directors of L&T Investment Management Limited, which is registered as a portfolio manager with SEBI; (iii) Mr. R. Shankar Raman, who is on the board of directors of L&T Investment Management Limited, which is registered as a portfolio manager with SEBI; and (iv) Mr. S. Haribhakti who is on the board of directors of Fortune Finance Services (India) Limited which is registered with SEBI.

SEBI has not initiated any action against any of our Directors.

The listing of securities of our Company has never been refused at any time by any stock exchange in India.

Prohibition by RBI

Neither our Company, nor its Promoter, Group Companies or any of the relatives of our Promoter has been declared as wilful defaulters by the RBI or any other authority.

Eligibility for the Issue

The Company is eligible for the Issue in accordance with Regulation 26(2) of the SEBI ICDR Regulations, which states as follows:

"*26 (2) An issuer not satisfying any of the conditions stipulated in sub-regulation (1) may make an initial public offer if:*

> *(a) (i) the issue is made through the book building process and the issuer undertakes to allot at least fifty per cent. of the net offer to public to qualified institutional buyers and to refund full subscription monies if it fails to make allotment to the qualified institutional buyers;*
>
> *OR*
>
> *(ii) at least fifteen per cent. of the cost of the project is contributed by scheduled commercial*

banks or public financial institutions, of which not less than ten per cent shall come from the appraisers and the issuer undertakes to allot at least ten per cent of the net offer to public to qualified institutional buyers and to refund full subscription monies if it fails to make the allotment to the qualified institutional buyers;

AND

(b) (i) the minimum post-issue face value capital of the issuer is ten crore rupees;

OR

(ii) the issuer undertakes to provide market-making for at least two years from the date of listing of the specified securities, subject to the following:

(A) the market makers offer buy and sell quotes for a minimum depth of three hundred specified securities and ensure that the bid-ask spread for their quotes does not, at any time, exceed ten per cent;

(B) the inventory of the market makers, as on the date of allotment of the specified securities, shall be at least five per cent. of the proposed issue."

We are an unlisted company not complying with the conditions specified in Regulation 26(1) of the SEBI ICDR Regulations and are therefore required to meet both the conditions detailed in Regulation 26(2)(a) and (b) of the SEBI ICDR Regulations.

- We are complying with Regulation 26(2)(a) of the SEBI ICDR Regulations and at least 50% of the Net Issue is proposed to be Allotted to QIBs and in the event we fail to do so, the full subscription monies shall be refunded to the Bidders.

- We are also complying with Regulation 26(2)(b)(i) of the SEBI ICDR Regulations and the post-Issue face value capital of our Company shall be ₹ 14,770.24 million which is more than the minimum requirement of ₹ 10 crore, *i.e.*, ₹ 100 million.

Further, in accordance with Regulation 26(4) of the SEBI ICDR Regulations, our Company will ensure that the number of prospective allottees will not be less than 1,000.

Furthermore, as the post-Issue capital of our Company calculated at the Issue Price is greater than ₹ 40,000 million, the Issue is subject to the conditions prescribed under Rule 19(2)(b) of the SCRR pursuant to which at least 10% of the paid-up capital of our Company shall be Allotted to the public in terms of the Red Herring Prospectus and the Prospectus. In addition, our Company shall raise the public shareholding to the level of at least 25% within a period of three years from the date of listing of the Equity Shares, in the manner specified by SEBI.

Disclaimer clause

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI.

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE JOINT GLOBAL COORDINATORS AND BOOK RUNNING LEAD MANAGERS, JM FINANCIAL CONSULTANTS PRIVATE LIMITED, CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED AND HSBC SECURITIES AND CAPITAL MARKETS (INDIA) PRIVATE LIMITED, THE BOOK RUNNING LEAD MANAGERS, BARCLAYS SECURITIES (INDIA) PRIVATE LIMITED AND CREDIT SUISSE SECURITIES (INDIA) PRIVATE LIMITED AND THE CO-BOOK RUNNING LEAD MANAGER, EQUIRUS CAPITAL PRIVATE LIMITED (COLLECTIVELY, THE "LEAD MANAGERS"), HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED

DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

1. **IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGERS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED March 29, 2011 WHICH READS AS FOLLOWS:**

2. "**WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, *ETC.* AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE ISSUE.**

3. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:**

   (A) THE DRAFT RED HERRING PROSPECTUS FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;

   (B) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, *ETC.* FRAMED / ISSUED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

   (C) THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS;

4. **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE ALL SUCH REGISTRATIONS ARE VALID.**

5. **WHEN UNDERWRITTEN, WE SHALL SATISFY OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS - <u>NOTED FOR COMPLIANCE</u>.**

6. **WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THAT THE EQUITY SHARES PROPOSED TO FORM PART OF THE PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN, SHALL NOT BE DISPOSED OFF/SOLD/TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.**

7. **WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS.**

8. **WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C)**

AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AN AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE- NOT APPLICABLE.

9. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.**

10. **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION - NOTED FOR COMPLIANCE.**

11. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE EQUITY SHARES IN DEMAT OR PHYSICAL MODE – NOT APPLICABLE.**

12. **WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.**

13. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:**

    (A) AN UNDERTAKING FROM THE ISSUER THAT, AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER; AND

    (B) AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.

14. **WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENTS IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHILE MAKING AN ISSUE.**

15. **WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, *ETC.***

16. **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED**

HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY."

The filing of the Prospectus does not, however, absolve our Company from any liabilities under Section 63 or Section 68 of the Companies Act or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the Lead Managers, any irregularities or lapses in the Prospectus.

Disclaimer clause of RBI

RBI HAS ISSUED CERTIFICATE OF REGISTRATION DATED MARCH 31, 2009 CLASSIFYING THE COMPANY AS A "NON DEPOSIT TAKING" NBFC. IT MUST BE DISTINCTLY UNDERSTOOD THAT THE ISSUING OF THIS CERTIFICATE AND GRANTING A LICENSE AND APPROVAL BY RBI IN ANY OTHER MATTER SHOULD NOT IN ANY WAY, BE DEEMED OR CONSTRUED TO BE AN APPROVAL BY RBI TO THIS PROSPECTUS NOR SHOULD IT BE DEEMED THAT RBI HAS APPROVED IT AND THE RBI DOES NOT TAKE ANY RESPONSIBILITY OR GUARANTEE THE FINANCIAL SOUNDNESS OF THE COMPANY OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINIONS EXPRESSED BY THE COMPANY IN THIS CONNECTION AND FOR REPAYMENT OF DEPOSITS / DISCHARGE OF LIABILITIES BY THE COMPANY.

Disclaimer clause of the NSE

As required, a copy of the Draft Red Herring Prospectus has been submitted to the NSE. The NSE has vide its letter bearing ref.: NSE/LIST/163601-H dated April 20, 2011, granted permission to our Company to use the NSE's name in this offer document as one of the Stock Exchanges on which our Company's securities are proposed to be listed. The NSE has scrutinized the offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. It is to be distinctly understood that the aforesaid permission given by the NSE should not in any way be deemed or construed that the offer document has been cleared or approved by the NSE nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the offer document; nor does it warrant that this Company's securities will be listed or will continue to be listed on the NSE; nor does it take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company.

Every person who desires to apply for or otherwise acquire any securities of our Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the NSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Disclaimer clause of the BSE

The BSE has *vide* its letter bearing ref: DCS/IPO/PVN/IPO-IP/17/2011-12 dated April 21, 2011 granted permission to this Company to use the BSE's name in this offer document as one of the stock exchanges on which this Company's securities are proposed to be listed. The BSE has scrutinized the offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The BSE does not in any manner:-

- warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- warrant that this Company's securities will be listed or will continue to be listed on the BSE; or
- take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the BSE. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the BSE whatsoever, by reason of any loss which may be suffered by such person consequent to or in connection with such subscription / acquisition, whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer from our Company and the Lead Managers

Our Company, the Directors and the Lead Managers accept no responsibility for statements made otherwise than those contained in this Prospectus or in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website www.ltfinanceholdings.com, or the website of any Promoter, Subsidiaries, Group Company, Promoter Group company, or of any affiliate or associate of our Company or its Subsidiaries, would be doing so at his or her own risk.

Caution

The Lead Managers accept no responsibility, save to the limited extent as provided in the Issue Agreement entered into among the Lead Managers and our Company dated March 29, 2011 and in the Underwriting Agreement dated August 3, 2011 entered into among the Underwriters and our Company.

All information shall be made available by us and the Lead Managers to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at bidding centres or elsewhere.

Neither our Company nor the Syndicate shall be liable to the Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Note:

Investors that bid in the Issue will be required to confirm and will be deemed to have represented to our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

Disclaimer in respect of jurisdiction

This Issue is being made in India to persons resident in India including Indian nationals resident in India who are not minors, Hindu Undivided Families (HUFs), companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), Trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds and to permitted non-residents, including to FIIs and eligible NRIs. This Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai, India only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus has been filed with SEBI for observations and SEBI has given its observations. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been any change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Disclaimer clause under United States Law

The Equity Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States or to, of for the account or benefit of, U.S. persons (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to the registration requirements of the U.S. Securities Act and applicable state securities law. The Company has not registered and does not intend to register under the U.S. Investment Company Act in reliance upon Section 3(c)(7) thereof.

Accordingly, the Equity Shares are being offered and sold (i) in the United States only to, and only to

U.S. persons that are, "qualified institutional buyers" (as defined in Rule 144A and referred to in this Prospectus as "U.S. QIBs"; which, for the avoidance of doubt, does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Prospectus as "QIBs" that are also "qualified purchasers" (QPs) (as defined in section 2(a)(51) of the U.S. Investment Company Act and the rules and regulations thereunder) acting for its own account or for the account of another U.S. QIB *i.e.* a QP (and meets the other requirements set forth herein), in reliance on the exemption from registration under the U.S. Securities Act provided by Rule 144A or other available exemption and in reliance upon section 3(c)(7) of the U.S. Investment Company Act and (ii) outside the United States to non-U.S. persons in reliance on Regulation S.

Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The Underwriting Agreement will provide that the Lead Managers may directly or through its U.S. broker-dealer affiliates arrange for the offer and resale of the securities within the United States only to US QIBS and QPs. In addition, until 40 days after the first date upon which the securities were bona fide offered to the public, an offer of the securities within the United States by a dealer may violate the registration requirements of the Securities Act. Each purchaser of the securities will be deemed to have made the acknowledgements, representations and agreements as described in "*Transfer Restrictions*" below.

Transfer Restrictions

Because the following restrictions will apply to the Issue, purchasers are advised to consult their own legal counsel prior to making any offer, resale, pledge or transfer of the Equity Shares.

Rule 144A

Each purchaser of the Equity Shares within the United States or who is a US person, by accepting delivery of this document, will be deemed to have represented, agreed and acknowledged that:

(1) It is (a) a US QIB that is also a QP, (b) aware the seller of the Equity Shares may be relying on an exemption from registration under the Securities Act provided by Rule 144A, and (c) purchasing the Equity Shares for its own account or the accounts of US QIBs that are also QPs, with respect to which it exercises sole investment discretion.

(2) It understands that the Equity Shares have not and will not be registered under the Securities Act or the securities laws of any State of the United States and may be offered, sold, pledged or otherwise transferred only in an "offshore transaction" to non US persons in accordance with Rule 903 or Rule 904 or Regulation S and under circumstances that will not require the Company to register under the US Investment Company Act.

(3) It understands that the Equity Shares will constitute "**restricted securities**" within the meaning of Rule 144 under the Securities Act, and, for so long as they remain "**restricted securities**", such Equity Shares may not be transferred except as described in paragraph (2) above.

Prospective purchasers are hereby notified that sellers of the Equity Shares in the Issue may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

Regulation S

Each purchaser of the Equity Shares outside the United States, by accepting delivery of this document, will be deemed to have represented and agreed that it is a non US person who is purchasing the Equity Shares outside the United States in an offshore transaction in accordance with Regulation S under the Securities Act.

Each purchaser of the Equity Shares, by accepting delivery of this document, will be deemed to have represented, agreed and acknowledged that:

(1) It is relying on this document and not on any other information or representation concerning us or the Equity Shares and neither we nor any other person responsible for this document or any part of it, nor the Lead Managers, will have any liability for any such other information or representation.

(2) The Company, the Lead Managers and their respective affiliates and others will rely upon the truth

and accuracy of the foregoing acknowledgements, representations and agreements.

Each person in a Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") who acquires any Equity Shares under the offers contemplated in this Prospectus will be deemed to have represented and agreed that:

(a) it is a qualified investor within the meaning of the law implementing Article 2(1)(e) of the Prospectus Directive; and

(b) In the case of any Equity Shares acquired by a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, such financial intermediary will be deemed to have represented and agreed that the Equity Shares acquired by it in the Issue have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of the Lead Managers has been given to the offer or resale.

For the purposes of this representation, the expression an "offer of Equity Shares to the public" in relation to any Equity Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression "**Prospectus Directive**" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

Filing

A copy of the Draft Red Herring Prospectus has been filed with SEBI at Corporation Finance Department, Plot No. C4-A, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051. A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, has been delivered for registration to the RoC at the Registrar of Companies, Everest, 100 Marine Drive, Mumbai – 400 002, India. A copy of this Prospectus required to be filed under Section 60 of the Companies Act has been delivered for registration to the RoC at the Registrar of Companies, Everest, 100 Marine Drive, Mumbai – 400 002.

Listing

Applications will be made to the BSE and the NSE for permission to deal in and for an official quotation of our Equity Shares. The NSE will be the Designated Stock Exchange with which the basis of allotment will be finalised.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of the Red Herring Prospectus and the Prospectus. If such money is not repaid within eight days after our Company become liable to repay it, *i.e.* from the date of refusal or within seven days from the Bid/Issue Closing Date, whichever is earlier, then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of eight days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under Section 73 of the Companies Act.

Our Company shall ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above are taken within seven Working Days of finalisation of the Basis of Allotment for the Issue. Pursuant to a Circular (CIR/CFD/DIL/3/2010) dated April 22, 2010 issued by SEBI, the listing of the Equity Shares in the Issue is required to be completed within 12 Working Days of the Bid/Issue Closing Date.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Companies Act, which is reproduced below:

"Any person who:

a. makes in a fictitious name, an application to a company for acquiring or subscription, for, any shares therein, or

b. otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name,

shall be punishable with imprisonment for a term which may extend to five years."

Consents

Consents in writing of each of: (a) the Directors, the Company Secretary and Compliance Officer, the Auditors, Bankers to the Company; and (b) the Lead Managers and Syndicate Members, Escrow Collection Bank(s), Public Issue Account Bank(s) & Refund Bank(s), Registrar to the Issue, the domestic legal advisors to the Company, the domestic legal advisors to the Lead Managers and the international legal advisors to the Lead Managers, to act in their respective capacities, have been obtained and filed along with a copy of the Red Herring Prospectus with the RoC, as required under Sections 60 and 60B of the Companies Act and such consents shall not be withdrawn up to the time of delivery of this Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI ICDR Regulations, Sharp & Tannan, Chartered Accountants, the Auditors of our Company have agreed to provide their written consent to the inclusion of their report dated July 4, 2011 on restated financial statements and auditor's report relating to the possible tax benefits, as applicable, which may be available to our Company and its shareholders, included in this Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of this Prospectus to the RoC.

Expert opinion

Except for the Statement of Tax Benefits dated July 4, 2011 issued by M/s Sharp & Tannan, Chartered Accountants and the reports, dated July 4, 2011, issued by M/s Sharp & Tannan, Chartered Accountants and dated July 4, 2011, issued by Deloitte Haskins & Sells, we have not obtained any expert opinions.

Issue related expenses

The expenses of this Issue include, among others, management fees, underwriting and selling commissions, SCSBs' commission/fees, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees and listing fees.

The estimated Issue expenses are as under:

Activity	**Expenses**	**% of Issue Size**	**% of Issue expenses**
	(₹ in million)		
Lead management fee and underwriting commissions	216.01	1.74	44.48
Processing fee to the SCSBs for processing ASBA Bid cum Application Forms procured by members of the Syndicate and submitted to SCSBs under the Syndicate ASBA process†	1.38	0.01	0.28
Advertising and marketing expenses	175.50	1.41	36.14
Printing and stationery	31.35	0.25	6.46
IPO grading expenses	2.80	0.02	0.58
Others (SCSB commission, Registrar's fee, legal fees, auditor fees, Stamp Duty, Listing Charge etc).	58.58	0.46	12.06
Total...	**485.62**	**3.89**	**100**

† *SCSBs would be entitled to a processing fee in the range of ₹ 15 – ₹ 20 for processing the ASBA Bid cum Application Forms procured by members of the Syndicate and submitted to the SCSBs under the Syndicate ASBA process.*

Fees payable to the Lead Managers and the Syndicate Members

The total fees payable to the Lead Managers and the Syndicate Members (including underwriting commission and selling commission) is as stated in the engagement letter dated September 23, 2010, and an addendum to the Engagement Letter dated March 29, 2011, among our Company, the Lead Managers, a copy of which will be made available for inspection at our Registered Office.

In relation to ASBA Bid cum Application Forms of Syndicate ASBA Bidders submitted by the members of the Syndicate to the relevant branches of the SCSBs for processing, a processing fee in the range of ₹ 15 – ₹ 20 will be payable per such ASBA Bid cum Application Form to the relevant SCSBs (the "**Syndicate ASBA Processing Fee**").

In case of ASBA Bid cum Application Forms procured directly by the SCSBs, the relevant SCSBs shall be entitled to the applicable Selling Commission payable to them only, and no Syndicate ASBA Processing Fee will be paid in such cases. No Selling Commission is payable to SCSBs in relation to ASBA Bid cum Application Forms submitted by QIBs, which will be submitted to the Lead Managers and their affiliates only.

Fees payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue, for processing of application, data entry, printing of CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the memorandum of understanding between our Company and the Registrar to the Issue dated September 25, 2010.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send refund orders or Allotment advice by registered post/speed post.

Summary of rationale for grading by the IPO Grading Agency

Copies of the reports provided by Credit Analysis & Research Limited and ICRA Limited, furnishing the rationale for their respective gradings will be annexed to this Prospectus and was available for inspection at our Registered Office from 10:00 am to 4:00 p.m. on Working Days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

IPO grading

This Issue has been graded by Credit Analysis & Research Limited and ICRA Limited and has been assigned "**CARE IPO Grade 5**" indicating "Strong Fundamentals" and "**IPO Grade 5**" indicating "Strong Fundamentals", by way of their letters dated June 17, 2011 and June 27, 2011, respectively. The IPO grading is assigned on a five point scale from 1 to 5 with "IPO Grade 5" indicating strong fundamentals and "IPO Grade 1" indicating poor fundamentals. Further, a copy of each report provided by Credit Analysis & Research Limited and ICRA Limited, furnishing its rationale for their grading is annexed to this Prospectus.

The Company had filed a draft red herring prospectus dated September 27, 2010 with SEBI. Based on such draft red herring prospectus, Credit Analysis & Research Limited and ICRA Limited had assigned "CARE IPO Grade 5" and "IPO Grade 5" through their letters dated November 29, 2010 and December 2, 2010, respectively.

Previous rights and public issues

Our Company has not made any previous rights and public issues, and is an "Unlisted Company" in terms of the SEBI ICDR Regulations and this Issue is an "Initial Public Offering" in terms of the SEBI ICDR Regulations.

Previous issues of Equity Shares otherwise than for cash

Our Company has not issued any Equity Shares for consideration other than for cash.

Underwriting commission and brokerage on previous issues

We have not made any previous public issues. Therefore, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring for, or agreeing to procure subscription for any of the Equity Shares of our Company since its inception.

Companies under the same management

There are no companies under the same management within the meaning of former section 370 (1B) of the Companies Act, other than as disclosed in this Prospectus. No company under the same management as our Company within the meaning of Section 370(1B) of the Companies Act has made any public issue of equity shares (including any rights issues to the public) during the last three years.

Performance *vis-a-vis* objects

Our Company is an "Unlisted Company" in terms of the SEBI ICDR Regulations, and this Issue is an "Initial Public Offering". None of the Group Companies, associates or Subsidiaries are listed on any stock exchange.

Outstanding debentures, bonds, redeemable preference shares and other instruments issued by our Company

Our Company does not have any outstanding debentures or preference shares. For details of debentures and bonds issued by L&T Finance and L&T Infra, please refer to the section titled "*Financial Indebtedness*" on page 302 of this Prospectus.

Stock market data for our Equity Shares

This being an initial public issue of our Company, the Equity Shares of our Company are not listed on any stock exchange.

Mechanism for redressal of investor grievances

The memorandum of understanding entered into by the Registrar to the Issue and us provides for retention of records with the Registrar to the Issue for a period of at least three years from the last date of dispatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed either to (i) the concerned member of the Syndicate and the relevant SCSB, in the event of a Bid submitted by an ASBA Bidder at any of the Syndicate ASBA Centres, or (ii) the Designated Branch of the SCSB where the Bid cum Application Form was submitted by the ASBA Bidder, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application, in the event of a Bid submitted directly with a Designated Branch by an ASBA Bidder; in both cases with a copy to the Registrar to the Issue.

We estimate that the average time required by us or the Registrar to the Issue or the SCSBs for the redressal of routine investor grievances will be seven Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Our Board by a resolution dated September 25, 2010, constituted a Shareholders/Investors Grievance Committee. The composition of the Shareholders'/Investors' Grievance Committee is as follows:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Ajit Kumar Jain	Chairman	Independent
Mr. R. Shankar Raman	Member	Non-executive
Mr. Subramaniam N.	Member	Independent

For further details, please refer to the section titled "*Our Management*" on page 226 of this Prospectus.

Investors can contact the Compliance Officer or the Registrar to the Issue or any of the Lead Managers in case of any pre-Issue or post-Issue related problems, such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary accounts and refund orders.

Disposal of investor grievances by listed companies under the same management as our Company

No company under the same management as our Company within the meaning of Section 370(1B) of the Companies Act has made any public issue of equity shares (including any rights issues to the public) during the last three years.

Change in Auditors

There have been no changes in our Company's auditors in the last three years.

Capitalisation of reserves or profits

We have not capitalised any of our reserves or profits.

Revaluation of assets

We have not revalued our assets in the last five years.

SECTION VII: ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, our Memorandum of Association and Articles of Association, the terms of the Red Herring Prospectus, this Prospectus, the Bid cum Application Form, the Revision Form, the CAN, the ASBA Bid cum Application Form, Listing Agreements and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, RBI, RoC, FIPB and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of our Memorandum and Articles of Association and shall rank *pari passu* with the existing Equity Shares including rights in respect of dividends. The Allottees of the Equity Shares in this Issue shall be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please refer to the section titled "*Main Provisions of our Articles of Association*" on page 457 of this Prospectus.

Mode of Payment of Dividend

Our Company shall pay dividend, if declared, to the shareholders of our Company in accordance with the provisions of the Companies Act.

Face value and Issue Price

The Equity Shares with a face value of ₹ 10 each will be issued in terms of this Prospectus at a price of ₹ 52 per Equity Share. At any given point of time, there shall be only one denomination for the Equity Shares of our Company, subject to applicable laws. The Anchor Investors will be issued shares at a price of ₹ 56 per Equity Share.

The Price Band and the minimum Bid lot size for the Issue was decided by our Company in consultation with the Lead Managers and was advertised in all editions of Indian Express in the English language, all editions of Jansatta in the Hindi language and Loksatta in the Marathi language at least two Working Days prior to the Bid/Issue Opening Date.

Option to Subscribe

Equity Shares being offered through the Red Herring Prospectus and the Prospectus can be applied for in dematerialized form only.

Compliance with SEBI ICDR Regulations

We shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the provisions of our Articles, the equity shareholders of our Company shall have the following rights:

- right to receive dividends, if declared;
- right to attend general meetings and exercise voting powers, unless prohibited by law;
- right to vote on a poll either in person or by proxy;
- right to receive offers for rights shares and be allotted bonus shares, if announced;
- right to receive surplus on liquidation, subject to any statutory or other preferential claims being satisfied;
- right of free transferability of Equity Shares, subject to applicable foreign direct investment policy, foreign exchange regulations and other applicable laws; and

- such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the Listing Agreements executed with the Stock Exchanges, and our Company's Memorandum and Articles of Association.

For further details on the main provisions of our Company's Articles of Association including those dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and/or consolidation/splitting, please refer to the section titled "*Main Provisions of our Articles of Association*" on page 457 of this Prospectus.

Market Lot and Trading Lot

As per the applicable law, the allotment and trading of our Equity Shares shall only be in dematerialised form for all investors. Since trading of our Equity Shares will be in dematerialised form, the tradable lot is one Equity Share. In terms of Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialised form. Allotment in this Issue will be done only in electronic form in multiples of one Equity Share subject to a minimum Allotment of 100 Equity Shares to successful Bidders.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Mumbai, India.

Nomination Facility to the Investor

In accordance with Section 109A of the Companies Act, the sole Bidder or First Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the bidders, as the case may be, the Equity Shares transferred, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/ transfer/ alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. A fresh nomination can be made only on the prescribed form available on request at the registered office of our Company or at the registrar and transfer agent of our Company.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

a. to register himself or herself as the holder of the Equity Shares; or

b. to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in this Issue will be made only in dematerialized mode, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the applicant would prevail. If the investors require a change to their nomination, they are requested to inform their respective Depository Participant.

Minimum subscription

If our Company does not receive the minimum subscription of 90% of the Issue to the public, including devolvement of the Underwriters, if any, within 60 days from the Bid/Issue Closing Date, our Company shall forthwith refund the entire subscription amount received forthwith.

If there is a delay beyond eight days after our Company becomes liable to pay the amount, our Company shall pay interest as per Section 73 of the Companies Act.

If at least 50% of the Net Issue cannot be allotted to QIBs, then the entire application money will be refunded forthwith.

Our Company shall ensure that the number of prospective allottees to whom Equity Shares in the Issue will be allotted will be not less than 1,000 failing which we shall forthwith refund the entire subscription amount received.

Application under Rule 144A of the U.S. Securities Act

The Equity Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States or to, of for the account or benefit of, U.S. persons (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to the registration requirements of the U.S. Securities Act and applicable state securities law. The Company has not registered and does not intend to register under the U.S. Investment Company Act in reliance upon Section 3(c)(7) thereof.

Accordingly, the Equity Shares are being offered and sold (i) in the United States only to, and only to U.S. persons that are, “qualified institutional buyers” (as defined in Rule 144A and referred to in this Prospectus as “U.S. QIBs”; which, for the avoidance of doubt, does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Prospectus as “QIBs” that are also “qualified purchasers” (QPs) (as defined in section 2(a)(51) of the U.S. Investment Company Act and the rules and regulations thereunder) acting for its own account or for the account of another U.S. QIB *i.e.* a QP (and meets the other requirements set forth herein), in reliance on the exemption from registration under the U.S. Securities Act provided by Rule 144A or other available exemption and in reliance upon section 3(c)(7) of the U.S. Investment Company Act and (ii) outside the United States to non-U.S. persons in reliance on Regulation S.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Application by Eligible NRIs, FIIs registered with SEBI and FVCIs registered with SEBI

It is to be distinctly understood that there is no reservation for eligible NRIs and FIIs registered with SEBI or FVCIs registered with SEBI. All NRIs, FIIs and multi-lateral and bilateral development financial institutions and any other eligible foreign investor applicants will be treated on the same basis with other categories for the purpose of allocation. It is to be distinctly understood that VCFs and FVCIs registered with SEBI are not permitted to invest in our Company in terms of the SEBI (Venture Capital Funds) Regulations, 1996, as amended, and the SEBI (Foreign Venture Capital Investors) Regulations, 2000, as amended, respectively.

Our Company has obtained an approval from the FIPB dated December 16, 2010, further amended on June 7, 2011, permitting eligible non-resident investors *i.e.* FIIs, NRIs, multilateral and bilateral development financial institutions and other eligible non-resident investors to participate in this Issue to the extent of 20% of the post Issue paid-up Equity Share capital of our Company and subject to the inflow of FDI pursuant to the Issue being less than ₹ 10,000 million.

Arrangements for disposal of odd lots

Since our Equity Shares will be traded in dematerialized form only, the market lot for our Equity Shares will be one, no arrangements for disposal of odd lots are required.

Restriction on transfer and transmission of shares

There are no restrictions on transfers and transmission of shares/ debentures and on their consolidation/ splitting except as provided in our Articles of Associations. For details, please refer to the section titled "*Main Provisions of our Articles of Association*" on page 457 of this Prospectus. For details on restrictions on foreign ownership, please refer to the section titled "*Regulations and Policies in India*" on page 197 of this Prospectus.

Joint Holders

Where two or more persons are registered as the holders of the Equity Shares, they shall be entitled to hold the same as joint tenants with benefits of survivorship.

ISSUE STRUCTURE

The Issue of 237,705,361 Equity Shares for cash by the Company at a price of ₹ 52 per Equity Share (including a share premium of ₹ 42 per Equity Share) for investors other than Anchor Investors and at a price of ₹ 56 per Equity Share(including a share premium of ₹ 46 per Equity Share) for Anchor Investors, aggregating up to ₹ 12,450 million including a reservation of 10,000,000 Equity Shares for subscription by Eligible Employees for cash at a price of ₹ 50 per Equity Share (including a share premium of ₹ 40 per Equity Share) aggregating up to ₹ 500 million and a reservation of 23,076,923 Equity Shares for subscription by L&T Shareholders for cash at a price of ₹ 52 per Equity Share (including a share premium of ₹ 40 per Equity Share) aggregating up to ₹ 1,200 million. The Issue will constitute approximately 13.86 % of the post-Issue share capital of our Company and the Net Issue will constitute approximately 11.93 % of the post-Issue share capital of our Company.

On July 7, 2011, our Company has, by way of a Pre-IPO Placement, allotted 57,768,000 Equity Shares and 2,232,000 Equity Shares to MACE CIPEF Limited and MACE CGPE Limited, respectively, for an aggregate consideration of ₹ 3,300,000,000 at a subscription price of ₹ 55 per Equity Share.

	L&T Shareholders Reservation Portion	**Eligible Employees**	**QIBs#**	**Non-Institutional Bidders**	**Retail Individual Bidders**
Number of Equity Shares*	Up to 23,076,923 Equity Shares	Up to 10,000,000 Equity Shares	Not less than 102,314,220 Equity Shares	Not less than 30,694,265 Equity Shares available for allocation or Issue less allocation to QIB Bidders and Retail Individual Bidders.	Not less than 71,619,953 Equity Shares available for allocation or Issue less allocation to QIB Bidders and Non-Institutional Bidders.
Percentage of Issue Size available for allocation	Up to 1.34 % of the post-Issue capital	Up to 0.58 % of the post-Issue capital	At least 50% of the Net Issue being allotted. However, up to 5% of the Net QIB Portion shall be available for allocation proportionately to Mutual Funds only.	Not less than 15% of the Net Issue or the Net Issue less allocation to QIBs and Retail Individual Bidders.	Not less than 35% of the Net Issue or the Net Issue less allocation to QIBs and Non-Institutional Bidders.
Basis of Allotment/Allocation if respective category is oversubscribed	Proportionate	Proportionate	Proportionate as follows: (a) 3,749,196 Equity Shares shall be allocated on a proportionate basis to Mutual Funds only; and (b) 74,983,920 Equity Shares shall be Allotted on a proportionate basis to all QIBs including	Proportionate	Proportionate

	L&T Shareholders Reservation Portion	Eligible Employees	QIBs#	Non-Institutional Bidders	Retail Individual Bidders
			Mutual Funds receiving allocation as per (a) above.		
Minimum Bid	100 Equity Shares.	100 Equity Shares.	Such number of Equity Shares that the Payment Amount exceeds ₹ 200,000.	Such number of Equity Shares that the Payment Amount exceeds ₹ 200,000.	100 Equity Shares
Maximum Bid	Such number of Equity Shares not exceeding the Issue, subject to applicable limits.	Such number of Equity Shares such that the Payment Amount does not exceed ₹ 200,000.	Such number of Equity Shares not exceeding the Issue, subject to applicable limits.	Such number of Equity Shares not exceeding the Issue subject to applicable limits.	Such number of Equity Shares such that the Payment Amount does not exceed ₹ 200,000.
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Bid Lot	100 Equity Shares in multiples of 100 Equity Shares thereafter.	100 Equity Shares in multiples of 100 Equity Shares thereafter.	100 Equity Shares in multiples of 100 Equity Shares thereafter.	100 Equity Shares in multiples of 100 Equity Shares thereafter.	100 Equity Shares in multiples of 100 Equity Shares thereafter.
Allotment Lot	100 Equity Shares and in multiples of one Equity Share thereafter	100 Equity Shares and in multiples of one Equity Share thereafter	100 Equity Shares and in multiples of one Equity Share thereafter	100 Equity Shares and in multiples of one Equity Share thereafter	100 Equity Shares and in multiples of one Equity Share thereafter
Trading Lot	One Equity Share	One Equity Share	One Equity Share	One Equity Share	One Equity Share
Who can Apply**	L&T Shareholders *i.e.* Individuals and HUFs who are equity shareholders of the Promoter, L&T (excluding such other persons not eligible under applicable laws, rules, regulations and guidelines) as at the date of the Red Herring	Eligible Employees	QIBs	Resident Indian individuals, Eligible NRIs, HUF (in the name of *Karta*), companies, corporate bodies, scientific institutions societies and trusts, sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals.	Retail Individual Bidders.

	L&T Shareholders Reservation Portion	Eligible Employees	QIBs#	Non-Institutional Bidders	Retail Individual Bidders
	Prospectus.				
Terms of Payment	100% of the Payment Amount shall be payable at the time of submission of Bid cum Application Form.##	100% of the Payment Amount shall be payable at the time of submission of Bid cum Application Form.##	100% of the Payment Amount shall be payable at the time of submission of ASBA Bid cum Application Form.##	100% of the Payment Amount shall be payable at the time of submission of ASBA Bid cum Application Form.##	100% of the Payment Amount shall be payable at the time of submission of Bid cum Application Form.##; ***

\# *Our Company has allocated 27,330,300 Equity Shares to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion was reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. For further details, please refer to the section titled "Issue Procedure" on page* 417 *of this Prospectus.*

\## *In case of ASBA Bidders, the SCSBs shall be authorised to block such funds in the bank account that is specified in the ASBA Bid cum Application Form. It is mandatory for all QIBs (except Anchor Investors), Non-Institutional Bidders and L&T Shareholders Bidding under the L&T Shareholders Reservation Portion for a Payment Amount of above ₹200,000 to participate in the Issue through the ASBA Process.*

* *Subject to valid Bids being received at or above the Issue Price. In accordance with Rule 19(2)(b) of the SCRR, this being an Issue for less than 25% of the post-Issue capital, the Issue is being made through the Book Building Process. Pursuant to Regulation 43(2) read with Regulation 26(2) of the SEBI ICDR Regulations, at least 50% of the Net Issue shall be Allotted on a proportionate basis to QIBs. Of the Net QIB Portion, 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 3,749,196 Equity Shares, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders in proportion to their Bids. Further, not less than 15% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.*

Spill-over to the extent of any under subscription in any of the Employee Reservation Portion or the L&T Shareholders Reservation Portion may be permitted from any of the Employee Reservation Portion or the L&T Shareholders Reservation Portion, as the case may be, subject to which spill-over shall be permitted from the Net Issue in the following order of preference: (1) Retail Portion; (2) Non-Institutional Portion; and (3) QIB Portion. Provided that at least 50% of the Net Issue shall be Allotted to QIBs and in the event at least 50% of the Net Issue cannot be Allotted to QIBs, the entire application money shall be refunded forthwith. In the event of under subscription in the Net Issue, spill over to the extent of under subscription shall be allowed from the Employee Reservation Portion and/or the L&T Shareholders Reservation Portion, as the case may be. In case of under subscription in any category other than the QIB Portion, investors from other categories or a combination of categories may be allocated Equity Shares amounting to the shortfall if so decided by our Company in consultation with the Lead Managers and the Designated Stock Exchange. Further, Bids by NRIs, FIIs and other eligible non-resident investors shall be in accordance with the FIPB approval dated December 16, 2010, further amended on June 7, 2011, which permits eligible non-resident investors i.e. FIIs, NRIs, multilateral and bilateral development financial institutions and other eligible non-resident investors to participate in this Issue to the extent of 20% of the post Issue paid-up Equity Share capital of our Company and subject to the inflow of FDI pursuant to the Issue being less than ₹ 10,000 million. It is to be distinctly understood that VCFs and FVCIs registered with SEBI are not permitted to invest in our Company in terms of the SEBI (Venture Capital Funds) Regulations, 1996, as amended, and the SEBI (Foreign Venture Capital Investors) Regulations, 2000, as amended, respectively.

** *In case the Bid cum Application Form is submitted in joint names, the Bidders should ensure that the demat* *account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form. Further, a Bidder Bidding in either of the Employee Reservation Portion or the L&T Shareholders Reservation Portion (subject to the Payment Amount being up to ₹200,000) can also Bid under the Net Issue and such Bids will not be treated as multiple Bids. To clarify, an L&T Shareholder Bidding in the L&T Shareholders Reservation Portion above ₹200,000 cannot Bid in any of the Employee Reservation Portion or the Net Issue as such Bids will be treated as multiple Bids. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories. For further details please see "Issue Procedure – Multiple Bids" on page 442 of this Prospectus.*

**** Our Company in consultation with the Lead Managers has offered a discount of ₹2 to the Issue Price to the Eligible Employees.*

Withdrawal of the Issue

Our Company, in consultation with the Lead Managers reserves the right not to proceed with the Issue at any time after the Bid/Issue Opening Date but before the Allotment of Equity Shares. In such an event, our Company would issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within two days of the decision for withdrawal of the Issue, providing reasons for not proceeding with the Issue. Our Company shall also inform the Stock Exchanges on which the Equity Shares are proposed to be listed.

Any further issue of Equity Shares by our Company shall be in compliance with applicable laws.

Bid/Issue Programme

BID/ISSUE OPENED ON	**JULY 27, 2011***
BID/ISSUE CLOSED ON	**JULY 29, 2011**

* *The Anchor Investor Bidding Date was one day prior to the Bid/Issue Opening Date, i.e. July 26, 2011.*

Bids including any revision in Bids shall be accepted **only between 10.00 a.m. and 5.00 p.m. IST** during the Bidding/Issue Period as mentioned above at the Bidding Centres mentioned on the Bid cum Application Form or, in the case of Bids submitted through ASBA, at the Designated Branches. On the Bid/Issue Closing Date, Bids shall be accepted only between **10.00 a.m. and 3.00 p.m. IST** and uploaded until (i) 4.00 p.m. IST, or such extended time as permitted by the Stock Exchanges, in case of Bids by QIBs, Non-Institutional Bidders, Eligible Employees bidding under the Employee Reservation Portion and L&T Shareholders bidding under the L&T Shareholders Reservation Portion; and (ii) until 5.00 p.m. IST, or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders. It is clarified that the Bids not uploaded in the book would be rejected. Bids by the ASBA Bidders shall be uploaded by the SCSBs in the electronic system to be provided by the Stock Exchanges.

In case of discrepancy in the data entered in the electronic book *vis-a-vis* the data contained in the physical or electronic Bid cum Application Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask for rectified data from the relevant SCSB.

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 3.00 p.m. (Indian Standard Time) on the Bid/Issue Closing Date. On the Bid/Issue Closing Date, Bids by QIBs shall be accepted only between 10.00 a.m. and 3.00 p.m. IST. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will be accepted only on Working Days, *i.e.*, Monday to Friday (excluding public holidays). Bids by ASBA Bidders shall be uploaded by the SCSBs in the electronic system to be provided by the Stock Exchanges.

On the Bid/Issue Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received by Retail Individual Bidders after taking into account the total number of Bids received up to the closure of time period for acceptance of Bid cum Application Forms as stated herein and reported by the Lead Managers to the Stock Exchange within half an hour of such closure.

Our Company, in consultation with the Lead Managers, reserves the right to revise the Price Band during the Bidding/Issue Period **provided that** the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on either side *i.e.* the floor price can move up or down to the extent of 20% of the floor price disclosed at least two days prior to the Bid/Issue Opening Date and the Cap Price will be revised accordingly.

In case of revision of the Price Band, the Bidding/Issue Period will be extended for at least three additional Working Days subject to the Bidding/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bidding/Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the changes on the websites of the Lead Managers and at the terminals of the Syndicate.

ISSUE PROCEDURE

This section applies to all Bidders. Please note that pursuant to the SEBI circular dated April 29, 2011, bearing no. CIR/CFD/DIL/1/2011, all Bidders other than Retail Individual Bidders i.e. QIBs (other than Anchor Investors), Non-Institutional Bidders and L&T Shareholders Bidding under the L&T Shareholders Reservation Portion for a Payment Amount of more than ₹ 200,000 are mandatorily required to submit their Bids by way of ASBA. ASBA Bidders should note that the ASBA process involves application procedures that are different from the procedure applicable to Bidders other than the ASBA Bidders. ASBA Bidders should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all Bidders are required to make payment of the full Payment Amount or ensure that the ASBA Account has sufficient credit balance such that the entire Payment Amount can be blocked by the SCSB.

Our Company in consultation with the Lead Managers, has decided to offer a discount of ₹2 to the Issue Price to Eligible Employees. Eligible Employees should note that the benefit of the Eligible Employee Discount can be availed at the time of submitting the Bid. Accordingly, after indicating the Payment Amount in the Bid cum Application Form, payment should be made of the Payment Amount i.e. the Bid Amount net of the Eligible Employee Discount.

In respect of QIBs that are Anchor Investors, the Issue procedure set out below should be read with, and is qualified by, the paragraphs below relating to Anchor Investors, including without limitation, the sub-section "Anchor Investor Portion" on page 455 of this Prospectus.

Our Company and the Syndicate are not liable for any amendment, modification or change in applicable law, which may occur after the date of this Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus, and as specified in this Prospectus.

Book Building Procedure

The Issue is being made through the Book Building Process wherein at least 50% of the Net Issue shall be Allotted to QIBs on a proportionate basis provided that our Company may allocate up to 30% of the QIB portion to Anchor Investors on a discretionary basis. Of the Net QIB Portion (excluding the Anchor Investor Portion), 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. Further, not less than 15% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Further, up to 10,000,000 Equity Shares and 23,076,923 Equity Shares shall be available for allocation to Eligible Employees and L&T Shareholders, subject to valid Bids being received at or above the Issue Price. Allocation to Anchor Investors shall be on a discretionary basis and not on a proportionate basis.

Spill-over to the extent of any under subscription in any of the Employee Reservation Portion or the L&T Shareholders Reservation Portion may be permitted from any of the Employee Reservation Portion or the L&T Shareholders Reservation Portion, as the case may be, subject to which spill-over shall be permitted from the Net Issue in the following order of preference: (1) Retail Portion; (2) Non-Institutional Portion; and (3) QIB Portion. Provided that at least 50% of the Net Issue shall be Allotted to QIBs and in the event at least 50% of the Net Issue cannot be Allotted to QIBs, the entire application money shall be refunded forthwith. In the event of under subscription in the Net Issue, spill over to the extent of under subscription shall be allowed from the Employee Reservation Portion and/or the L&T Shareholders Reservation Portion, as the case may be. In case of under subscription in any category other than the QIB Portion, investors from other categories or a combination of categories may be allocated Equity Shares amounting to the shortfall if so decided by our Company in consultation with the Lead Managers and the Designated Stock Exchange.

In case of QIBs, other than Anchor Investors, who are Syndicate ASBA Bidders, the Lead Managers and their affiliate members of the Syndicate, may reject Bids at the time of acceptance of the ASBA Bid cum Application Forms provided that the reasons for such rejection shall be disclosed to such Bidders in writing. In case of Non-Institutional Bidders, Retail Individual Bidders, Eligible Employees and L&T Shareholders, our Company has a right to reject Bids based on technical grounds only.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not contain details of the Bidders' depository account shall be treated as incomplete and rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

Bid cum Application Forms and ASBA Bid cum Application Forms

The prescribed colour of the Bid cum Application Form for various categories is as follows:

Sr. No.	Category	Colour of Bid cum Application Form**
1.	Resident Indians and Eligible NRIs applying on a non-repatriation basis	Blue border on white paper
2.	Eligible NRIs and FIIs applying on a repatriation basis	Blue border on blue paper
3.	Eligible Employees in the Employee Reservation Portion	Blue border on pink paper
4.	L&T Shareholders in the L&T Shareholders Reservation Portion*	Black border on white paper
5.	ASBA Bidders	
	Resident ASBA Bidders	Red border on white paper#
	Non-Resident ASBA Bidders	Red border on white paper#
	Resident ASBA Bidders in the Employee Reservation Portion	Green border on blue paper##
	Resident ASBA Bidders in the L&T Shareholders Reservation Portion*	Black border on white paper^
	Non-Resident ASBA Bidders in the Employee Reservation Portion	Green border on blue paper#
	Non-Resident ASBA Bidders in the L&T Shareholders Reservation Portion	Black border on white paper^
6.	Anchor Investors	White

* *The Bid cum Application Form for the L&T Shareholders Reservation portion will be attached to the Bid cum Application Form for the Resident Indian and Eligible NRIs applying on a non-repatriation basis.*

** *Excluding electronic ASBA Bid cum Application Forms*

\# *Same Bid cum Application Form with a check box for Resident/Non-Resident ASBA Bidders*

\## *Same Bid cum Application Form with a check box for Resident/ Non-Resident Eligible Employees Bidding via ASBA*

^ *Same Bid cum Application Form with a check box for Resident/ Non-Resident L&T Shareholder Bidding via ASBA*

Bidders, including Syndicate ASBA Bidders, shall only use the specified Bid cum Application Form bearing the stamp of a member of the Syndicate, unless they are using the ASBA Process directly *via* the SCSBs. Before being issued to the Bidders, the Bid-cum-Application Form shall be serially numbered. Such forms shall be issued in duplicate and signed by the Bidder. The Bid-cum-Application Form shall contain information about the Bidder, the price and the number of Equity Shares that the Bidder wishes to Bid for. The Bidder shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options shall not be considered as multiple Bids. Upon dispatch of the CAN and filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the application form. Upon completion and submission of the Bid cum Application Form to a member of the Syndicate, the Bidder is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus as would be required for filing this Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

ASBA Bidders shall submit an ASBA Bid-cum-Application Form either (i) in physical form to the

Designated Branch of an SCSB which shall be stamped, at the relevant Designated Branch; (ii) in electronic form through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the bank account ("**ASBA Account**") specified in the ASBA Bid cum Application Form used by ASBA Bidders; or (iii) in case of applications by Syndicate ASBA Bidders, the ASBA Bid cum-Application Form shall be submitted to the members of the Syndicate in physical form who shall submit the same to the respective SCSB, which shall be stamped, at the relevant Syndicate ASBA Centre. The ASBA Bid cum Application Form shall contain all relevant information, including as specified in the relevant regulations, and shall be uniform for all ASBA Bidders. ASBA Bidders shall use the ASBA Bid cum Application Form bearing the code of the Syndicate Member and/or the Designated Branch of an SCSB for the purpose of making a Bid in terms of the Red Herring Prospectus. The list of banks notified by SEBI to act as SCSBs for the ASBA process and details of Designated Branches of SCSBs collecting the ASBA Bid cum Application Forms are available at http://www.sebi.gov.in. The SCSB shall block an amount equal to the Payment Amount in the ASBA Account, on the basis of an authorization to this effect given by the ASBA Bidder at the time of submitting the Bid. The ASBA data shall thereafter be uploaded in the electronic bidding system of the Stock Exchanges. The Payment Amount shall remain blocked in the ASBA Account until receipt of the basis of approval of the basis of Allotment in the Issue by the Designated Stock Exchange and consequent transfer of the Payment Amount against the allocated Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue or until withdrawal or rejection of the ASBA Bid, as the case may be. Once the basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the requisite amount to the Public Issue Account. Upon completing and submitting the ASBA Bid cum Application Form, the ASBA Bidder is deemed to have authorized: (i) the SCSBs to do all acts as are necessary to make an application in the Issue, including uploading his or her or its Bid, blocking or unblocking of funds in the ASBA Account and transfer funds to the Public Issue Account on receipt of instructions from the Registrar to the Issue after approval of the basis of Allotment by the Designated Stock Exchange; and (ii) the Registrar to the Issue to issue instructions to the Controlling Branch of the SCSBs to unblock the funds in the ASBA Account, upon approval of the basis of Allotment by the Designated Stock Exchange. Further, upon completing and submitting the ASBA Bid cum Application Form, the ASBA Bidder is deemed to have authorized our Company to make the necessary changes in the Red Herring Prospectus and the ASBA Bid cum Application Forms as would be required for filing this Prospectus with the RoC and as would be required by SEBI and/or the RoC after such filing, without prior or subsequent notice of such changes to the ASBA Bidder. In case of withdrawal or failure of the Issue, the Payment Amount shall be unblocked on receipt of such information from the Registrar.

To supplement the foregoing, the mode and manner of Bidding is illustrated in the following chart.

Category of bidder	**Mode of Bidding**	**Application form to be used for Bidding**	**To whom the application form has to be submitted**
Retail Individual Bidders, Eligible Employees Bidding under the Employee Reservation Portion and L&T Shareholders Bidding under the L&T Shareholders Reservation Portion for a Payment Amount of up to ₹ 200,000	Either (i) ASBA or (ii) non-ASBA	(i) If Bidding through ASBA, ASBA Bid-cum-Application Form (physical or electronic); **or** (ii) If Bidding through non-ASBA, Bid cum Application Form.	(i) If using physical ASBA Bid cum Application Form, to the members of the Syndicate only at Syndicate ASBA Centres; **or** (ii) If using physical ASBA Bid cum Application Form, to the Designated Branches of the SCSBs where the SCSB account is maintained; **or** (iii) If using electronic ASBA Bid cum Application Form, to the SCSBs, electronically through internet banking facility, where the SCSB account is maintained; **or** (iv) If using Bid cum Application Form, to the members of the Syndicate at the Bidding Centres.
Non-Institutional Bidders, QIBs (excluding Anchor Investors) and L&T Shareholders Bidding under the L&T Shareholders Reservation Portion for a Payment	ASBA (*Kindly note that ASBA is mandatory for these categories of Bidders and no other mode of Bidding is permitted*)	ASBA Bid cum Application Form (physical or electronic)	(i) If using physical ASBA Bid cum Application Form, to the members of the Syndicate only at Syndicate ASBA Centres; **or** (ii) If using physical ASBA Bid cum Application Form, to the Designated Branches of the SCSBs where the SCSB account is maintained; **or** (iii) If using electronic ASBA Bid cum

Category of bidder	Mode of Bidding	Application form to be used for Bidding	To whom the application form has to be submitted
Amount of above ₹ 200,000			Application Form, to the SCSBs, electronically through internet banking facility, where the SCSB account is maintained.
Anchor Investors	Non-ASBA	Bid cum Application Form	To the Lead Managers and their Affiliates at the Bidding Centres.

Who can Bid?

Persons eligible to invest in the Equity Shares under all applicable Laws, regulations and guidelines, including:

- Indian nationals resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended,
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of Sole or First bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids by HUFs would be considered at par with those from individuals;
- Companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in equity shares;
- Mutual Funds registered with SEBI;
- Eligible NRIs on a repatriation basis or on a non-repatriation basis subject to applicable laws. NRIs other than eligible NRIs are not eligible to participate in this Issue;
- Indian financial institutions, scheduled commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI other than a sub-account which is a foreign corporate or a foreign individual bidding in the QIB Portion;
- Sub-accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals only under the Non-Institutional Bidders category;
- State Industrial Development Corporations;
- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Scientific and/or industrial research organisations authorised to invest in equity shares;
- Insurance Companies registered with Insurance Regulatory and Development Authority;
- Provident Funds with a minimum corpus of ₹ 250 million and who are authorised under their constitution to hold and invest in equity shares;
- Pension Funds with a minimum corpus of ₹ 250 million and who are authorised under their constitution to hold and invest in equity shares;
- National Investment Fund;
- Insurance funds set up and managed by army, navy or air force of the Union of India;
- Insurance funds set up and managed by the Department of Posts India;
- Multilateral and bilateral development financial institutions;

- Limited liability partnerships;
- Eligible Employees; and
- L&T Shareholders *i.e.* individuals and HUFs who are equity shareholders of the Promoter, L&T (excluding such other persons not eligible under applicable laws, rules, regulations and guidelines) as at the date of the Red Herring Prospectus.

As per the existing regulations, OCBs cannot participate in this Issue. Bids by NRIs, FIIs and other eligible non-resident investors shall be in accordance with the FIPB approval dated December 16, 2010, further amended on June 7, 2011, which permits eligible non-resident investors *i.e.* FIIs, NRIs, multilateral and bilateral development financial institutions and other eligible non-resident investors to participate in this Issue to the extent of 20% of the post Issue paid-up Equity Share capital of our Company and subject to the inflow of FDI pursuant to the Issue being less than ₹ 10,000 million. However, it is to be distinctly understood that VCFs and FVCIs registered with SEBI are not permitted to invest in our Company in terms of the SEBI (Venture Capital Funds) Regulations, 1996, as amended, and the SEBI (Foreign Venture Capital Investors) Regulations, 2000, as amended, respectively.

Participation by Associates of the Lead Managers and Syndicate Members

The Lead Managers and the Syndicate Members shall not be allowed to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the Lead Managers and the Syndicate Members may subscribe to or purchase Equity Shares, either in the QIB Portion or in Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis.

The Lead Managers and any persons related to the Lead Managers, the Promoter and the Promoter Group cannot apply in the Issue under the Anchor Investor Portion.

Bids by Mutual Funds

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event that the demand is greater than 3,749,196 Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Fund Portion. A certified copy of the SEBI registration certificate must be lodged along with the Bid cum Application Form.

One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No mutual fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Bid cum Application Forms and ASBA Bid cum Application Forms shall be made available for Eligible NRIs at the Registered Office of the Company and with the Syndicate. Eligible NRI applicants should note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment. Eligible NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts should use the form meant for Resident Indians and should not use the forms meant for any reserved categories. Bids by Eligible NRIs for a Payment Amount of up to ₹ 200,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Payment Amount of more than ₹ 200,000 would be considered under Non-Institutional Portion for the purposes of allocation.

Bids by FIIs

As per the current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of our post-Issue paid-up capital (*i.e.* 10% of 1,714,729,787 Equity Shares). In respect of an FII investing in our Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total paid-up capital or 5% of our total paid-up capital in case such sub-account is a foreign corporate or an individual. As of now, the aggregate FII holding in us cannot exceed 24% of our total paid-up capital.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of regulation 15A(1) of the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended (the "**SEBI FII Regulations**"), an FII, as defined in the SEBI FII Regulations, is permitted to issue or otherwise deal in off shore derivative instruments (defined under the SEBI FII Regulations as any instrument, by whatever name called, which is issued overseas by an FII against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. The FII is also required to ensure that no further issue or transfer of any offshore derivative instrument issued by it is made to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the SEBI FII Regulations. Associates and affiliates of the Underwriters including the Lead Managers and the Syndicate Members that are FIIs may issue offshore derivative instruments against the Equity Shares Allotted to them in the Issue. Any such offshore derivative instrument does not constitute any obligation of, claim on or an interest in, our Company.

A certified copy of the SEBI registration certificate must be lodged along with the Bid cum Application Form.

Bids by SEBI registered Venture Capital Funds and Foreign Venture Capital Investors

The SEBI (Venture Capital Funds) Regulations, 1996 and SEBI (Foreign Venture Capital Investor) Regulations, 2000 as amended, prescribe investment restrictions on venture capital funds registered with SEBI.

Accordingly, the holding by any Venture Capital fund registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the Venture Capital Fund. Further, Venture Capital Funds can invest only up to 33.33% of their investible funds by way of subscription to an IPO.

However, VCFs and FVCIs registered with SEBI are not permitted to invest in our Company in terms of the SEBI (Venture Capital Funds) Regulations, 1996, as amended, and the SEBI (Foreign Venture Capital Investors) Regulations, 2000, as amended, respectively.

Bids by Eligible NRIs and FIIs on a repatriation basis will be in the names of individuals, or in the names of such FIIs, respectively, but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the relevant Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDA, a certified copy of the certificate of registration issued by IRDA must be attached to the ASBA Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended (the "**IRDA Investment Regulations**"), are broadly set forth below:

(a) equity shares of a company: the least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
(b) the entire group of the investee company: the least of 10% of the respective fund in case of a life

insurer or 10% of investment assets in case of a general insurer or reinsurer (25% in case of ULIPS); and

(c) the industry sector in which the investee company operates: 10% of the insurer's total investment exposure to the industry sector (25% in case of ULIPS).

Bids by provident funds/ pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason thereof.

The above information is given for the benefit of the Bidders. The Company and/or the Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Bidders are advised to make their independent investigations and are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Prospectus.

Bids by Eligible Employees

Bids under the Employee Reservation Portion shall be subject to the following:

- Only Eligible Employees would be eligible to apply in this Issue under the Employee Reservation Portion.

- The sole/ First Bidder shall be an Eligible Employee.

- Bid shall be made only in the prescribed Bid cum Application Form (*i.e.* Bid cum Application Form with a blue border on pink paper/ASBA Bid cum Application Form with a green border on blue paper).

- Only those Bids, which are received at or above the Issue Price net of Eligible Employee Discount, would be considered for allocation under this category.

- Eligible Employees may Bid up to ₹ 200,000 in any of the Bidding options at Cut-Off Price net of Eligible Employee Discount or otherwise such that the Payment Amount does not exceed ₹ 200,000.

- The value of Allotment to any Eligible Employee shall not exceed ₹ 200,000.

- The Bids must be for a minimum of 100 Equity Shares and in multiples of 100 Equity Shares thereafter.

- Bid by an Eligible Employee can be made also in the Net Issue portion and such Bids shall not be treated as multiple Bids. Further, Bids by an Eligible Employee in the Employee Reservation Portion and in the L&T Shareholders Reservation Portion (subject to the Payment Amount being up to ₹ 200,000) shall not be treated as multiple Bids. To clarify, an L&T Shareholder Bidding in the L&T Shareholders Reservation Portion above ₹ 200,000 cannot Bid in any of the Employee Reservation Portion or the Net Issue as such Bids will be treated as multiple Bids. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories. For further details please see "*Issue Procedure – Multiple Bids*" on page 442 of this Prospectus.

- If the aggregate demand in this category is less than or equal to 10,000,000 Equity Shares at or above the Issue Price, full allocation shall be made to the Eligible Employees to the extent of their demand.

- Spill-over to the extent of any under subscription in the Employee Reservation Portion may be permitted from the L&T Shareholders Reservation Portion, subject to which spill-over shall be permitted from the Net Issue in the following order of preference: (1) Retail Portion; (2) Non-Institutional Portion; and (3) QIB Portion. Provided that at least 50% of the Net Issue shall be Allotted to QIBs and in the event at least 50% of the Net Issue cannot be Allotted to QIBs, the entire application money shall be refunded forthwith.

- Under subscription, if any, in any category other than the QIB Portion, shall be met with spill-over from other categories, at the sole discretion of our Company, in consultation with the Lead Managers.

In case of under- subscription in the Net Issue, spill-over to the extent of under subscription shall be permitted from the Employee Reservation Portion.

- If the aggregate demand in this category is greater than 10,000,000 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of Allotment, refer to the section titled "*Issue Procedure - Basis of Allotment*" on page 448 of this Prospectus.

- An Eligible Employee Discount of ₹ 2 to the Issue Price is offered to Eligible Employees.

- Eligible Employees should quote their PAN while Bidding in the Employee Reservation Portion. Failure to quote the PAN or any error or mismatch of the same with the records of our Company are liable to be rejected.

Bids by L&T Shareholders

Bids under the L&T Shareholders Reservation Portion shall be subject to the following:

- Only L&T Shareholders (*i.e.* Individuals and HUFs who are equity shareholders of the Promoter, L&T (excluding such other persons not eligible under applicable laws, rules, regulations and guidelines) as at the date of the Red Herring Prospectus) would be eligible to apply in this Issue under the L&T Shareholders Reservation Portion.

- L&T Shareholders must indicate their folio number in the Bid cum Application Form considered for Allotment in the L&T Shareholders Reservation Portion.

- The sole/ First Bidder shall be an L&T Shareholder.

- Bid shall be made only in the prescribed Bid cum Application Form or Revision Form (*i.e.* Bid cum Application Form with a black border on white paper/ASBA Bid cum Application Form with a black border on white paper).

- Only those Bids, which are received at or above the Issue Price, would be considered for allocation under this category.

- The Bids must be for a minimum of 100 Equity Shares and in multiples of 100 Equity Shares thereafter.

- Bid by an L&T Shareholder in L&T Shareholders Reservation Portion (subject to the Payment Amount being up to ₹ 200,000) and in the Net Issue portion shall not be treated as multiple Bids. Further, Bid by an L&T Shareholder in L&T Shareholders Reservation Portion (subject to the Payment Amount being up to ₹ 200,000) and in the Employee Reservation Portion shall not be treated as multiple Bids. Also, Bids by an L&T Shareholder (subject to the Payment Amount in the L&T Shareholder Reservation Portion being up to ₹ 200,000) in the Employee Reservation Portion and in the Net Issue portion shall not be treated as multiple Bids. To clarify, an L&T Shareholder Bidding in the L&T Shareholders Reservation Portion above ₹ 200,000 cannot Bid in any of the Employee Reservation Portion or the Net Issue as such Bids will be treated as multiple Bids. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories. For further details please see "*Issue Procedure – Multiple Bids*" on page 442 of this Prospectus.

- If the aggregate demand in this category is less than or equal to 23,076,923 Equity Shares at or above the Issue Price, full allocation shall be made to the L&T Shareholders to the extent of their demand.

- Spill-over to the extent of any under subscription in the L&T Shareholders Reservation Portion may be permitted from the Employee Reservation Portion, subject to which spill-over shall be permitted from the Net Issue in the following order of preference: (1) Retail Portion; (2) Non-Institutional Portion; and (3) QIB Portion. Provided that at least 50% of the Net Issue shall be Allotted to QIBs and in the event at least 50% of the Net Issue cannot be Allotted to QIBs, the entire application money shall be refunded forthwith.

- Under subscription, if any, in any category other than the QIB Portion, shall be met with spill-over from other categories, at the sole discretion of our Company, in consultation with the Lead Managers. In case of under-subscription in the Net Issue, spill-over to the extent of under subscription shall be permitted from the L&T Shareholders Reservation Portion.

- If the aggregate demand in this category is greater than 23,076,923 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of Allotment, refer to the section titled "*Issue Procedure - Basis of Allotment*" on page 448 of this Prospectus.

- L&T Shareholders should quote their PAN while Bidding in the L&T Shareholders Reservation Portion. Failure to quote the PAN or any error or mismatch of the same with the records available with the Registrar as of the date of this Prospectus are liable to be rejected. In case of L&T Shareholders where the Registrar is not able to validate Bids on account of non availability of information in relation to the PANs (due to the shareholding by such L&T Shareholders being in physical form), the Registrar shall validate the Bid on matching the full name of the first applicant with the records as available with the Registrar, which shall be as of the date of this Prospectus. In case of a mismatch in the name of such L&T Shareholder with the records submitted by the Registrar, the Bid shall not be considered in the L&T Shareholders Reservation Portion and shall be treated either as part of the Retail Portion or Non-Institutional Portion, based on the Payment Amount specified in the Bid cum Application Form.

Maximum and Minimum Bid Size

1. *For Retail Individual Bidders*: The Bid must be for a minimum of 100 Equity Shares and in multiples of 100 Equity Shares thereafter, so as to ensure that the Payment Amount does not exceed ₹ 200,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Payment Amount does not exceed ₹ 200,000. In case the Payment Amount is over ₹ 200,000 due to revision of the Bid or revision of the Price Band or on exercise of Cut-off option, the Bid would be considered for allocation under the Non-Institutional Portion. The Cut-off option is an option given to the Retail Individual Bidders indicating their agreement to Bid and purchase the Equity Shares at the Issue Price as determined pursuant to the Book Building Process.

2. *For Other Bidders (Non-Institutional Bidders and QIBs)*: The Bid must be for a minimum of such number of Equity Shares such that the Payment Amount exceeds ₹ 200,000 and in multiples of 100 Equity Shares thereafter. A Bid cannot be submitted for more than the Issue Size. However, the maximum Bid by a QIB Bidder should not exceed the investment limits prescribed for them by applicable laws. **A QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay the full Payment Amount upon submission of the Bid**.

   In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Payment Amount is greater than ₹ 200,000 for being considered for allocation in the Non-Institutional Portion. In case the Payment Amount reduces to ₹ 200,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders, QIBs and L&T Shareholders Bidding in the L&T Shareholders Reservation Portion for an amount greater than ₹ 200,000 are not allowed to Bid at Cut-off.

3. *For Bidders in the Anchor Investor Portion*: The Bid must be for a minimum of such number of Equity Shares such that the Payment Amount exceeds ₹ 100 million and in multiples of 100 Equity Shares thereafter. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids. A Bid cannot be submitted for more than 30% of the QIB Portion. **Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date and are required to pay the full Payment Amount upon the submission of the Bid**. In the event of the Issue Price being higher than the price at which allocation is made to Anchor Investors, the Anchor Investors shall be required to pay such additional amount to the extent of shortfall between the price at which allocation is made to them and the Issue Price as per the pay-in date mentioned in the revised CAN. If the Issue Price is lower than the price at which allocation is made to Anchor Investors, the amount in excess of the Issue Price paid by Anchor Investors shall not be refunded to them.

4. *For Employee Reservation Portion*: The Bid must be for a minimum of 100 Equity Shares and in multiples of 100 Equity Shares thereafter, so as to ensure that the Payment Amount by any Eligible Employee does not exceed ₹ 200,000. Bidders in the Employee Reservation Portion may Bid at Cut-Off Price net of Eligible Employee Discount. The Allotment in the Employee Reservation Portion will be on a proportionate basis in case of over-subscription in this category. Further, the value of Allotment to any Eligible Employee shall not exceed ₹ 200,000. **Bidders may note that the total Bid Amount net of Eligible Employee Discount *i.e.* the Payment Amount will be used to determine whether the Bid exceeds ₹ 200,000 or not**.

5. *For L&T Shareholders Reservation Portion*: The Bid must be for a minimum of 100 Equity Shares and in multiples of 100 Equity Shares thereafter. The Allotment in the L&T Shareholders Reservation Portion will be on a proportionate basis in case of over-subscription in this category.

Information for the Bidders:

1. The Company and the Lead Managers has declared the Bid/Issue Opening Date and the Bid/Issue Closing Date in the Red Herring Prospectus registered with the RoC and has also published the same all editions of Indian Express (a widely circulated English national newspaper), all editions of Jansatta (a widely circulated Hindi national newspaper) and Loksatta (a Marathi newspaper of wide circulation in the place where the Registered Office is situated). This advertisement was in the prescribed format.

2. The Company has filed the Red Herring Prospectus with the RoC at least three days before the Bid/Issue Opening Date.

3. Copies of the Bid cum Application Form and copies of the Red Herring Prospectus will be available with the Syndicate. The SCSBs shall ensure that the abridged prospectus is made available on their websites. ASBA Bidders can also obtain a copy of the abridged prospectus and/or the ASBA Bid cum Application Form in electronic form from the websites of the SCSBs and the Stock Exchanges.

4. Any Bidder (who is eligible to invest in the Equity Shares) who would like to obtain the Red Herring Prospectus and/or the Bid cum Application Form or ASBA Bid cum Application Form can obtain the same from the Registered Office.

5. Eligible Bidders who are interested in subscribing for the Equity Shares should approach any of the Lead Managers or Syndicate Members or their authorised agent(s) to register their Bids. Bidders who wish to use the ASBA process should approach the Designated Branches of the SCSBs to register their Bids, except for Syndicate ASBA Bidders who should approach the Syndicate in order to register their Bids.

6. Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms and ASBA Bid cum Application Forms, which are submitted by the Syndicate ASBA Bidders, should bear the stamp of the Syndicate, otherwise they will be rejected. Bids by Syndicate ASBA Bidders shall be accepted by the Syndicate who shall in turn forward the same to the SCSBs, in accordance with the SEBI ICDR Regulations and any circulars issued by SEBI in this regard. Bids by ASBA Bidders apart from Syndicate ASBA Bidders shall be accepted by the Designated Branches of the SCSBs in accordance with the SEBI ICDR Regulations and any circulars issued by SEBI in this regard. Such Bids should be submitted on the ASBA Bid cum Application Forms bearing the stamp of the relevant SCSB, otherwise they will be rejected.

7. The Company shall ensure that adequate copies of the Red Herring Prospectus and the ASBA Bid cum Application Form are made available to the SCSBs and the Syndicate at the Syndicate ASBA Centres. The SCSBs and Syndicate, at Syndicate ASBA Centres, will make such copies available to investors applying under the ASBA process. Additionally, our Company shall ensure that the SCSBs are provided with soft copies of the abridged prospectus and the ASBA Bid cum Application Form. The SCSBs shall make such documents available on their websites. The ASBA Bid cum Application Form shall also be available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date. The Lead Managers shall ensure that certain information, including a soft copy of the abridged prospectus, is provided to the Stock Exchanges at least two days prior to the Bid/Issue Opening Date to enable the Stock Exchanges to include such information in the ASBA Bid-cum-Application Form before it is made available on their websites.

8. ASBA Bidders shall correctly mention the bank account number in the ASBA Bid-cum-Application Form and ensure that funds equal to the Payment Amount are available in the bank account maintained with the SCSB. In case the amount available in the bank account specified in the ASBA Bid cum Application Form is insufficient for blocking the amount equivalent to the Payment Amount, the SCSB shall reject the Bid. In the event a Bid is submitted to a member of the Syndicate and upon sending a request to the relevant SCSB, such SCSB is not able to block the Payment Amount due to insufficiency of funds, our Company has the right to reject such Bids.

9. If the ASBA Account holder is different from the ASBA Bidder, the ASBA Bid-cum-Application Form should be signed by the account holder as provided in the ASBA Bid-cum-Application Form.

10. More than one ASBA Bidder may Bid for Equity Shares using the same ASBA Account, provided

that the SCSBs shall not accept a total of more than five ASBA Bid cum Application Forms from such ASBA Bidders with respect to any single ASBA Account.

11. Except for Bids submitted on behalf of the Central Government or the State Government or officials appointed by a court and Bidders resident in the state of Sikkim who may be exempt from specifying their PAN for transacting in the securities market, all Bidders should mention their Permanent Account Number (PAN) allotted under the IT Act. In case of Bids submitted on behalf of the Central Government or the State Government or officials appointed by a court, such Bidders shall provide sufficient documentary evidence in support of the fact that such Bids have been submitted on behalf of the Central Government or the State Government or officials appointed by a court. Residents of Sikkim shall provide sufficient documentary evidence in support of their address as provided in the SEBI MRD circular MRD/DOP/Dep/cir-29/2004 dated August 24, 2004.

12. With effect from August 16, 2010, the beneficiary accounts of Bidders for whom PAN details have not been verified have been labelled "suspended for credit" by the Depositories, and no credit of Equity Shares pursuant to the Issue will be made in the accounts of such Bidders.

The applicants should note that in the event that the Depository Participant identification number (DP ID), the client identification number (Client ID) and PAN mentioned in their Bid-cum-Application Form/ASBA Bid-cum-Application Form and entered into the electronic bidding system of the Stock Exchanges by the Syndicate Members or Designated Branches of the SCSBs, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bid is liable to be rejected.

Based on the information provided by the Depositories, the Company shall have the right to accept Bids belonging to an account for the benefit of a minor (under guardianship).

Additional information specific to ASBA Bidders

1. ASBA Bid cum Application Forms in physical form will be available with the Designated Branches and with the members of the Syndicate; and electronic ASBA Bid cum Application Forms will be available on the websites of the SCSBs and the Stock Exchanges at least one day prior to the Bid/Issue Opening Date. Further, the SCSBs will ensure that the abridged Red Herring Prospectus is made available on their websites.

2. SCSBs may provide the electronic mode of Bidding either through an internet enabled Bidding and banking facility or such other secured, electronically enabled mechanism for Bidding and blocking funds in the ASBA Account. Eligible ASBA Bidders may also approach the Designated Branches to register their Bids through the ASBA process.

3. SCSBs shall accept Bids only during the Bidding/Issue Period and only from ASBA Bidders. SCSBs shall not accept any ASBA Bid cum Application Forms after the closing time for acceptance of Bids on the Bid/Issue Closing Date.

4. Each ASBA Bid cum Application Form shall bear the stamp of the Designated Branch or the members of the Syndicate (in case of Bids by Syndicate ASBA Bidders), if not, the same shall be rejected.

Method and Process of Bidding

1. The Company, in consultation with the Lead Managers, decided the Price Band and the minimum Bid lot size for the Issue and quantum of Eligible Employee Discount in ₹, which was advertised in all editions of Indian Express (a widely circulated English national newspaper), all editions of Jansatta (a widely circulated Hindi national newspaper) and Loksatta (a Marathi newspaper of wide circulation in the place where the Registered Office is situated) least two Working Days prior to the Bid/Issue Opening Date. The Syndicate and the SCSBs has accepted Bids from the Bidders only during the Bidding/Issue Period.

2. The Bidding/Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bidding/Issue Period may be extended, if required, subject to the total Bidding/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bidding/Issue Period, if applicable, will be published in all editions of Indian Express (a widely circulated English national newspaper), all editions of Jansatta (a widely circulated Hindi national newspaper) and Loksatta (a Marathi newspaper of wide circulation in the place where the Registered Office is situated) and also by indicating the change on the websites of the Lead Managers and at the terminals of the members of the Syndicate.

3. During the Bidding/Issue Period, Bidders who are interested in subscribing for the Equity Shares should approach the Syndicate or their authorised agents to register their Bids. Bids by QIBs, Non-Institutional Bidders and L&T Shareholders Bidding under the L&T Shareholders Reservation Portion for a Payment Amount of above ₹ 200,000 should be compulsorily by way of ASBA. Bids by QIBs will have to be submitted for processing *via* ASBA. The members of the Syndicate shall accept Bids from all Bidders and Syndicate ASBA Bidders; and have the right to vet the Bids during the Bidding/Issue Period in accordance with the terms of the Red Herring Prospectus. Bidders (other than Syndicate ASBA Bidders) who wish to use the ASBA process should approach the Designated Branches of the SCSBs to register their Bids.

4. Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph titled "*Bids at Different Price Levels*" below) within the Price Band and specify the demand (*i.e.*, the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid price, will become automatically invalid.

5. The Bidder cannot Bid on another Bid cum Application Form after Bids on one Bid cum Application Form have been submitted to any member of the Syndicate or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate or SCBS will be treated as multiple Bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph titled "*Build-up of the Book and Revision of Bids*".

6. Bids by an Eligible Employee in the Employee Reservation Portion, in the Net Issue portion and in the L&T Shareholders Reservation Portion (subject to the Payment Amount being up to ₹ 200,000) where such employee is an L&T shareholder shall not be treated as multiple Bids. To clarify, an L&T Shareholder Bidding in the L&T Shareholders Reservation Portion above ₹ 200,000 cannot Bid in any of the Employee Reservation Portion or the Net Issue as such Bids will be treated as multiple Bids. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories. For further details please see "*Issue Procedure – Multiple Bids*" on page 442 of this Prospectus.

7. Bids by an L&T Shareholder in the L&T Shareholders Reservation Portion (subject to the Payment Amount being up to ₹ 200,000) and in the Net Issue portion shall not be treated as multiple Bids. Further, Bids by an L&T Shareholder in the L&T Shareholders Reservation Portion (subject to the Payment Amount being up to ₹ 200,000) and in the Employee Reservation Portion shall not be treated as multiple Bids. To clarify, an L&T Shareholder Bidding in the L&T Shareholders Reservation Portion above ₹ 200,000 cannot Bid in any of the Employee Reservation Portion or the Net Issue as such Bids will be treated as multiple Bids. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories. For further details please see "*Issue Procedure – Multiple Bids*" on page 442 of this Prospectus.

8. Except in relation to Bids received from the Anchor Investors, the members of the Syndicate/the SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, ("**TRS**"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.

9. The Lead Managers or their Affiliates shall accept the Bids from the Anchor Investors during the Anchor Investor Bid/Issue Period *i.e.* one day prior to the Bid/Issue Opening Date. Bids by QIBs under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.

10. Along with the Bid cum Application Form, all Bidders (other than ASBA Bidders) will make payment in the manner described in the section titled "*Issue Procedure – Payment Instructions*" on page 439 of this Prospectus.

11. Upon receipt of the ASBA Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Payment Amount are available in the ASBA Account, as mentioned in the ASBA Bid cum Application Form, prior to uploading such Bids with the Stock Exchanges.

12. If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchanges.

13. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Payment Amount mentioned in the ASBA Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.

14. The identity of a QIB (other than an Anchor Investor who has been allocated Equity Shares) Bidding in the Issue shall not be made public.

Bids at Different Price Levels

1. The Company, in consultation with the Lead Managers, reserves the right to revise the Price Band during the Bidding/Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on either side, *i.e.*, the floor price can move up or down to the extent of 20% of the floor price disclosed at least two days prior to the Bid/Issue Opening Date and the Cap Price will be revised accordingly.

2. The Company, in consultation with the Lead Managers has finalised the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Bidders.

3. The Company, in consultation with the Lead Managers, finalised the Anchor Investor Issue Price within the Price Band in accordance with this section, without the prior approval of, or intimation, to the Anchor Investors.

4. The Company in consultation with the Lead Managers, has decided the minimum number of Equity Shares for each Bid to ensure that the application value is within the range of ₹ 5,000 to ₹ 7,000.

5. The Bidders could have Bid at any price within the Price Band. The Bidder had to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders, Eligible Employees Bidding in the Employee Reservation Portion and L&T Shareholders Bidding in the L&T Shareholders Reservation Portion (subject to the Payment Amount being up to ₹ 200,000), could have Bid at the Cut-off Price. However, Bidding at Cut-off Price was prohibited for QIBs, Non-Institutional Bidders and L&T Shareholders Bidding in the L&T Shareholders Reservation Portion for an amount greater than ₹ 200,000, and such Bids from QIBs and Non-Institutional Bidders shall be rejected.

6. Retail Individual Bidders, Eligible Employees Bidding in the Employee Reservation Portion and L&T Shareholders Bidding in the L&T Shareholders Reservation Portion (subject to the Payment Amount being up to ₹ 200,000) who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders, Eligible Employees Bidding in the Employee Reservation Portion and L&T Shareholders Bidding in the L&T Shareholders Reservation Portion (subject to the Payment Amount being up to ₹ 200,000) shall submit the Bid cum Application Form along with a cheque/demand draft for the Payment Amount based on the Cap Price with the members of the Syndicate. In case of ASBA Bidders who are Retail Individual Bidders, Eligible Employees Bidding in the Employee Reservation Portion and L&T Shareholders Bidding in the L&T Shareholders Reservation Portion (subject to the Payment Amount being up to ₹ 200,000) Bidding at Cut-off Price shall instruct the SCSBs to block the amount based on the Cap Price.

Escrow mechanism, terms of payment and payment into the Escrow Accounts

For details of the escrow mechanism and payment instructions, refer to the section titled "*Issue Procedure – Payment instructions*" on page 439 of this Prospectus.

Electronic Registration of Bids

1. The members of the Syndicate and the SCSBs will register the Bids using the on-line facilities of the Stock Exchanges. There will be at least one on-line connectivity facility in each city, where a stock exchange is located in India and where Bids are being accepted. Our Company and the Registrar are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Bids accepted by the Syndicate Members and the SCSBs, (ii) the Bids uploaded by the Syndicate Members and the SCSBs, (iii) the Bids accepted but not uploaded by the Syndicate Members and the SCSBs or (iv) with respect to ASBA Bids, Bids accepted and uploaded without blocking funds in the ASBA Accounts. However, the members of the Syndicate and/or the SCSBs shall be responsible for any error in the Bid details uploaded by them. It shall be presumed that for Bids uploaded by the

SCSBs and the Syndicate Members for the Syndicate ASBA Bidders, the Payment Amount has been blocked in the relevant ASBA Account. Details of Bids in the Anchor Investor Portion will not be registered using the online facilities of the Stock Exchanges.

2. In case of apparent data entry error by either the members of the Syndicate or the collecting bank in entering the Bid cum Application Form number in their respective schedules, other things remaining unchanged, the Bid cum Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to Stock Exchange(s).

3. The Syndicate and the SCSBs will undertake modification of selected fields in the Bid details already uploaded within one Working Day from the Bid/Issue Closing Date to amend some of the data fields (currently DP ID, Client ID) entered by them in the electronic bidding system. Bidders are cautioned that a high inflow of Bids typically experienced on the last Working Day of the Bidding may lead to some Bids received on the last Working Day not being uploaded due to lack of sufficient uploading time, and such Bids that could not uploaded will not be considered for allocation. Bids will only be accepted on Working Days.

4. The Stock Exchanges will offer an electronic facility for registering Bids for the Issue. This facility will be available with the Syndicate and the Designated Branches and their respective authorised agents and the SCSBs during the Bidding/Issue Period. The Syndicate and the Designated Branches can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for book building on a regular basis. On the Bid/Issue Closing Date, the members of the Syndicate and the Designated Branches shall upload the Bids until such time as may be permitted by the Stock Exchanges. This information will be available with the Lead Managers on a regular basis.

5. Based on the aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges, a graphical representation of consolidated demand and price, as available on the websites of the BSE and the NSE, would be made available at the Bidding centres during the Bidding/Issue Period.

6. At the time of registering each Bid and each ASBA Bid submitted by a Syndicate ASBA Bidder, the Syndicate and the Designated Branches shall enter the following details of each Bidder in the on-line system, as applicable:

- Name of the Bidder

  Bidders should ensure that the name given in the Bid cum Application Form is exactly the same as the name in which the Depositary Account is held. In case the Bid cum Application Form is submitted in joint names, Bidders should ensure that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form;

- IPO Name;
- Bid cum Application Form Number;
- Investor Category;
- First Applicant PAN;
- Demat ID;
- Beneficiary Account Number and Client ID;
- Quantity Option;
- Price Option;
- Cheque Amount (other than ASBA Bidders); and
- Cheque Number (other than ASBA Bidders).

In case of submission of the Bid by an ASBA Bidder through the electronic mode, the ASBA Bidder shall complete the above-mentioned details and mention the bank account number, except the ASBA Bid-cum-Application Form number which shall be system generated.

7. Upon request, a system generated TRS will be given to the Bidder as a proof of the registration of each of the Bidding options. It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate or the Designated Branches of the SCSBs, as the case may be. The registration of the Bid by the member of the Syndicate or the Designated Branches of the SCSBs does not guarantee that the Equity Shares shall be allocated / Allotted either by the members of the Syndicate or our Company.

8. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

9. In case of QIB Bidders, the Lead Managers or their Affiliates have the right to accept the Bid or reject it. However, such rejection shall be at the time of receiving the Bid and only after assigning a reason for such rejection in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, Bids will be rejected only on technical grounds listed in this Prospectus. The members of the Syndicate may also reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect. The SCSBs shall have no right to reject Bids except on technical grounds.

10. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements; by our Company, the Lead Managers or Designated Branches of the SCSBs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the Promoters, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

11. Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/Allotment. Members of the Syndicate and the Designated Branches of the SCSBs will be given up to one working day after the Bid/Issue Closing Date to verify DP ID and Client ID uploaded in the online IPO system during the Bidding/Issue Period after which the data will be sent to the Registrar for reconciliation and Allotment of Equity Shares. In case of any discrepancy of data between the BSE or the NSE and the members of the Syndicate or the Designated Branches of the SCSBs, the decision of our Company, in consultation with the Lead Managers and the Registrar, shall be final and binding on all concerned.

12. Details of Bids in the Anchor Investor Portion will not be registered on the on-line facilities of electronic facilities of the Stock Exchanges.

13. The members of the Syndicate located at the Syndicate ASBA Centres shall, before accepting the ASBA Bid cum Application Forms, satisfy themselves that the SCSBs whose name has been filled in the ASBA Bid cum Application Forms, has named a branch in that centre to accept the ASBA Bid cum Application Forms.

Build-up of the Book and Revision of Bids

1. Bids received from various Bidders (except Anchor Investors) through the members of the Syndicate and the SCSBs shall be electronically uploaded to the Stock Exchanges' mainframe on a regular basis.
2. The book gets built up at various price levels. This information will be available with the Lead Managers at the end of each day of the Bidding/Issue Period.
3. During the Bidding/Issue Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form, which is a part of the Bid cum Application Form.
4. Revisions can be made in both the desired number of Equity Shares and the Payment Amount by using the Revision Form. Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and such Bidder is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being revised in the Revision Form. The members of the Syndicate and the Designated Branches of the SCSBs will not accept incomplete or inaccurate Revision Forms.
5. The Bidder can make this revision any number of times during the Bidding/Issue Period. However,

for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate or the SCSB through whom such Bidder had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.

6. In case of an upward revision in the Price Band announced as above, Retail Individual Bidders, and Eligible Employees Bidding in the Employee Reservation Portion who had Bid at Cut-off Price could either (i) revise their Bid or (ii) shall make additional payment based on the cap of the revised Price Band (such that the total amount *i.e.*, original Payment Amount plus additional payment does not exceed ₹ 200,000) with the members of the Syndicate to whom the original Bid was submitted. In case the total amount (*i.e.*, original Payment Amount plus additional payment) exceeds ₹ 200,000, in the case of Retail Individual Bidders, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.
7. In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders, Eligible Employees Bidding in the Employee Reservation Portion and L&T Shareholders Bidding in the L&T Shareholders Reservation Portion (subject to the Payment Amount being up to ₹ 200,000), who have Bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding would be refunded from the Escrow Account or unblocked by the SCSBs.
8. The Company, in consultation with the Lead Managers, has decided the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 5,000 to ₹ 7,000.
9. Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. With respect to the ASBA Bids, if revision of the Bids results in an incremental amount, the SCSBs shall block the additional Payment Amount. In case of Bids, other than ASBA Bids, the members of the Syndicate shall collect the payment in the form of cheque or demand draft if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions. In such cases, the members of the Syndicate will revise the earlier Bid details with the revised Bid and provide the cheque or demand draft number of the new payment instrument in the electronic book. The Registrar will reconcile the Bid data and consider the revised Bid data for preparing the Basis of Allotment. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of the Red Herring Prospectus.
10. When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and may get a revised TRS from the members of the Syndicate or the SCSB, as applicable. It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.
11. If an ASBA Bidder wants to withdraw the ASBA Bid-cum-Application Form during the Bidding/Issue Period, the ASBA Bidder shall submit the withdrawal request to the SCSB or to the members of the Syndicate, as the case may be, which shall perform the necessary actions, including deletion of details of the withdrawn ASBA Bid cum Application Form from the electronic bidding system of the Stock Exchanges and unblocking of funds in the relevant bank account.
12. If an ASBA Bidder, excluding QIBs, wants to withdraw the ASBA Bid-cum-Application Form after the Bid/Issue Closing Date, such ASBA Bidder shall submit the withdrawal request to the Registrar to the Issue before finalization of basis of Allotment. The Registrar to the Issue shall delete the withdrawn Bid from the Bid file. The instruction for and unblocking of funds in the relevant bank account, in such withdrawals, shall be forwarded by the Registrar to the Issue to the SCSB once the basis of Allotment has been approved by the Designated Stock Exchange.
13. QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date.

Price Discovery and Allocation

After the Bid/Issue Closing Date, the Registrar to the Issue shall aggregate the demand generated under the ASBA process with the Bids received under the non-ASBA process to determine the demand generated at different price levels. Thereafter, the Lead Managers shall analyze the demand generated at various price levels and discuss pricing strategy with our Company.

1. Based on the demand generated at various price levels, our Company, in consultation with the Lead Managers, shall finalise the Issue Price and the number of Equity Shares to be allocated in each investor category.

2. Spill-over to the extent of any under subscription in any of the Employee Reservation Portion or the L&T Shareholders Reservation Portion may be permitted from any of the Employee Reservation Portion or the L&T Shareholders Reservation Portion, as the case may be, subject to which spill-over shall be permitted from the Net Issue in the following order of preference: (1) Retail Portion; (2) Non-Institutional Portion; and (3) QIB Portion. Provided that at least 50% of the Net Issue shall be Allotted to QIBs and in the event at least 50% of the Net Issue cannot be Allotted to QIBs, the entire application money shall be refunded forthwith. In the event of under subscription in the Net Issue, spill over to the extent of under subscription shall be allowed from the Employee Reservation Portion and/or the L&T Shareholders Reservation Portion, as the case may be. In case of under subscription in any category other than the QIB Portion, investors from other categories or a combination of categories may be allocated Equity Shares amounting to the shortfall if so decided by our Company in consultation with the Lead Managers and the Designated Stock Exchange.

3. Only Bids that are uploaded on the online system of the Stock Exchanges shall be considered for allocation/ Allotment. The members of the Syndicate and the SCSBs shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Bid data in the electronic Bidding systems of the Stock Exchanges. In order that the data so captured is accurate the members of the Syndicate and the SCSBs will be given up to one Working Day after the Bid/Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

4. In case no corresponding record is available with the Depositories, which matches with any of the three parameters, namely, DP ID, Client ID and PAN, then such Bids are liable to be rejected.

5. Allocation to Non-Residents, including Eligible NRIs and FIIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.

6. The Basis of Allotment approved by the Designated Stock Exchange shall be put up on the website of the Registrar to the Issue.

7. Allocation to Anchor Investors shall be at the discretion of our Company in consultation with the Lead Managers, subject to compliance with the SEBI ICDR Regulations.

8. QIBs shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date. Further, the Anchor Investors shall not be allowed to withdraw their Bids after the Anchor Investor Bidding Date.

Signing of Underwriting Agreement and RoC Filing

1. The Company, the Lead Managers and the Syndicate Members have entered into an Underwriting Agreement dated August 3, 2011.

2. After signing the Underwriting Agreement, our Company has filed this Prospectus with the RoC in accordance with the applicable law and contains details of the Issue Price, Issue size, underwriting arrangements and is complete in all material respects.

Pre-Issue Advertisement

Subject to Section 66 of the Companies Act, our Company has, after registering the Red Herring Prospectus with the RoC, published a pre-Issue advertisement, in the form prescribed by the SEBI ICDR Regulations, in one English national daily newspaper and one Hindi national daily newspaper, each with wide circulation, and one Marathi newspaper of wide circulation in the place where our Company's Registered Office is situated.

Advertisement regarding Issue Price and Prospectus

The Company will issue a statutory advertisement after the filing of this Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price and the Anchor Investor Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of this Prospectus will be included in such statutory advertisement.

Issuance of Confirmation of Allotment Notice ("CAN")

1. Upon approval of the Basis of Allotment by the Designated Stock Exchange and Allotment of the Equity Shares, the Registrar to the Issue shall send to the members of the Syndicate and to the controlling Branches of the SCSBs, a list of the Bidders who have been Allotted Equity Shares. The approval of the Basis of Allotment by the Designated Stock Exchange for QIB Bidders (including Anchor Investors) may be done simultaneously with or prior to the approval of the Basis of Allotment for the Retail and Non-Institutional Bidders. However, Bidders should note that our Company shall ensure that the Allotment of the Equity Shares is done within 12 Working Days of the Bid/Issue Closing Date. Bidder should also note that our Company shall ensure that the instructions by our Company for demat credit of the Equity Shares to all investors in the Issue shall be given on the same or the next date as the date of Allotment.

2. The Registrar to the Issue will then dispatch a CAN to the Bidders who have been Allotted Equity Shares. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder.

Notice to Anchor Investors: Anchor Investor Confirmation of Allocation Notice, Allotment Reconciliation

At the discretion of our Company the Lead Managers, select Anchor Investors may be sent an Anchor Investor Confirmation of Allocation Notice, within two Working Days of the Anchor Investor Bidding Date, indicating the number of Equity Shares that may be allocated to them. This provisional Anchor Investor Confirmation of Allocation Notice and the final allocation is subject to the physical application being valid in all respect along with receipt of stipulated documents and the Issue Price being finalised at a price not higher than the Anchor Investor Issue Price and Allotment by the Board of Directors. In the event that the Issue Price is higher than the Anchor Investor Issue Price, a CAN will be sent to the Anchor Investors. The price of Equity Shares in such CAN shall be different from that specified in the Anchor Investor Confirmation of Allocation Notice. Anchor Investors should note that they shall be required to pay additional amounts, being the difference between the Issue Price and the price at which such Anchor Investors made their original Bid, as indicated in the CAN. Any CAN, if issued, to Anchor Investor will supersede in entirety the Anchor Investor Confirmation of Allocation Notice. The final allocation is subject to the physical application being valid in all respects along with receipt of stipulated documents and the Issue Price being finalised at a price not higher than the Anchor Investor Issue Price and Allotment by the Board of Directors.

Unblocking of ASBA Account

Once the basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue shall provide the following details to the Controlling Branches of each SCSB, along with instructions to unblock the relevant bank accounts and transfer the requisite money to the Public Issue Account designated for this purpose, within the timelines specified in the ASBA facility: (i) the number of Equity Shares to be Allotted against each valid ASBA Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each valid ASBA Bid, (iii) the date by which funds referred to in (ii) above shall be transferred to the Public Issue Account, and (iv) details of rejected ASBA Bids, if any, along with reasons for rejection and details of withdrawn and/or unsuccessful ASBA Bids, if any, to enable SCSBs to unblock the respective bank accounts. On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Bidder to the Public Issue Account and shall unblock the excess amount, if any, in the ASBA Account. However, the Payment Amount may be unblocked in the ASBA Account prior to receipt of notification from the Registrar to the Issue by the Controlling Branch of the SCSB in relation to the approval of the basis of Allotment in the Issue by the Designated Stock Exchange in the event of withdrawal or failure of the Issue or rejection of the ASBA Bid, as the case may be.

Designated Date and Allotment of Equity Shares

1. The Company will ensure that (i) Allotment of the Equity Shares; (ii) credit to the successful Bidder's depositary account is completed within 12 Working Days of the Bid/Issue Closing Date.

2. In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees.

3. Allottees will have the option to re-materialise the Equity Shares so Allotted as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated/Allotted to them pursuant to this Issue.

GENERAL INSTRUCTIONS

Do's:

1. Check if you are eligible to apply having regard to applicable laws, regulations and approvals and the terms of the Red Herring Prospectus;

2. Ensure that you have Bid within the Price Band;

3. Read all the instructions carefully and complete the Bid cum Application Form;

4. Ensure that the details about the PAN, DP ID and Client ID are correct as Allotment of Equity Shares will be in dematerialised form only;

5. Ensure that the Bids including Bids by Syndicate ASBA Bidders are submitted at the bidding centres or Syndicate ASBA Centres, as applicable, only on forms bearing the stamp of a member of the Syndicate or with respect to ASBA Bidders except the Bids by the Syndicate ASBA Bidders ensure that your Bid is submitted at a Designated Branch of the SCSB where the ASBA Bidder or the person whose bank account will be utilised by the ASBA Bidder for Bidding has a bank account;

6. With respect to ASBA Bids, ensure that the ASBA Bid cum Application Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the ASBA Bid cum Application Form;

7. Ensure that you have collected a TRS for all your Bid options;

8. Ensure that you have funds equal to the Payment Amount in your bank account maintained with the SCSB before submitting the ASBA Bid cum Application Form to the respective Designated Branch of the SCSB or to the members of the Syndicate, as the case may be;

9. Ensure that the full Payment Amount is paid for the Bids submitted to the members of the Syndicate except the Bids by the Syndicate ASBA Bidders and funds equivalent to the Payment Amount are blocked in case of any Bids submitted through the SCSBs or the members of the Syndicate in case of Bids by the Syndicate ASBA Bidders.

10. Instruct your respective banks to not release the funds blocked in the bank account under the ASBA process;

11. Submit revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;

12. Except for Bids submitted on behalf of the Central Government or the State Government or officials appointed by a court and Bidders resident in the state of Sikkim who may be exempt from specifying their PAN for transacting in the securities market, all Bidders should mention their Permanent Account Number (PAN) allotted under the IT Act. In case of Bids submitted on behalf of the Central Government or the State Government or officials appointed by a court, such Bidders shall provide sufficient documentary evidence in support of the fact that such Bids have been submitted on behalf of the Central Government or the State Government or officials appointed by a court. Residents of Sikkim shall provide sufficient documentary evidence in support of their address as provided in the SEBI MRD circular MRD/DOP/Dep/cir-29/2004 dated August 24, 2004;

13. Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;

14. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form.

    In addition, ASBA Bidders should ensure that:

    14.1 the ASBA Bid-cum-Application Form is signed by the account holder in case the applicant is not the account holder;

    14.2 the correct bank account numbers have been mentioned in the ASBA Bid cum Application Form;

14.3 the authorization box in the ASBA Bid-cum-Application Form has been correctly checked, or an authorization to the SCSB through the electronic mode has been otherwise provided, for the Designated Branch to block funds equivalent to the Payment Amount mentioned in the ASBA Bid-cum-Application Form in the ASBA Account maintained with a branch of the concerned SCSB; and

14.4 an acknowledgement from the Designated Branch of the concerned SCSB or from members of Syndicate in case of ASBA Syndicate Bidders for the submission of the ASBA Bid-cum-Application Form has been obtained.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;

2. Do not Bid/revise a Bid to less than the lower end of the Price Band or higher than the higher end of the Price Band;

3. Do not Bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate or the SCSB. If you are an ASBA Bidder, do not Bid on a Non-ASBA Bid cum Application Form after you have submitted a Bid to a Designated Branch of an SCSB or to the Syndicate, as the case may be;

4. Do not pay the Payment Amount in cash, by money order or by postal order or by stockinvest;

5. Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate or the SCSBs only;

6. Do not Bid *via* any mode other than ASBA (for QIBs, Non-Institutional Bidders and L&T Shareholders Bidding under the L&T Shareholders Reservation Portion for a Payment Amount of above ₹ 200,000);

7. Do not submit more than five ASBA Bid-cum-Application Forms per ASBA Account for the Issue;

8. Do not Bid at Cut-off Price (for QIB Bidders, Non-Institutional Bidders and L&T Shareholders Bidding in the L&T Shareholders Reservation Portion for an amount greater than ₹ 200,000);

9. Do not Bid for a Payment Amount exceeding ₹ 200,000 (for Bids by Retail Individual Bidders and for Bids in the Employee Reservation Portion);

10. Do not Bid for less than 100 Equity Shares and in multiples of 100 thereafter (for Bids by L&T Shareholders Bidding in the L&T Shareholders Reservation Portion);

11. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Issue size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;

12. Do not submit the incorrect PAN, depository participant identification number or client identification number details or submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground alone;

13. Do not submit a Bid in case not competent to contract under the Indian Contract Act, 1872, as amended;

14. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;

15. Do not submit Bids without payment of the full Payment Amount; and

16. Do not submit a Bid that does not comply with the securities laws of your respective jurisdictions.

ADDITIONAL INSTRUCTIONS SPECIFIC TO ASBA BIDDERS

Do’s:

1. Check if you are eligible to Bid under ASBA;

2. Ensure that you use the ASBA Bid cum Application Form specified for the purposes of ASBA;

3. If you are a Syndicate ASBA Bidder, before submitting the physical ASBA BCAF with the member of the Syndicate ensure that the SCSB, whose name has been filled in the ASBA BCAF, has named a branch in that centre;

4. Read all the instructions carefully and complete the ASBA Bid cum Application Form;

5. For Syndicate ASBA Bidders, ensure that your ASBA Bid cum Application Form is submitted to the members of the Syndicate at the Syndicate ASBA Centre and not to the Escrow Collection Banks (assuming that such bank is not a SCSB), to our Company or the Registrar to the Issue;

6. Ensure that the ASBA Bid cum Application Form is signed by the ASBA Account holder in case the ASBA Bidder is not the account holder;

7. Ensure that you have mentioned the correct ASBA Account number in the ASBA Bid cum Application Form;

8. Ensure that you have funds equal to the Payment Amount in the ASBA Account before submitting the ASBA Bid cum Application Form to the respective Designated Branch;

9. Ensure that you have correctly ticked, provided or checked the authorisation box in the ASBA Bid cum Application Form, or have otherwise provided an authorisation to the SCSB *via* the electronic mode, for the Designated Branch to block funds in the ASBA Account equivalent to the Payment Amount mentioned in the ASBA Bid cum Application Form;

10. Ensure that you receive an acknowledgement from the Designated Branch or the concerned member of the Syndicate, as the case may be, for the submission of the ASBA Bid cum Application Form;

11. Submit the ASBA Revision Form with the same Designated Branch or concerned member of the Syndicate, as the case may be, through whom the ASBA Bid cum Application Form was placed and obtain a revised acknowledgment; and

12. Ensure that the name(s) given in the ASBA Bid cum Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the ASBA Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the ASBA Bid cum Application Form.

Don'ts:

1. Do not Bid on another ASBA Bid cum Application Form after you have submitted a Bid to a member of the Syndicate or a Designated Branch, as the case may be;

2. Payment of the Payment Amount in any mode other than through blocking of Payment Amount in the ASBA Accounts shall not be accepted under ASBA;

3. Do not submit the ASBA Bid cum Application Form with a member of the Syndicate at a location other than the Syndicate ASBA Centres;

4. Do not send your physical ASBA Bid cum Application Form by post. Instead submit the same with a Designated Branch or a member of the Syndicate, as the case may be; and

5. Do not submit more than five ASBA Bid cum Application Forms per ASBA Account.

INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORMS AND ASBA BID CUM APPLICATION FORMS

Bidders and Syndicate ASBA Bidders can obtain Bid-cum-Application Forms and/or Revision Forms from the members of the Syndicate. ASBA Bidders other than Syndicate ASBA Bidders can obtain ASBA Bid-cum-Application Forms from the Designated Branches of the SCSBs. ASBA Bidders can also obtain a copy of the ASBA Bid-cum-Application Form in electronic form from the websites of the SCSB or the Stock Exchanges.

1. Bids and revisions thereof must be made only in the prescribed Bid cum Application Form or Revision Form, as applicable.

2. Bid cum Application Forms, ASBA Bid cum Application Forms, Revision Forms or ASBA Revision Form are to be completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid cum Application Form or in the Revision Form. Incomplete Bid cum Application Forms or Revision Forms are liable to be rejected. Bidders should note that the Syndicate and / or the SCSBs, as appropriate, will not be liable for errors in data entry due to incomplete or illegible Bid cum Application Forms or Revision Forms.

3. Information provided by the Bidders will be uploaded in the online IPO system by the Syndicate and the SCSBs, as the case may be, and the electronic data will be used to make allocation/ Allotment. The Bidders should ensure that the details are correct and legible.

4. For Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion, the Bid must be for a minimum of 100 Equity Shares and in multiples of 100 thereafter subject to a maximum Payment Amount of ₹ 200,000.

5. For L&T Shareholders Bidding in the L&T Shareholders Reservation Portion the Bid must be for a minimum of 100 Equity Shares and in multiples of 100 thereafter

6. For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares that the Payment Amount exceeds ₹ 200,000 and in multiples of 100 Equity Shares thereafter. Bids cannot be made for more than the Issue. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of Equity Shares that can be held by them under the applicable laws or regulations.

7. For Anchor Investors, Bids must be for a minimum of such number of Equity Shares that the Payment Amount exceeds or is equal to ₹ 100 million and in multiples of 100 Equity Shares thereafter.

8. In single name or in joint names (not more than three, and in the same order as their Depository Participant details).

9. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Bidder's PAN, Depository Account and Bank Account Details

Bidders should note that on the basis of the Depository Participant's identification number, client identification number and PAN provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as "Demographic Details"). These Demographic Details would be used for giving refunds (including through physical refund warrants, direct credit, NECS, NEFT and RTGS) to the Bidders. Hence, Bidders may note that in case the Depository Participant's identification number, client identification number and PAN mentioned in the Bid-cum-Application Form and entered into the electronic Bidding system of the Stock Exchanges by the Syndicate or the SCSBs do not match with the Depository Participant's identification number, client identification number and PAN available in the Depository's database, the Bid is liable to be rejected. Please note that failure to do so could result in delays in despatch/credit of refunds to Bidders at the Bidders sole risk and neither the Lead Managers or the Registrar to the Issue or the Escrow Collection Banks or the SCSBs nor the Company shall have any responsibility and undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form.

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND CLIENT ID IN THE BID CUM APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION

FORM.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the CANs and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Bidders in the Bid cum Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid cum Application Form, the Bidder would be deemed to have authorised the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Refund Orders/CANs/Allotment advice would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/CANs may get delayed if the same once sent to the address obtained from the depositories are returned undelivered. In such an event, the address and other details given by the Bidder in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Bidder's sole risk and neither the Company, Escrow Collection Banks, the Lead Managers shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

Bidders may note that in case the DP ID, Client ID and PAN mentioned in the Bid cum Application Form and entered into the electronic bidding system of the Stock Exchanges by the Syndicate or the SCSBs do not match with the DP ID, Client ID and PAN available in the Depository's database, the application is liable to be rejected.

The Company in their absolute discretion, reserve the right to permit the holder of the power of attorney to request the Registrar to the Issue that for the purpose of printing particulars on the refund order and mailing of the refund order/CANs/allocation advice or refunds through electronic transfer of funds, the Demographic Details given on the Bid cum Application Form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar to the Issue shall use Demographic Details as given in the Bid cum Application Form instead of those obtained from the depositories.

Bids by Non Residents including NRIs and FIIs on a repatriation basis

Bids and revision to Bids must be made in the following manner:

1. On the Bid cum Application Form or the Revision Form, as applicable (*i.e.* Bid cum Application Form with a blue border on blue paper/blue border on white paper (for eligible NRIs applying on a non-repatriation basis) and ASBA Bid cum Application Form with a red border on white paper), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.

2. In a single name or joint names (not more than three and in the same order as their Depositary Participant Details).

3. Bids on a repatriation basis shall be in the names of individuals, or in the name of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.

Bids by Eligible NRIs for a Payment Amount of up to ₹ 200,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Payment Amount of more than ₹ 200,000 would be considered under Non-Institutional Portion for the purposes of allocation.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and/or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. The Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

As per the existing policy of the Government of India, OCBs are not permitted to participate in the Issue.

There is no reservation for Eligible NRIs and FIIs and such applicants will be treated on the same basis with other categories for the purpose of allocation.

Bids under Power of Attorney

In case of Bids (including ASBA Bids) made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with minimum corpus of ₹ 250 million (subject to applicable law) and pension funds with a minimum corpus of ₹ 250 million a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

The Company, in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that our Company and the Lead Managers may deem fit.

PAYMENT INSTRUCTIONS

Escrow Mechanism for Bidders other than ASBA Bidders

The Company and the Syndicate shall open Escrow Accounts with one or more Escrow Collection Bank(s) in whose favour the Bidders (other than ASBA Bidders) shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Payment Amount from Bidders in a certain category would be deposited in the Escrow Account.

The Escrow Collection Banks will act in terms of the Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Banks shall maintain the monies in the Escrow Account until the Designated Date for and on behalf of the Bidders. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares (other than ASBA funds with the SCSBs) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Public Issue Account Bank. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and the Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Banks and the Registrar to the Issue to facilitate collections from the Bidders.

Payment mechanism for ASBA Bidders

The ASBA Bidders shall specify the bank account number in the ASBA Bid cum Application Form and the SCSB shall block an amount equivalent to the Payment Amount in the bank account specified in the Bid cum Application Form. The SCSB shall keep the Payment Amount in the relevant bank account blocked until withdrawal/rejection of the ASBA Bid or receipt of instructions from the Registrar to unblock the Payment Amount. In the event of withdrawal or rejection of Bid cum Application Form or for unsuccessful Bid cum Application Forms, the Registrar shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Payment Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Payment Amount to the Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Bid, as the case may be.

Payment into Escrow Account for Bidders other than ASBA Bidders

Each Bidder other than ASBA Bidders, shall pay the entire Payment Amount with the submission of the Bid cum Application Form, draw a cheque or demand draft in favour of the Escrow Accounts of the Escrow Collection Bank(s) and submit such cheque or demand draft to the member of the Syndicate to whom the Bid is being submitted. The Bidder may also provide the Payment Amount by way of an electronic transfer of funds through the RTGS mechanism. Each Anchor Investor shall provide their Payment Amount only to a Lead Managers. Bid cum Application Forms accompanied by cash/stockinvest/money order shall not be accepted. The entire Payment Amount has to be paid at the time of submission of the Bid cum Application Form. The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Banks, which will hold the monies for the benefit of the Bidders until the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds from the Escrow Accounts, as per the terms of the Escrow Agreement, the Red Herring Prospectus and the Prospectus into the Public Issue Account. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account on the Designated Date. If the payment is not made favoring the Escrow Accounts as stipulated above, the Bid of such a Bidder is liable to be rejected.

Where the Bidder has been allocated a lesser number of Equity Shares than he or she had Bid for, the excess amount paid on Bidding, if any, after adjustment for Allotment, will be refunded to such Bidder within 12 Working Days from the Bid/Issue Closing Date.

The payment shall be done as per the following terms:

1. The payment instruments for payment into the Escrow Account should be drawn in favour of:

- In case of Resident Retail Individual Bidders: "Escrow Account – LTFHL IPO – R"
- In case of Non-Resident Retail Individual Bidders: "Escrow Account – LTFHL IPO – NR"
- In case of Eligible Employees: "Escrow Account – LTFHL IPO – Employee"
- In case of L&T Shareholders: "Escrow Account – LTFHL IPO – L&T Shareholder"

2. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

- In case of resident Anchor Investors: "Escrow Account – LTFHL IPO – Anchor Investor – R"
- In case of non-resident Anchor Investors: "Escrow Account – LTFHL IPO – Anchor Investor – NR"

3. In case of Bids by Eligible NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Bidder Bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.

4. In case of Bids by Eligible NRIs applying on non-repatriation basis, the payments must be made through Indian Rupee Drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of a Non-Resident Ordinary (NRO) Account of a Non-Resident Bidder Bidding on a non-repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR or NRO Account.

5. The monies deposited in the Escrow Account will be held for the benefit of the Bidders until the Designated Date.

6. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Public Issue Account with the Public Issue Account Bank.

7. On the Designated Date and no later than 12 working days from the Bid/Issue Closing Date, the Refund Bank shall also refund all amounts payable to unsuccessful Bidders and also the excess amount paid on Bidding, if any, after adjusting for allocation/Allotment to the Bidders.

8. Payments should be made by cheque, or demand draft drawn on any Bank (including a Co-operative Bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.

Payment by cash/stockinvest/money order/postal orders

Payment through cash/stockinvest/money order/postal order shall not be accepted in this Issue.

Submission of Bid cum Application Form

All Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the members of the Syndicate at the time of submission of the Bid. With respect to ASBA Bidders, the ASBA Bid cum Application Form or the ASBA Revision Form shall be submitted to the Designated Branches or to the members of Syndicate in case of Syndicate ASBA Bidders.

No separate receipts shall be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection centre of the members of the Syndicate will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

OTHER INSTRUCTIONS

Joint Bids in the case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form. All communications will be addressed to the First Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same.

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids **provided that** the Bids clearly indicate the scheme concerned for which the Bid has been made. Bids by QIBs under the Anchor Investor Portion and QIB Portion (excluding Anchor Investor Portion) will not be considered as multiple Bids.

After Bidding on an ASBA Bid cum Application Form either in physical or electronic mode, where such ASBA Bid has been submitted to the Designated Branches of SCSBs or the members of Syndicate and uploaded with the Stock Exchanges, an ASBA Bidder cannot Bid, either in physical or electronic mode, on another ASBA Bid cum Application Form or a Bid cum Application Form. Submission of a second application form, whether an ASBA Bid cum Application Form, to either the same or to another Designated Branch of the SCSB or the members of Syndicate, or a Bid cum Application Form to the members of the Syndicate, will be treated as multiple Bids and will be liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the ASBA Bidder can revise the Bid through the Revision Form, the procedure for which is detailed in "*Build-up of the Book and Revision of Bids*" on page 431 above.

More than one ASBA Bidder may Bid for Equity Shares using the same ASBA Account, provided that the SCSBs shall not accept a total of more than five ASBA Bid cum Application Forms from such ASBA Bidders with respect to any single ASBA Account.

Bids made by Eligible Employees under the Employee Reservation Portion, in the Net Issue and in the L&T Shareholders Reservation Portion (subject to the Payment Amount being up to ₹ 200,000) shall not be treated as multiple Bids. To clarify, an L&T Shareholder Bidding in the L&T Shareholders Reservation Portion above ₹ 200,000 cannot Bid in any of the Employee Reservation Portion or the Net Issue as such Bids will be treated as multiple Bids. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.

The Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories. In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

1. All Bids will be checked for common PAN and will be accumulated and taken to a separate process file which would serve as a multiple master.

2. In this master, a check will be carried out for the same PAN. In cases where the PAN is different, the

same will be deleted from this master.

3. The Registrar to the Issue will obtain, from the depositories, details of the applicant's address based on the DP ID and Client ID provided in the Bid cum Application Form and create an address master.

4. The addresses of all the applications in the multiple master will be strung from the address master. This involves putting the addresses in a single line after deleting non-alpha and non-numeric characters *i.e.* commas, full stops, hash, *etc.* Sometimes, the name, the first line of address and pin code will be converted into a string for each application received and a photo match will be carried out amongst all the applications processed. A print-out of the addresses will be taken to check for common names. Applications with the same name and same address will be treated as multiple applications.

5. The applications will be scrutinised for DP ID and Client ID. In case applications bear the same DP ID and Client ID, these will be treated as multiple applications.

Permanent Account Number or PAN

Except for Bids by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, the Bidders, or in the case of a Bid in joint names, each of the Bidders, should mention his/ her PAN allotted under the I.T. Act. In accordance with the SEBI ICDR Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. **Any Bid cum Application Form or ASBA Bid cum Application Form without the PAN is liable to be rejected. It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground**.

However, the exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Bids, the Registrar will check under the Depository records for the appropriate description under the PAN field *i.e.* either Sikkim category or exempt category.

With effect from August 16, 2010, the beneficiary accounts of Bidders for whom PAN details have not been verified have been labelled "suspended for credit" by the Depositories and no credit of Equity Shares pursuant to the Issue will be made in the accounts of such Bidders.

In case of L&T Shareholders where the Registrar is not able to validate Bids on account of non availability of information in relation to the PANs (due to the shareholding by such L&T Shareholders being in physical form), the Registrar shall validate the Bid on matching the full name of the first applicant with the records as available with the Registrar, which shall be as of the date of the Red Herring Prospectus. In case of a mismatch in the name of such L&T Shareholder with the records submitted by the Registrar, the Bid shall not be considered in the L&T Shareholders Reservation Portion and shall be treated either as part of the Retail Portion or Non-Institutional Portion, based on the Payment Amount specified in the Bid cum Application Form.

Withdrawal of ASBA Bids

QIBs cannot withdraw their ASBA Bids after the Bid/Issue Closing Date.

ASBA Bidders can withdraw their Bids during the Bidding/Issue Period by submitting such a request to the concerned SCSB or the concerned member of the Syndicate, as applicable, who shall take appropriate action, including deletion of details of the withdrawn ASBA Bid cum Application Form from the electronic Bidding system of the Stock Exchanges. Further the SCSBs shall unblock the funds in the ASBA Account either directly or at the instruction of the member of the Syndicate which had forwarded to it the ASBA Bid Cum Application Form.

In case an ASBA Bidder (other than a QIB) wishes to withdraw its Bid after the Bid/Issue Closing Date, the same can be done by submitting a withdrawal request to the Registrar to the Issue prior to the finalization of the basis of Allotment. The Registrar to the Issue shall delete the withdrawn Bid from the Bid file and give appropriate instructions to the SCSB for unblocking the ASBA Account after approval of the 'Basis of Allotment'.

REJECTION OF BIDS

Bids by persons prohibited from buying, selling or dealing in the Equity Shares directly or indirectly by SEBI or any other regulatory authority shall be rejected by our Company in consultation with the Lead Managers. Our Company has a right to reject Bids based on technical grounds. In case of QIBs, other than Anchor Investors, who are Syndicate ASBA Bidders, the Lead Managers and their affiliates, may reject Bids at the time of acceptance of the ASBA Bid cum Application Forms provided that the reasons for such rejection shall be disclosed to such Bidder in writing. In case of Non-Institutional Bidders, Retail Individual Bidders, Eligible Employees and L&T Shareholders, our Company has a right to reject Bids based on technical grounds only. Consequent refunds shall be made through any of the modes described in this Prospectus and will be sent to the Bidder's address, where applicable, at the sole/first Bidder's risk. In relation to all ASBA Bidders, SCSBs shall have no right to reject Bids, except on technical grounds or in the event that if at the time of blocking the Payment Amount in the ASBA Account, the SCSB ascertains that sufficient funds are not available in the Bidder's ASBA Account. Further, in case any DP ID, Client ID or PAN mentioned in the Bid cum Application Form or ASBA Bid cum Application Form and as entered into the electronic Bidding system of the Stock Exchanges by the members of the Syndicate and the SCSBs, as the case may be, does not match with one available in the depository's database, such ASBA Bid shall be rejected by the Registrar to the Issue. Subsequent to the acceptance of a Bid by way of ASBA by the SCSB, our Company would have a right to reject such Bids only on technical grounds.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected *inter alia* on the following technical grounds:

- Amount paid does not tally with the Payment Amount. With respect to ASBA Bids, the amounts mentioned in the ASBA Bid cum Application Form does not tally with the Payment Amount;

- Bids through the non-ASBA process submitted by Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion, wherein the Payment Amount exceeds ₹ 200,000 upon revision of Bids;

- Bids submitted by Eligible Employees which do not contain details of the Bid Amount and the Payment Amount in the Bid cum Application Form;

- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;

- GIR number furnished instead of PAN;

- Bids by Bidders whose demat accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010

- Bids for lower number of Equity Shares than specified for that category of investors;

- Bids at a price less than the lower end of the Price Band other than Bids by Eligible Employees at the Eligible Employee Discount;

- In case of Bids for a higher number of Equity Shares than specified for that category of Bidder, only the maximum amount permissible for such category of Bidders will be considered for Allotment;

- Bids at a price more than the higher end of the Price Band;

- Submission of more than five ASBA Bid cum Application Forms per ASBA Account;

- Bids at Cut-off Price by Non-Institutional, QIB Bidders and L&T Shareholders Bidding in the L&T Shareholders Reservation Portion for an amount greater than ₹ 200,000;

- Bids by Non-Institutional and QIB Bidders other than through ASBA;

- Bids for number of Equity Shares which are not in multiples of 100;

- Bids by persons who are not Eligible Employees and have submitted their Bids under the Employee Reservation Portion;

- Bids by persons who are not L&T Shareholders and have submitted their Bids under the L&T Shareholders Reservation Portion;
- Bids by L&T Shareholders submitted in the form for any other category including category for the Resident Indian and Eligible NRIs applying on a non-repatriation basis;
- Bids by any applicant under the wrong category of the application form;
- Multiple Bids as defined in the Red Herring Prospectus;
- In case of Bids under power of attorney or by limited companies, corporate, trust *etc.*, relevant documents are not submitted;
- Bids accompanied by Stockinvest/money order/postal order/cash;
- Signature of sole and/or joint Bidders missing. With respect to ASBA Bids, the Bid cum Application form not being signed by the account holders, if the account holder is different from the Bidder;
- Bid cum Application Form does not have the stamp of the Lead Managers or Syndicate Members or the SCSB;
- Bid cum Application Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Forms, Bid/Issue Opening Date advertisement and the Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid cum Application Forms;
- In case no corresponding record is available with the Depositories that matches any of the three parameters namely, the Depositary Participant's identity, the Client ID and the PAN;
- With respect to ASBA Bids, inadequate funds in the bank account to block the Payment Amount specified in the ASBA Bid cum Application Form at the time of blocking such Payment Amount in the bank account;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- Bids from within the United States or by U.S. persons (as defined in Regulation S) other than entities that are both U.S. QIBs and QPs;
- Authorisation for blocking funds in the ASBA Account not ticked or provided;
- Where PAN details in the Bid cum Application Form are not as per the data in the demat accounts;
- Bids by OCBs;
- Bids by any person outside India if not in compliance with applicable foreign and Indian Laws; and
- Bids not uploaded on the terminals of the Stock Exchanges.

For Bid cum Application Forms from non-ASBA Bidders, the basis of Allotment will be based on the Registrar's validation of the electronic Bid details with the depository records, and the complete reconciliation of the final certificates received from the Escrow Collection Banks with the electronic bid details in terms of the SEBI circular CIR/CFD/DIL/3/2010 dated April 22, 2010. The Registrar to the Issue will undertake technical rejections based on the electronic bid details and the depository database. In case of any discrepancy between the electronic Bid data and the depository records, the Issuer reserves the right to proceed as per the depository records or treat such Bid as rejected.

In terms of the SEBI circular CIR/CFD/DIL/3/2010 dated April 22, 2010, for ASBA Bid cum Application Forms, the Registrar to the Issue will reconcile the compiled data received from the stock exchanges and all SCSBs, and match the same with the depository database for correctness of DP ID, Client ID and PAN. In cases where any DP ID, Client ID and PAN mentioned in the Bid file for an ASBA Bidder does not match the one available in the depository database the Issuer reserves the right to proceed as per the depository records on, such ASBA Bids or treat such ASBA Bids as

rejected. The Registrar to the Issue will reject multiple ASBA Bids based on common PAN.

DEMATERIALISED FORM WITH NSDL OR CDSL

As per the provisions of Section 68B of the Companies Act, the Allotment of Equity Shares in this Issue shall be only in a de-materialised form, (*i.e.*, not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Issue:

- Agreement dated September 15, 2010 between NSDL, our Company and the Sharepro Services (India) Private Limited;

- Agreement dated September 17, 2010 between CDSL, our Company and the Sharepro Services (India) Private Limited.

All Bidders can seek Allotment only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

1. A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.

2. The Bidder must necessarily fill in the details (including the Client ID and Depository Participant's identification number) appearing in the Bid cum Application Form or Revision Form.

3. Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder

4. Names in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.

5. If incomplete or incorrect details are given under the heading 'Bidder's PAN, Depository Account and Bank Account Details' in the Bid cum Application Form or Revision Form, it is liable to be rejected.

6. The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid cum Application Form vis-à-vis those with his or her Depository Participant.

7. Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where the Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.

8. The trading of the Equity Shares of our Company would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the member of the Syndicate or the Designated Branch where the Bid was submitted and cheque or draft number and issuing bank thereof or with respect to ASBA Bids, bank account number in which the amount equivalent to the Payment Amount was blocked.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, credit of Allotted shares in the respective beneficiary accounts, refund orders *etc.*

All grievances relating to the ASBA process may be addressed either to (i) the concerned member of the Syndicate and the relevant SCSB, in the event of a Bid submitted by an ASBA Bidder at any of the Syndicate ASBA Centres, or (ii) the Designated Branch of the SCSB where the Bid cum Application Form was submitted by the ASBA Bidder, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application, in the event of a Bid submitted directly with a Designated Branch by an ASBA Bidder; in both cases with a copy to the Registrar to the Issue.

PAYMENT OF REFUND

Bidders other than ASBA Bidders must note that on the basis of Depository Participant's identification number, client identification number and PAN provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain, from the Depositories, the Bidders' bank account details, including the nine digit Magnetic Ink Character Recognition ("**MICR**") code as appearing on a cheque leaf. Hence Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Bidders' sole risk and neither our Company, the Registrar to the Issue, Escrow Collection Bank(s), Refund Banks, Public Issue Account Bank nor the Lead Managers shall be liable to compensate the Bidders for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay. Bidders may note that in case the Depository Participant's identification number, client identification number and PAN mentioned in the Bid-cum-Application Form and entered into the electronic Bidding system of the Stock Exchanges by the Syndicate do not match with the Depository Participant's identification number, client identification number and PAN available in the Depository's database, the Bid is liable to be rejected.

Mode of making refunds

The payment of refund, if any, for Bidders other than ASBA Bidders would be done through any of the various modes available, as follows:

1. NECS – Payment of refund would be done through NECS for applicants having an account at any of the centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for applicants having a bank account at any of the abovementioned centres, except where the applicant, being eligible, opts to receive refund through direct credit or RTGS.

2. Direct Credit – Applicants having bank accounts with the Refund Bank (s), as mentioned in the Bid cum Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company.

3. RTGS – Applicants having a bank account at any of the abovementioned centres and whose refund amount exceeds ₹ 0.2 million, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the Bid cum Application Form. In the event the same is not provided, refund shall be made through NECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

4. NEFT – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency. The process flow in respect of refunds by way of NEFT is at an evolving stage, hence use of NEFT is subject to operational feasibility, cost and process efficiency. In the event that NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in the sections.

5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be despatched through Speed Post/Registered Post. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

In case of ASBA Bidders, the Registrar to the Issue shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Payment Amount specified in the ASBA Bid cum Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days of the Bid/Issue Closing Date.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

With respect to Bidders other than ASBA Bidders, our Company shall ensure dispatch of Allotment advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchanges within two Working Days of date of Allotment of Equity Shares.

In case of applicants who receive refunds through NECS, NEFT, direct credit or RTGS, the refund instructions will be given to the clearing system within 12 Working Days from the Bid/Issue Closing Date. A suitable communication shall be sent to the Bidders receiving refunds through this mode within 12 Working Days of the Bid/Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing is completed and trading commences within 12 Working Days from the date of the Bid/Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI ICDR Regulations, our Company further undertakes that:

- Allotment of the Equity Shares shall be made only in dematerialized form, including the credit of Allotted Equity Shares to the beneficiary accounts of the Depository Participants, within 12 Working Days of the Bid/Issue Closing Date.

- With respect to Bidders other than ASBA Bidders, dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 12 Working Days of the Bid/Issue Closing Date would be ensured. With respect to the ASBA Bidders' instructions for unblocking of the ASBA Bidder's Bank Account shall be made within 12 Working Days from the Bid/Issue Closing Date; and

- The Company shall pay interest at 15% per annum for any delay, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to investors within the time prescribed as per applicable law.

BASIS OF ALLOTMENT

A. For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

- The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

- If the aggregate demand in this category is less than or equal to 71,619,953 Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

- If the aggregate demand in this category is greater than 71,619,953 Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of 100 Equity Shares. For the method of proportionate basis of Allotment, refer below.

- Our Company in consultation with the Lead Managers has, offered a discount of ₹ 2 to the Issue Price to Eligible Employees. The Bids by Eligible Employees would be at a price net of Eligible Employee Discount to the Issue Price.

B. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.

- The Issue size less Allotment to QIBs and Retail Portion shall be available for Allotment to Non-Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to 30,694,265 Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.
- In case the aggregate demand in this category is greater than 30,694,265 Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of 100 Equity Shares. For the method of proportionate basis of Allotment refer below.

C. For QIBs

- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all the QIB Bidders will be made at the Issue Price.
- The QIB Portion shall be available for Allotment to QIB Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.
- Allotment shall be undertaken in the following manner:

  (a) In the first instance, allocation to Mutual Funds for up to 5% of the Net QIB Portion shall be determined as follows:

    (i) In the event that Mutual Fund Bids exceeds 5% of the Net QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the Net QIB Portion.

    (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.

    (iii) Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;

  (b) In the second instance Allotment to all QIBs shall be determined as follows:

    (i) In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion.

    (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders.

    (iii) Under subscription below 5% of the net QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

  The aggregate allotment to QIB Bidders shall not be less than 102,314,220 Equity Shares.

D. For Anchor Investor Portion

- Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of our Company, in consultation with the Lead Managers, subject to compliance with the following requirements:

  (a) not more than 30% of the QIB Portion will be allocated to Anchor Investors;

  (b) one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors;

  (c) allocation to Anchor Investors shall be on a discretionary basis and subject to a minimum number of two Anchor Investors for allocation up to ₹ 2,500 million and minimum number of five Anchor Investors for allocation more than ₹ 2,500 million.

- The number of Equity Shares Allotted to Anchor Investors and the Anchor Investor Issue Price shall be made available in the public domain by the Lead Managers before the Bid/Issue Opening Date by intimating the Stock Exchanges.

E. For Employee Reservation Portion

Bids under the Employee Reservation Portion shall be subject to the following:

- Only Eligible Employees would be eligible to apply in this Issue under the Employee Reservation Portion.

- The sole/ First Bidder shall be an Eligible Employee.

- Bid shall be made only in the prescribed Bid cum Application Form (*i.e.* Bid cum Application Form with a blue border on pink paper/ASBA Bid cum Application Form with a green border on blue paper).

- Only those Bids, which are received at or above the Issue Price net of Eligible Employee Discount, would be considered for allocation under this category.

- Eligible Employees Bidding up to ₹ 200,000 may Bid in any of the bidding options at Cut-Off Price net of Eligible Employee Discount.

- The value of Allotment net of Eligible Employee Discount to any Eligible Employee shall not exceed ₹ 200,000.

- The Bids must be for a minimum of 100 Equity Shares and in multiples of 100 Equity Shares thereafter.

- Bid by an Eligible Employee can be made also in the Net Issue portion and such Bids shall not be treated as multiple Bids. Further, Bids by an Eligible Employee in the Employee Reservation Portion and in the L&T Shareholders Reservation Portion (subject to the Payment Amount being up to ₹ 200,000) shall not be treated as multiple Bids. To clarify, an L&T Shareholder Bidding in the L&T Shareholders Reservation Portion above ₹ 200,000 cannot Bid in any of the Employee Reservation Portion or the Net Issue as such Bids will be treated as multiple Bids.

- If the aggregate demand in this category is less than or equal to 10,000,000 Equity Shares at or above the Issue Price, full allocation shall be made to the Eligible Employees to the extent of their demand.

- Spill-over to the extent of any under subscription in the Employee Reservation Portion may be permitted from the L&T Shareholders Reservation Portion, subject to which spill-over shall be permitted from the Net Issue in the following order of preference: (1) Retail Portion; (2) Non-Institutional Portion; and (3) QIB Portion. Provided that at least 50% of the Net Issue shall be Allotted to QIBs and in the event at least 50% of the Net Issue cannot be Allotted to QIBs, the entire application money shall be refunded forthwith.

- Under subscription, if any, in any category other than the QIB Portion, shall be met with spill-over from other categories, at the sole discretion of our Company, in consultation with the Lead Managers. In case of under- subscription in the Net Issue, spill-over to the extent of under subscription shall be permitted from the Employee Reservation Portion.

- If the aggregate demand in this category is greater than 10,000,000 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of Allotment, refer to the sub-section titled "*Basis of Allotment*" on page 448 of this Prospectus.

- An Eligible Employee Discount of ₹ 2 to the Issue Price is offered to Eligible Employees.

F. Bids by L&T Shareholders

Bids under the L&T Shareholders Reservation Portion shall be subject to the following:

- Only L&T Shareholders would be eligible to apply in this Issue under the L&T Shareholders Reservation Portion.

- The sole/ First Bidder shall be an L&T Shareholder.

- The Bid cum Application Form for the L&T Shareholders Reservation portion will be contained within the same booklet containing the Bid cum Application Form for the Resident Indian and Eligible NRIs applying on a non-repatriation basis.

- Bid shall be made only in the prescribed Bid cum Application Form or Revision Form (*i.e.* Bid cum Application Form with a black border on white paper/ASBA Bid cum Application Form with a black border on white paper).

- Only those Bids, which are received at or above the Issue Price, would be considered for allocation under this category.

- The Bids must be for a minimum of 100 Equity Shares and in multiples of 100 Equity Shares thereafter.

- Bid by an L&T Shareholder in the L&T Shareholders Reservation Portion (subject to the Payment Amount being up to ₹ 200,000) and in the Net Issue portion shall not be treated as multiple Bids. Further, Bids by an L&T Shareholder in L&T Shareholders Reservation Portion (subject to the Payment Amount being up to ₹ 200,000) and in the Employee Reservation Portion shall not be treated as multiple Bids. To clarify, an L&T Shareholder Bidding in the L&T Shareholders Reservation Portion above ₹ 200,000 cannot Bid in any of the Employee Reservation Portion or the Net Issue as such Bids will be treated as multiple Bids.

- If the aggregate demand in this category is less than or equal to 23,076,923 Equity Shares at or above the Issue Price, full allocation shall be made to the L&T Shareholders to the extent of their demand.

- Spill-over to the extent of any under subscription in the L&T Shareholders Reservation Portion may be permitted from the Employee Reservation Portion, subject to which spill-over shall be permitted from the Net Issue in the following order of preference: (1) Retail Portion; (2) Non-Institutional Portion; and (3) QIB Portion. Provided that at least 50% of the Net Issue shall be Allotted to QIBs and in the event at least 50% of the Net Issue cannot be Allotted to QIBs, the entire application money shall be refunded forthwith.

- Under subscription, if any, in any category other than the QIB Portion, shall be met with spill-over from other categories, at the sole discretion of our Company, in consultation with the Lead Managers. In case of under-subscription in the Net Issue, spill-over to the extent of under subscription shall be permitted from the L&T Shareholders Reservation Portion.

- If the aggregate demand in this category is greater than 23,076,923 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of Allotment, refer to the sub-section titled "*Basis of Allotment*" on page 448 of this Prospectus.

Method of Proportionate Basis of Allotment in the Issue

In the event of the Issue being over-subscribed, our Company shall finalise the basis of Allotment in consultation with the Designated Stock Exchange. The Executive Director (or any other senior official nominated by them) of the Designated Stock Exchange along with the Lead Managers and the Registrar to the Issue shall be responsible for ensuring that the basis of Allotment is finalised in a fair and proper manner.

The Allotment shall be made in marketable lots, on a proportionate basis as explained below:

1. Bidders will be categorised according to the number of Equity Shares applied for.

2. The total number of Equity Shares to be Allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.

3. Number of Equity Shares to be Allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.

4. In all Bids where the proportionate Allotment is less than 100 Equity Shares per Bidder, the Allotment shall be made as follows:

- The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (2) above; and

- Each successful Bidder shall be Allotted a minimum of 100 Equity Shares and in multiples of one Equity Shares thereafter.

5. If the proportionate Allotment to a Bidder is a number that is more than 100 but is not a multiple of one (which is the marketable lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it would be rounded off to the lower whole number. Allotment to all in such categories would be arrived at after such rounding off.

6. If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment shall be first adjusted against any other category where the Allotted shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

7. Subject to valid Bids being received, allocation of Equity Shares to Anchor Investors shall be at the sole discretion of our Company in consultation with the Lead Managers. Further, please note that Bids by NRIs, FIIs and other non-resident investors shall be in accordance with the FIPB approval dated December 16, 2010, further amended on June 7, 2011, which permits eligible non-resident investors *i.e.* FIIs, NRIs, multilateral and bilateral development financial institutions and other eligible non-resident investors to participate in this Issue to the extent of 20% of the post Issue paid-up Equity Share capital of our Company and subject to the inflow of FDI pursuant to the Issue being less than ₹ 10,000 million. It is to be distinctly understood that VCFs and FVCIs registered with SEBI are not permitted to invest in our Company in terms of the SEBI (Venture Capital Funds) Regulations, 1996, as amended, and the SEBI (Foreign Venture Capital Investors) Regulations, 2000, as amended, respectively.

Illustration of Allotment to QIBs and Mutual Funds ("MFs")

Issue Details

Sr. No.	Particulars	Issue details
1.	Net Issue size	200 million equity shares
2.	Allocation to QIB (50% of the Net Issue)	100 million equity shares
3.	Anchor Investor Portion	30 million equity shares
4.	Portion available to QIBs other than Anchor Investors [(2) minus (3)]	70 million equity shares
	Of which:	
	a. Allocation to MFs (5%)	3.50 million equity shares
	b. Balance for all QIBs including MFs	66.50 million equity shares
5.	No. of QIB applicants	10
6.	No. of shares applied for	500 million equity shares

Details of QIB Bids

Sr. No.	Type of QIB bidders#	No. of shares bid for
		(in million)
1.	A1	50
2.	A2	20
3.	A3	130
4.	A4	50
5.	A5	50

Sr. No.	Type of QIB bidders#	No. of shares bid for
6.	MF1	40
7.	MF2	40
8.	MF3	80
9.	MF4	20
10.	MF5	20
	Total	500

* A1-A5: (QIB bidders other than MFs), MF1-MF5 (QIB bidders which are Mutual Funds)

Details of Allotment to QIB Bidders/Applicants

Type of QIB	Shares bid for	Allocation of 3.50 million equity shares to MF proportionately (see note 2 below)	Allocation of balance 66.50 million equity shares to QIBs proportionately (see note 4 below)	Aggregate allocation to Mutual Funds
(I)	**(II)**	**(III)**	**(IV)**	**(V)**
		(Number of equity shares in million)		
A1	50	0	6.65	0
A2	20	0	2.66	0
A3	130	0	17.29	0
A4	50	0	6.65	0
A5	50	0	6.65	0
MF1	40	0.70	5.32	6.02
MF2	40	0.70	5.32	6.02
MF3	80	1.40	10.64	12.04
MF4	20	0.35	2.66	3.01
MF5	20	0.35	2.66	3.01
	500	**3.50**	**66.50**	**30.10**

Please note:

1. The illustration presumes compliance with the requirements specified in the section titled "*Issue Structure*" on page 412 of this Prospectus.

2. Out of 70 million equity shares allocated to QIBs, 3.50 million (*i.e.* 5%) will be allocated on proportionate basis among five Mutual Fund applicants who applied for 200 million equity shares in QIB category.

3. The balance 66.5 million equity shares (*i.e.* 70 – 3.5 (available for MFs)) will be allocated on proportionate basis among 10 QIB applicants who applied for 500 million equity shares (including five MF applicants who applied for 200 million equity shares).

4. The figures in the fourth column titled "*Allocation of balance 66.5 million Equity Shares to QIBs proportionately*" in the above illustration are arrived as under:

- For QIBs other than Mutual Funds (A1 to A5) = No. of shares bid for (*i.e.* in column II) X 66.5/496.5.

- For Mutual Funds (MF1 to MF5) = [(No. of shares bid for (*i.e.* in column II of the table above) less Equity Shares allotted (*i.e.*, column III of the table above)] X 66.5/496.5.

- The numerator and denominator for arriving at allocation of 66.5 million shares to the 10 QIBs are reduced by 3.5 million shares, which have already been allotted to Mutual Funds in the manner specified in column III of the table above.

Letters of Allotment or Refund Orders or instructions to the SCSBs

The Company shall give credit to the beneficiary account with depository participants within 12 Working Days from the Bid/Issue Closing Date. Applicants residing at the centres where clearing houses are managed by the RBI, will get refunds through NECS only except where applicant is otherwise disclosed as eligible to get refunds through direct credit and RTGS. The Company shall ensure dispatch of refund orders, if any, by registered post or speed post at the sole or First Bidder's sole risk within 12 Working Days of the Bid/Issue Closing Date. Bidders to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post, intimating them about the mode of credit of refund within 12 Working Days of the Bid/Issue Closing Date. In case of ASBA Bidders, the Registrar to the Issue shall instruct the relevant SCSBs to unblock the funds in the relevant ASBA Account to the extent of the Payment Amount specified in the ASBA Bid cum Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days of the Bid/Issue Closing Date.

Interest in case of delay in despatch of Allotment Letters or Refund Orders/ instruction to the SCSBs by the Registrar to the Issue.

The Company agrees that (i) Allotment of Equity Shares; and (ii) credit to the successful Bidders' depositary accounts will be completed within 12 Working Days of the Bid/ Issue Closing Date. The Company further agrees that it shall pay interest at the rate of 15% p.a. if the Allotment letters or refund orders have not been despatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given in the disclosed manner within 15 days from the Bid/ Issue Closing Date.

The Company will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar to the Issue.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by our Company as a Refund Bank and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

UNDERTAKINGS BY THE COMPANY

The Company undertakes the following:

- That the complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily;

- That all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within four Working Days of finalisation of the basis of Allotment;

- That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by the Issuer;

- That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 12 working days of the Bid/Issue Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- That the Promoters' contribution in full has already been brought in;

- That the certificates of the securities/refund orders to the non-resident Indians shall be despatched within specified time;

- That, other than as disclosed in this Prospectus, no further issue of Equity Shares shall be made until the Equity Shares offered through this Prospectus are listed or until the Bid monies are refunded on account of non-listing, under subscription *etc.*; and

- That adequate arrangements shall be made to collect all Applications Supported by Blocked Amount and to consider them similar to non-ASBA applications while finalizing the basis of Allotment.

The Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

Withdrawal of the Issue

The Company, in consultation with the Lead Managers, reserves the right not to proceed with the Issue anytime after the Bid/Issue Opening Date but before the Allotment of Equity Shares. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published within two days of the Bid/Issue Closing Date providing reasons for not proceeding with the Issue. The Company shall also inform the same to Stock Exchanges on which the Equity Shares are proposed to be listed.

If our Company withdraws the Issue after the Bid/Issue Closing Date and thereafter determines that it will proceed with an initial public offering of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of this Prospectus after it is filed with the Registrar of Companies.

Any further issue of Equity Shares by our Company shall be in compliance with applicable laws.

Utilisation of Issue proceeds

The Board of Directors certify that:

- All monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;

- Details of all monies utilised out of Issue shall be disclosed, and continue to be disclosed until the time any part of the issue proceeds remains unutilised, under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilised;

- Details of all unutilised monies out of the Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested;

- the utilisation of monies received under Promoters' contribution and from reservations shall be disclosed, and continue to be disclosed until the time any part of the Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and

- the details of all unutilised monies out of the funds received under Promoters' contribution and from reservations shall be disclosed under a separate head in the balance sheet of the issuer indicating the form in which such unutilised monies have been invested.

ANCHOR INVESTOR PORTION

Our Company has considered participation by Anchor Investors in the Issue for up to 30,694,266 Equity Shares, in accordance with the SEBI ICDR Regulations. In accordance with the SEBI ICDR Regulations, only QIBs can participate in the Anchor Investor Portion. Bidding in the Anchor Investor Portion shall open and close on the Anchor Investor Bidding Date, *i.e.*, one day prior to the Bid/Issue Opening Date. The QIB Portion shall be reduced in proportion to the allocation under the Anchor Investor Portion. In accordance with the SEBI ICDR Regulations, the key terms for participation in the Anchor Investor Portion are as follows:

- Anchor Investors shall be QIBs as defined under the SEBI ICDR Regulations.

- The Bid must be for a minimum of such number of Equity Shares such that the Payment Amount is at least ₹ 100 million and in multiples of 100 Equity Shares thereafter. A Bid cannot be submitted for more than 30% of the QIB Portion. In case of a Mutual Fund registered with SEBI, separate Bids by individual schemes of Mutual Funds will be aggregated to determine the minimum application size of ₹ 100 million.

- One-third of the Anchor Investor Portion shall be reserved for allocation to domestic mutual funds.

- The Bidding for Anchor Investors shall open one day before the Bid/Issue Opening Date and shall be completed on the same day.

- The Company, in consultation with the Lead Managers, shall finalize allocation to the Anchor Investors on a discretionary basis, subject to allocation to a minimum of two (2) investors for allocation up to ₹ 2,500 million and five investors for allocation of more than ₹ 2,500 million.

- Allocation to the Anchor Investors shall be completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made, shall be made available in public domain by the Lead Managers before the Bid/Issue Opening Date.

- Anchor Investors shall pay the entire Payment Amount at the time of submission of the Bid. Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date.

- If the Issue Price is greater than the Anchor Investor Issue Price, the additional amount being the difference between the Issue Price and the Anchor Investor Issue Price shall be paid by the Anchor Investors. If the Issue Price is lower than the Anchor Investor Issue Price, the Allotment to Anchor Investors shall be at the Anchor Investor Issue Price.

- The Equity Shares Allotted in the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment in the Issue.

- None of the Lead Managers or any person related to the Lead Managers, the Promoter or the Promoter Group shall participate in the Anchor Investor Portion. The parameters for selection of Anchor Investors shall be clearly identified by the Lead Managers and shall be available as part of the records of the Lead Managers for inspection by SEBI.

- Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.

- The payment instruments for payment into the Escrow Account should be drawn in favour of:

  - In case of Resident Anchor Investors: "Escrow Account – LTFHL IPO – Anchor Investor – R"

  - In case of Non-Resident Anchor Investors: "Escrow Account – LTFHL IPO – Anchor Investor – NR"

- Anchor Investors are advised that the above information should be read together with the contents of this section "*Issue Procedure*" on page 417 of this Prospectus.

SECTION VIII: MAIN PROVISIONS OF OUR ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning given to such terms in the Articles of Association of our Company.

Pursuant to Schedule II of the Companies Act and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares/debentures and/or on their consolidation/splitting are detailed below:

The regulations contained in Table 'A' of Schedule I to the Companies Act (Act 1 of 1956) shall apply only in so far as the same are not provided for or are not inconsistent with these Articles and the regulations for the management of our Company and for observance of the members thereof and their representatives shall, subject to any exercise of the statutory powers of the Company with reference to repeal or alteration or of addition to, its regulations by special resolution, as prescribed by the Companies Act, be such as are contained in these Articles.

Capital and Shares

Increase of Capital

Article 64 (a) provides that "The Company may from time to time in general meeting increase its share capital by the issue of new shares of such amount as it thinks expedient."

Redeemable Preference Shares

Article 64 (b) provides that "Preference shares may be issued on the terms that they are or at the option of the Company are to be liable to be redeemed."

Commission for placing shares, debentures, etc

Article 14 provides that "The Company may subject to the provisions of Section 76 and other applicable provisions (if any) of the Act at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe or his procuring or agreeing to procure subscription, whether absolutely or conditionally, for any shares or debentures of the Company but so that the amount or rate of commission does not exceed in the case of shares 5% of the price at which the shares are issued. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or debentures or partly in the one way and partly in the other. The Company may also on any issue of shares or debentures pay such brokerage as may be lawful."

On what condition new shares may be issued

Article 64(b) provides that "Subject to the provisions of the Act, the new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as by the general meeting creating the same shall be directed and if no direction be given as the Directors shall determine; and in particular such shares may be issued with a preferential or qualified right to dividends and in distribution of assets of the Company and any Preference shares may be issued on the terms that they are or at the option of the Company are to be liable to be redeemed."

How further shares to rank with existing shares

Article 71 provides that "The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not unless otherwise expressly provided by the terms of issue of the shares of that class be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith."

Reduction of capital

Article 69 provides that "The Company may from time to time by Special Resolution reduce its share capital in any way authorised by law and in particular may pay off any paid up share capital upon the footing that it may be called up again or otherwise and may if and so far as is necessary alter its Memorandum by reducing the amount of its share capital and of its shares accordingly."

Consolidation, division and sub-division of shares.

Article 70 provides that "The Company may in general meeting alter the conditions of its Memorandum as follows :-

1. Consolidate and divide all or any of its share capital into shares of larger amounts than its existing shares.

2. Sub-divide its shares or any of them into shares of smaller amounts than originally fixed by the Memorandum subject nevertheless to the provisions of the Act and of these Articles.

3. Cancel shares which at the date of such general meeting have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled."

Buyback of shares

Article 68 provides that "Notwithstanding anything contained in these Articles, in the event it is permitted by law for a company to purchase its own shares or securities, the Board of Directors may, when and if thought fit, buy back such of the Company's own shares or securities as it may think necessary, subject to such limits, upon such terms and conditions, and subject to such approvals, as may be permitted by law."

Issue of Shares with differential voting rights

Article 5 provides that "In the event it is permitted by the Law to issue shares with non-voting rights attached to them, the Directors may issue such shares upon such terms and conditions and with such rights and privileges annexed thereto as thought fit and as may be permitted by law."

Modification of rights

Article 72 provides that "If at any time the share capital by reason of the issue of Preference Shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Sections 106 and 107 of the Act, and whether or not the Company is being wound up, be varied, modified, abrogated or dealt with, with the consent in writing of the holders of not less than three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the issued shares of that class and all the provisions contained in these Articles as to general meetings (including the provisions relating to quorum at such meetings) shall *mutatis mutandis* apply to every such meeting. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly prohibited by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith."

Board of Directors to make calls

Article 19 provides that "The Board of Directors may from time to time, but subject to the conditions hereinafter mentioned, make such calls as they think fit upon the members in respect of all moneys unpaid on the shares held by them respectively and not by the conditions of allotment thereof made payable at fixed times and each member shall pay the amount of every call so made on him to the Company or where payable to a person other than the Company to the person and at the time or times appointed by the Directors. A call may be made payable by instalments."

Article 73(b) provides that "The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share."

Calls to carry interest

Article 25 provides that "If the sum payable in respect of any call or instalment be not paid on or before the day appointed for payment thereof, the holder for the time being or allottee of the share in respect of which a call shall have been made or the instalment shall be due shall pay interest on the same at such rate of interest as may be determined by the Directors from time to time from the day appointed for the payment thereof to the time of actual payment but the Directors may waive payment of such interest wholly or in part."

Voluntary advances of uncalled share capital

Article 28 provides that "The Directors may, if they think fit, subject to the provisions of section 92 of the Act, agree to and receive from any member willing to advance the same, whole or any part of the moneys due upon the shares held by him beyond the sums actually called for; and upon the moneys so paid or satisfied in advance or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made upon the Company may pay interest at such rate as the member paying such sum in advance and the Directors agree upon provided that the money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced."

The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.

The provision of these Articles shall *mutatis mutandis* apply to the calls on debentures of the Company member three months' notice in writing.

Calls to date from resolution

Article 22 provides that "A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorising such call was passed and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Directors on such subsequent date as shall be fixed by the Directors."

Forfeiture of shares

Article 29 provides that "If any member fails to pay the whole or any part of any call or instalment or any money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same the Directors may at any time thereafter during such time as the call or instalment or any part thereof or other moneys remain unpaid or a judgement or decree in respect thereof remains unsatisfied in whole or in part serve a notice on such member or on the person (if any) entitled to the share by transmission requiring him to pay such call or instalment or such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all expenses (legal or otherwise) that may have been incurred by the Company by reason of such non-payment."

Article 30 provides that "The notice shall name a day (not being less than 15 days from the date of the notice) on or before which such call instalment or such part or other moneys as aforesaid and such interest and expenses as aforesaid are to be paid and if payable to any person other than the Company the person to whom such payment is to be made. The notice shall also state that in the event of non-payment at or before the time and (if payable to any person other than the Company) to the person appointed the shares in respect of which the call was made or instalment is payable will be liable to be forfeited."

Article 33 provides that "Any share so forfeited shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of either to the original holder thereof, or to any other person, upon such terms and in such manner as the Directors shall think fit."

Further, Article 34 provides that "The Directors may at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of annul the forfeiture thereof upon such conditions as they think fit."

Liability to pay money owing at the time of forfeiture

Article 35 provides that "Any member whose shares have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company all calls, instalments, interest expenses and other moneys owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate of interest as may be determined by the Directors from time to time and the Directors may enforce the payment of the whole or a portion thereof as if it were a new call made at the date of the forfeiture but shall not be under any obligation to do so."

Company's lien on shares

Article 36 provides that "The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be crated except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien, if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this Article."

Sale of shares on which Company has lien

Article 37 provides that "For the purpose of enforcing such lien the Directors may sell the shares subject thereto in such manner as they shall think fit, but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member or the person (if any) entitled by transmission to the shares and default shall have been made by him in payment, fulfilment or discharge of such debts, liabilities or engagements for seven days after such notice. To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof and the purchaser shall be registered as the holder of the shares comprised in any such transfer. Upon any such sale as aforesaid, the certificates in respect of the shares sold shall stand cancelled and become *null and void* and of no effect, and the Directors shall be entitled to issue a new certificate or certificates in lieu thereof to the purchaser or purchasers concerned."

Application of proceeds of sale

Article 38 provides that "The net proceeds of any such sale after payment of the costs of such sale shall be applied in or towards the satisfaction of the debts, liabilities or engagements of such member and the residue (if any) paid to such member or the person (if any) entitled by transmission to the shares so sold."

Transfer and Transmission of Shares

Form of transfer

Article 42 provides that "Subject to the provisions of Section 108 of the Act or any other applicable provisions, the shares in the Company shall be transferred by an instrument in writing in such form and by such procedure as may from time to time be prescribed by law. Subject thereto the Directors may prescribe a common form for instruments of transfer, which may from time to time be altered by the Directors.

Transfer not to be registered except on production of instrument of transfer

Article 45 provides that "The Company shall not register a transfer of shares in the Company unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupations, if any, of the transferee, has been delivered to the Company along with the certificate relating to the shares, or if no such share certificate is in existence, along with the letter of allotment of the shares; Provided that where, on an application in writing made to the Company by the transferee and bearing the stamp required for an instrument of transfer it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnity as the Board may think fit; Provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law."

Directors may refuse to register transfer

Article 46 provides that "Subject to the provisions of Section 111A of the Act, these Articles and other applicable provisions of the Act or any law for the time being in force, the Board may refuse whether in pursuance of any power of the company under these Articles or otherwise to register the transfer of or the transmission by operation of law of the right to, any shares of interest of a member in shares or debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the limitation of such transmission, as the case may be, was delivered to the Company, send notice of the refusal to the transferee and the transferor or to the person giving limitation of such transmission, as the case may be, giving reasons for such refusal. Provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares."

Article 55 provides that "No fee shall be charged for registration of transfer, transmission, probate, succession certificate and Letters of administration, Certificate of death or marriage, Power of Attorney or similar other document. "

Register of transfers

Article 41 provides that "The Company shall keep a book to be called the "Register of Transfers" and therein shall be fairly distinctly entered the particulars of every transfer or transmission of any share."

Title to share of deceased holder

Article 51 provides that "The executors or administrators or a holder of a Succession Certificate in respect of the estate of a deceased member not being one of two or more joint holders shall be the only person whom the Company will be bound to recognise as having any title to the shares registered in the name of such member and the Company shall not be bound to recognise such executors or administrators unless such executors or administrators shall have first obtained Probate or Letters of Administration as the case may be, from a duly Constituted Court in India, provided that in any case where the Directors in their absolute discretion think fit, the Directors may dispense with production of Probate or Letters of Administration or Succession Certificate and under the next Article 52, register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member, as a member."

Article 52 provides that "Subject to the provisions of the Act and these Articles, any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy or insolvency of any member or by any lawful means other than by transfer in accordance with these presents, may, with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of his title as the Directors shall require either be registered as a member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as a member in respect of such shares; Provided nevertheless that if such person shall elect to have his nominee registered, he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so he shall not be freed from any liability in respect of such shares. This Clause is herein referred to as the Transmission Clause."

Board may require evidence of transmission

Article 54 provides that "Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity."

Borrowing Powers

Power of borrowing

Article 75 provides that "Subject to the provisions of the Act and these Articles and without prejudice to the other powers conferred by these Articles the Directors shall have the power from time to time at their discretion to borrow any sum or sums of money for the purposes of the Company provided that the total amount borrowed at any time together with the money already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not without the consent of the Company in General Meeting exceed the aggregate of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specific purpose."

Conditions on which money may be borrowed

Article 76 provides that "Subject to the provisions of the Act and these Articles the Directors may raise and secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of bonds, perpetual or redeemable debentures or debenture-stock, or any mortgage or charge or other security on the undertaking or the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being."

General Meetings

How questions to be decided at meetings

Article 109 Provides that "Subject to the provisions of the Act and these Articles, votes may be given either personally or by an attorney or by proxy or in the case of a body corporate also by a representative duly authorised under Section 187 of the Act and the Articles."

Article 102 provides that "A poll demanded on any question (other than the election of the Chairman or on a question of adjournment which shall be taken forthwith) shall be taken at such place and at such time not being later than forty-eight hours from the time when the demand was made, as the Chairman may direct, subject to provisions of the Act the Chairman of the meeting shall have power to regulate the manner in which a poll shall be taken and the result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken."

Article 110 (1) provides that "Subject to the provisions of the Act and these Articles upon show of hands every member entitled to vote and present in person (including a body corporate present by a representative duly authorised in accordance with the provisions of Section 187 of the Act and the Article 111 or by attorney or in the case of a body corporate by proxy shall have one vote."

Article 110(2) provides that "Subject to the provisions of the Act and these Articles upon a poll every member entitled to vote and present in person (including a body corporate present as aforesaid) or by attorney or by proxy shall be entitled to vote and in respect of every Share (whether fully paid or partly paid) his voting right shall be in the same proportion as the capital paid up on such Share bears to the total paid-up capital of the Company."

Business may proceed notwithstanding demand of poll

Article 104 provides that "The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded."

Objection to vote

Article 121 provides that "Subject to the provisions of the Act and these Articles, no objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be tendered and every vote whether given personally or by proxy or by any means hereby authorised and not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever."

Chairman to judge validity

Article 122 provides that "Subject to the provisions of the Act and these Articles, the Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting, and subject as aforesaid the Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll."

Vote of Members

Article 109 provides that "Subject to the provisions of the Act and these Articles, votes may be given either personally or by an attorney or by proxy or in the case of a body corporate also by a representative duly authorised under Section 187 of the Act."

Motion how decided in case of equality of votes

Article 105 provides that "In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place, or at which the poll is demanded, shall be entitled to a casting vote in addition to his own vote or votes to which he may be entitled as a member."

Votes of Joint holders

Article 73 (f) provides that "Any one of two or more joint-holders may vote at any meeting either personally or by attorney duly authorised under a power of attorney or by proxy in respect of such share as if he were solely entitled thereto and if more than one of such joint-holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such share shall alone be entitled to vote in respect thereof but the other or others of the joint-holders shall be entitled to be present at the meeting; Provided always that a joint-holder present at any meeting personally shall be entitled to vote in preference to a joint-holder present by an attorney duly authorised under power of attorney or by proxy although the name of such joint-holder present by an attorney or proxy stands first or higher in the register in respect of such shares. Several executors or administrators of a deceased member in whose (deceased member's) sole name any share stands shall for the purposes of this sub-clause be deemed joint-holders."

No member entitled to vote, etc. while call due to the Company

Article 113 provides that "Subject to the provisions of the Act no member shall be entitled to be present or to vote at any General Meeting either personally or by proxy or attorney or as a proxy or attorney for any other member or be reckoned in quorum whilst any call or other sum shall be due and payable to the Company in respect of any of the shares of such member."

Instrument appointing proxy to be in writing

Article 116 provides that "Every proxy shall be appointed by an instrument in writing signed by the appointor or his attorney duly authorised in writing, or, if the appointor is a body corporate, be under its seal or be signed by an officer or an attorney duly authorised by it."

Form of Proxy

Article 118 provides that "An instrument appointing a proxy shall be in the form as prescribed by the Act or a form as near thereto as circumstances admit."

Instrument appointing proxy to be deposited in office

Article 117 (1) provides that "The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof shall be deposited at the office of the Company not less than forty-eight hours before the time of holding the meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution except in the case of adjournment of any meeting first held previously to the expiration of such time. An attorney shall not be entitled to vote unless the power of attorney or other instrument appointing him or notarially certified copy thereof has either been registered in the records of the Company at any time not less than forty-eight hours before the time for holding the meeting at which the attorney proposes to vote or is deposited at the office of the Company not less than forty-eight hours before the time fixed for such meeting as aforesaid. Notwithstanding that a power of attorney or other instrument appointing him or notarially certified copy thereof or other authority has been registered in the records of the Company, the Company may by notice in writing addressed to the member or the attorney given at least fourteen days before the meeting require him to produce the original power of attorney or authority and unless the same is thereon deposited with the Company not less than forty-eight hours before the time fixed for the meeting the attorney shall not be entitled to vote at such meeting unless the Directors in the absolute discretion excuse such non-production and deposit."

When vote by proxy valid though authority revoked

Article 120 provides that "A vote given in accordance with the terms of an instrument of proxy or a power of attorney shall be valid notwithstanding the previous death of the principal or revocation of the proxy or the power of attorney as the case may be or of the power of attorney under which such proxy was signed or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death revocation or transfer shall have been received at the office of the Company before the meeting."

Number of Directors

Article 123 provides that "Until otherwise determined by a general meeting, the number of directors shall not be less than 3 or more than 12."

Appointment of Chairman

Article 156 (1) provides that "The Directors may elect a Chairman of their meetings and determine the period for which he is to hold office."

Article 156 (2) provides that "The Directors may appoint a Deputy Chairman or a Vice Chairman of the Board of Directors to preside at meetings of the Directors at which the Chairman shall not be present."

Dividend

Declaration of Dividend

Article 179 provides that "The profits of the Company subject to any special rights relating thereto created or authorised to be created by the Memorandum or these Articles and subject to the provisions of these Articles shall be divisible among the members in proportion to the amount of capital paid up on the shares held by them respectively.

Provided always that (subject as aforesaid) any capital paid up on a share during the period in respect of which a dividend is declared shall, unless the Directors otherwise determine, only entitle and shall be deemed always to have only entitled, the holder of such share to an apportioned amount of such dividend as from the date of payment."

Interim Dividend

Article 184 provides that "Subject to the provisions of the Act, the Directors may, from time to time, pay to the members such interim dividends as in their judgement the position of the Company justifies."

Capital paid up in advance at interest not to earn dividends

Article 180 provides that "Where capital is paid up in advance of calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, confer a right to participate in profits."

Article 181 provides that "All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such shares shall rank for dividend accordingly."

Dividends not to carry interest

Article 183 provides that "No larger dividend shall be declared than is recommended by the Directors but the Company in general meeting may declare a smaller dividend. No dividend shall be payable except out of the profits of the year or any other undistributed profits or otherwise than in accordance with the provisions of Sections 205, 206 and 207 of the Act and no dividend shall carry interest as against the Company. The declarations of the Directors as to the amount of the net profits of the Company shall be conclusive."

Debts may be deducted

Article 186 provides that "Subject to the provisions of the Act no member shall be entitled to receive payment of any interest or dividend in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares otherwise howsoever either alone or jointly with any other person or persons; and the Directors may deduct from the interest or dividend payable to any member all sums of money so due from him to the Company."

Dividends, how remitted.

Article 188(a) provides that "Unless otherwise directed any dividend may be paid by cheque or warrant sent through post to the registered address of the member or person entitled, or in case of joint-holders to that one of them first named in the register in respect of the joint-holding. Every such cheque shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant lost in transmission or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the fraudulent or improper recovery thereof by any other means."

Capitalisation

Power to capitalise

Article 190 (1) provides that "Any general meeting may, upon the recommendation of the Board, resolve that any amounts standing to the credit of the securities premium account or the Capital Redemption Reserve Account or any moneys, investments or other assets forming part of the undivided profits (including profits or surplus moneys arising from the realisation and, where permitted by law, from the appreciation in value of any capital assets of the Company) standing to the credit of the General Reserve, Reserve or any Reserve Fund or any other Fund of the Company or in the hands of the Company and available for dividend be capitalised :-

1. by the issue and distribution as fully paid up, of shares and if and to the extent permitted by the Act, of debentures, debenture stock, bonds or other obligations of the Company, or

2. by crediting shares of the Company which may have been issued and are not fully paid up, with the whole or any part of the sum remaining unpaid thereon.

Provided that any amounts standing to the credit of the securities premium account or the Capital Redemption Reserve Account shall be applied only in crediting the payment of capital on shares of the Company to be issued to members (as herein provided) as fully paid bonus shares."

Article 190 (2) provides that "Such issue and distribution under (1)(a) above and such payment to credit to unpaid share capital under (1)(b) above shall be made to, among and in favour of the members or any class of them or any of them entitled thereto and in accordance with their respective rights and interests and in proportion to the amount of capital paid up on the shares held by them respectively in respect of which such distribution under (1)(a) or payment under (1)(b) above shall be made on the footing that such members become entitled thereto as capital."

Article 190 (3) provides that "The Directors shall give effect to any such resolution and apply such portion of the profits, General Reserve, Reserve or Reserve Fund or any other Fund or account as aforesaid as may be required for the purpose of making payment in full for the shares, debentures or debenture-stocks, bonds or other obligations of the Company so distributed under (1)(a) above or (as the case may be) for the purpose of paying, in whole or in part, the amount remaining unpaid on the shares which may have been issued and are not fully paid up under (1)(b) above provided that no such distribution or payment shall be made unless recommended by the Directors and if so recommended such distribution and payment shall be accepted by such members as aforesaid in full satisfaction of their interest in the said capitalised sum."

Article 190 (4) provides that "For the purpose of giving effect to any such resolution the Directors may settle any difficulty which may arise in regard to the distribution or payment as aforesaid as they think expedient and in particular they may issue fractional certificates and may fix the value for distribution of any specific assets and may determine that cash payments be made to any members on the footing of the value so fixed and may vest any such cash, shares, debentures, debenture-stock, bonds or other obligations in trustees upon such trusts for the persons entitled thereto as may seem expedient to the Directors and generally may make such arrangement, for the acceptance, allotment and sale of such shares, debentures, debenture-stock, bonds or other obligations and fractional certificates or otherwise as they may think fit."

Article 190 (5) provides that "When deemed requisite a proper contract shall be filed in accordance with the Act and the Board may appoint any person to sign such contract on behalf of the members entitled as aforesaid and such appointment shall be effective."

Capitalisation in respect of partly paid up shares.

Article 191 provides that "Subject to the provisions of the Act and these Articles in cases where some of the shares of the Company are fully paid and others are partly paid, only such capitalisation may be effected by the distribution of further shares in respect of the fully paid shares, and by crediting the partly paid shares with the whole or part of the unpaid liability thereon but so that as between the holders of the fully paid shares, and the partly paid shares the sums so applied in the payment of such further shares and in the extinguishment or diminution of the liability on the partly paid shares shall be so applied *pro rata* in proportion to the amount then already paid or credited as paid on the existing fully paid and partly paid shares respectively."

Winding Up

Article 196 provides that "If the Company shall be wound up, and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that as nearly as may be, the losses shall be borne by the members in proportion to the capital paid-up, or which ought to have been paid-up, at the commencement of the winding up, on the shares held by them respectively. And if in a winding up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid-up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding up paid-up or which ought to have been paid-up on the shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions."

Article 197 (1) provides that "If the Company shall be wound up, whether voluntarily or otherwise, the liquidators may with the sanction of a special resolution, divide amongst the contributories, in specie or kind, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in Trustees upon such trusts for the benefit of the contributories, or any of them, as the liquidators, with the like sanction shall think fit."

Article 197 (2) provides that "If thought expedient any such division may subject to the provisions of the Act be otherwise than in accordance with the legal rights of the contributories (except where unalterably fixed by the Memorandum of Association) and in particular any class may be given preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories shall be determined on, any contributory who would be prejudiced thereby shall have a right to dissent and ancillary rights as if such determination were a special resolution passed pursuant to Section 494 of the Act."

Article 197 (3) provides that "In case any shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said shares may within ten days after the passing of the special resolution by notice in writing direct the liquidators to sell his proportion and pay him the net proceeds and the liquidators shall if practicable act accordingly."

Rights of shareholders in case of sale

Article 198 provides that "A special resolution sanctioning a sale to any other Company duly passed pursuant to Section 494 of the Act may subject to the provisions of the Act in like manner as aforesaid determine that any shares or other consideration receivable by the liquidators be distributed amongst the members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the members subject to the rights of dissent and consequential rights conferred by the said section."

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Prospectus) which are or may be deemed material have been entered or to be entered into by our Company. These contracts, copies of which shall be attached to the copy of the Red Herring Prospectus, delivered to the Registrar of Companies for registration and also the documents for inspection referred to hereunder, may be inspected at our Registered Office at L&T House, Ballard Estate, Mumbai – 400 001 from 10.00 a.m. to 4.00 p.m. on Working Days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

A. Material contracts to the Issue

- Issue agreement dated March 29, 2011 among our Company and the Lead Managers;
- Memorandum of understanding dated September 25, 2010 between our Company and the Registrar to the Issue;
- Escrow agreement dated July 7, 2011 among our Company, the Registrar to the Issue, the Escrow Collection Banks, the Public Issue Account Bank, the Refund Bank and the Lead Managers;
- Syndicate agreement dated July 8, 2011 among our Company, the Lead Managers and the Syndicate Members;
- Underwriting agreement dated August 3, 2011 among our Company, the Lead Managers and the Syndicate Members;
- Engagement letter dated June 25, 2011 issued by the Monitoring Agency and accepted by the Company on June 27, 2011.

B. Material documents

- Memorandum and Articles of Association of our Company;
- Certificate of Incorporation No.11-181833 dated May 1, 2008 issued by the Registrar of Companies, Maharashtra, Mumbai to our Company (Corporate Identification Number: U67120MH2008PLC181833); Fresh Certificate of Incorporation consequent upon change of name dated September 6, 2010;
- Certificate of Registration No. N-13.01925 dated March 31, 2009, as amended, issued by the RBI to our Company, under section 45-IA of the Reserve Bank of India Act, 1934;
- Shareholders' resolution dated March 24, 2011and September 25, 2010 in relation to the Issue and other related matters;
- Resolutions of the Board dated March 22, 2011 and September 25, 2010 authorising the Issue;
- Resolution of the Board dated May 14, 2009 for the appointment of Mr. N. Suryanarayanan as the manager of our Company;
- Resolution of the Board dated October 25, 2010 for the appointment of Mr. N. Sivaraman as President and Whole-time Director of our Company;
- Agreement dated July 4, 2011 amongst our Company and Mr. N. Sivaraman;
- Resolution of the Board dated October 25, 2010 for the appointment of Mr. Y. M. Deosthalee as Chairman and Managing Director of our Company with effect from the date of listing of the equity shares of the Company;
- Resolution of the IPO Committee dated July 15, 2011 adopting the Red Herring Prospectus;
- Resolution of the IPO Committee dated August 3, 2011 adopting this Prospectus;
- Auditor's Report from Deloitte Haskins & Sells dated July 4, 2011 referred to in this Prospectus;

- Auditor’s Report from M/s. Sharp & Tannan, Chartered Accountants dated July 4, 2011 referred to in this Prospectus;

- Copies of the annual reports of our Company for the last three financial years;

- Consents of the Lead Managers, Bankers to our Company, Registrar to the Issue, Escrow Collection Banks, Public Issue Account Bank, Refund Bank, Syndicate Members, domestic legal advisor to our Company, domestic legal advisor to the Lead Managers, the international legal advisor to the Lead Managers, Company Secretary and Compliance Officer, Directors of our Company, and Auditors, as referred to in their respective capacities;

- Due diligence certificate dated March 29, 2011 filed by the Lead Managers with SEBI;

- Tripartite agreement dated September 15, 2010 among NSDL, our Company and the Sharepro Services (India) Private Limited;

- Tripartite agreement dated September 17, 2010 among CDSL, our Company and the Sharepro Services (India) Private Limited;

- Trademark License Agreement dated December 1, 2010, and amendment thereto dated July 4, 2011;

- IPO grading report dated June 17, 2011 by Credit Analysis & Research Limited;

- IPO grading report dated June 27, 2011 by ICRA Limited;

- In-principle listing approvals dated April 20, 2011 and April 21, 2011 from the NSE and the BSE, respectively;

- FIPB approval dated December 16, 2010, amended on June 7, 2011;

- Deal confirmation dated March 28, 2011 for placement of inter corporate deposit of ₹ 3,450 million by L&T in favour of our Company; and

- Certificate dated March 29, 2011 issued by M/s. Sharp & Tannan, Chartered Accountants with respect to placement of an intercorporate deposit to the Company on March 28, 2011 by L&T, for an aggregate amount of ₹ 3,450 million.

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance with applicable laws.

DECLARATION

All relevant provisions of the Companies Act, 1956 and regulations or guidelines issued by the Government of India or by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules, regulations or guidelines, made or issued thereunder, as the case may be. We further certify that all disclosures made in this Prospectus are true and correct.

SIGNED BY DIRECTORS:

SIGNED BY MR. Y. M. DEOSTHALEE: ....

SIGNED BY MR. N. SIVARAMAN: ....

SIGNED BY MR. A. K. JAIN: ....

SIGNED BY MR. SHAILESH HARIBHAKTI: ....

SIGNED BY MR. B. V. BHARGAVA: ....

SIGNED BY MR. R. SHANKAR RAMAN: ....

SIGNED BY MR. N. SUBRAMANIAM: ....

SIGNED BY MR. M. VENUGOPALAN ....

SIGNED BY MR. P. V. BHIDE ....

SIGNED BY MR. N. SURYANARAYANAN: ....

SIGNED BY COMPANY SECRETARY & COMPLIANCE OFFICER, MANAGER AND CHIEF ACCOUNTS OFFICER:

Date : August 3, 2011

Place : Mumbai

ANNEXURE A: IPO GRADING REPORTS

Annexure I

CARE assigns 'CARE IPO Grade 5' to the proposed IPO of L&T Finance Holding Ltd

Grading

Particulars	Issue size (Rs cr)	Grading
IPO Grading	1,750	'CARE IPO Grade 5'

CARE has assigned a 'CARE IPO Grade 5' to the proposed Initial Public Offer (IPO) of L&T Finance Holdings Ltd. (L&TFH). 'CARE IPO Grade 5' indicates 'Strong Fundamentals'. CARE assigns IPO grades on a scale of Grade 5 to Grade 1, with Grade 5 indicating strong fundamentals and Grade 1 indicating poor fundamentals. CARE's IPO grading is an opinion on the fundamentals of the issuer. The grade assigned to any individual issue represents a relative assessment of the 'fundamentals' of the issuer.

Grading Rationale

The grading factors in the well diversified business profile of L&TFH in the financial sector through its direct & indirect subsidiaries that have good presence and track record in segments like retail finance, corporate finance, infrastructure finance and asset management amongst others. The grading further reflects strong consolidated financial position, comfortable liquidity position with strong resource raising ability and good asset quality of its subsidiaries. The grading reflects the strengths that the company derives from its parent Larsen and Toubro Ltd. (L&T), which is one of India's leading companies having presence in engineering, construction, electrical & electronic manufacturing and services, infrastructure, information technology, financial services and power. L&TFH is a strategically important subsidiary of L&T and its profile is strengthened by the management experience, technical expertise, corporate governance practices and brand value of the L&T group.

Background and Company Profile

L&TFH is promoted by L&T and was incorporated as L&T Capital Holdings Limited on May 01, 2008 under the Companies Act to carry on the business of investment/finance and received the certificate of commencement of business on May 15, 2008. Subsequently, the company changed the name to L&T Finance Holdings Limited from September 01, 2010 and received fresh certificate of incorporation from the Registrar of Companies on September 06, 2010. Prior to March 31, 2009 L&TFH had minimal operations with passive investments. It acquired 100% stake in L&T Finance Limited (LTF) and L&T Infrastructure Finance Limited (L&T Infra) on March 31, 2009. Major subsidiaries of L&TFH are given in the table below.

Name of Company	L&TFH shareholding %	Business
L&T Finance Ltd. (LTF)	100	Asset Financing (Corporate and Retail Financing
L&T Infrastructure Finance Company Ltd. (L&T Infra)	100	Infrastructure Financing
L&T Investment Managers (L&T IM)*	100*	Asset Management Company of L&T Mutual Fund
L&T Mutual Fund Trustee Ltd. (L&T MFT)*	100*	Trustee to L&T Mutual Fund
India Infrastructure Developers Ltd. (IIDL)	100	SPV to finance captive power plant for Indian Petrochemicals Ltd.

***100% subsidiaries of LTF (therefore are indirect subsidiaries of L&TFH)**

L&TFH is headquartered in Mumbai and has a presence through its subsidiaries in 23 states of India. As on February 28, 2011, L&TFH had 890 points of presence across India through 113 branches, 330 meeting centres, 414 customer care centres and 33 Kisan Gaurav Seva Kendras (centres to run schemes for financing the acquisition of farm equipment by farmers) across its major direct and indirect subsidiaries.

Management

L&TFH's top management is drawn from the promoter group (L&T). The management team comprises of senior managers having wide experience with the L&T group. Mr. Y. M. Deosthalee, Chief Financial Officer of L&T has been appointed as the Chairman of L&TFH and Mr. N. Sivaraman, Senior Vice President, Financial Services, L&T, is the President and Wholetime Director of L&TFH and looks after operations of L&FH and oversees the businesses of its subsidiaries. L&TFH is a holding company and does not have standalone operations. The subsidiaries of L&TFH are managed by independent Chief Executives and respective management teams having vast industry experience. These entities have representation from the L&T group on their Boards and their operations are looked after by respective management teams having vast industry experience.

Corporate Governance

Along with strong management the grading is supported by the good corporate governance practices adopted by the company supported by the L&T group which includes presence of various committees and independence of the board of directors. L&TFH has constituted various committees including audit committee, shareholders/investors grievance committee, nomination, compensation & remuneration committee and an IPO committee which have directors of the company as members. L&TFH has six independent directors (out of 9 directors) which constitute majority of the board. The Board comprises of experienced professionals.

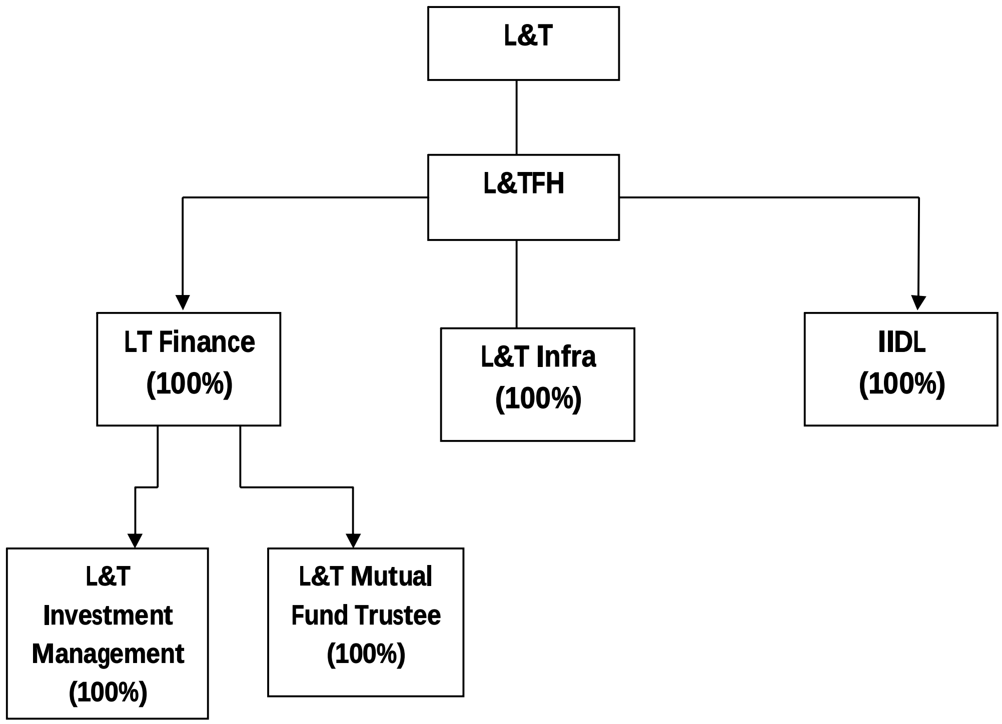
Its NBFC subsidiaries (LTF and L&T Infra) are governed by RBI regulations and have appointed their respective Asset Liability Management Committees and Risk Management Committees and are governed by their boards.

Business Operations

L&TFH is a holding company and has no direct operations. It provides financial services across the corporate, retail and infrastructure sectors and has presence in mutual fund products as well as investment management services through direct and indirect wholly owned subsidiaries. L&TFH has applied for registration with the Reserve Bank of India (RBI) as a ‘Core Investment Company.’

Subsidiaries

L&TFH has two major subsidiaries (LTF and LT Infra) which constitute the majority of consolidated operations of the company. The holding structure of L&TFH is given below.



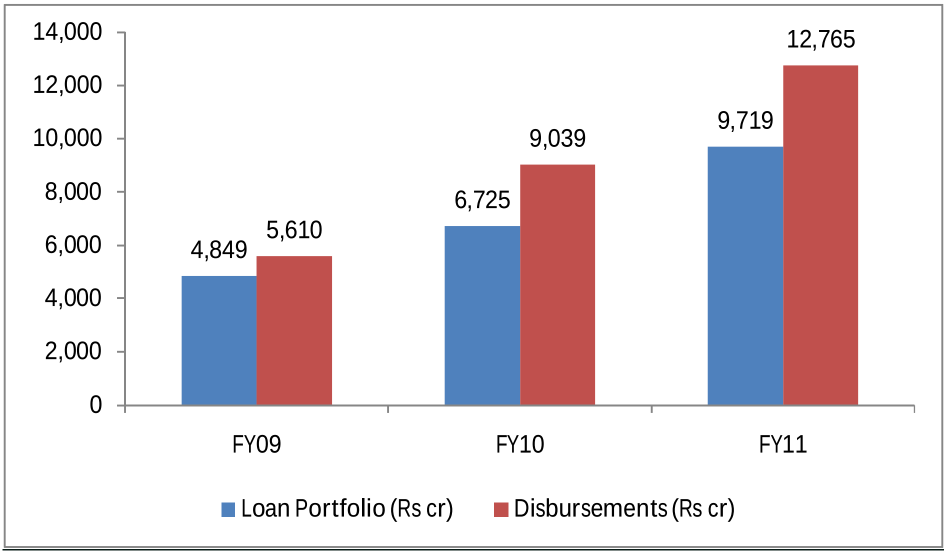
L&T Finance (LTF)

Key Financials of LTF

(Rs cr)

Year ended / As on	31.03.09	31.03.10	31.03.11
Total Income (gross of lease depreciation)	830	966	1,398
PAT	99	156	230
Net Worth	845	1,127	1,722
Total Assets	5,529	7,847	11,275
Overall Gearing	5.26	5.70	5.14
Return on Total Assets (ROTA) (%)	1.85	2.33	2.40
Return on Net Worth (RONW) (%)	12.61	15.87	16.17

Disbursements and Loan Portfolio for LTF



***disbursements excluding disbursements for IPO Financing**

LTF is registered as Non Banking Finance Company Non-Deposit Taking-Systemically Important (NBFC-ND-SI) with the Reserve Bank of India (RBI). It has a long term rating of 'CARE AA+' and short term rating of 'PR1+' from CARE.

LTF was incorporated in 1994 and has a track record of more than 16 years of operations and has well diversified fund based activities across various segments. LTF operates through two major business verticals, namely Corporate Finance Group (CFG) and Retail Finance Group (RFG) based on the type of clientele.

The CFG mainly caters to the financing requirements of mid-sized corporates and SMEs through products like Construction Equipment Financing (Strategic), Vendor Financing, Dealer Financing, Asset backed Term Loans, Leasing, Hire Purchase, Sales-Aid Financing, Portfolio Purchases, Receivable Discounting and Loans against Securities. The division continuously explores possibilities of utilizing synergies provided by operations of L&T.

RFG mainly caters to the financing requirements of retail clientele across various segments such as Tractors, Commercial Vehicles, Construction Equipments (Retail), Micro Finance, etc. LTF has recently launched financial products distribution business which also forms part of RFG. LTF has a six member board out of which, four members are senior executives of L&T and two independent directors.

LTF reported PAT of Rs.230 crore on total income of Rs.1,398 crore during FY11. It reported Capital Adequacy Ratio (CAR) of 16.34% as on March 31, 2011. The operations of

LTF are looked after by professional management team headed by Mr. Dinanath Dubhashi as the Chief Executive.

Mutual Fund business (L&T Mutual Fund)

LTF's 100% subsidiary, L&T Investment Management Limited (L&TIM), conducts its investment management business which comprises the mutual fund segment (including the management, administration and distribution of L&T Mutual Fund) and the portfolio management services segment (including portfolio management and sub-advisory services). L&T Mutual Fund had average Assets Under Management (AUM) for the quarter Jan. '11 – Mar. '11 at Rs.4,029.84 crore. (source: www.amfiindia.com).

LTF acquired, L&TIM (formerly DBS Cholamandalam Asset Management Limited) on January 20, 2010, together with L&T Mutual Fund Trustee Limited (L&T MFTL)(formerly DBS Cholamandalam Trustee Limited), the trustee company for L&T Mutual Fund. Post acquisition, L&T MFTL got a fresh certificate of incorporation from the Registrar of Companies (ROC), Tamil Nadu, Chennai, Andaman & Nicobar Islands upon change of name from DBS Cholamandalam Trustees Limited to L&T Mutual Fund Trustee Limited on February 11, 2010.

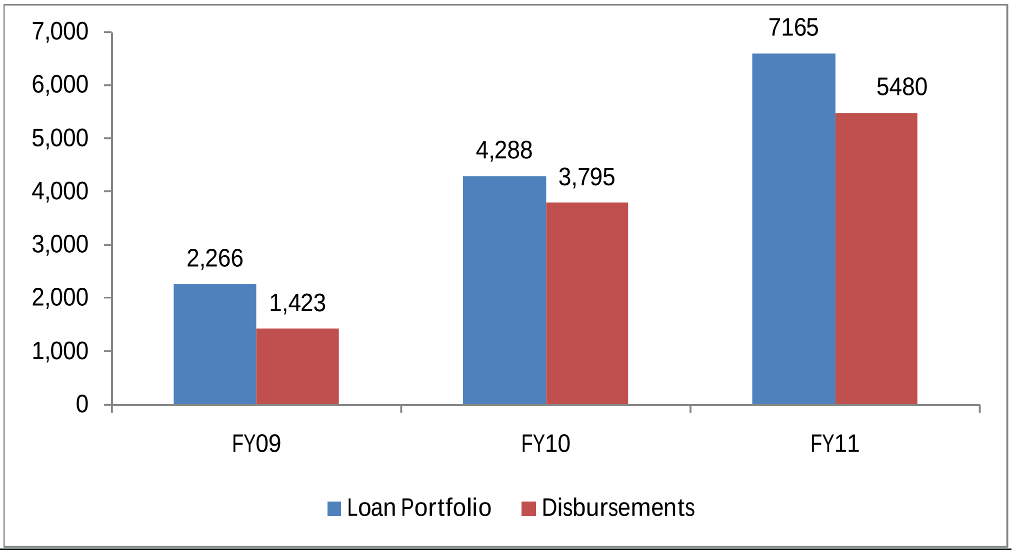
L&T Infrastructure Finance Company Limited (L&T Infra)

Key Financials of L&T Infra

(Rs cr)

Year ended / As on	31.03.09	31.03.10	31.03.11
Total Income (net of lease depreciation)	296	450	704
PAT	76	111	201
Net Worth	624	1,000	1,235
Total Assets	2,407	4,329	7,646
Overall Gearing	2.84	3.24	5.02
Return on Total Assets (ROTA) (%)	3.53	3.29	3.35
Return on Net Worth (RONW) (%)	13.04	13.65	17.97

Disbursements and Loan Portfolio for L&T Infra



L&T Infra is into infrastructure financing. The RBI has granted L&T Infra the status of an Infrastructure Finance Company, which accords it benefits by way of ability to raise funds at lower costs compared to other NBFCs. It had major exposures to sectors like Power Generation, Road and Telecom sectors as on March 31, 2011.

L&T Infra's total outstanding infrastructure assets portfolio stood at Rs. 7165 crore as on March 31, 2011. Total disbursements registered good growth during FY11 to Rs.5,480 crore (FY10: Rs.3,795 crore).

L&T Infra reported PAT of Rs.201 crore on total income of Rs.704 crore during FY11 and CAR of 16.50% as on March 31, 2011. L&T Infra's liquidity position was comfortable as on March 31, 2011 and it had unutilized lines to meet any liquidity requirements. L&T Infra is a professionally managed company with Mr. Suneet Maheshwari as its Chief Executive who is assisted by experienced team of various group heads.

The company in June 2011 was also given a PFI status (Public Financial institution), amongst other things allows it access to the provisions of the SARFAESI Act for recoveries from delinquent customers.

<u>India Infrastructure Developers Limited (IIDL)</u>

IIDL was incorporated in 1997, as a special purpose vehicle to finance a captive power plant for Indian Petrochemicals Limited.

Subject to applicable regulatory approvals, IIDL plans to support the working capital requirements of small and medium enterprises and other corporate entities.

IPO Issue Details

L&TFH proposes to raise Rs.1,750 crore through the IPO. The objective of the issue is to augment the capital base of its wholly owned subsidiaries, L&T Infra and LTF which will enable them to meet the expected growth in their loan portfolio and meet regulatory requirements. L&TFH plans to infuse Rs.570 crore in L&T Finance Company Ltd., Rs.535 crore in L&T Infrastructure Finance Company Ltd., Rs.345 crore to repay inter corporate deposit issued by L&T and the remaining amount (net of IPO expenditure) would be spent for general corporate purposes like brand building exercise, acquiring fixed assets, day to day operational expenditure etc. of L&TFH.

Financial Performance of L&TFH

(Rs cr)

As on / Period ended	31.03.10 (A)	31.03.11 (A)
Consolidated	**12 m**	**12 m**
Income from Lease and Hire Purchase	48	66
Interest on Infrastructure Loans	439	644
Income from Bill Discounting	29	46
Interest from Financing Activity	879	1,281
Other Operating Income	6	26
Other Income	14	28
Total Income	**1,424**	**2,115**
Employee Cost	60	96
Administrative Expenses	150	216
Interest and Financial Charges	675	1,021
PBT	**394**	**612**
PAT	**260**	**398**
Net worth	2,349	2,890
Total Borrowings	9,727	15,916
Overall Gearing (times)	4.14	5.51
Interest Coverage (times)	1.58	1.60

***operations during FY09 were only for 11 months. Therefore, financial results for FY10 are not comparable to those for FY09.**

Prior to March 31, 2009, L&TFH had minimal operations in the form of passive investments. Therefore effectively, FY10 was the first year of reporting consolidated numbers for L&TFH. **Both LTF and L&T Infra witnessed strong growth in business during FY11 which helped L&TFH report strong growth in total income and profit.** During FY11, L&TFH had total loan portfolio of Rs.17,411 crore as on March 31, 2011.

Majority of the income was through financing activity under LTF contributing more than 66% of total income for FY11 while income from infrastructure financing contributed 30% of total income for FY11.

The consolidated gearing as on March 31, 2011 was moderate level at 5.51 times with interest coverage comfortable at 1.60 times as on March 31, 2011.

Industry Outlook

The NBFC sector showed significant growth during the last two years of FY10 and FY11 backed by strong growth in all the underlying sectors of infrastructure, commercial vehicles and overall industry.

The recent period also saw the entry and growth of new players in the market either backed by the product manufacturers or as the financing forays of large conglomerates. While the traditional product segments of commercial vehicle and construction equipment financing remain the core focus; segments such as loan against property, SME loans, loans against security have shown substantial growth.

Structurally the capital adequacy, liquidity and asset quality for most NBFCs has remained good. Capital adequacy has been driven to a large extent by the increasing regulatory requirements which have risen to a minimum of 15% from 31st March 2011 for non-deposit accepting NBFCs and from 31st March 2012 for deposit accepting NBFCs. Liquidity risk materialized significantly during the credit crisis in 2008 and since then most NBFCs have managed their ALM conservatively. Asset quality was weak for the unsecured lending portfolio during the credit crisis and was shunned as an asset class by the NBFC sector during the last few years. If we exclude the microfinance sector, NBFCs have focused solely on secured lending either through the security of income generating assets or through the security of property / shares collateral. This has the dual impact of improving the current asset quality and building a secured portfolio that is expected to have lower credit costs in future also.

The impact however was felt in terms of margins for most NBFCs in terms of their spreads as the focus towards secured lending reduced the scope for high interest rates on the asset side and conservative ALM with rising interest rates affected borrowing costs.

Going forward the key factors affecting NBFC space are regulatory environment, interest rates, competition and overall economic growth.

The RBI has either changed some regulations or is in the process of reviewing some of them which may affect the NBFC sector. The indirect priority sector tag from loans given by banks to NBFCs has been withdrawn (except for qualifying MFI NBFCs). This may affect the borrowing costs for loans taken by NBFCs from banks as they would have to be on purely commercial terms as against a mix of commercial and priority sector considerations earlier. In addition the RBI has set up a committee to review the entire priority sector regulations post which this aspect is expected to become clearer. Also the draft securitization guidelines placed by RBI last year are yet to be finalized. Overall the regulatory scenario for NBFCs is being reviewed by RBI with a view to reduce 'regulatory arbitrage' between Banks and NBFCs. While these changes have made the environment challenging for many players, the stronger NBFCs are expected to manage the higher compliance costs. Increased RBI interest in the sector also reflects the systematic importance of the sector which is a positive development.

Interest rates have been continuously rising with increasing domestic inflation. The ability of NBFCs to pass on the costs without affecting the asset quality is a key factor to be monitored. In addition there is increased competition in the space with the entry of new players which may not allow lenders to pass on the full increase in their borrowing costs. A high interest rate environment is also likely to impact demand for credit. Generally till the high interest rate scenario is maintained, NBFCs spread is expected to reduce as it would be difficult to pass on the entire rate increase.

L&TFH has a long track record of operations under its various business segments and has seen several business cycles. While the current overall environment for NBFCs is challenging in terms of profitability; given the diversified business segments in which it operates and the benefits of group strength controlling its borrowing costs, L&TFH is expected to perform well going forward.

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L&T Finance Holdings Limited

ICRA has assigned an '**IPO Grade 5',** indicating strong fundamentals to the proposed initial public offering of L&T Finance Holdings Limited (LTFHL). ICRA assigns IPO grading on a scale of IPO Grade 5 through IPO Grade 1, with Grade 5 indicating strong fundamentals and Grade 1 indicating poor fundamentals. LTFHL is proposing to come out with an Initial Public Offer through issue of a yet to be determined number shares of face value Rs 10/- at a yet to be determined premium, subject to a total issue size of Rs. 1,750 crore. Larsen & Toubro (L&T) is LTHFL's parent with a 99.99% stake. The offer would be made through the 100% book building route. Of the net offer, 50% is reserved for Qualified Institutional Buyers (QIBs), 15% for non-institutional investors and 35% for the retail investors. Post IPO, the shares will be listed on the National Stock Exchange and Bombay Stock Exchange. The objects of the offer are to augment the capital base of subsidiary companies L&T Finance Limited (LTF) by Rs. 570 crore and L&T Infrastructure Finance Company (LTIF) by Rs. 535 crore in order to support their capital requirements arising out of the expected growth in their assets and for also compliance of their regulatory capital adequacy requirements. Proceeds from the IPO would also by utilized towards repayment of inter-corporate of Rs. 345 crore issued by LTFHL's parent L&T and for other general corporate purposes or further capital support in the subsidiary companies in . While assigning the IPO grade to LTFHL, the holding company, ICRA has evaluated the company's consolidated financials, which includes its subsidiaries L&T Finance Limited (LTF), L&T Infrastructure Finance Limited (LTIF) L&T Investment Management Limited (LTIM)* and India Infrastructure Developers Limited (IIDL) to evaluate its business fundamentals as well as financial strengths.

The strong fundamental grading factors include high growth prospects for the subsidiaries of LTFHL, their good competitive position to exploit the growth opportunities on the strength of their sound knowledge, good linkages in the infrastructure space, good systems and processes, access to long term funds at competitive rates and strong financial flexibility. During FY 2011 LTFHL's combined loan book (on books) registered a healthy y-o-y growth of 59%, and as on March 31, 2011 the company had a loan portfolio of Rs. 17,506 crore, out of which 65% were larger ticket exposures, balance 35% were retail loans. The proposed IPO would improve the group's position to take higher exposures (consolidated Net worth would increase to over Rs 5000 crore post the IPO) as well as provide capital for funding growth. Leveraging† level of the company is at a 5.51 times as on March 31, 2011, while the Tier 1 capital % for LTF and LTIF is at 15.44% and 16.26% respectively as against the regulatory Tier 1 capital requirement of 10% (total capital requirement of 15%), therefore the company could improve on its return on equity through higher leveraging. Further, increase in the scale of non fund based businesses including portfolio management services, mutual fund and insurance distribution and project advisory services could improve the return on equity, which was at 15.2% during 2011-12. Financial services is one of the core verticals of L&T and LTFHL is likely to continue to benefit from the close supervision, monitoring and support of L&T's management and board over its operations. The grading also benefits from strong financial profile of the lending subsidiaries, which are rated at LAA+(stable) / A1+ by ICRA and good corporate governance practices at L&T.

As on March 31, 2011 the company's large loan book was predominantly in the infrastructure segment (46% of portfolio), followed by Corporate and Receivable discounting loans, vendor and dealer financing loans, and Loan against Share (LAS).

In the infrastructure lending segment, where ticket sizes are fairly large (ranging from Rs. 100 crore - Rs. 300 crore), LTFHL through its subsidiaries has a diversified loan portfolio across various industries including power generation, telecom, roads, Oil and gas, urban infrastructure etc and as on March 31, 2011 the company registered a strong y-o-y portfolio growth of 68% respectively (against a y-o-y banking system growth in infrastructure of 38.6%). While the infrastructure segment is subject to competition from other lenders, as part of the L&T group LTFHL through its subsidiaries is expected to be in a position to take advantage of the current and expected thrust on infrastructure development in the country and grow profitably on account of its good relationships and strong technical and

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* LTIM is a subsidiary of LTF

† Reported Debt / Reported Net worth

operational expertise it enjoys. Since the inception L&T Infra has consolidated its position in the infrastructure segment, it has acquired talent pool from the financial services industry which coupled with the close association with L&T provides it with access to strong project assessment skills which mitigates the risk.

LTFHL through its subsidiaries offers corporate loans to Corporate / SME customers and has been able to maintain good asset quality in the segment. In the corporate lending segment, LTFHL through its subsidiaries also benefits from the strong linkages from its parent L&T by financing participants within its supply chain (bill discounting & vendor financing), which puts it in a superior position to assess credit quality of customers while expanding its book profitably. In addition to the L&T ecosystem, the company has also diversified its supply chain business to large corporates. In the LAS segment the company primarily targets the promoter funding segment and maintains conservative lending norms to mitigate the risks associated with this business.

In the retail customer segment, which accounted for 35% of total portfolio as on March 31, 2011, LTFHL focuses on financing income generating assets and the portfolio consists of loans in the Construction Equipment segment (CEF) , the Commercial Vehicle segment (CV) , tractor segment and Micro finance segment. While in the past the company had faced issues on asset quality in the CV and CEF segments, following a subsequent tightening of lending and appraisal norms, re-alignment of disbursements towards stronger credit profiled customers and re-structuring of recovery and collection initiatives, the company has been able to improve its asset quality on the fresh originations and its existing portfolio. LTFHL has an established and wide distribution network, which along with the company's established franchise should enable it to be in a position to tap the growth potential in the CV and CEF segments, which are closely linked to economic indicators. However it would be important for the company to ensure a strict control over its asset quality in order to maintain its risk adjusted returns as it expands in the retail segment. ICRA has evaluated the company's exposure to the Micro Finance segment, and its exposure to the state of Andhra Pradesh, where since October 2010 operations and recovery rates across the industry, including that of LTFHL, have been significantly disrupted on account of the issue of the "Andhra Pradesh Micro Finance Institutions Ordinance, 2010" by the government of Andhra Pradesh. In light of the low collection levels from the state LTFHL made accelerated provisions on this portfolio in FY 2011 and in ICRA's view the size of LTFHL's un-provided exposure in Andhra Pradesh is not significant in relation to the overall size of the its balance sheet and is not likely to have material impact on its financial profile.

About the Company

L&T Finance Holdings Limited
L&T Finance Holdings Limited (LTFHL) was originally incorporated as L&T Capital Holdings Ltd on May 1, 2008 and subsequently changed its name on September 6, 2010. The company is promoted by Larsen & Toubro Limited (L&T) as the holding company of the group's financial services companies; L&T holds a 99.99% shareholding in the company as on September 30, 2010. In March 2009 L&T transferred its investments in L&T Finance Limited (LTF) and L&T Infrastructure Finance Company Limited (LTIF) to LTFHL and these companies subsequently became wholly owned subsidiaries of LTFHL. Besides LTF and LTIF, LTFHL's third wholly owned subsidiary is India Infrastructure Developers Limited (IIDL). LTFHL through its subsidiaries offers a diverse range of financial products and services across the corporate, retail and infrastructure financing segments. The company also offers fund management services through L&T Mutual Fund and other non fund based services such as Insurance and mutual fund distribution and Financial Advisory services (project finance advisory, Pre-bid Advisory and Equity Syndication) through its subsidiaries.

As at May 31, 2011, the company through its subsidiaries had 837 points-of-presence across India, comprising 117 branch offices, 269 meeting centers, 37 KGSK centers (Kisan Gaurav Seva Kendra) and 414 customer care centers across all of our business groups and segments.

Based on reported financial for the financial year ended March 31, 2011 LTFHL (consolidated) reported a Profit After Tax of Rs. 398.3 crore on an asset base of Rs. 19902.65 crore‡. As on March 31,2011 LTFHL had a 4.68% stake in Federal Bank and an 4.78% stake in City Union Bank. As on March 31, 2011 the company had un-realized gains on these investments amounting to Rs. 269 crore (or 9.32% of its Net worth).

L&T Finance Limited

L&T Finance Limited (LTF) (rated by ICRA at LAA+/Stable), was formed as a 100% subsidiary of Larsen & Toubro Limited (L&T) in 1994. L&T formed L&T Financial Holdings Ltd (formerly known as L&T Capital Holdings Ltd) to hold all investments in financial services including L&T Infra and L&T Finance. Consequently, the entire shareholding was transferred to L&T Finance Holdings Ltd, a subsidiary of L&T in March 2009. LTF is registered as a systemically important Non-Banking Finance Company, and its core business segments are divided into corporate finance group (CFG) and Retail finance group (RFG). LTF has traditionally been engaged in financing construction equipment and providing working capital finance to mid-sized corporates. During the past seven years, LTF has also diversified into Commercial Vehicle (CV), tractor finance, finance of dealers and vendors, Microfinance, loan against securities and distribution of financial products.

LTF on January 20, 2010 acquired DBS Cholamandalam Asset Management Limited, DBS Cholamandalam Trustees Limited, and DBS Chola Mutual Fund. These companies were subsequently in February 2010 renamed L&T Investment Management Limited (LTIM), L&T Mutual Fund Trustee Limited and L&T Mutual Fund respectively. As on March 31, 2011total Assets under Management (AUM) under the various equity, debt and hybrid schemes offered aggregated to Rs. 3,334 crore.

LTF's reported a 47% growth in net profits to Rs. 230.46 crore for the year ended March 31, 2011, on a reported asset base of Rs. 11433.83 crore§. The gross NPA% of the company stood at 1.42% as on March 31, 2011 while the net NPA% were at 0.78%.

L&T Infrastructure Finance Company Limited

LTIF (rated by ICRA at LAA+/Stable) was formed as a 100% subsidiary of Larsen & Toubro Limited (L&T) in April 2006 and began operations in January 2007. L&T formed L&T Financial Holdings Ltd (formerly known as L&T Capital Holdings Ltd) to hold all investments in financial services including L&T Infra and L&T Finance. Consequently, the entire shareholding was transferred to L&T Finance Holdings Ltd, a subsidiary of L&T in March 2009. L&T Infra is registered as an NBFC-IFC (Infrastructure Finance Company) and is engaged in the business of financing infrastructure projects, including Power, Roads, Telecom, Oil & Gas, Ports etc. The company in June 2011 was also given a PFI status (Public Financial institution), amongst other things allows it access to the provisions of the SARFAESI Act for recoveries from delinquent customers. Formed with an initial equity of Rs. 500 crore from the Parent, the company intends to leverage L&T's domain knowledge in the engineering and construction space to provide infrastructure financing solutions through a mix of debt, sub-debt, quasi-equity and equity participation. L&T Infra operates from its offices in Mumbai, Delhi, Chennai and Hyderabad.

As on March 31, 2011, L&T Infra had a total portfolio of Rs. 7187 crore primarily in the nature of term loans and investment in infrastructure projects and registered a growth of 75% over March 31, 2010. The company's gross NPA% stood at 0.67% while the net NPA% was 0.53%as on March 31, 2011.

‡ Source DRHP

§ Source : DRHP

Larsen & Toubro Limited

Larsen & Toubro Limited (L&T) (rated by ICRA at LAAA/ Stable) is a leading engineering and construction company in India with a nationwide as well as international presence. It is headquartered in Mumbai. It has interests in Engineering & Construction (E&C), electrical and electronics and machinery and industrial products, Information Technology and Financial Services.. It is the market leader in the electrical and electronic business in India, and enjoys a dominant market share in low tension switchgears. It also has operations in the US, Middle East, Asia and Europe. Through its total of 119 subsidiaries, 23 associate companies and 12 joint ventures as of 31 March 2011, the group is involved in IT services, financial and infrastructure development activities. The E&C which is the largest business segment for L&T is involved in engineering, procurement and commissioning of large projects under oil & gas, infrastructure, power, metals & minerals. It has also presence in heavy engineering which includes nuclear, marine and aviation sectors. The Electrical and Electronics segment manufactures range of products including switchgears, switchboards, metering equipments, medical devices and control and automation systems. The Machinery and Industrial products segment deals in manufacturing of construction machinery and equipments like hydraulic and material handling equipments and are also involved in valves and industrial machinery products.. For the financial year ending FY2010-11 L&T on a standalone basis reported a profit after tax (PAT) of Rs 3957.89 Crore on an income of Rs 43904.91 Crore.

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