



Business Re-structuring
for Sustained Growth



VISION

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

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

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



LARSEN & TOUBRO

LARSEN & TOUBRO LIMITED

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

NOTICE

NOTICE IS HEREBY GIVEN THAT the Sixty-sixth Annual General Meeting of **LARSEN & TOUBRO LIMITED** will be held at **Birla Matushri Sabhagar, 19, Marine Lines, Mumbai - 400 020 on Friday, August 26, 2011 at 3:00 p.m.** to transact the following business :-

- 1) To consider and adopt the Balance Sheet as at March 31, 2011, the Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon;
- 2) To declare a dividend on equity shares;
- 3) To appoint a Director in place of Mr. K. Venkataramanan, who retires by rotation and is eligible for re-appointment;
- 4) To appoint a Director in place of Mr. S. Rajgopal, who retires by rotation and is eligible for re-appointment;
- 5) To appoint a Director in place of Mr. A. K. Jain, who retires by rotation and is eligible for re-appointment;
- 6) To appoint a Director in place of Mr. S. N. Talwar, who retires by rotation and is eligible for re-appointment;
- 7) To consider and, if thought fit, to pass with or without modification(s), as an **ORDINARY RESOLUTION** the following:

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

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

"RESOLVED THAT pursuant to Section 269 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII of the said Act, approval be and is hereby granted to the appointment of Mr. Ravi Uppal, as the Whole-time Director of the Company with effect from November 1, 2010 upto and including October 31, 2015.

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

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

"RESOLVED THAT pursuant to Section 269 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII of the said Act, approval be and is hereby granted to the appointment of Mr. S. N. Subrahmanyam, as the Whole-time Director of the Company with effect from July 1, 2011 upto and including June 30, 2016.

RESOLVED FURTHER THAT Mr. S. N. Subrahmanyam, in his capacity as the Whole-time Director, be paid remuneration

as may be fixed by the Board, from time to time, within the limits approved by the members as per the details given in the explanatory statement."

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule XIII of the said Act, approval be and is hereby accorded to the Board of Directors (hereinafter referred as "Board" which term shall be deemed to include any committee thereof) to pay to the Chairman & Managing Director, Chief Executive Officer & Managing Director, if any, Deputy Managing Director, if any and Whole-time Directors of the Company effective from October 1, 2011, such remuneration comprising of salary, commission, perquisites & allowances, as may be determined by the Board from time to time within the maximum limits as mentioned in the Explanatory Statement and the consent of the Company be and is hereby also accorded to holding an office or place of profit or continue to hold an office or place of profit as Directors, nominated or as may be nominated by the Company, from time to time, on the Boards of its subsidiary/associate companies."

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

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

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

N. HARIHARAN
COMPANY SECRETARY

Mumbai, May 19, 2011

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

Notes:

- [a] The information required to be provided under the Listing Agreement entered into with various Stock Exchanges, regarding the Directors who are proposed to be appointed/ re-appointed and the relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the business under items 7 to 11 set out above are annexed hereto.
- [b] A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
- [c] The Register of Members and Transfer Books of the Company will be closed from Friday, August 19, 2011 to Friday, August 26, 2011 (both days inclusive).
- [d] Members are requested to furnish bank details, e-mail address, change of address etc. to Sharepro Services (India) Private Limited at 13 AB, Samhita Warehousing Complex, 2nd floor, Sakinaka Telephone Exchange Lane, Off. Andheri - Kurla Road, Sakinaka, Andheri (East), Mumbai - 400 072, who are the Company's Registrar and Share Transfer Agents so as to reach them latest by Thursday, August 18, 2011, in order to take note of the same. In respect of members holding shares in electronic mode, the details as would be furnished by the Depositories as at the close of the aforesaid date will be considered by the Company. Hence, members holding shares in demat mode should update their records at the earliest.
- [e] All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company on all working days, except Saturdays, between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting.
- [f] Members/Proxies should bring their attendance slips duly completed for attending the Meeting.
- [g] Pursuant to Section 205A(5) of the Companies Act, 1956, the unpaid dividends that are due for transfer to the Investor Education and Protection Fund are as follows:

| Dividend No. | Date of Declaration | For the year ended | Due for Transfer on |
|--------------|---------------------|--------------------|---------------------|
| 72 | 23.09.2004 | 31.03.2004 | 29.10.2011 |
| 73 (Spl.) | 25.10.2004 | 31.03.2005 | 01.12.2011 |
| 74 | 26.08.2005 | 31.03.2005 | 01.10.2012 |
| 75 | 25.08.2006 | 31.03.2006 | 30.09.2013 |
| 76 (Int.) | 13.03.2007 | 31.03.2007 | 18.04.2014 |
| 77 (Spl.) | 03.07.2007 | 31.03.2008 | 08.08.2014 |
| 78 | 24.08.2007 | 31.03.2007 | 29.09.2014 |
| 79 | 29.08.2008 | 31.03.2008 | 05.10.2015 |
| 80 | 28.08.2009 | 31.03.2009 | 04.10.2016 |
| 81 | 26.08.2010 | 31.03.2010 | 02.10.2017 |

Members who have not encashed their dividend warrants pertaining to the aforesaid years may approach the

Company/its Registrar, for obtaining payments thereof at least 20 days before they are due for transfer to the said fund.

- [h] Investor Grievance Redressal:

The Company has designated an exclusive e-mail id viz. igr@larsentoubro.com to enable Investors to register their complaints, if any.

- [i] The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" allowing paperless compliances by Companies through electronic mode. Companies are now permitted to send various notices / documents to its shareholders through electronic mode to the registered e-mail addresses of shareholders. This move by the Ministry is welcome since it will benefit the society at large through reduction in paper consumption and contribution towards a Greener Environment. It will also ensure prompt receipt of communication and avoid loss in postal transit. Keeping in view the underlying theme and the circular issued by MCA, we propose to send all documents to be sent to Shareholders like General Meeting Notices (including AGM), Audited Financial Statements, Directors' Report, Auditors' Report, etc. henceforth to the shareholders in electronic form, to the e-mail address provided by them and made available to us by the Depositories. Please note that these documents will also be available on the Company's website www.larsentoubro.com for download by the shareholders. The physical copies of the Annual Report will also be available at our Registered Office in Mumbai for inspection during office hours. In case you desire to receive the above mentioned documents in physical form, you are requested to send an e-mail to igr@larsentoubro.com. Please note that you will be entitled to be furnished free of cost, with a copy of the Balance Sheet of the Company and all other documents required by law to be attached thereto including the Profit & Loss Account and Auditors' Report, upon receipt of a requisition from you, any time, as a member of the Company.

Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participant. Members who hold shares in physical form are requested to register their e-mail addresses with Sharepro Services (India) Private Limited, Registrar and Share Transfer Agents of the Company.

EXPLANATORY STATEMENT

As required by Section 173(2) of the Companies Act, 1956, the following Explanatory Statement sets out material facts relating to the business under Item Nos. 7 to 11 of the accompanying Notice dated May 19, 2011.

Item No. 7 :

Mr. S. N. Subrahmanyam was appointed as a Director with effect from July 1, 2011, in the casual vacancy that will be caused on account of retirement of Mr. K. V. Rangaswami on June 30, 2011. Pursuant to Section 262 of the Companies Act, 1956, Mr. S. N. Subrahmanyam will hold the office up to the date of the forthcoming Annual General Meeting. The Company has received a Notice in writing from a member under the provisions of Section 257 of the Companies Act, 1956, proposing

the candidature of Mr. S. N. Subrahmanyam for the office of a Director.

Except Mr. S. N. Subrahmanyam none of the Directors is concerned or interested in the resolution.

Item No. 8 :

The Board of Directors of the Company at its Meeting held on October 18, 2010, appointed Mr. Ravi Uppal, as a Whole-time Director of the Company with effect from November 1, 2010 upto and including October 31, 2015, subject to the approval of the members in the Annual General Meeting.

Mr. Ravi Uppal is a Mechanical Engineer from the prestigious Indian Institute of Technology (IIT) in Delhi and an alumnus of Indian Institute of Management (IIM), Ahmedabad. He has also completed his Advanced Management Program at Wharton Business School, USA.

Before taking on his present responsibility with the L&T Group, Mr. Uppal spent over 22 years with the ABB Group and was their President - Global Markets and Member of the ABB Group Executive Committee based in Switzerland.

From 2001 to 2007, Mr. Uppal was Vice Chairman & Managing Director of ABB in India and during his tenure, the operations saw a meteoric, seven-fold growth. Under his leadership, ABB was placed among India's leading Companies and won many accolades.

Preceding this tenure with ABB, he established and developed Volvo's operations in India from scratch as Volvo's Managing Director & Country Manager, ushering in a new era and concept of commercial transportation in the country. Prior to taking up the Volvo challenge, Mr. Uppal served with ABB for 16 years in several senior management capacities in India, the Middle East, North Africa, Germany and Sweden.

Amongst the many honours he has received, Mr. Uppal was awarded the Royal Order of the Polar Star by the King of Sweden and named a Knight of this Order, in recognition of his invaluable services to Sweden. He was also bestowed the Marketing Award 2005 by the Institute of Marketing Management, India and named among 'India's Best of the Best' by the magazine 'Smart Manager'. He has also been honoured as a Distinguished Alumnus by IIT (Delhi).

Mr. Uppal is actively involved with several industry forums and academic institutions. He also takes a keen interest in social and community development initiatives.

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

At the Annual General Meetings of the Company held on September 23, 2004, and August 25, 2006, the shareholders have fixed the maximum limits within which the Board was delegated authority to decide the remuneration of Whole-time Directors of the Company. Pursuant to this, the Board has fixed the remuneration payable to Mr. Ravi Uppal during his tenure as Whole-time Director.

As from November 1, 2010, during the period of this agreement and so long as the Whole-time Director performs his services as per the terms and conditions provided by this agreement, he

shall be entitled to the following:

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

Commission : Upto 0.1% per annum of the operating net profits after tax of the Company for and from the year 2010-11 on a pro-rata basis and excluding profits on separation of Company's business, sale of Company's stake in subsidiary and associate companies, including Joint venture Companies.

The actual commission will be decided, based on parameters set periodically, by the Board, which will include the performance of the Company, the business and the individual.

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

The above perquisites will exclude value of Stock Option benefits, if any, computed as per Income Tax Act/Rules, which will be borne by the Company.

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

Accordingly, the Resolution at Item No. 8 is proposed for approval of the members for appointment of Mr. Ravi Uppal, as the Whole-time Director as contemplated by Part III of Schedule XIII of the Companies Act, 1956, and other applicable provisions, if any.

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

The Board recommends approval of the appointment of Mr. Ravi Uppal, as Whole-time Director of the Company.

Mr. Ravi Uppal, the Whole-time Director of the Company, being the appointee, is interested in the proposed Resolution.

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

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

Item No. 9 :

The Board of Directors of the Company at its Meeting held on April 6, 2011, appointed Mr. S. N. Subrahmanyam, as a Whole-time Director of the Company with effect from July 1, 2011 upto and including June 30, 2016, subject to the approval of the members in the Annual General Meeting.

Mr. S. N. Subrahmanyam, 51, is a civil engineer with post graduate qualifications in business management. He joined L&T in 1984 starting off as project planning engineer, and was soon handpicked for senior responsibilities.

Mr. Subrahmanyam is currently Senior Vice President and Head - Buildings & Factories and Infrastructure Independent Companies.

The Buildings & Factories business has grown rapidly under Mr. Subrahmanyam's leadership, and has executed many prestigious jobs such as ICICI Bank, National Stock Exchange Buildings and Tidel Park.

Mr. Subrahmanyam's notable achievements include playing a pivotal role in securing and managing EPC contracts for construction of four major international airports in India at Bangalore, Hyderabad, Delhi and Mumbai.

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

At the Annual General Meetings of the Company held on September 23, 2004, and August 25, 2006, the shareholders have fixed the maximum limits within which the Board was delegated authority to decide the remuneration of Whole-time Directors of the Company. Pursuant to this, the Board has fixed the remuneration payable to Mr. S. N. Subrahmanyam during his tenure as Whole-time Director.

As from July 1, 2011, during the period of this agreement and so long as the Whole-time Director performs his services as per the terms and conditions provided by this agreement, he shall be entitled to the following:

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

Commission : Upto 0.1% per annum of the operating net profits after tax of the Company for and from the year 2011-12 on a pro-rata basis and excluding profits on separation of Company's business, sale of Company's stake in subsidiary and associate companies, including Joint venture Companies.

The actual commission will be decided, based on parameters set periodically, by the Board, which will include the performance of the Company, the business and the individual.

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

The above perquisites will exclude value of Stock Option benefits, if any, computed as per Income Tax Act/Rules, which will be borne by the Company.

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

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

The agreement to be entered into by the Company with Mr. S. N. Subrahmanyam, in respect of his appointment as Whole-time Director, will contain the terms and conditions of his appointment including remuneration.

The Board recommends approval of the appointment of Mr. S. N. Subrahmanyam, as Whole-time Director of the Company.

Mr. S. N. Subrahmanyam, the proposed Whole-time Director of the Company, being the appointee, is interested in the proposed Resolution.

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

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

Item No. 10 :

At the Annual General Meetings of the Company held on September 23, 2004 and August 25, 2006, the shareholders had approved the overall limit for payment of remuneration to Chairman & Managing Director and Whole-time Directors of the Company within the limits and subject to the terms and conditions set out in the resolution passed at that meeting read with the explanatory statement.

Since then, the Company has made remarkable progress in its various businesses, significantly increased its revenues and profits and has considerably enhanced shareholder value. The strategic plan for the period 2010-15 (Lakshya 2015) has identified for each business unit strategy and strategic initiatives, including detailed assessment of portfolios, organizational structure and capital structure. The assessment revealed notable opportunities across all business segments of the Company. The Company's plans involve growing aggressively on a large revenue base both in domestic and international markets. All these involve managing complexities, attracting talent including global talent, managing the ongoing transformation and working out a simplified structure to manage the business/ Company to sustain profitable growth.

Considering the above, it is proposed to revise the existing limits of remuneration payable to Chairman & Managing Director, Chief Executive Officer & Managing Director, if any, Deputy Managing Director, if any and Whole-time Directors of the Company.

The enhanced limits of remuneration will, however, continue to be subject to the condition that the total managerial remuneration shall not exceed 5% of the net profits of the Company for each of the Managing/ Whole-time Directors of the Company and 10% of the net profits of the Company for all the Managing/Whole-time Directors of the Company.

The Board of Directors of the Company appoint/re-appoint the Chairman & Managing Director, Chief Executive Officer & Managing Director, if any, Deputy Managing Director, if any and Whole-time Directors on the Board after receiving recommendation from the Nomination and Remuneration Committee, subject to the approval of the members in General Meeting.

The Nomination and Remuneration Committee revises the remuneration payable to the Chairman & Managing Director, Chief Executive Officer & Managing Director, if any, Deputy Managing Director, if any and Whole-time Directors based on overall performance of the Company, the concerned business and the performance of the individual Director.

In order to fix/revise appropriately the remuneration payable to the Chairman & Managing Director, Chief Executive Officer & Managing Director, if any, Deputy Managing Director, if any and Whole-time Directors from time to time, the Board of Directors recommend passing a comprehensive Resolution to authorize the Board to approve and fix/revise suitably the remuneration payable to the Chairman & Managing Director, Chief Executive Officer & Managing Director, if any, Deputy Managing Director, if any and Whole-time Directors from time to time.

Specific approval of the members will be sought for appointment/re-appointment of the Chairman & Managing Director, Chief Executive Officer & Managing Director, if any, Deputy Managing Director, if any and Whole-time Directors individually in General Meetings.

The agreement that will be entered into with the Chairman & Managing Director, Chief Executive Officer & Managing Director, if any, Deputy Managing Director, if any and Whole-time Directors will contain terms & conditions as to the powers and duties of the Chairman & Managing Director, Chief Executive Officer & Managing Director, if any, Deputy Managing Director, if any and Whole-time Directors, provision for earlier determination of the appointment by either party by giving six months notice in writing to the other party, non-participation in any selling agency of the Company etc.

The standard terms and conditions which will be included in the agreements that will be entered into with the Chairman & Managing Director, Chief Executive Officer & Managing Director, if any, Deputy Managing Director, if any and Whole-time Directors, *inter alia*, will contain the following:

1. The Chairman & Managing Director, Chief Executive Officer & Managing Director, if any, Deputy Managing Director, if any and Whole-time Directors shall, subject to the supervision and control of the Board of Directors of the Company, manage the business and affairs of the Company.
2. Period of Agreement: As may be determined by the Board, but not exceeding 5 (five) years.
3. Remuneration Payable:

[a] Salary:

To be fixed by the Board in the scale of ₹ 16,00,000 - ₹ 2,00,000 - ₹ 28,00,000 per month for Chairman & Managing Director, in the scale of ₹ 12,00,000 - ₹ 1,60,000 - ₹ 21,60,000 per month for Chief Executive Officer & Managing Director, if any, in the scale of ₹ 10,00,000 - ₹ 1,25,000 - ₹ 16,25,000 per month for Deputy Managing Director, if any and in the scale of ₹ 6,50,000 - ₹ 75,000 - ₹ 10,25,000 - ₹ 1,00,000 - ₹ 15,25,000 per month for Whole-time Directors.

[b] Commission:

On the net profits after tax of the Company and excluding extraordinary/ exceptional profits or losses arising from sale of business/ assets, sale of shares in Subsidiary & Associate Companies/ Special Purpose Vehicles/ Joint Ventures and also from sale of strategic investments/ adjustment in valuation of strategic investments, to be fixed by the Board. Upto 0.30% p.a. for Chairman & Managing Director, upto 0.25% p.a. for Chief Executive Officer & Managing Director, if any, Upto 0.18% p.a. for Deputy Managing Director, if any and upto 0.15% p.a. for Whole-time Directors.

[c] Perquisites and Allowances:

- [i] The Chairman & Managing Director, Chief Executive Officer & Managing Director, if any, Deputy Managing Director, if any and Whole-time Directors shall be entitled to perquisites consisting of, *inter alia*, free furnished accommodation (Company owned or leased/ rented) or house rent in lieu thereof, gas, electricity, water, furnishings, medical reimbursement and leave travel concession for self and family, club fees, medical and personal accident insurance, benefits applicable to other employees etc. in accordance with the rules of the Company. The aforesaid perquisites may be in the form of reimbursement or allowance but will be restricted to ₹ 25 lakh per annum excluding perquisite value of free furnished accommodation for Chairman & Managing Director, up to ₹ 20 lakh per annum excluding perquisite value of free furnished accommodation for Chief Executive Officer & Managing Director, if any, up to ₹ 18 lakh per annum excluding perquisite value of free furnished accommodation for Deputy Managing Director, if any, up to ₹ 15 lakh per annum excluding perquisite value of free furnished accommodation for Whole-time Directors. For the purpose of calculating the above ceiling, the perquisite shall be evaluated as per Income-tax Rules, 1962, wherever applicable.

The above perquisites will exclude value of Stock Option benefits, if any, computed as per Income Tax Act/Rules, which will be borne by the Company.

- [ii] The Chairman & Managing Director, Chief Executive Officer & Managing Director, if any, Deputy Managing Director, if any and Whole-time Directors shall be entitled to Company's contribution to Provident Fund, Superannuation Fund and Annuity Fund, 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 these shall not be included in the computation of perquisites.
- [iii] Company car with driver (owned/leased or hired) for use on Company's business, telephone and other communication facilities at residence, will not be considered as perquisites.
- [iv] In the event of loss or inadequacy of profits in any financial year, the remuneration payable to the Chairman & Managing Director, Chief Executive

Officer & Managing Director, if any, Deputy Managing Director, if any and Whole-time Directors shall not exceed the maximum limits prescribed under Schedule XIII of the Companies Act, 1956.

- [v] The Chairman & Managing Director, Chief Executive Officer & Managing Director, if any, Deputy Managing Director, if any and Whole-time Directors, so long as they function as such, shall not be paid any sitting fees for attending meetings of the Board of Directors or Committees thereof.
- [vi] The Company shall reimburse to the Chairman & Managing Director, Chief Executive Officer & Managing Director, if any, Deputy Managing Director, if any and Whole-time Directors, entertainment, travelling and all other expenses incurred by them for the business of the Company.
- [d] The limits stipulated herein above are the maximum limits and the Board may, on the recommendation of the Nomination and Remuneration Committee, pay to the Chairman & Managing Director, Chief Executive Officer & Managing Director, if any, Deputy Managing Director, if any and Whole-time Directors appropriate remuneration commensurate with their authorities and responsibilities and revise the same from time to time within the maximum limits stipulated by this resolution.
- [e] The Board recommends passing of the Ordinary Resolution set out at item No.10 of the Notice convening the Meeting. Mr. A.M. Naik, the Chairman & Managing Director of the Company, Mr. Y.M. Deosthalee, Mr. K. Venkataramanan, Mr. V.K. Magapu, Mr. M.V. Kotwal, Mr. Ravi Uppal, Mr. S. N. Subrahmanyam on his appointment with effect from July 1, 2011, who are the Whole-time Directors of the Company, may be deemed to be concerned or interested in the resolution at item No. 10 insofar as it relates to variation in the maximum limits of remuneration applicable to them. This explanation together with the accompanying Notice is and should be treated as an abstract of the variation of the terms of contracts under Section 302 of the Companies Act, 1956.

Item No. 11 :

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

- a] a public financial institution or a Government Company or Central Government or any State Government, or
- b] any financial or other institution established by any Provincial or State Act in which a State Government holds not less than 51% of the subscribed share capital, or
- c] a nationalized bank or an insurance company carrying on general insurance business;

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

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

The Auditors, have informed us vide letter dated May 13, 2011, that their appointment if made would be within the limits prescribed u/s. 224(1B) of the Companies Act, 1956.

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

The Directors recommend the Resolution for approval of the shareholders.

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

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

N. HARIHARAN
COMPANY SECRETARY

Mumbai, May 19, 2011

Registered Office:

L&T House, Ballard Estate, Mumbai - 400 001

(ANNEXURE TO NOTICE DATED MAY 19, 2011)
DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE
FORTHCOMING ANNUAL GENERAL MEETING
(PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT)

| Name of the Director | Mr. K. Venkataramanan | Mr. Ravi Uppal | Mr. S. N. Subrahmanyam |
|---|--|--|--|
| Date of Birth | December 11, 1944 | May 9, 1952 | March 16, 1960 |
| Date of Appointment on the Board | May 28, 1999 | November 1, 2010 | With effect from July 1, 2011 |
| Qualifications | B. Tech. – IIT, New Delhi | B. Tech (Electrical and Electronics), MBA - IIM, IFL – Sweden, AMP | B.Sc., Engg. (Civil) & MBA (Finance) |
| Expertise | Vast experience in Product Engineering & Project Management. | Vast experience in general management in various MNCs. | Vast experience in Contracts & Costing and Project Management. |
| Directorships held in other public companies including private companies which are subsidiaries of public companies (excluding foreign and private companies) | <ol style="list-style-type: none"> 1. L&T-Valdel Engineering Limited 2. L&T Powergen Limited 3. Nabha Power Limited 4. Raykal Aluminium Company Private Limited 5. Kesun Iron And Steel Company Private Limited 6. L&T Sapura Offshore Private Limited 7. L&T Sapura Shipping Private Limited | <ol style="list-style-type: none"> 1. L&T Power Limited 2. L&T-Sargent & Lundy Limited 3. L&T Howden Private Limited 4. L&T-MHI Boilers Private Limited 5. L&T-MHI Turbine Generators Private Limited | - |
| Memberships/ Chairmanships of committees across all companies | Member Audit Committee <ol style="list-style-type: none"> 1. Nabha Power Limited | Chairman Audit Committee <ol style="list-style-type: none"> 1. L&T Power Limited Member Audit Committee <ol style="list-style-type: none"> 1. L&T - Sargent & Lundy Limited | - |
| Shareholding of Non-Executive Directors | Not Applicable | Not Applicable | Not Applicable |
| Relationships between directors inter-se | Nil | Nil | Nil |

(ANNEXURE TO NOTICE DATED MAY 19, 2011)

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

| Name of the Director | Mr. S. Rajgopal | Mr. S. N. Talwar | Mr. A. K. Jain |
|--|---|--|--|
| Date of Birth | July 17, 1935 | November 21, 1937 | April 18, 1946 |
| Date of Appointment on the Board | November 23, 2001 | July 6, 2004 | May 29, 2008 |
| Qualifications | M.A., I.A.S. (Retd.) | Solicitor, Incorporated Law Society; Bombay, B.Com; LLB | B. Com (Hons), MDPA, I.A.S. (Retd.) |
| Expertise | Has held various important positions with the Government of Maharashtra and retired as Union Cabinet Secretary, Government of India | Vast experience in Corporate laws, Corporate tax, Foreign Exchange law and Commercial law | Has held various important positions with the Government of Uttar Pradesh and Government of India. Retired as Secretary, Government of India, Ministry of Finance, Department of Disinvestment |
| Directorships held in other public companies including private companies which are subsidiaries of public companies (excluding foreign and private companies) | 1. UltraTech Cement Limited | 1. Merck Limited 2. Samson Maritime Limited 3. Biocon Limited 4. Birla Sun Life Insurance Company Limited 5. Blue Star Limited 6. Blue Star Infotech Limited 7. ELANTAS Beck India Limited 8. Esab India Limited 9. Greaves Cotton Limited 10. Shrenuj & Co Limited 11. Solvay Pharma India Limited 12. Sonata Software Limited 13. L&T Metro Rail (Hyderabad) Limited | 1. ITI Limited 2. L&T Finance Holdings Limited |
| Memberships/ Chairmanships of committees across all companies | Member Audit Committee 1. UltraTech Cement Limited | Chairman Audit Committee 1. Blue Star Limited 2. FCI OEN Connectors Limited 3. Merck Limited 4. Samson Maritime Limited Member Audit Committee 1. Biocon Limited 2. Blue Star Infotech Limited 3. ELANTAS Beck India Limited 4. Greaves Cotton Limited 5. Solvay Pharma India Limited | Chairman Shareholders'/Investors' Grievance Committee 1. Larsen & Toubro Limited 2. L&T Finance Holdings Limited Member Audit Committee 1. ITI Limited |
| Shareholding of Non-Executive Directors | 900 | 6,000 | *400 |
| Relationships between directors inter-se | Nil | Nil | Nil |

* held jointly with SUUTI