



**Building the future**



## VISION

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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-seventh Annual General Meeting of LARSEN & TOUBRO LIMITED will be held at Birla Matushri Sabhagar, 19, Marine Lines, Mumbai - 400 020 on Friday, August 24, 2012 at 3:00 p.m. to transact the following business :-

- 1) To consider and adopt the Balance Sheet as at March 31, 2012, 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 Mr. A. M. Naik as a Director liable to retire by rotation with effect from October 1, 2012 that is the date on which he ceases to be Managing Director of the Company;
- 4) To appoint a Director in place of Mr. Thomas Mathew T., who retires by rotation and is eligible for re-appointment;
- 5) To appoint a Director in place of Mr. M. V. Kotwal, who retires by rotation and is eligible for re-appointment;
- 6) To appoint a Director in place of Mr. V. K. Magapu, who retires by rotation and is eligible for re-appointment;
- 7) To appoint a Director in place of Mr. Ravi Uppal, who retires by rotation and is eligible for re-appointment;
- 8) Mr. J. S. Bindra a Director due to retire by rotation at this Annual General Meeting is not seeking re-election and accordingly it is "RESOLVED THAT the vacancy thereby caused be not filled up at this meeting or at any adjournment thereof."

- 9) To consider and, if thought fit, to pass with or without modification(s), as a **SPECIAL 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. A. M. Naik, as the Executive Chairman of the Company with effect from October 1, 2012 upto and including September 30, 2017.

**RESOLVED FURTHER THAT** Mr. A. M. Naik, in his capacity as the Executive Chairman 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 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. K. Venkataramanan, as the Chief Executive Officer and Managing Director of the Company with effect from April 1, 2012 upto and including September 30, 2015.

**RESOLVED FURTHER THAT** Mr. K. Venkataramanan in his capacity as the Chief Executive Officer and Managing 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."

- 11) 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. R. Shankar Raman, as the Whole-time Director of the Company with effect from October 1, 2011 upto and including September 30, 2016.

**RESOLVED FURTHER THAT** Mr. R. Shankar Raman 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."

- 12) 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. Shailendra Roy, as the Whole-time Director of the Company with effect from March 9, 2012 upto and including March 8, 2017.

**RESOLVED FURTHER THAT** Mr. Shailendra Roy 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."

- 13) To consider and, if thought fit, to pass with or without modification(s), as a **SPECIAL RESOLUTION** the following:

"RESOLVED THAT in supersession of all previous resolutions in this regard and in accordance with the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, Foreign Exchange Management Act, 1999, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ('SEBI Regulations'), Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed, enabling provisions in the Memorandum and Articles of Association of the Company as also provisions of any other applicable laws, rules and regulations (including any amendments thereto or re-enactments thereof for the time being in force) and subject to such approvals, consents, permissions and sanctions of the Securities and Exchange Board of India (SEBI), Government of India (GOI), Reserve Bank of India (RBI) and all other appropriate and/or concerned authorities, or bodies and subject to such conditions and modifications, as may be prescribed by any of them in granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company ('Board') (which term shall be deemed to include any Committee which the Board may have constituted or hereafter constitute for the time being exercising the powers conferred on the Board by this resolution), the Board be and is hereby authorized to offer, issue and allot in one or more tranches, to Investors whether Indian or Foreign, including Foreign Institutions, Non-Resident Indians, Corporate Bodies, Mutual Funds, Banks, Insurance Companies, Pensions Funds, Individuals or otherwise, whether shareholders of the Company or not, through a public issue and/or on a private placement basis, foreign currency convertible bonds and/or equity shares through depository receipts and/or bonds with share warrants attached including by way of Qualified Institutional Placement ('QIP'), to Qualified Institutional Buyers ('QIB') in terms of Chapter VIII of the SEBI Regulations, through one or more placements of equity shares/fully convertible debentures (FCDs)/partly convertible debentures (PCDs)/non-convertible debentures (NCDs) with warrants or any securities (other than warrants) which are convertible into or exchangeable with equity shares at a later date (hereinafter collectively referred to as "Securities"), secured or unsecured so that the total amount raised through issue of the Securities shall not exceed US\$600 mn or INR 3200 crore, if higher (including green shoe option) as the Board may determine, where necessary in consultation with the Lead Managers, Underwriters, Merchant Bankers, Guarantors, Financial and/or Legal Advisors, Rating Agencies / Advisors, Depositories, Custodians, Principal

Paying / Transfer Conversion agents, Listing agents, Registrars, Trustees, Printers, Auditors, Stabilizing agents and all other Agencies/Advisors.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board be and is hereby also authorised to determine the form, terms and timing of the issue(s), including the class of investors to whom the Securities are to be allotted, number of Securities to be allotted in each tranche, issue price, face value, premium amount in issue/ conversion/ exercise/ redemption, rate of interest, redemption period, listings on one or more stock exchanges in India or abroad as the Board may in its absolute discretion deems fit and to make and accept any modifications in the proposals as may be required by the authorities involved in such issue(s) in India and/or abroad, to do all acts, deeds, matters and things and to settle any questions or difficulties that may arise in regard to the issue(s).

**RESOLVED FURTHER THAT** in case of QIP issue it shall be completed within 12 months from the date of this Annual General Meeting.

**RESOLVED FURTHER THAT** in case of QIP issue the relevant date for determination of the floor price of the Equity Shares to be issued shall be -

- i) in case of allotment of equity shares, the date of meeting in which the Board decides to open the proposed issue
- ii) in case of allotment of eligible convertible securities, either the date of the meeting in which the Board decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the equity shares, as may be determined by the Board.

**RESOLVED FURTHER THAT** the Equity Shares so issued shall rank pari passu with the existing Equity Shares of the Company in all respects.

**RESOLVED FURTHER THAT** the Equity Shares to be offered and allotted shall be in dematerialized form.

**RESOLVED FURTHER THAT** for the purpose of giving effect to any offer, issue or allotment of Securities the Board, be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in absolute discretion, deem necessary or desirable for such purpose, including without limitation, the determination of the terms thereof, for entering into arrangements for managing, underwriting, marketing, listing and trading, to issue placement documents and to sign all deeds, documents and writings and to pay any fees, commissions, remuneration, expenses relating thereto and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to such offer(s) or issue(s) or allotment(s) as it may, in its absolute discretion, deem fit.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to appoint Lead Manager(s) in offerings of Securities and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memoranda, documents, etc. with Lead Manager(s) and to seek the listing of such securities.

**RESOLVED FURTHER THAT** the Company do apply for listing of the new Equity Shares as may be issued with the Bombay Stock Exchange Limited and National Stock Exchange of India Limited or any other Stock Exchange(s).

**RESOLVED FURTHER THAT** the Company do apply to the National Securities Depository Limited and/or Central Depository Services (India) Limited for admission of the Securities.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to create necessary charge on such of the assets and properties (whether present or future) of the Company in respect of Securities and to approve, accept, finalize and execute facilities, sanctions, undertakings, agreements, promissory notes, credit limits and

any of the documents and papers in connection with the issue of Securities.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers herein conferred to a Committee of Directors in such manner as they may deem fit."

- 14) 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 hold office upto the date of this Annual General Meeting 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 ₹ 108,00,000/- (Rupees One Crore Eight 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 14, 2012

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 3, 8 to 14 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 17, 2012 to Friday, August 24, 2012 (both days inclusive)**.
- [d] Members are requested to furnish bank details, Email address, change of address etc. to Sharepro Services (India) Private Limited at 13 AB, Samhita Warehousing Complex, 2<sup>nd</sup> 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 16, 2012**, 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] In order to receive copies of Annual Reports and other communication through e-mail, Members are requested to register their e-mail addresses with the Company by sending an e-mail to LNTGOGREEN@LARSENTOUBRO.COM
- [f] 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.
- [g] Members/Proxies should bring their attendance slips duly completed for attending the Meeting.

- [h] 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
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
82	26.08.2011	31.03.2011	02.10.2018

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.

- [i] **Investor Grievance Redressal:**

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

## 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 items 3, 8 to 14 of the accompanying Notice dated May 14, 2012.

### Item No. 8 :

Mr. J. S. Bindra retires by rotation at this Annual General Meeting and is eligible for re-appointment. However, he has informed the Company that he does not wish to seek re-appointment. The Company does not propose to fill up the vacancy at this meeting or any adjournment thereof, but will do so at a later date. Hence, as required under Section 256 of the Companies Act, 1956, a resolution is proposed not to fill up the vacancy caused by the retirement of Mr. J. S. Bindra at this meeting or any adjournment thereof.

### Item Nos. 3 and 9 :

The Board of Directors of the Company at its Meeting held on March 9, 2012, appointed Mr. A. M. Naik, as Executive Chairman of the Company with effect from October 1, 2012 upto and including September 30, 2017, subject to the approval of the members in the Annual General Meeting.

Pursuant to the Articles of Association of the Company, Mr. A.M. Naik is proposed to be appointed as a Director liable to retire by rotation, in view of his appointment as Executive Chairman. 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. A. M. Naik for the office of a Director.

Mr. A. M. Naik has been associated with Larsen & Toubro for over four decades, and has come to be strongly identified with the Company's rise to its pre-eminent position. Joining L&T in 1965, Mr. Naik made a mark as an engineer of remarkable ability and compelling leadership potential. He rapidly secured positions of increasing responsibility as he moved from General Manager to Managing Director & CEO, culminating in the appointment as Chairman in 2003.

At the helm of the organisation, Mr. Naik successfully steered the conglomerate through multiple challenges, enabling it to sustain its growth trajectory. The Company's expanded global canvas is the outcome of his drive to implement global benchmarks across all businesses and internationalise the operations. With a view to tap emerging opportunities in various business segments, Mr. Naik led a process of organization remodeling that would enable the Company to

grow aggressively on a large revenue base. HR and IT are accorded high priority in his continuing efforts to enhance value.

Described by the media as 'Mr. Infrastructure', Mr. Naik is seen as a decisive, driving force for change and development. His dynamism and seminal contribution to the Company and the country have secured wide recognition.

Mr. Naik has secured several global, national and professional honours. These include the Padma Bhushan, Gujarat Garima Award – Gujarat's highest civilian honour, Asia Business Leader Award by CNBC Asia, Outstanding Business Leader Award and The Infrastructure Leader of the Year Award by CNBC TV18 India, Business Leader of the Year – Building India Award by NDTV Profit and Business Leader of the Year Award by The Economic Times. Mr. Naik is also the Honorary Consul General for Denmark in Mumbai.

In the view of his multifold achievements, the Sardar Patel University of Gujarat conferred an honorary doctorate on Mr. Naik.

A concern for social issues complements Mr. Naik's business acumen. Hailing from a family of school teachers, modest in means but rich in values, he is deeply committed to social uplift.

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 Meeting of the Company held on August 26, 2011, 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. A. M. Naik during his tenure as Executive Chairman.

The Company has entered into an Agreement with Mr. A. M. Naik appointing him as Executive Chairman for the period from October 1, 2012 to September 30, 2017. During the period of this agreement and so long as the Executive Chairman performs his services as per the terms and conditions provided by this agreement, he shall be entitled to the following:

**Salary :** ₹ 22,00,000 (Rupees Twenty Two Lakh only) per month in the scale of ₹ 16,00,000 – ₹ 2,00,000 – ₹ 28,00,000 with the annual increment due on April 1 every year.

**Commission :** Upto 0.300% per annum of the operating net profits after tax of the Company from the year 2012-13. The Commission for 2012-13 will be on a pro-rata basis. Such Commission will be 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.

**Perquisites :** ₹ 25 lakh per annum excluding free furnished accommodation.

The above perquisites will exclude value of Stock Option benefits, if any, computed as per Income Tax Act/Rules, tax on 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 Resolutions at Item Nos. 3 and 9 are proposed for approval of the members for appointment of Mr. A. M. Naik, as Director liable to retire by rotation and the Executive Chairman 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. A. M. Naik, in respect of his appointment as Executive Chairman, contains the terms and conditions of his appointment including remuneration.

Pursuant to Clause C (ii) of Part I of Schedule XIII of the Companies Act, 1956, the Board recommends passing of special resolution for appointment of Mr. A. M. Naik, as Executive Chairman of the Company.

Mr. A. M. Naik, the Executive Chairman of the Company, being the appointee, is interested in the proposed Resolution.

The Agreement entered into with Mr. A. M. Naik will be open for inspection by members at the Registered Office of the Company on all working days [except Saturday] 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. A. M. Naik, as the Executive Chairman of the Company under Section 302 of the Companies Act, 1956.

**Item No. 10 :**

The Board of Directors of the Company at its Meeting held on March 9, 2012, appointed Mr. K. Venkataramanan, as Chief Executive Officer and Managing Director of the Company with effect from April 1, 2012 upto and including September 30, 2015, subject to the approval of the members in the Annual General Meeting.

Mr. K. Venkataramanan has been associated with L&T with over four decades in various positions of responsibility. A graduate in Chemical Engineering from IIT, Delhi, he joined L&T in 1969. After a series of successful assignments, he was elevated to the Board of Directors of the Company in May, 1999, and appointed Chief Executive Officer and Managing Director in April 1, 2012.

Mr. Venkataramanan is credited with helping in the transformation of L&T from a fabrication-driven EPC contractor to a technology led player. A record of professional achievements include laying the foundations for project engineering & execution as well as conceptualizing and designing the water front load-out facility at Hazira, Surat for large offshore platforms. He was instrumental in developing L&T's extensive capabilities in the 3D CAD design and integrated project management. L&T's Centers of Engineering Excellence for the hydrocarbon and power sectors as also the Company's process design capability through a Front End Engineering Design group are largely the result of Mr. Venkataramanan's initiatives and direction.

Seeking to bolster the Company's international presence, Mr. Venkataramanan formed a dedicated International Business Development Cell. Under his leadership, L&T's project teams successfully executed high technology projects in Qatar, Saudi Arabia, Malaysia, Kuwait, Oman, Sri Lanka and Nigeria. He has played a key leadership role in L&T's power business initiative through EPC jobs in power plants in India and abroad.

He is a 'Distinguished Alumni' of IIT Delhi, and the first Asian to become the Chairman of the Board of Directors of the Engineering & Construction Risk Institute, Inc. He is an Honorary Fellow of the Institute of Chemical Engineers, UK – the second Indian to receive this recognition from the world's most reputed body in chemical engineering space. He is also a Fellow of the Indian Institute of Chemical Engineers, and currently the Chairman of the Capital Goods Committee of FICCI.

Mr. Venkataramanan has received recognition at both the national and international level. Accolades include the Davidson Frame Award conferred by IPMA, Switzerland, the Chemtech – Business Leader of the Year Award and the Lala Shriram Award for Leadership in the chemical industry. He was conferred an Honorary Doctorate in Project Management by the University of Petroleum & Energy Studies, Dehradun in 2011. The Association of Business Communicators of India presented Mr. Venkataramanan the 'Global Business Communicator Award' in recognition of his charismatic ability to reach out to people, and transmit thought and idea.

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 Meeting of the Company held on August 26, 2011, 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. K. Venkataramanan during his tenure as Chief Executive Officer and Managing Director.

The Company has entered into an Agreement with Mr. K. Venkataramanan appointing him as Chief Executive Officer and Managing Director for the period from April 1, 2012 to September 30, 2015.

During the period of this agreement and so long as the Chief Executive Officer and Managing Director performs his services as per the terms and conditions provided by this agreement, he shall be entitled to the following:

**Salary :** ₹ 13,60,000 (Rupees Thirteen Lakh Sixty Thousand only) per month in the scale of ₹ 12,00,000 - ₹ 1,60,000 – ₹ 21,60,000 with the annual increment due on April 1 every year.

**Commission :** Upto 0.18% per annum of the operating net profits after tax of the Company for and from the year 2012-13 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.

**Perquisites:** ₹ 20 lakh per annum excluding free furnished accommodation.

The above perquisites will exclude value of Stock Option benefits, if any, computed as per Income Tax Act/Rules, tax on 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. 10 is proposed for approval of the members for appointment of Mr. K. Venkataramanan, as the Chief Executive Officer and Managing 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. K. Venkataramanan, in respect of his appointment as the Chief Executive Officer and Managing Director, contains the terms and conditions of his appointment including remuneration.

The Board recommends approval of the appointment of Mr. K. Venkataramanan, as the Chief Executive Officer and Managing Director of the Company.

Mr. K. Venkataramanan, the Chief Executive Officer and Managing Director of the Company, being the appointee, is interested in the proposed Resolution.

The Agreement entered into with Mr. K. Venkataramanan will be open for inspection by members at the Registered Office of the Company on all working days [except Saturday] 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. K. Venkataramanan, as the Chief Executive Officer and Managing Director of the Company under Section 302 of the Companies Act, 1956.

**Item No. 11 :**

The Board of Directors of the Company at its Meeting held on August 8, 2011, appointed Mr. R. Shankar Raman, as Chief Financial Officer of the Company with effect from September 6, 2011 and as a Whole-time Director of the Company with effect from October 1, 2011 upto and including September 30, 2016, subject to the approval of the members in the Annual General Meeting.

Mr. R. Shankar Raman is a Commerce graduate from the University of Madras, Chennai. He qualified as a Chartered Accountant in May 1983 and became a Graduate of the Institute of Cost & Works Accountants of India in 1986. Over the past 29 years of professional work experience, Mr. R. Shankar Raman has worked for leading listed Corporations in varied capacities in the field of Finance.

Mr. R. Shankar Raman joined L&T Group in 1994 for setting up L&T Finance Limited, a subsidiary of Larsen & Toubro Limited (L&T). After six successful

years with L&T Finance Limited, he was inducted into mainstream L&T to oversee the Finance & Accounting functions.

Prior to his elevation to the Board of the Company, Mr. R. Shankar Raman was the Senior Vice President – Finance & Legal of the Company and his responsibilities covered Finance & Treasury, Corporate Accounts, Taxation, Insurance, Risk Management, Legal, Mergers & Acquisitions and Investor Relations.

Mr. R. Shankar Raman is on the Board of several companies within the L&T Group. He was a member of Western India Regional Council of Confederation of Indian Industries. He had participated and presented papers in several conventions / seminars both in India and abroad.

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 Meeting of the Company held on August 26, 2011, 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. R. Shankar Raman during his tenure as Whole-time Director.

The Company has entered into an Agreement with Mr. R. Shankar Raman appointing him as a Whole-time Director for the period from October 1, 2011 to September 30, 2016. 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 :** ₹ 7,00,000 (Rupees Seven Lakh only) per month in the scale of ₹ 6,50,000 - ₹ 75,000 – ₹ 10,25,000 – ₹ 1,00,000 - ₹ 15,25,000 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 from the year 2011-12. The Commission for 2011-12 will be on a pro-rata basis. Such Commission will be 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.

**Perquisites :** ₹ 12 lakh per annum excluding free furnished accommodation.

The above perquisites will exclude value of Stock Option benefits, if any, computed as per Income Tax Act/Rules, tax on 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. 11 is proposed for approval of the members for appointment of Mr. R. Shankar Raman, 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. R. Shankar Raman, in respect of his appointment as Whole-time Director, contains the terms and conditions of his appointment including remuneration.

The Board recommends approval of the appointment of Mr. R. Shankar Raman, as Whole-time Director of the Company.

Mr. R. Shankar Raman, the Whole-time Director of the Company, being the appointee, is interested in the proposed Resolution.

The Agreement entered into with Mr. R. Shankar Raman will be open for inspection by members at the Registered Office of the Company on all working days [except Saturday] 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. R. Shankar

Raman, as the Whole-time Director of the Company under Section 302 of the Companies Act, 1956.

**Item No. 12 :**

The Board of Directors of the Company at its Meeting held on March 9, 2012, appointed Mr. Shailendra Roy, as a Whole-time Director of the Company with effect from March 9, 2012 upto and including March 8, 2017, subject to the approval of the members in the Annual General Meeting.

Mr. Roy is Senior Executive Vice President – Power Development & Corporate Affairs. He is also a Member of the Executive Management Committee of the Company. He holds a Bachelor of Technology degree and started his career in 1975 as an Engineer with Bharat Heavy Electricals Limited's manufacturing unit at Hardwar.

Prior to joining the Company, Mr. Roy was Managing Director & CEO of Bharat Heavy Plates & Vessels Ltd. from 2002 to 2004.

Mr. Roy's notable contribution in the Company includes the Company's entry into Railway business, Power Development and growth of new business ventures.

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 Meeting of the Company held on August 26, 2011, 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. Shailendra Roy during his tenure as Whole-time Director.

The Company has entered into an Agreement with Mr. Shailendra Roy appointing him as a Whole-time Director for the period from March 9, 2012 to March 8, 2017. 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 :** ₹ 6,50,000 (Rupees Six Lakh Fifty Thousand only) per month in the scale of ₹ 6,50,000 - ₹ 75,000 – ₹ 10,25,000 – ₹ 1,00,000 - ₹ 15,25,000 with the annual increment due on April 1 every year. Salary will be revised to ₹ 7,25,000/- per month with effect from April 1, 2013.

**Commission :** Upto 0.08% per annum of the operating net profits after tax of the Company from the year 2011-12. The Commission for 2011-12 will be on a pro-rata basis. Such Commission will be 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.

**Perquisites :** ₹ 12 lakh per annum excluding free furnished accommodation.

The above perquisites will exclude value of Stock Option benefits, if any, computed as per Income Tax Act/Rules, tax on 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. 12 is proposed for approval of the members for appointment of Mr. Shailendra Roy, 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. Shailendra Roy, in respect of his appointment as Whole-time Director, contains the terms and conditions of his appointment including remuneration.

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

Mr. Shailendra Roy, the Whole-time Director of the Company, being the

appointee, is interested in the proposed Resolution.

The Agreement entered into with Mr. Shailendra Roy will be open for inspection by members at the Registered Office of the Company on all working days [except Saturday] 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. Shailendra Roy, as the Whole-time Director of the Company under Section 302 of the Companies Act, 1956.

#### **Item No.13:**

The Company requires adequate capital to meet the needs of growing business. While it is expected that the internal generation of funds would partially finance the need for capital and debt raising would be another source of funds, it is thought prudent for the Company to raise a part of the funding requirements for the said purposes as well as for such other corporate purposes as may be permitted under applicable laws through the issue of appropriate securities as defined in the resolution, in Indian or international markets.

The fund raising may be through a mix of equity /equity-linked instruments, as may be appropriate. Members' approval is sought for the issue of securities linked to or convertible into Equity Shares of the Company. Section 81 of the Companies Act, 1956, provides, inter alia, that whenever it is proposed to increase the subscribed capital of a company by allotment of further shares, such further shares shall be offered to the persons who on the date of the offer are holders of the equity shares of the company in proportion to the capital paid-up on those shares at that date unless the shareholders in a general meeting decide otherwise. The Listing Agreement executed by the Company with the Stock Exchanges also provides that the Company shall, in the first instance, offer all Securities for subscription pro-rata to the Shareholders unless the Shareholders in a general meeting decide otherwise. Members' approval is sought for issuing any such instrument as the Company may deem appropriate to parties other than the existing shareholders. Whilst no specific instrument has been identified at this stage, in the event the Company issues any equity linked instrument, the issue will be structured in a manner such that the additional share capital that may be issued would not be more than 5% of the paid-up capital of the Company (as at the date when the Board recommended passing of the Special Resolution). The equity shares, if any, allotted on issue, conversion of Securities or exercise of warrants shall rank in all respects pari passu with the existing Equity Shares of the Company.

The raising of the above resources would be well within the borrowing limit of ₹ 2000 crore over and above the aggregate of paid up capital and free reserves of the Company as approved by the Members at the Annual General Meeting of the Company held on August 21, 1989.

The Company may also opt for issue of securities through Qualified Institutional Placement. A Qualified Institutional Placement (QIP) of the shares of the Company would be less time consuming and more economical.

Accordingly, the Company may issue securities by way of a QIP in terms of Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ('SEBI Regulations'). These securities will be allotted only to Qualified Institutional Buyers (QIBs) as per the SEBI Regulations and there will be no issue to retail individual investors and existing retail shareholders. The resolution proposed is an enabling resolution and the exact price, proportion and timing of the issue of the securities will be decided by the Board based on an analysis of the specific requirements after consulting all concerned. Therefore the proposal seeks to confer upon Board the absolute discretion to determine the terms of issue in consultation with the Lead Managers to the Issue.

As per Chapter VIII of the SEBI Regulations, an issue of securities on QIP basis shall be made at a price not less than the average of the weekly high

and low of the closing prices of the related shares quoted on the stock exchange during the two weeks preceding the "relevant date."

The "relevant date" for the above purpose, shall be -

- i) in case of allotment of equity shares, the date of meeting in which the Board decides to open the proposed issue
- ii) in case of allotment of eligible convertible securities, either the date of the meeting in which the Board decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the equity shares, as may be determined by the Board.

The Stock Exchange for the same purpose is the Bombay Stock Exchange Limited / National Stock Exchange of India Limited.

At the Annual General Meeting of the Company held on August 26, 2010 the Shareholders had approved issue of Securities for an aggregate sum up to US\$600 Million or INR 2700 Crore, if higher. However, Shareholders' resolution for QIP issuance is valid for 12 months. Accordingly, the Company seeks renewed Shareholders' approval from time to time.

In accordance with the SEBI Regulations, special resolution of shareholders in accordance with Section 81(1A) of the Companies Act, 1956 is required.

In case of QIP Issuance the special resolution has a validity period of 12 months before which allotments under the authority of said resolution should be completed.

The Board of Directors recommend passing of the Special Resolution.

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

#### **Item No.14**

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 7, 2012, 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 14, 2012**

**Registered Office:**

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



(ANNEXURE TO NOTICE DATED MAY 14, 2012)

**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. A. M. Naik	Mr. K. Venkataramanan	Mr. V. K. Magapu	Mr. M. V. Kotwal
Date of Birth	June 9, 1942	December 11, 1944	June 12, 1945	October 10, 1948
Date of Appointment on the Board	November 23, 1989	May 28, 1999	July 6, 2004	August 27, 2005
Qualifications	B.E. (Mech.)	B. Tech. – IIT, New Delhi	B. Tech (Mech.), I.I.T. Madras, M.Sc. (Mech.), University of Calgary, Canada	B.E. (Mech.), University of Mumbai
Expertise	General management, Hi-Technology Equipment Manufacturing, Engineering & Construction	Vast experience in Product Engineering & Project Management.	Vast experience in Manufacturing Management, Engineering and Information Technology	Vast experience in Heavy Engineering business including manufacture of critical equipment for Nuclear Power and Space Research Program
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"> <li>L&amp;T Power Development Limited</li> <li>Larsen &amp; Toubro Infotech Limited</li> <li>L&amp;T Realty Limited</li> </ol>	<ol style="list-style-type: none"> <li>L&amp;T-Valdel Engineering Limited</li> <li>L&amp;T Sapura Offshore Private Limited</li> <li>L&amp;T Sapura Shipping Private Limited</li> </ol>	<ol style="list-style-type: none"> <li>Larsen &amp; Toubro Infotech Limited</li> </ol>	<ol style="list-style-type: none"> <li>L&amp;T Technologies Limited</li> <li>L&amp;T Special Steels And Heavy Forgings Private Limited</li> </ol>
Memberships/ Chairmanships of committees across all companies	Chairman Remuneration Committee <ol style="list-style-type: none"> <li>L&amp;T Realty Limited</li> </ol> Member Audit Committee <ol style="list-style-type: none"> <li>L&amp;T Power Development Limited</li> </ol> Nomination & Remuneration Committee <ol style="list-style-type: none"> <li>Larsen &amp; Toubro Limited</li> </ol> Compensation & Nomination Committee <ol style="list-style-type: none"> <li>Larsen &amp; Toubro Infotech Limited</li> </ol>	-	Member Shareholders' / Investors' Grievance Committee <ol style="list-style-type: none"> <li>Larsen &amp; Toubro Limited</li> </ol> Compensation & Nomination Committee <ol style="list-style-type: none"> <li>Larsen &amp; Toubro Infotech Limited</li> </ol>	Member Remuneration Committee <ol style="list-style-type: none"> <li>L&amp;T Special Steels And Heavy Forgings Private Limited</li> </ol>
Shareholding of Non-Executive Directors	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Relationships between directors inter-se	Nil	Nil	Nil	Nil

**(ANNEXURE TO NOTICE DATED MAY 14, 2012)**

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

<b>Name of the Director</b>	<b>Mr. Ravi Uppal</b>	<b>Mr. R. Shankar Raman</b>	<b>Mr. Shailendra Roy</b>	<b>Mr. Thomas Mathew T.</b>
<b>Date of Birth</b>	May 9, 1952	December 20, 1958	September 18, 1952	June 3, 1953
<b>Date of Appointment on the Board</b>	November 1, 2010	October 1, 2011	March 9, 2012	November 20, 2006
<b>Qualifications</b>	B. Tech (Electrical and Electronics), MBA - IIM, IFL – Sweden, AMP	B.Com, ACA and Grad. CWA	B. Tech (Civil)	MA (Economics), LLB, PGDM (Marketing)
<b>Expertise</b>	Vast experience in general management in various MNCs.	Vast experience in the field of Finance.	Vast experience in general management.	Vast experience in the field of Insurance (Marketing & International Operations) of LIC
<b>Directorships held in other public companies including private companies which are subsidiaries of public companies (excluding foreign and private companies)</b>	<ol style="list-style-type: none"> <li>L&amp;T - Sargent &amp; Lundy Limited</li> <li>L&amp;T-MHI Boilers Private Limited</li> <li>L&amp;T-MHI Turbine Generators Private Limited</li> <li>L&amp;T Howden Private Limited</li> </ol>	<ol style="list-style-type: none"> <li>L&amp;T Finance Limited</li> <li>L&amp;T Power Development Limited</li> <li>L&amp;T Infrastructure Development Projects Limited</li> <li>L&amp;T General Insurance Company Limited</li> <li>L&amp;T Finance Holdings Limited</li> <li>L&amp;T Investment Management Limited</li> </ol>	<ol style="list-style-type: none"> <li>L&amp;T Power Development Limited</li> <li>Konaseema Gas Power Limited</li> <li>L&amp;T Realty Limited</li> <li>L&amp;T Urban Infrastructure Limited</li> <li>Bhilai Power Supply Company Limited</li> <li>L&amp;T Uttaranchal Hydropower Limited</li> <li>L&amp;T Natural Resources Limited</li> <li>Nabha Power Limited</li> <li>L&amp;T Himachal Hydropower Limited</li> <li>L&amp;T Arunachal Hydropower Limited</li> <li>Raykal Aluminium Company Private Limited</li> <li>L&amp;T Seawoods Private Limited</li> <li>Kesun Iron And Steel Company Private Limited</li> <li>L&amp;T Aviation Services Private Limited</li> </ol>	<ol style="list-style-type: none"> <li>LIC of India</li> <li>Tata Power Company Limited</li> <li>LIC Cards Services Limited</li> <li>LIC Pension Fund Limited</li> <li>L&amp;T Infrastructure Development Projects Limited</li> </ol>
<b>Memberships/ Chairmanships of committees across all companies</b>	Member Shareholders' / Investors' Grievance Committee <ol style="list-style-type: none"> <li>Larsen &amp; Toubro Limited Audit Committee</li> <li>L&amp;T - Sargent &amp; Lundy Limited</li> </ol>	Member Audit Committee <ol style="list-style-type: none"> <li>L&amp;T Power Development Limited</li> <li>L&amp;T Finance Limited</li> <li>L&amp;T Investment Management Limited</li> <li>L&amp;T General Insurance Company Limited</li> <li>L&amp;T Finance Holdings Limited</li> </ol> Investor Grievance Committee <ol style="list-style-type: none"> <li>L&amp;T Finance Holdings Limited</li> </ol>	Chairman Audit Committee <ol style="list-style-type: none"> <li>Nabha Power Limited</li> </ol> Member Audit Committee <ol style="list-style-type: none"> <li>L&amp;T Power Development Limited</li> <li>L&amp;T Uttaranchal Hydropower Limited</li> <li>L&amp;T Arunachal Hydropower Limited</li> <li>L&amp;T Himachal Hydropower Limited</li> <li>L&amp;T Realty Limited</li> <li>L&amp;T Urban Infrastructure Limited</li> </ol> Remuneration Committee <ol style="list-style-type: none"> <li>L &amp; T Urban Infrastructure Limited</li> </ol>	Member Audit Committee <ol style="list-style-type: none"> <li>LIC Pension Fund Limited</li> </ol> Nomination and Remuneration Committee <ol style="list-style-type: none"> <li>Larsen &amp; Toubro Limited</li> </ol>
<b>Shareholding of Non-Executive Directors</b>	Not Applicable	Not Applicable	Not Applicable	200 *
<b>Relationships between directors inter-se</b>	Nil	Nil	Nil	Nil

\* held jointly with LIC