



LARSEN & TOUBRO LIMITED

NOTICE

Registered Office: L&T House, Ballard Estate, Mumbai – 400001.

CIN:L99999MH1946PLC004768

Dear Shareholders,

Notice is hereby given pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 whereby the Company seeks approval of the Members, for the following businesses:

- 1) To approve creation of charge on the total assets of the Company to secure its borrowings.
- 2) To authorise the Board of Directors to raise funds through issue of Equity Shares through Qualified Institutional Placement(QIP), Convertible Bonds, Equity Shares through depository receipts of an amount not exceeding ₹ 3600 Crore or US\$600 million whichever is higher.
- 3) To authorise the Board of Directors to raise funds through Private placement of Non-Convertible Debentures not exceeding ₹ 6000 crore.
- 4) To Alter the Articles of Association of the Company

The proposed resolutions and explanatory statement stating the material facts and the reasons for the proposals are appended below and a postal ballot form is enclosed for your consideration.

The Company has appointed M/s. S.N. Ananthasubramanian & Co., Practicing Company Secretary, as Scrutinizer for conducting the Postal Ballot in a fair and transparent manner.

Please read carefully the instructions printed on the Postal Ballot Notice and Form and return the form duly completed in all respects in the enclosed self-addressed pre-paid postage envelope so as to reach the Scrutinizer before Friday, July 11, 2014. Members may choose to vote using **e-voting facility**, the details whereof are specified under instructions to the Postal Ballot Form.

The Scrutinizer will submit his report to the Chairman after completion of the scrutiny and the result of the voting by Postal Ballot will be announced on or before Friday, July 18, 2014 through Notice Board at the Registered office of the Company, on the Company's website and press advertisements.

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

"RESOLVED that in supersession of the resolution(s) passed under Section 293(1)(a) of the Companies Act, 1956 and pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013(including any statutory modifications or re-enactments thereof for the time being in force), as amended from time to time, the consent of the Company be and is hereby accorded to the creation by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include any committee thereof for the time being exercising the powers conferred on the Board by this Resolution) of such mortgages, charges and hypothecations as may be necessary on such of the assets of the Company, both present and future, in such manner as the Board may determine, to or in favour of financial institutions, investment institutions and their subsidiaries, banks, mutual funds, trusts, other bodies corporate or any other entities and Trustees for the holders of debentures/bonds and/ or other instruments which may be issued on private placement basis or otherwise, to secure loans, debentures, bonds, working capital facilities and other instruments in any currency of an outstanding aggregate value not exceeding the total assets of the Company comprising of Non-Current Assets and gross Current Assets as per the latest audited financial statements from time to time, together with interest thereon at the agreed rates, further interest, liquidated damages, premium on pre-payment or on redemption, costs, charges, expenses and all other moneys payable by the Company in relation to such loans, debentures, bonds, working capital facilities and other instruments."

2. 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 resolution(s) in this regard and in accordance with the provisions of Section 41, 42, 62 and other applicable provisions, if any of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof for the time being in force) as amended from time to time, 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 an issue of convertible bonds and/or equity shares through depository receipts and 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 (hereinafter collectively referred to as “Securities”), whether by way of private placement or otherwise so that the total amount raised through issue of the Securities shall not exceed INR 3600 Crore or US\$600 Mn, if higher 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 passing of this resolution.

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 in such manner as they may deem fit."

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

"RESOLVED THAT pursuant to the provisions of Sections 42, 71 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 (including any statutory modifications or re-enactments thereof, for the time being in force) and subject to the provisions of the Articles of Association of the Company, approval of the members be and is hereby accorded to authorize the Board of Directors of the Company to offer or invite subscriptions for secured/unsecured redeemable non-convertible/perpetual debentures, in one or more series/tranches/currencies, aggregating up to ₹ 6000 crore (Rupees Six thousand crore), on private placement, on such terms and conditions as the Board of Directors of the Company may, from time to time, determine and consider proper and most beneficial to the Company including as to when the said Debentures be issued, the consideration for the issue, utilization of the issue proceeds and all matters connected with or incidental thereto.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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

"RESOLVED THAT pursuant to the provisions of Section 14 and any other applicable provisions of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 (including any statutory modifications and re-enactments thereof for the time being in force) the Articles of Association of the Company be amended as follows:-

- i. Article 1: the definition of "The Act" be amended by replacing the words "The Companies Act, 1956" with "The Companies Act, 2013 and Rules thereunder"
- ii. Article 8: the words "that section" be substituted with "the Act".
- iii. Article 9: the words "shall not exceed 5 percent" be substituted with "shall be as may be prescribed under the Act"
- iv. Article 15 and 17: the words "pay the sum of Rupee one" be substituted with "pay such sum as may be decided by the Directors"
- v. Article 79: the word "Five" be substituted with the word "Thirty".
- vi. Article 85: the words "fifty thousand rupees" be substituted with "Five lakh rupees or such other sum as may be prescribed by the Act"

vii. Article 90: both the provisos be deleted.

viii. Article 104: Article excluding sub-clause A and B, be deleted.

ix. Article 107: the word "₹ 10" be substituted with "₹ 2".

x. Article 108: be amended by adding the following proviso:

"Provided that the Independent Directors of the Company shall not be liable to retire by rotation."

xi. Article 111: the words "the State of Maharashtra" be substituted with the word "India".

xii. Article 112: after the words "...maximum remuneration of a Director as may be" the words "approved by the Directors within the limit" be added.

xiii. Article 137: the words "of at least two directors, and those two Directors only" be substituted with the words "of at least two directors or of one Director and the secretary or other person as the board may appoint."

xiv. Article 140: the words "in order of priority.....cumulative redeemable 'A' Preference Shares" appearing after the words "shall be applicable" be deleted.

xv. Article 4(A), 4(B), 4(C), 4(D), 117, 135, 136 be deleted.

xvi. References to section numbers under Companies Act, 1956 be deleted.

RESOLVED FURTHER THAT pursuant to the provisions of Section 149 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, the Article 103 of the Articles of Association of the Company be and is hereby suitably amended to the effect that the maximum number of Directors of the Company shall not be more than twenty-four Directors.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**By order of the Board of Directors
For Larsen & Toubro Limited**

**N. HARIHARAN
Company Secretary**

Date : May 30, 2014

Place : Mumbai

EXPLANATORY STATEMENT

(Pursuant to the provisions of section 102 of the Companies Act, 2013)

Item No. 1

The Company already has approval of the shareholders of the Company under Section 293(1)(a) of the Companies Act, 1956.

Under Section 180 of the Companies Act, 2013 ("the Act"), notified as on September 12, 2013, the powers of the Board are required to be exercised only with the consent of the company by a Special Resolution. The Ministry of Corporate Affairs ("MCA") has vide its General Circular No 4/2014 dated March 25, 2014 clarified that the Ordinary Resolution passed under Sections 293(1)(a) of the Companies Act, 1956 would be sufficient compliance of Section 180 of the Act for a period of one year from the date of notification of Section 180 of the Act.

The approval of the Members for creation of a mortgage or charge on the total assets of the Company comprising of Non-Current Assets and gross Current Assets, is therefore now being sought, by way of a Special Resolution, pursuant to Section 180(1)(a) of the Act.

The Directors recommend the Resolution at Item No. 1 of the accompanying Notice for the approval of the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company or their relatives is directly or indirectly concerned or interested in this Resolution.

Item No. 2

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 have enabling approvals 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 or depository receipts of the Company. 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 shall rank in all respects pari passu with the existing Equity Shares of the Company.

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 than other modes of raising capital.

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 the 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 Board may, at its absolute discretion, issue equity shares at

a discount of not more than five percent or such other discount as may be permitted under applicable regulations to the 'floor price' as determined in terms of the SEBI (ICDR) Regulations, 2009, subject to Section 53 of the Companies Act, 2013.

As the pricing of the offer cannot be decided except at a later stage, it is not possible to state the price of shares to be issued. However, the same would be in accordance with the provisions of the SEBI (ICDR) Regulations, 2009, the Companies Act, 2013, or any other guidelines/regulations/consents as may be applicable or required.

In case of issue of convertible bonds and/or equity shares through depository receipts the price will be determined on the basis of the current market price and other relevant guidelines.

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 22, 2013 the Shareholders had approved issue of Securities for an aggregate sum up to US\$600 Million or INR 3200 Crore, if higher. However, Shareholders' resolution for QIP issuance is valid for a period of 12 months from the date of passing of the resolution. Accordingly, the Shareholders' approval is sought for the same.

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 Directors recommend this Resolution at Item No.2 of the accompanying Notice for the approval of the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company or their relatives is directly or indirectly concerned or interested in this Resolution.

Item No. 3

The Company is into the business interalia of manufacturing of industrial goods, heavy engineering, infrastructure projects and other activities which require a sizeable investment and continuous expenditure. The Company intends to explore different avenues for garnering this finance including issuance of debt instruments.

Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 deals with private placement of securities by a company. Sub-rule (2) of the said Rule 14 states that in case of an offer or invitation to subscribe for non-convertible debentures on private placement, the company shall obtain previous approval of its shareholders by means of a special resolution only once in a year for all the offers or invitations for such debentures during the year.

Thus in order to meet the financial needs of business in a prudent manner the Company may offer or invite subscription for secured/unsecured/redeemable/non-convertible/perpetual debentures, in one or more series/tranches/currencies on private placement, issuable/redeemable at par or otherwise.

The Directors recommend the Resolution at Item No. 3 of the accompanying Notice, for the approval of the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company or their relatives is directly or indirectly concerned or interested in this Resolution.

Item No. 4

The existing Articles of Association (AoA) is based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Act. Hence several provisions of the AoA which have turned redundant either under the Companies Act, 1956 or with the coming into force of the Companies Act, 2013 ("the Act") or to reflect the factual position need to be deleted/altered.

Section 6 of the Act explicitly provides that in case of any conflict between the provisions of the Act, and the Memorandum/Articles of Association of the Company, the provisions of the Act will prevail. In light of the same, substantial changes have not been carried out to the Articles of Association of the Company and existing articles have been streamlined and aligned so as to comply with the requirements of the Act. Provisions of the rules framed under the Act are subject to change which may require frequent alterations in the AoA. Hence we propose to alter only significant provisions of the AoA so as to comply with provisions of the Act and the rules framed thereunder.

Member's attention is drawn to certain significant changes that are proposed to be carried out to the existing AoA viz:

- (a) Quorum requirement for holding a valid meeting of the Members;
- (b) Increase in the number of Directors;
- (c) Remuneration to be paid to the Directors of the Company for attending meetings;
- (d) Manner of Affixation of Common Seal;

The draft AoA is available for inspection at the registered office of the Company on all working days, except Saturday between 11.00 a.m. and 1.00 p.m.

The Directors recommend the Resolution at Item No. 4 of the accompanying Notice, for the approval of the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company or their relatives is directly or indirectly concerned or interested in this Resolution.

By order of the Board of Directors

For Larsen & Toubro Limited

N. HARIHARAN

Company Secretary

Date : May 30, 2014

Place : Mumbai

INSTRUCTIONS FOR VOTING

Voting through Physical Postal Ballot Form

- 1) The Members are requested to carefully read the instructions printed in the Postal Ballot Form and return the Postal Ballot Form duly completed with the assent (for) or dissent (against), in the enclosed postage pre-paid self-addressed envelope, so as to reach the Scrutinizer, before Friday, July 11, 2014, to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the Member.
- 2) The Members are requested to exercise their voting rights by using the attached Postal Ballot Form only. No other form or photocopy of the form is permitted.

Envelopes containing Postal Ballot Form if deposited in person or sent by courier at the expense of the Members will also be accepted.

E-Voting Facility

Process and Manner for members opting for e-voting is as under:-

(A) In case of Members receiving e-mail from NSDL:

- (i) Open e-mail and open PDF file viz. 'L&T e-voting.pdf' with your client ID or Folio No. as password containing your user ID and Password for e-voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>

- (iii) Click on Shareholder-Login.
 - (iv) Put user ID and Password as initial password noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of e-voting opens. Click on e-voting: Active Voting Cycles.
 - (vii) Select Electronic Voting Event Number (EVEN) of Larsen & Toubro Limited.
 - (viii) Now you are ready for e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail: scrutinizer@sna.co.net with a copy marked to evoting@nsdl.co.in.
- (B) In case of Members receiving Postal Ballot Form by Post:
- (i) Initial password is provided at the bottom of the Postal Ballot Form.
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (x) as mentioned in (A) above, to cast vote.
- (C) If you have already registered with NSDL for e-voting then you can use your existing User ID and Password for casting your vote.
- (D) In case of any queries, you may refer the Frequently Asked Questions (FAQ's) for Shareholders and e-Voting User Manual for Shareholders, available at the downloads section of www.evoting.nsdl.com.

General

- 1) The Scrutinizer will submit the report to the Chairman after completion of the scrutiny and the results of the Postal Ballot will be announced on or before July 18, 2014 at the Registered Office of the Company. The results of the Postal Ballot will be hosted on the Company's website at www.larsentoubro.com for information of the Members, besides being communicated to the stock exchanges on which the shares of the Company are listed. The date of declaration of the Postal Ballot results will be taken as the date of passing the Resolutions.
- 2) Members can opt for only one mode of voting i.e either by physical ballot or by electronic mode. In case, any member casts vote through physical ballot as well as electronic mode, then voting done through physical ballot shall prevail and voting done by electronic mode will be treated as invalid.
- 3) The Scrutinizer's decision on the validity of the Postal Ballot shall be final.