

NOTICE

NOTICE is hereby given that the Eighth Annual General Meeting of **L&T HYDROCARBON ENGINEERING LIMITED** will be held on Thursday, August 17, 2017 at 10:00 a.m. at Landmark' Bldg., 'A' Wing, 3rd Floor, Suren Road, Off Andheri-Kurla Road, Andheri (East), Mumbai 400 093 to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the **Balance Sheet** as at March 31, 2017, the **Profit & Loss Account** for the year ended on that date and the Reports of the Board of Directors and Auditors thereon;
2. To **appoint a director** in place of **Mr. K. Venkataramanan** (DIN: 00001647), who **retires by rotation** and being eligible, offers himself for re-appointment;
3. To **appoint a director** in place of **Mr. R. Shankar Raman** (DIN: 00019798), who **retires by rotation** and being eligible, offers himself for re-appointment;
4. To **appoint Sharp & Tannan, Chartered Accountants**, (ICAI Registration No. 109982W) as Statutory Auditors of the Company to hold office from the conclusion of this 8th Annual General Meeting till the conclusion of the 10th Annual General Meeting and fix their remuneration and for that purpose to pass with or without modification(s), as an **Ordinary Resolution**, the following:

“RESOLVED THAT pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, Sharp and Tannan, Chartered Accountants (Firm Registration No. 109982W), be and is hereby re-appointed as Auditors of the Company to hold office from conclusion of 8th Annual General Meeting till the conclusion of 10th Annual General meeting, , subject to ratification by the Members at every Annual General Meeting to be held during the said period.

RESOLVED FURTHER THAT the Board of Directors, or Audit Committee thereof, be and is hereby authorised to decide and finalise the terms and conditions of appointment, including the remuneration of the Statutory Auditors.”

SPECIAL BUSINESS

5. To appoint **Mr. T. Chinnappa** (DIN: 05219775) as **Whole-time Director** of the Company.
To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:
“RESOLVED THAT Mr. T. Chinnappa (DIN: 05219775) who was appointed as an Additional Director and holds office upto the date of this Annual General Meeting of the Company, is eligible for appointment and in

respect of whom the Company has received a Notice in writing from a member under the provisions of Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as Whole Time Director of the Company commencing from May 1, 2017 upto and including March 31, 2019 and payment of remuneration upto Rs.95 Lacs p.a.”

6. Ratification of **Remuneration of Cost Auditors** of the Company.

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014(including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable during the year 2017 to R. Nanabhoy & Co., Cost Accountants bearing Firm Registration no: 000010, appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for FY 2017-18 amounting to Rs.1,75,000 (Rupees One lakh Seventy Five Thousand only) plus out-of-pocket expenses, etc. incurred at actuals by them in connection with the aforesaid audit, be and is hereby ratified and confirmed.”

7. **Re-appointment** and payment of **Managerial Remuneration** of **Mr. K Ravindranath** (DIN: 00262462)

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, approval be and is hereby accorded for the re-appointment of Mr. K Ravindranath (DIN: 00262462) as the Whole Time Director of the Company commencing from April 7, 2017 upto and including October 1, 2017 and payment of remuneration upto Rs.150 Lacs.”

By Order of the Board of Directors
For **L&T HYDROCARBON ENGINEERING LIMITED**



ALPANA KHALE
COMPANY SECRETARY
(M.NO: 40675)

Place: Mumbai
Date : July 26, 2017

NOTES:

A member entitled to attend and vote at the meeting is entitled to appoint a proxy and where that is allowed, to attend and vote instead of himself, and that a proxy need not be a member.

Proxies in order to be effective, the Proxy form must be received at the registered office of the Company not less than forty eight hours before the commencement of the meeting.

Pursuant to Section 105 of the Companies Act, 2013 and Rule 19 of the Companies (Management & Administration) Rules, 2014, a person can act as a proxy on behalf of members not exceeding 50 and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

EXPLANATORY STATEMENT

(Statement under Section 102 of the Companies Act, 2013)

As required by Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out material facts relating to the special business of the accompanying Notice.

ITEM NO. 5:

The Board of Directors of the Company, on the recommendation of the Nomination & Remuneration Committee, had appointed Mr. T Chinnappa (DIN: 05219775), as Whole-time Director of the Company commencing from May 1, 2017 upto and including March 31, 2019 with payment of remuneration upto Rs.95 Lacs, subject to the approval of the members in the General Meeting.

Pursuant to Notification by Ministry of Corporate Affairs regarding amendments in Schedule V to Companies Act, 2013 w.e.f September 12, 2016, in case of a managerial person who is functioning in a professional capacity, no approval of Central Government is required, if such managerial person is not having any interest in the capital of the company or its holding company or any of its subsidiaries directly or indirectly or through any other statutory structures and not having any direct or indirect interest or related to the directors or promoters of the Company or its holding company or any of its subsidiaries at any time during the last two years before or on or after the date of appointment and possesses graduate level qualification with expertise and specialized knowledge in the field in which the company operates.

Since Mr. T. Chinnappa satisfies the above criteria, his appointment and remuneration is governed under Para B Section II of Schedule V. Further, proviso to Schedule V states that a special resolution is required to be passed under Para B Section II of Schedule V.

I.		GENERAL INFORMATION	
1.	Nature of Industry	Engineering, Procurement & Construction solutions on turnkey basis for oil & gas sector	
2.	Date or expected Date of commencement of commercial production	1 April 2013	
3.	In case of new companies, expected date of commencement of new activities as per project approved by the financial institutions appearing in the prospectus	N.A.	
4.	Financial performance based on given indicators	For the year ended 31 March 2017:	Rs Crore
		Turnover (gross)	8,786.61
		Profit after tax	436.32
		Net-worth	1545.67
		Effective Capital	1512.86
5.	Foreign Investment or collaborations, if any.	None	
II		INFORMATION ABOUT THE APPOINTEE	
1.	Background Details	Mr. T Chinnappa graduated in Mechanical Engineering & had undergone Leadership and Business Management Programmes in IIM-Ahmedabad, London Business School and Global LDP and Global CEO Programmes by Harvard Business School. He joined L&T in 1976 and has over 41 years' experience, both in the international & domestic arena, especially in Construction Services.	
2.	Past Remuneration	NA	
3.	Recognition or awards	NIL	
4.	Job profile and his suitability	Senior Vice President, LTHE	
5.	Remuneration proposed	Upto Rs 95,00,000	
6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Considering the size of Company's operations, the proposed remuneration is commensurate with general industry trends.	
7.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	None	
III		OTHER INFORMATION	
1.	Reasons of loss or inadequate profits	The Company had suffered substantial losses in 2014-15, due to cost overruns encountered in international projects. The profits of 2016-17 will be utilized to absorb these brought forward losses.	
2.	Steps taken or proposed to be taken for Improvement	With the appointment of new CEO & MD – Mr. Subramanian Sarma, w.e.f 19 th August, 2015, a slew of measures have been undertaken to turn	

		around the Company. Mr. Sarma who comes with international EPC experience, has focused in the last 1.5 years on making the organization more agile and has aligned it to profitable growth. As a result, in the first year after taking over as CEO & MD, the Company registered a positive PAT and during FY 2016-17, the PAT grew by 3.7 times over FY 2015-16.
3.	Expected increase in productivity and profits in measurable terms.	Some of the key measures undertaken in FY 2015-16 like re-organisation & others, have started yielding results and is evident from the financials for FY 2016-17. Further, during FY 2016-17, a slew of other initiatives like filling key capability gaps, key operational excellence initiatives, exploring newer geographies have been initiated, which will help maintain the growth momentum in FY 2017-18 also.

Disclosures as required under Secretarial Standard 2 (SS2) on General Meetings are provided as an Annexure to this Notice.

Accordingly, the Resolution at Item No. 5 is proposed for approval of the members for appointment of Mr. T Chinnappa (DIN: 05219775) as Whole-time Director of the Company and payment of remuneration upto Rs.95 Lacs p.a., as contemplated by Schedule V of the Companies Act, 2013 and other applicable provisions, if any.

Except Mr. T. Chinnappa, being the appointee, none of the other Directors or Key Managerial Personnel of the Company including their relatives, are interested or concerned in the resolution set out at Item no.5.

ITEM NO. 6:

In accordance with the provisions of Section 148 of the Companies Act, 2013 & the Companies Rules, 2014 and the Companies Amendment Rules 2014, the Company is required to appoint a cost auditor to audit the cost records of the Company for products and services, specified under the above Rules issued in pursuance to the above section. The Board of Directors of the Company on the recommendation of the Audit Committee, approved the appointment of R. Nanabhoy & Co., Cost Accountants (bearing Firm Registration no: 000010) as the Cost Auditors of the Company, to conduct the audit of the cost records of the Company for the FY 2017-18 at a remuneration of Rs.1,75,000 (Rupees One lakh Seventy Five Thousand only) plus out-of-pocket expenses, etc. incurred at actuals.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a) (ii) of The Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the shareholders of the Company. Accordingly, consent of the Members is sought for passing an ordinary resolution as set out at Item no. 6 of the notice for ratification of the remuneration payable to the cost auditors for the financial year ended March 31, 2018. The Directors recommend the resolution for approval of the shareholders.

None of the Directors and Key Managerial Personnel of the Company and their relatives, are in any way concerned or interested in the said Resolution.

ITEM NO. 7:

The term of Whole Time Director-Mr. K. Ravindranath (DIN: 00262462) was upto April 7, 2017. On the recommendation of Nomination & Remuneration Committee, the Board re-appointed Mr. K. Ravindranath as Whole-time Director commencing from April 7, 2017 upto and including October 1, 2017 with payment of remuneration upto Rs.150 Lacs, subject to the approval of the members in the General Meeting.

In view of inadequate profits, arising from unabsorbed losses of FY 2014-15, the managerial remuneration payable to the Whole Time Directors is likely to exceed the limit laid down under section 197 of The Companies Act, 2013.

Pursuant to Notification by Ministry of Corporate Affairs regarding amendments in Schedule V to Companies Act, 2013 w.e.f September 12, 2016, in case of a managerial person who is functioning in a professional capacity, no approval of Central Government is required, if such managerial person is not having any interest in the capital of the company or its holding company or any of its subsidiaries directly or indirectly or through any other statutory structures and not having any direct or indirect interest or related to the directors or promoters of the company or its holding company or any of its subsidiaries at any time during the last two years before or on or after the date of appointment and possesses graduate level qualification with expertise and specialized knowledge in the field in which the company operates.

Since Mr. K. Ravindranath satisfies the above criteria, his appointment and remuneration is governed under Para B Section II of Schedule V. Further, proviso to Schedule V states that a special resolution is required to be passed under Para B Section II of Schedule V.

I.	GENERAL INFORMATION		
1.	Nature of Industry	Engineering, Procurement & Construction solutions on turnkey basis for oil & gas sector	
2.	Date or expected Date of commencement of commercial production	1 April 2013	
3.	In case of new companies, expected date of commencement of new activities as per project approved by the financial institutions appearing in the prospectus	N.A.	
4.	Financial performance based on given indicators	For the year ended 31 March 2017:	Rs Crore
		Turnover (gross)	8,786.61
		Profit after tax	436.32
		Net-worth	1545.67
		Effective Capital	1512.86
5.	Foreign Investment or collaborations, if any.	None	

II INFORMATION ABOUT THE APPOINTEE		
1.	Background Details	Mr. K. Ravindranath is a Chemical Engineer from IIT Kharagpur & has a Masters degree in Chemical Plant Design from IIT Madras. He joined Larsen & Toubro Group in 1975 and has over 40 years of experience in various departments.
2.	Past Remuneration	Rs.1,26,00,000 in FY 2016-17
3.	Recognition or awards	<p>Mr. K. Ravindranath has been instrumental in getting recognition for L&T through various awards and Patents as mentioned below:</p> <p>AWARDS</p> <ul style="list-style-type: none"> • ICMA Award for Excellence in Chemical Plant and Design Engineering (1997) • Best paper--Special award for a paper on ‘Wet Air Oxidation of toxic industrial waste water at NCTD Convention on Water Pollution – Modern Technologies (1992). • DSIR R&D National Award for outstanding efforts in R&D work for pollution control and Energy Conservation in process industries (1989) • Maratha Chamber of Commerce & Industries – G.S. Pharkhe award for “Development of Mist Eliminator” (1980) • ASSOCHAM Award for Indigenous R&D in developing new products and new processes(1978) <p>Four patents awarded in the areas of product development in Chemical Plants are:</p> <ul style="list-style-type: none"> • Anodic Passivation of Stainless Steel Heat Exchanger handling hot Sulphuric Acid • Mist Eliminator for fine acid removal” • Variable flow area Sulphur Burner” and • Dual Scrubber
4.	Job profile and his suitability	Senior Vice President, LTHE
5.	Remuneration proposed	Upto Rs 1,50,00,000
6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Considering the size of Company’s operations, the proposed remuneration is commensurate with general industry trends.
7.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	None

III	OTHER INFORMATION	
1.	Reasons of loss or inadequate profits	The Company had suffered substantial losses in 2014-15, due to cost overruns encountered in international projects. The profits of 2016-17 will be utilized to absorb these brought forward losses.
2.	Steps taken or proposed to be taken for Improvement	With the appointment of new CEO & MD – Mr. Subramanian Sarma, w.e.f 19 th August, 2015, a slew of measures have been undertaken to turn around the Company. Mr. Sarma who comes with international EPC experience, has focused in the last 1.5 years on making the organization more agile and aligned it to profitable growth. As a result, in the first year after taking over as CEO & MD, the Company registered a positive PAT and during FY 2016-17, the PAT grew by 3.7 times over FY 2015-16.
3.	Expected increase in productivity and profits in measurable terms.	Some of the key measures undertaken in FY 2015-16 like re-organisation & others, have started yielding results and is evident from the financials for FY 2016-17. Further, during FY 2016-17, a slew of other initiatives like filling key capability gaps, key operational excellence initiatives, exploring newer geographies have been initiated, which will help maintain the growth momentum in FY 2017-18 also.

Disclosures as required under Secretarial Standard 2 (SS2) on General Meetings are provided as an Annexure to this Notice.

Accordingly, the Resolution at Item No. 7 is proposed for approval of the members for re-appointment of Mr. K. Ravindranath (DIN: 00262462) as Whole-time Director of the Company and payment of remuneration upto Rs.150 Lacs p.a., as contemplated by Schedule V of the Companies Act, 2013 and other applicable provisions, if any.

Except Mr. K. Ravindranath, being the appointee, none of the other Directors or Key Managerial Personnel of the Company including their relatives, are interested or concerned in the resolution set out at Item no.7.

By Order of the Board of Directors
For **L&T HYDRO CARBON ENGINEERING LIMITED**



ALPANA KHALE
COMPANY SECRETARY (M.NO: 40675)

Place: Mumbai
Date : July 26, 2017

Annexure to Notice Dated July 26, 2017
Details of Directors seeking Appointment/Re-Appointment at the forthcoming Annual General Meeting
(Pursuant To SS 2 on General Meetings)

Name of the Director	MR. K. VENKATARAMANAN	MR. R SHANKAR RAMAN	MR. T. CHINNAPPA	MR. K. RAVINDRANATH
Date of Birth	11/12/1944	20/12/1958	06/02/1954	22/08/1950
Date of first appointment on the Board	13/05/2013	13/05/2013	01/05/2017	06/02/2014
Qualifications	B. Tech. Chem. Engg.-IIT, Delhi	B.Com, ACA and Grad. CWA	Mech. Engineer & Post Graduate in Management Program from ASCI Hyderabad & London Business School	Chemical Engineer from IIT- Kharagpur; Masters in Chemical Plant Design from IIT- Madras
Experience	Vast experience in the field of engineering	Vast experience in the field of finance	Vast experience in the field of engineering	Vast experience in the field of engineering
Other Directorships	1.Kirloskar Pneumatic Co Ltd 2.Nilkamal Limited 3.Vedanta Ltd	1.L&T Metro Rail (Hyderabad) Ltd 2.L&T Infrastructure Dev Projects Ltd 3.L&T Finance Holdings Limited 4.L&T Investment Management Limited 5.Larsen & Toubro Infotech Ltd 6.Larsen & Toubro Limited 7.L&T Realty Limited 8.L&T Seawoods Limited	NIL	L&T Chiyoda Limited L&T - Gulf Private Limited L&T Sapura Offshore Private Limited L&T Sapura Shipping Private Limited L&T Overseas Projects Nigeria Limited Larsen & Toubro (East Asia) Sdn Bhd Pt. Larsen & Toubro Hydrocarbon Eng. Indonesia
Memberships / Chairmanships of committees of other Boards	Corporate Social Responsibility Committee (Member) Vedanta Ltd Stakeholder Relationship committee (Member) Vedanta Ltd	Audit Committee (Member) 1.L&T Seawoods Limited 2.L&T Infrastructure Dev Projects Ltd 3.L&T Finance Holdings Limited 4.L&T Investment Management Limited 5.L&T Realty Limited 6.L&T Metro Rail (Hyderabad) Ltd Nomination & Remuneration Committee (Member) 2.L&T Infrastructure Dev Projects Ltd 2.L&T Investment Management Limited 3.L&T Realty Limited 4.L&T Seawoods Limited Corporate Social Responsibility Committee (Member) 2.L&T Infrastructure Dev Projects Ltd 2.L&T Realty Limited 3.L&T Finance Holdings Limited 4.L&T Investment Management Limited 5.Larsen & Toubro Limited 6.L&T Seawoods Limited Stakeholder Committee (Member) L&T Finance Holdings Limited	NIL	Nomination & Remuneration Committee 1. L&T - Gulf Private Limited (Chairman) 2. L&T Chiyoda Limited (Member) 3. L&T Sapura Shipping Private Limited (Member) Corporate Social Responsibility Committee 2. L&T Chiyoda Limited (Chairman)
Shareholding in the Co.	NIL	NIL	NIL	NIL
Relationships with directors, manager & KMP	NA	NA	NA	NA
No of Board Meetings attended during the year	EIGHT	SIX	NA	SEVEN



ATTENDANCE SLIP

L&T HYDROCARBON ENGINEERING LIMITED
CIN: U11200MH2009PLC191426
Regd. Office: L&T House, Ballard Estate, Mumbai – 400 001.
Tel: +91 22 6752 5656 Fax: +91 22 6752 5693 www.Lnthydrocarbon.com

Folio No.	
No. of shares	

Name & Address of registered shareholder
--

I certify that I am a registered shareholder / proxy for the registered shareholder of the Company.

I hereby record my presence at the 8th **Annual General Meeting** of the Company at Landmark' Bldg., 'A' Wing, 3rd Floor, Suren Road, Off Andheri-Kurla Road, Andheri (East), Mumbai 400 093 on Thursday, August 17, 2017 at 10:00 a.m.

Signature

Note: Please complete this and hand it over at the entrance of the hall.



PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules 2014]

L&T HYDROCARBON ENGINEERING LIMITED

CIN: U11200MH2009PLC191426

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

Tel: +91 22 6752 5656 Fax: +91 22 6752 5693 www.Lnthydrocarbon.com

Table with 2 columns: Field Name, Value. Fields include Name of the Member(s), Registered Address, Email ID, Folio No.

I/We, being the member(s) of _____ shares of L&T Hydrocarbon Engineering Limited, hereby appoint:
1) _____ of _____ having e-mail id _____ or failing him
2) _____ of _____ having e-mail id _____ or failing him
3) _____ of _____ having e-mail id _____ or failing him

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held at Landmark' Bldg., 'A' Wing, 3rd Floor, Suren Road, Off Andheri-Kurla Road, Andheri (East), Mumbai 400 093 on Thursday, August 17, 2017 at 10:00 a.m. and at any adjournment thereof ;

** I wish my above Proxy to vote in the manner as indicated in the box below:

Table with 4 columns: Item No., Resolutions, For, Against. Contains 7 rows of resolutions for AGM.

Signed thisday of2017 Signature of shareholder.....

Signature of proxy holder(s)

Affix a 1 Rupee Revenue Stamp

Note:

- 1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2) A Proxy need not be a member of the Company.
3) Members/Proxies should bring their attendance slips duly completed for attending the Meeting.
4) Please put an 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
5) Appointing a proxy does not prevent a member from attending the meeting in person if he/she so wishes.
6) In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

