**Larsen & Toubro Directors Report | Larsen & Toubro Ltd Directors Report**

Balance available for disposal which the 5,060.33 4,558.29 directors appropriate as follows : Debenture Redemption Reserve 50.25 44.00. Proposed Dividend 1,138.47 1,010.46. Dividend Tax 85.86 101.44. General Reserve 3,500.00 3,250.00. 4,774.58 4,405.90. Balance to be carried forward 285.75 152.39. Dividend 1,138.47 1,010.46. The Directors recommend payment of final dividend of Rs. 18.50 per equity share of Rs. 21- each on pre-bonus capital of 61,53,85,981 shares. YEAR IN RETROSPECT. The gross sales and other income for the financial year under review were Rs. 63,322 crore as against X 55,076 crore for the previous financial year registering an increase of 15%. The Profit before tax excluding extraordinary and exceptional items was Rs. 6,457 crore and the Profit after tax excluding extraordinary and exceptional items of f 4,695 crore for the financial year under review as against Rs. 6,255 crore and Rs. 4,413 crore respectively for the previous financial year, registering an increase of 3% and 6% respectively. TRANSFER OF HYDROCARBON BUSINESS. The Board of Directors of the Company at its Meeting held on May 22, 2013 has approved a Scheme of Arrangement between Larsen & Toubro Limited and L&T Hydrocarbon Engineering Limited, a wholly owned subsidiary of the Company ("LTHE") and their respective Shareholders and Creditors which inter alia envisages transfer of the Hydrocarbon Business undertaking along with related assets and liabilities into LTHE and other consequential matters under the provisions of Sections 391 to 394 of the Companies Act, 1956. The Appointed Date of the Scheme would be April 01, 2013. There would be no issue of Shares by LTHE to the Shareholders of the Company pursuant to transfer of Hydrocarbon business. ISSUE OF BONUS SHARES. To commemorate the occasion of the Platinum Jubilee of the Company, the Board of Directors of the Company in its meeting held on May 22, 2013, has recommended for approval of the shareholders issue of bonus shares to the holders of equity shares of the Company in the ratio of 1:2 (i.e. one bonus equity share of Rs. 21- each for every two fully paid up equity shares of Rs. 2/- each held). The approval of the shareholders will be sought through postal ballot. DIVIDEND. The Directors recommend payment of dividend of Rs. 18.50 per equity share of Rs. 2/- each on the pre-bonus share capital which works out to Rs. 12.33 per share post issue of bonus shares. DEPOSITORY SYSTEM. As the members are aware, the Companys shares are compulsorily tradable in electronic form. As on March 31, 2013, 97.39% of the Companys total paid-up Capital representing 59,93,26,527 shares are in dematerialized form. In view of the numerous advantages offered by the Depository system, members holding shares in physical mode are advised to avail of the facility of dematerialization from either of the Depositories. CAPITAL & FINANCE. During the year under review, the Company allotted 29,87,082 equity shares upon exercise of stock options by the eligible employees under the Employee Stock Option Schemes. During the year under review, Rs. 250 crores were raised by the Company via issuance of Non-Convertible Debentures. Further, the Company has drawn down long term foreign currency loans in USD & JPY equivalent to approximately Rs. 2,660 crores. During the year, the Company repaid a part of its long term foreign currency loans, equivalent to about Rs. 1,615 crore. CAPITAL EXPENDITURE. As at March 31, 2013, the gross fixed and intangible assets, including leased assets, stood at Rs. 12,582 crore and the net fixed and intangible assets, including leased assets, at Rs. 8,902 crore. Capital expenditure during the year amounted to Rs. 1,505 crore. DEPOSITS. There are no deposits which were due for repayment on or before March 31, 2013. All unclaimed deposits were transferred to Investor Education & Protection Fund during the year. TRANSFER TO INVESTOR EDUCATION & PROTECTION FUND. The Company sends letters to all shareholders whose dividends are unclaimed so as to ensure that they receive their rightful dues. Efforts are also made in co-ordination with the Registrar to locate the shareholders who have not claimed their dues. During the year, the Company has transferred a sum of Rs. 73,11,898/- to Investor Education & Protection Fund, the amount which was due & payable and remained unclaimed and unpaid for a period of seven years, as provided in Section 205C(2) of the Companies Act, 1956. Despite the reminder letters sent to each shareholder, this amount remained unclaimed and hence was transferred. Cumulatively, the amount transferred to the said Fund was Rs. 10,63,57,861/- as on March 31, 2013. SUBSIDIARY COMPANIES. During the year under review, the Company subscribed to/ acquired equity shares in various subsidiary companies. The details of investments in subsidiary companies during the year are as under: A) Shares acquired during the year:- Name of the company No. of shares. L&T Aviation Services Private Limited 2,16,00,000. L&T-MHI Boilers Private Limited 71,40,000. L&T-MHI Turbine Generators Private Limited 4,61,55,000. L&T General Insurance Company Limited 9,00,00,000. L&T Power Development Limited 43,70,00,000. L&T Shipbuilding Limited 81,86,30,000. L&T Special Steels and Heavy Forgings Limited 6,66,00,000. Larsen Toubro Arabia LLC 7,500. L&T Metro Rail (Hyderabad) Limited 9,30,000. L&T Technology Services Limited 50,000. Audco India Limited (see Note 1) 7,81,630. B) Shares sold/transferred/reduction in face value during the year: Name of the company No. of shares. L&T- Sargent & Lundy Limited (under buy-back) 9,09,092. L&T Plastics Machinery Private Limited (See Note 2) 1,60,00,000. L&T Power Limited (See Note 3) 51,157. Note: 1. During the year, the Company acquired 50% stake in Audco India Limited. With this acquisition, Audco India Limited is now a wholly owned subsidiary of the Company. 2. The Company has sold its entire stake in L&T Plastics Machinery Private Limited during the year. 3. During the year, the face value of the share was reduced from Rs. 30,000 per share to Rs. 10 per share. The Ministry of Corporate Affairs (MCA), vide its circular No. 2/2011 dated February 8, 2011, has granted general exemption under Section 212(8) of the Companies Act, 1956, subject to certain conditions being fulfilled by the Company. As required under the circular, the Board of Directors has, at its meeting held on January 25, 2013, passed a resolution giving consent for not attaching the Balance Sheet of the subsidiary companies. We have also given the required information on subsidiary companies in this Annual Report. Shareholders who wish to have a copy of the full report and accounts of the subsidiaries will be provided the same on receipt of a written request from them. These documents will be uploaded on the Companys Website viz. www.larsentoubro.com and will also be available for inspection by any shareholder at the Registered Office of the Company, on any working day during business hours. AUDITORS REPORT. The Auditors Report to the Shareholders does not contain any qualification. DISCLOSURE OF PARTICULARS. Information as per the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo is provided in Annexure A forming part of this Report. OTHER DISCLOSURES. The disclosures required to be made under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, together with a certificate obtained from the Statutory Auditors, confirming compliance, is provided in Annexure B forming part of this Report. Pursuant to Clause 49 of the Listing Agreement entered into with the Stock Exchanges, a Report on Corporate Governance and a certificate obtained from the Statutory Auditors confirming compliance, is provided in Annexure C forming part of this Report. PERSONNEL. The Board of Directors wishes to express their appreciation to all the employees for their outstanding contribution to the operations of the Company during the year. The information required under Section 217(2A) of the Companies Act, 1956 and the Rules made thereunder, is provided in Annexure forming part of the Report. In terms of Section 219( 1 )(b) (iv) of the Act, the Report and Accounts are being sent to the shareholders excluding the aforesaid Annexure. Any Shareholder interested in obtaining copy of the same may write to the Company Secretary. None of the employees listed in the said Annexure is related to any Director of the Company. BUSINESS RESPONSIBILITY REPORTING. SEBI, vide its circular CIR/CFD/DIL/8/2012 dated August 13, 2012, mandated the top 100 listed companies, based on market capitalization at BSE and NSE, to include Business Reponsibility Report as part of the Annual Report. Accordingly as per Clause 55 of the Listing Agreement with the Stock Exchanges, a separate section on Business Responsibility Reporting forms a part of this Annual Report (pages 22-37). CORPORATE GOVERNANCE VOLUNTARY GUIDELINES. By complying with the provisions of the Companies Act, 1956 and Clause 49 of the Listing Agreement, the Company is complying with all the major clauses of the Corporate Governance Voluntary Guidelines, 2009. We have reported in Annexure "C" to the Directors Report- Corporate Governance, the extent of our compliance of the Corporate Governance Voluntary Guidelines, 2009 under the following heads: 1. Nomination & Remuneration Committee. 2. Other Information. 3. Audit Committee. 4. General Shareholders Information. CORPORATE SOCIAL RESPONSIBILITY VOLUNTARY GUIDELINES. MCA had released a set of guidelines on Corporate Social Responsibility (CSR) in December 2009. The Company is substantially complying with the guidelines laid down. The Company has been one of the first engineering and construction companies in India to publish its report on Corporate Sustainability. The activities carried out by the Company as a part of its CSR initiatives are covered in the Business Responsibility Reporting forming a part of this Annual Report. The detailed- Corporate Sustainability Report is also available on the Companys website www.larsentoubro.com. DIRECTORS RESPONSIBILITY STATEMENT. The Board of Directors of the Company confirms: i. that in the preparation of the annual accounts, the applicable Accounting Standards have been followed and there has been no material departure; ii. that the selected accounting policies were applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2013 and of the profits of the Company for the year ended on that date; iii. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; iv. that the annual accounts have been prepared on a going concern basis; and. v. that the Company has adequate internal systems and controls in place to ensure compliance of laws applicable to the Company. DIRECTORS. During the year under review, Mr. Ravi Uppal, Whole-time Director of the Company resigned with effect from September 15, 2012. Mr. V.K. Magapu, Whole-time Director of the Company retired on September 30, 2012. Mr. M. Damodaran was appointed as an Additional Director with effect from October 22, 2012. Mr. Vikram Singh Mehta was appointed as an Additional Director with effect from October 22, 2012. Mr. Thomas Mathew T., the Nominee Director of the Company representing Life Insurance Corporation of India, resigned with effect from November 19, 2012. Mr. Sushobhan Sarker was appointed as the Nominee Director representing Life Insurance Corporation of India with effect from December 15, 2012 to fill the casual vacancy caused by the resignation of Mr. Thomas Mathew T. Mr. Subodh Bhargava, Mr. Shailendra Roy, Mr. R. Shankar Raman and Mr. M. M. Chitale retire from the Board by rotation and are eligible for re-appointment at the forthcoming Annual General Meeting. Mr. M. Damodaran and Mr. Vikram Singh Mehta, Additional Directors of the Company hold office up to the date of the forthcoming Annual General Meeting and are eligible for appointment. Mrs. Bhagyam Ramani, Nominee of General Insurance Corporation of India, resigned w.e.f. May 8, 2012. Mrs. Bhagyam Ramani would have been liable for retirement by rotation in ensuing AGM. The said vacancy is not proposed to be filled at the ensuing AGM. The notice convening the Annual General Meeting includes the proposal for appointment/re-appointment of Directors. CONSOLIDATED FINANCIAL STATEMENTS. Your Directors have pleasure in attaching the Consolidated Financial Statements pursuant to Clause 32 of the Listing Agreement entered into with the Stock Exchanges and prepared in accordance with the Accounting Standards prescribed by the Institute of Chartered Accountants of India, in this regard. The Auditors Report to the Shareholders does not contain any qualification. AUDITORS. The Auditors, M/s. Sharp & Tannan (S&T), hold office until the conclusion of the ensuing Annual General Meeting and are recommended for re-appointment. Certificate from the Auditors has been received to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224(1 B) of the Companies Act, 1956. S&T has submitted the Peer Review Certificate dated September 21, 2010 issued to them by Institute of Chartered Accountants of India (ICAl). COST AUDITORS. Pursuant to the Cost Audit Order dated January 24, 2012 issued by the Ministry of Corporate Affairs (MCA), the Board of Directors has appointed M/s. R. Nanabhoy & Co., Cost Accountants, as Cost Auditors for audit of cost accounting records of "Engineering machinery (including electrical and electronic products)", for the Financial Year ended March 31, 2013. The appointment has been approved by the Central Government. The Report of the Cost Auditors for the Financial Year ended March 31, 2013 is under finalization and will be filed with the MCA within the prescribed period. Based on the Audit Committee recommendations, the Board of Directors at its meeting held on May 22, 2013, has approved the re-appointment of M/s. R. Nanabhoy & Co. as the Cost Auditors of the Company for the Financial Year ending March 31, 2014, for applicable Product Groups covered under MCA Cost Audit Order No. 52/56/CAB-2010 dated November 6, 2012. The appointment is subject to approval of the Central Government. ACKNOWLEDGEMENT. Your Directors take this opportunity to thank the Financial Institutions, Banks, Central and State Government authorities, Regulatory authorities, Stock Exchanges and all the various stakeholders for their continued co-operation and support to the Company. Your Directors also wish to record their appreciation for the continued co-operation and support received from the Joint Venture partners/Associates. More from markets. Date Sources: Live BSE and NSE Quotes Service: TickerPlant | Corporate Data, F&O Data & Historical price volume data: Dion Global Solutions Ltd. BSE Quotes and Sensex are real-time and licensed from the Bombay Stock Exchange. NSE Quotes and Nifty are also real time and licenced from National Stock Exchange. All times stamps are reflecting IST (Indian Standard Time). By using this site, you agree to the Terms of Service and Privacy Policy.