

NOTICE

NOTICE is hereby given that an Extraordinary General Meeting of **L&T TECHNOLOGY SERVICES LIMITED** will be held at 'Landmark' Building, 'A' Wing, Chakala , Andheri , Mumbai 400 093 on Thursday, January 21, 2016 at 1.00 pm to transact the following business:

1. To consider and if thought fit, to pass with or without modification(s), as an Ordinary Resolution:-

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force and subject to obtaining necessary consents, The Consent of the Company be and is hereby accorded for appointment of Mr. Kumar Prabhas (DIN 02084157), as Whole – Time Director of the Company for a period of five years commencing from January 21, 2016 upto and including January 20, 2021 on terms and conditions specified in the draft agreement placed at the meeting.

RESOLVED FURTHER THAT any one of the Directors or the Company Secretary of the Company be and is hereby authorized to make the necessary filings with Registrar of Companies and to do all such other acts and things as may be incidental and necessary in this regard.”

2. To consider and if thought fit, to pass with or without modification(s), as a Special Resolution:-

“RESOLVED THAT pursuant to the provisions of Sections 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) (including any statutory modifications or re-enactments thereof for the time being in force), the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (“SEBI Regulations”) as amended and subject to such other approvals, consents, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, consents, permissions and sanctions, the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the ‘Board’ which term shall be deemed to include Nomination & Remuneration Committee already constituted by the Board under Section 178 of the Companies Act, 2013 to exercise its powers, including the powers, conferred by this resolution) to introduce and implement ‘L&T Technology Services Limited Employee Stock Option Scheme 2016’ (hereinafter referred to as the “ESOP Scheme-2016”) and to create, offer, grant, issue and allot, in one or more tranches under the said proposed ESOP Scheme-2016, from time to time upto 60,00,000 (Sixty Lakhs only) options to the permanent employees, existing & future directors (including whole-time directors and non-executive directors but excluding independent directors) of the Company, whether working in or outside India, as may be decided solely by the Board, under the ESOP Scheme-2016 exercisable into 60,00,000 (Sixty Lakhs only) equity shares of face value of Rs. 2/- each fully paid up, in one or more

tranches, on such terms and in such manner as the Board may decide in accordance with SEBI Regulations and other applicable laws, as may be prevailing at that time.

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot Equity Shares to the eligible employees and directors of the Company upon exercise of options from time to time in accordance with ESOP Scheme-2016 for the implementation of the Scheme as per applicable laws and regulations.

RESOLVED FURTHER THAT the following shall not be eligible to participate in ESOP Scheme-2016:

- a. An employee who is a promoter or a person belonging to the promoter group;
- b. Director of the Company, who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company; and Independent directors of the Company.

RESOLVED FURTHER THAT the number of options that may be granted to any employee and director of the Company under the ESOP Scheme-2016 shall not exceed 1% of the issued share capital of the Company per grant and in aggregate.

RESOLVED FURTHER THAT the limits for the maximum number of stock options that can be granted to the non-executive directors (excluding independent directors) of the Company, in any financial year and in aggregate under the ESOP Scheme-2016 shall be within the following limits:

Up to 6,00,000 options per financial year; and

Aggregate of the options granted under the ESOP Scheme-2016 shall not be more than 2% of 7,50,00,000 paid up share capital of the Company 15,00,000 options.

RESOLVED FURTHER THAT the equity shares allotted shall rank pari passu in all respects with the then existing equity shares of the Company.

RESOLVED FURTHER THAT in case of any corporate action(s) such as issue of bonus and/ or rights shares, and/ or Fully Convertible Debentures, or share buyback, or split/ consolidation, or change in capital structure, merger and sale of division/ undertaking or other re-organisation, if any additional Equity Shares are required to be issued by the Company to the option grantees for the purpose of making a fair and reasonable adjustment to the options granted earlier, the above ceiling of 60,00,000 (Sixty Lakhs only) Equity Shares shall be deemed to be adjusted according to the ESOP Scheme-2016 (Para J).

RESOLVED FURTHER THAT the grant of option shall be in accordance with the terms and conditions as regards price, payment, application, allotment etc. as decided by the Board, from time to time in accordance with the SEBI Regulations, if applicable.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the Equity Shares allotted under the ESOP Scheme-2016 on the Stock Exchanges, whenever the Shares of the Company get listed and to determine all other terms which for the purpose of giving effect to any offer, issue or allotment of Equity Shares or securities or instruments representing the same, as described above under ESOP Scheme-



2016 and to do all such acts, deeds and things and to execute all such deeds, documents, instruments and writings as it may at its sole and absolute discretion deem necessary or expedient and to settle any questions, difficulty or doubt that may arise in this behalf without being required to seek further consent or approval of the Shareholders.

RESOLVED FURTHER THAT the Board be and is hereby authorized to make modifications, changes, variations, alterations or revisions in the terms and conditions of the ESOP Scheme-2016, including but not limited to, suspend, withdraw, terminate or revise the ESOS Scheme-2016, as it may deem fit, from time to time at its sole and absolute discretion in conformity with the provisions of the Companies Act, 2013, the Memorandum and Articles of Association of the Company, SEBI Regulations and any other applicable laws.”

3. To consider and if thought fit, to pass with or without modification(s), as a Special Resolution:-

“**RESOLVED THAT** the benefits of ESOP Scheme-2016 proposed under Resolution no.2 of this Notice as approved by the members, be extended to the employees (including directors but excluding independent directors), whether existing and future, working in India or out of India of the Holding company, its Subsidiaries and/or its Associate companies, if permitted by law, as may be decided solely by the Board (hereinafter referred to as the ‘Board’ which term shall be deemed to include Nomination & Remuneration Committee already constituted by the Board under Section 178 of the Companies Act, 2013 to exercise its powers, including the powers, conferred by this resolution) under the ESOP Scheme-2016, so however the total options granted to the employees and directors of the Company, its Holding Company, its Subsidiaries and/or its Associate Companies, if permitted by law, shall not exceed 60,00,000 (Sixty Lakhs only) options exercisable into 60,00,000 equity shares of face value of Rs.2/- each fully paid up, in one or more tranches, on such terms and in such manner as the Board may decide in accordance with SEBI Regulations and other applicable laws, as may be prevailing at that time.”

For L&T TECHNOLOGY SERVICES LIMITED


V.K.MAGAPU
DIRECTOR
(DIN: 00001658)

Date : January 21, 2016

Place: Mumbai

NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY AND WHERE THAT IS ALLOWED TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
- PROXIES IN ORDER TO BE EFFECTIVE 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.
- THE MEETING IS BEING CALLED AT SHORTER NOTICE IN VIEW OF THE URGENCY OF BUSINESS TO BE TRANSACTED

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EXPLANATORY STATEMENT

As required by Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out material facts relating to the business under Item No. 1 & 2 of the accompanying Notice.

Item No. 1

The Board of Directors of the Company have appointed Mr. Kumar Prabhas (DIN: 02084157), as Whole – Time Director of the Company with effect from January 21, 2016 upto and including January 20, 2021, subject to the approval of the members in the General Meeting.

The above appointment is in accordance with Section 196, 197 & 203 read with Schedule V of the Companies Act, 2013 subject to the approval by resolution of the shareholders in a General

Accordingly, the Resolution at Item No. 1 is proposed for approval of the members for appointment of Mr. Kumar Prabhas as Whole – Time Director of the Company.

The following are the details of Mr. Kumar Prabhas as per Secretarial Standard-2

| | INFORMATION ABOUT THE APPOINTEE | |
|-----|--|--|
| 1. | Qualification & Experience | Mr. Prabhas is a B Tech in Electronics Engineering from IIT, Kanpur and has illustrious career of 25+ years. |
| 2. | Age | 49 years |
| 3. | Past Remuneration | NA |
| 4. | Terms & conditions of appointment | As stated in draft agreement for his appointment. |
| 5. | Date of appointment on Board | January 21, 2016 |
| 6. | Remuneration proposed | Rs. 23934,050/- |
| 7. | Shareholding in the Company | None |
| 8. | Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any. | None |
| 9. | Number of Board Meetings attended | 1 |
| 10. | Other Directorships | None |
| 11. | Membership/Chairmanship of Committees | None |

The Directors recommend the resolution mentioned at Item No. 1 for the approval of the shareholders.

Except Mr. Kumar Prabhas, none of the Directors or Key Managerial Personnel of the Company or their relatives thereof are directly or indirectly concerned or interested in this resolution.

Item No. 2 & 3

Employee Stock Option Schemes have been successfully used the world over as tools to reward the star performers, encourage performance improvement and retention of talent.

On similar lines, the ESOP Scheme-2016 has been envisaged to reward the employees who contribute significantly to the Company's profitability and shareholders' value as well as encourage improvement in performance and retention of talent.

Accordingly, the Board of Directors ("the Board") of the Company at its meeting held on January 21, 2016 approved introduction of the 'L&T Technology Services Limited Employee Stock Option Scheme 2016' (hereinafter referred to as the "ESOP Scheme-2016"), subject to the approval of the members and the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended from time to time (the "SEBI Regulations") and authorised the Nomination & Remuneration Committee (NRC) constituted under Section 178 of the Companies Act, 2013, to formulate the detailed terms and conditions of the ESOP Scheme-2016 and to administer and implement the ESOP Scheme-2016 in accordance with the provisions of the SEBI Regulations.

The ESOP Scheme-2016 is formulated in accordance with SEBI Regulations.

The salient features of the same, are as under:

Brief description of the Scheme:

ESOP Scheme 2016 includes details of total number of options granted, eligibility of employees, terms & conditions regarding vesting & exercise of the options, relevant accounting policies as applicable and other details as specified.

Total number of Options to be granted:

60,00,000 (Sixty Lakhs only) options exercisable into an aggregate of 60,00,000 (Sixty Lakhs only) Equity Shares in the Company of face value of Rs.2/- each fully paid-up, would be available for grant to the eligible employees of the Company, its Holding company, its Subsidiaries and its Associate Companies, if permitted by law, under ESOP Scheme-2016, in one or more tranches.

Vested options lapsed due to non-exercise and/or unvested options that get cancelled due to resignation of the employees or otherwise, would be available for being re-granted at a future date. The Board is authorized to re-grant such lapsed/ cancelled options as per the provisions of ESOP Scheme-2016.

SEBI Regulations require that in case of any corporate action(s) such as issue of bonus and/ or rights shares, and/ or Fully Convertible Debentures, or share buyback, or split/ consolidation, or change in capital structure, merger and sale of division/ undertaking or other re-organisation, a fair and reasonable adjustment needs to be made to the options granted, whether vested and unvested.

Identification of classes of employees entitled to participate in the Employee Stock Option Scheme(s):

Following classes of employees are entitled to participate in the ESOP Scheme-2016:

- a. A permanent employee of the Company, working in India or outside India;
- b. A director of the Company, whether a Whole-time Director or not but excluding an Independent Director; or
- c. An employee as defined in clause (a) or (b) of its Holding company, its Subsidiaries and its Associate Companies, if permitted by law, in India or outside India.



Following persons are not eligible:

1. Employees holding 10% of the outstanding equity share capital of the Company at any time after the commencement of the ESOP Scheme-2016; and
2. Employees of its subsidiaries and/or holding company which have implemented an employee stock option scheme, unless otherwise decided by the NRC.

Appraisal process for determining the eligibility of employees under ESOP Scheme-2016:

- a. The appraisal process for determining the eligibility of the employees will be decided by the Nomination and Remuneration Committee from time to time.
- b. The entitlement for grant will be based on the performance of the Company, the business / service unit to which the Employee belongs and the Employee during the Performance Year.

The Performance Criteria for ESOPs allocation will be as under:

1. Grade of Employee as on the date of ESOP Grant
2. Performance Rating/ Interview Rating in case of Lateral Recruits
3. Criticality of the Position/ Role
4. Management approval, based on above three factors

Requirements of vesting and period of vesting:

Vesting shall commence one year after the date of grant @ 20% each year upto 5 years from the date of grant. The vesting will not be automatic. The time, manner and quantum of vesting shall be determined by the Board solely at its own discretion based on the performance of the Employee and/ or other criteria as it may deem fit.

Under various scenarios the requirements of vesting will be as follows¹:

| In case of | All Vested Securities/options | All Unvested Securities/ options |
|--|--|--|
| Resignation/ Termination | To be exercised within 90 days from the last date of employment | Forfeited/ Lapsed |
| Retirement | To be exercised within 3 years from the date of retirement | Vest on the date of retirement |
| Voluntary Retirement/ Pre-mature Retirement | To be exercised within 180 days from the last date of employment | Forfeited/ Lapsed. However, Board has discretion to vest in deserving cases. |
| Retirement of Non-Executive Directors (75 years or as may be decided by the Board) | To be exercised within 3 years from the date of retirement | Vest on the date of retirement |



| In case of | All Vested Securities/options | All Unvested Securities/ options |
|--------------------------|--|--|
| Permanent Incapacitation | To be exercised within 3 years from the date of permanent incapacitation | Vest on the date of permanent incapacitation |
| Death ² | To be exercised within 3 years from the date of Death | Vest on the date of death |

Notes:

1. The period of exercise of the vested options, can be extended by the Board at its own discretion.
2. Options shall be vested and exercised by the nominee/s or surviving nominee/s or legal heir/s of the deceased employee.

Maximum period within which the Options shall be vested:

Options granted under ESOP Scheme-2016, would vest within the period of 5 years from the date of grant of such options as per the terms and conditions mentioned in the ESOP Scheme-2016.

Exercise price or pricing formula:

The exercise price may be decided by the Board, in such manner, during such period, in one or more tranches and on such terms and conditions as it may deem fit, provided that the Exercise Price per option shall not be less than the par value of the equity share of the Company and shall not be more than the market price as defined in the Regulations and shall be subject to compliance with accounting policies under the Regulations.

Exercise period and the process of Exercise:

The vested options shall be eligible for exercise on and from the date of vesting. The vested options need to be exercised within a maximum period of seven years (84 months) from the date of Grant or 6 years from the date of first vesting or 3 years (36 months) from the date of retirement/ death, whichever is earlier, subject to change as may be approved by the Board.

The vested option shall be exercisable by the Employees by a written application to the Company/ NRC expressing his/ her desire to exercise such options in such manner and on such format as may be prescribed by the NRC in Scheme/ Rules. The options shall lapse if not exercised within the specified exercise period.

Lock-in period, if any:

There will no lock-in period after exercise of the options, (if not otherwise stipulated by SEBI).

Maximum number of Options to be issued/ quantum of benefit to be provided per employee and in aggregate:

The number of options that may be granted to any specific employee under the scheme shall not exceed the number of shares equivalent to 1% of the Issued Share Capital of the Company per grant and in aggregate if the prior specific approval from members of the Company through a special resolution to this effect is not obtained.



Disclosure and Accounting Policies:

The Company shall follow the requirements of the 'Guidance Note on Accounting for employee share-based Payments' (Guidance Note) or Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India (ICAI) from time to time, including the disclosure requirements prescribed therein.

Where the existing Guidance Note or Accounting Standard do not prescribe accounting treatment or disclosure requirements for any of the schemes covered under these regulations then the company shall comply with the relevant Accounting Standard as may be prescribed by the ICAI from time to time.

Method to be used to determine the Value of Options:

Currently, as per the applicable Accounting Standards, the Company will use the intrinsic value method to value its options. The difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' report and the impact of this difference on profits and on earnings per share ("EPS") of the company shall also be disclosed in the Directors' report.

On coming into effect of the Indian Accounting Standards (Ind AS), the Company will follow the applicable method of valuing its options as provided therein.

Conditions under which Options vested in employees may lapse:

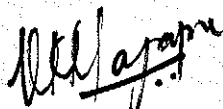
In case the Employee has indulged in disciplinary action on account of any proven misconduct, the Board reserves the right to withdraw all vested and/ or unvested options based on the recommendation of the Management.

The draft ESOP Scheme-2016 will be available for inspection at the registered office of the Company on all working days, except Saturdays, Sundays and holidays, between 11:00 a.m. and 1:00 p.m. upto the date of the extraordinary general meeting.

The Board recommends the resolution No. 2 & 3, of the Notice for approval of the Shareholders by a Special Resolution.

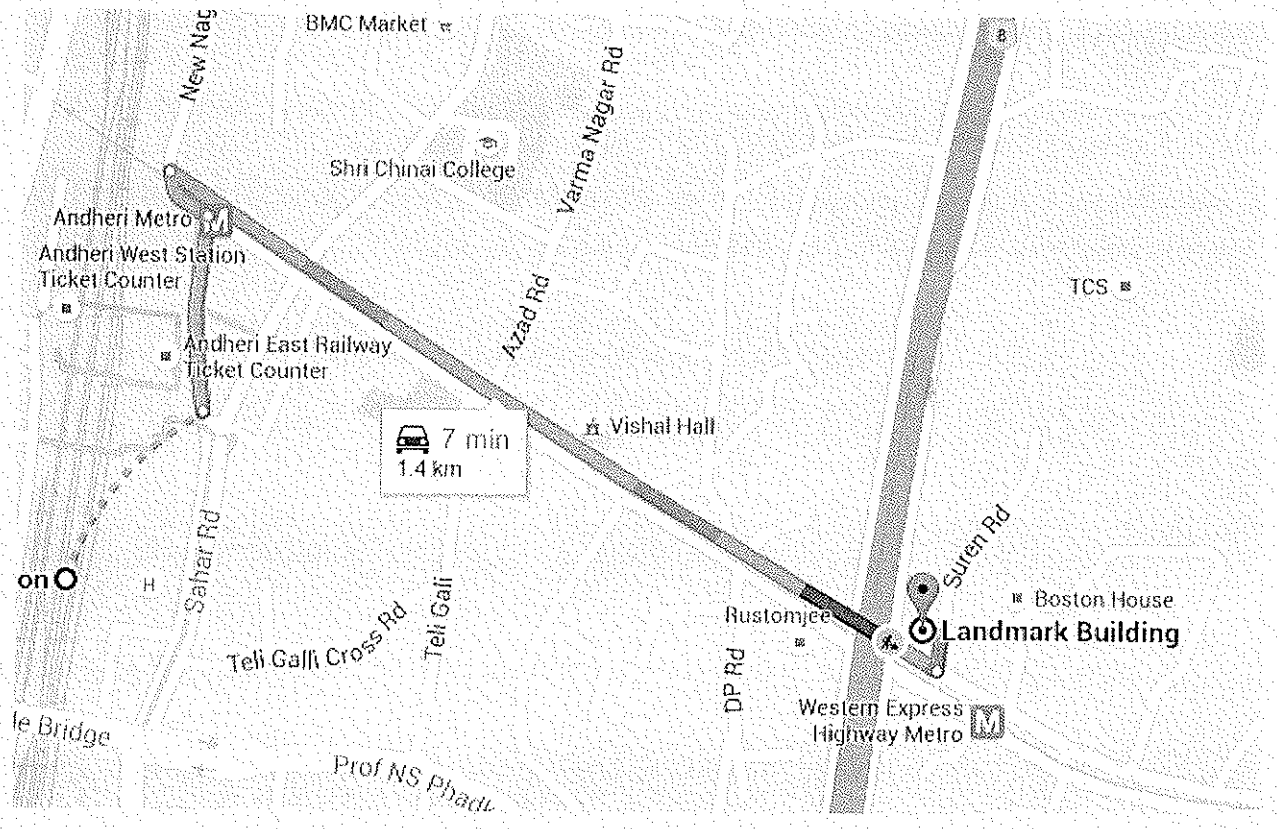
None of the Directors, Key Managerial Personnel of the Company including their relatives are directly or indirectly interested or concerned in the resolution No. 2 & 3, except to the extent of their existing shareholding entitlements, if any, under the ESOP Schemes.

For L&T TECHNOLOGY SERVICES LIMITED


V.K.MAGAPU
DIRECTOR
(DIN: 00001658)

Date : January 21, 2016

Place: Mumbai





L&T Technology Services

ATTENDANCE SLIP

L&T TECHNOLOGY SERVICES LIMITED

CIN: U72900MH2012PLC232169

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

| | |
|---------------|--|
| Folio No. | |
| No. of Shares | |

NAME AND 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 EXTRA ORDINARY GENERAL MEETING of the Company at 'LANDMARK' Bldg., 'A' Wing, Chakala , Andheri, Mumbai 400 093 on **Thursday, January 21, 2016 at 1.00 p.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 TECHNOLOGY SERVICES LIMITED

CIN: U72900MH2012PLC232169

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

| | |
|-----------------------|--|
| Name of the Member(s) | |
| Registered Address | |
| Email ID | |
| Folio No. | |

I/We, being the member(s) of _____ shares of L&T TECHNOLOGY SERVICES 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 Extraordinary General Meeting of the Company, to be held at 'LANDMARK' Bldg., 'A' Wing, Chakala, Andheri, Mumbai 400 093 on Thursday, January 21, 2016 at 1.30 p.m. and at any adjournment thereof in respect of such resolutions as are indicated below:

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

| Item No. | Resolutions | For | Against |
|----------|--|-----|---------|
| 1 | Appointment of Mr. Kumar Prabhas as Whole - Time Director of the Company | | |
| 2 | Approval of Employee Stock Option Scheme 2016 | | |
| 3 | Approval of Benefits of ESOP Scheme 2016 | | |

Affix a
1 Rupee
Revenue
Stamp

Signed thisday of2016 Signature of shareholder.....

Signature of third proxy holder

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) This is only optional. Please put a '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.