

SEC/2023

January 12, 2023

BSE Limited Phiroze Jejeebhoy Towers, Dalal Street, MUMBAI - 400 001 <b>STOCK CODE: 500510</b>	National Stock Exchange of India Limited Exchange Plaza, 5th Floor Plot No.C/1, G Block Bandra-Kurla Complex Bandra (E), Mumbai - 400 051 <b>STOCK CODE: LT</b>
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Dear Sirs,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby inform that Larsen & Toubro Limited (“L&T/the Company”) has entered into a Business Transfer Agreement (“Agreement”) to transfer the Carved-out Business of Smart World and Communication (“SWC”) Business Unit to L&T Technology Services Limited (“LTTS”), a listed subsidiary of the Company, today.

Given below are the details which are required to be furnished to the Stock Exchanges on sale or disposal of Carved-out Business.

Sr. No.	Details of events that need to be provided	Information of such event
1.	Name of the entities forming part of the slump sale and details in brief such as size, turnover etc	<p>The Agreement for the Slump Sale of the Carved-out SWC business of the Company has been entered into between L&amp;T and LTTS. Carved-out SWC business comprises the smart &amp; safe segment and communications segment (including all software platforms, IPs related to these segments and employees) of SWC business, and excludes the Military Communications segment and certain identified customer contracts (‘Carved-out Business’).</p> <p>The consolidated turnover of L&amp;T for the year ended March 31, 2022 is Rs. 1,56,521 crore and that of LTTS is Rs. 6,570 crore respectively.</p>

2.	Area of Business of the entities	<p>Larsen &amp; Toubro is an Indian multinational engaged in EPC Projects, Hi-Tech Manufacturing and Services. It operates in over 50 countries worldwide.</p> <p>LTTS is a global leader in Engineering and R&amp;D (ER&amp;D) services offering consultancy, design, development and testing services across the product and process development life.</p>
3.	Rationale for the Slump Sale	<p>Leveraging the experience garnered across the years, the Carved-out Business is in a position to take it's offerings and expertise across the globe. The tested solutions and platforms developed inhouse and capabilities developed by the business are being sought across the globe and can be deployed globally in various enterprises, telcos and Government projects.</p> <p>Creating a greenfield global sales and delivery network within the Company will take time. Further, creating customer connect and relationships will take more time to convert into business for SWC standalone. To shorten time to market and maximise sectoral synergies, a combination of the Carved-out Business with LTTS increases value to shareholders of the Company and LTTS.</p>
4.	The amount and percentage of the turnover or revenue or income and networth contributed by such division of the listed entity during the last financial year	<p>The revenue of the Carved-out Business for FY 2021-22 was Rs.1,098 crore (including inter-segment revenues) and networth was Rs. 440 crore. The share of the Carved-out Business revenue and networth is negligible to L&amp;T's consolidated revenue and networth as at March 31, 2022.</p>
5.	Date on which the agreement of sale has been entered into	<p>The Agreement has been entered into on January 12, 2023.</p>

6.	The expected date of completion of sale/disposal	Closing will be completed on or before March 31, 2023, subject to satisfaction of conditions precedent identified under the Agreement.
7.	Consideration for sale	Rs. 800 crore, subject to customary working capital adjustments as set out in the Agreement.
8.	Brief details of the buyer entity and whether any of the buyers belongs to the promoter/promoter group /group companies. If yes, details thereof	<p>L&amp;T Technology Services Limited is a listed subsidiary of the Company. Currently, L&amp;T owns 73.85% stake in LTTS.</p> <p>LTTS is a global leader in Engineering and R&amp;D (ER&amp;D) services offering consultancy, design, development and testing services across the product and process development life cycle.</p>
9.	Whether the transaction would fall within related party transactions? If “yes” whether the same is done at “arms length”	<p>Since LTTS is a subsidiary of L&amp;T, the transaction is a related party transaction.</p> <p>The consideration for sale has been determined on the basis of an Independent Valuation Report. The transaction is being done on an arm’s length basis.</p> <p>The transaction has been approved by the Audit Committee and Board of Directors of the Company.</p>
10.	Nature of consideration – whether cash consideration or share swap and details of the same	Cash
11.	Brief details of change in shareholding pattern (if any) of listed entity.	Not applicable

Thanking you.

Yours faithfully,  
for **LARSEN & TOUBRO LIMITED**

**SIVARAM NAIR A**  
**COMPANY SECRETARY**  
**(FCS 3939)**