

SEC/POSTAL BALLOT/2023

January 13, 2023

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

Sub : Submission of Postal Ballot Notice

Please find attached Postal Ballot Notice (including instructions for e-voting) seeking approval of Members through e-voting only (Voting through Electronic means) for the following business:

1. Approval for entering into material related party transaction(s) with L&T Technology Services Limited (LTTS)

The details of the calendar of events for the Postal Ballot are as follows:

Sr.No.	Event	Date
1	Voting rights reckoning date/ Cut-off date	January 6, 2023
2	Last Date of Completion of dispatch of Postal Ballot Notice	January 13, 2023
3	Voting Period Start Date & Time	January 16, 2023, 9.00 a.m.
4	Voting Period End Date & Time	February 14, 2023, 5.00 p.m.
5	Date of Submission of Scrutinizer's Report	On or before February 16, 2023
6	Date of Announcement of Results of Postal Ballot	On or before February 16, 2023

Please take the above intimation on records and acknowledge the receipt of the same.

Thanking you,

Yours faithfully,
for LARSEN & TOUBRO LIMITED

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

Encl. as above



LARSEN & TOUBRO LIMITED

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

Tel No.: 022-67525656 **Fax No.:** 022-67525858

Website: www.larsentoubro.com **Email:** IGRC@larsentoubro.com

CIN: L99999MH1946PLC004768

POSTAL BALLOT NOTICE

Dear Members,

Notice is hereby given that pursuant to Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (**"the Act"**) read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014, (**"the Rules"**) including any statutory modifications or re-enactments thereof for the time being in force as amended from time to time, read with the General Circular No. 11/2022 dated December 28, 2022 (in continuation to the circulars issued earlier in this regard) issued by the Ministry of Corporate Affairs (**"MCA"**) (**"MCA Circulars"**), applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"the Listing Regulations"**) and pursuant to other applicable laws and regulations, approval of the Members is sought via Postal Ballot through e-voting only (Voting through Electronic means) **for entering into material related party transaction(s) with L&T Technology Services Limited (LTTS), a listed subsidiary of the Company.**

Members' consent is sought for the proposal contained in the resolution given in this Postal Ballot Notice. The Explanatory Statement pursuant to Section 102 and other applicable provisions of the Act, pertaining to the said resolution setting out the material facts and the related particulars, is annexed hereto. The Notice will also be placed on the website of the Company at www.larsentoubro.com and the website of National Securities Depository Limited (**"NSDL"**) at www.evoting.nsdl.com. The Notice can also be accessed from the website of the Stock Exchanges i.e. BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) at www.bseindia.com and www.nseindia.com respectively.

In compliance with the aforesaid MCA Circulars, Regulation 44 of the Listing Regulations and the provisions of Sections 108, 110 and other applicable provisions of the Act read with Rule 20 and 22 of the Rules as amended from time to time and Secretarial Standard - 2 on General Meetings, this Postal Ballot Notice is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company or Depositories or Depository Participant or the Company's Registrar and Share Transfer Agent (RTA) - KFin Technologies Limited (**"KFinTech"**). The Company has provided e-voting facility to its Members to cast their vote electronically. The instructions for e-voting are appended to this Postal Ballot Notice.

The Company has appointed Mr. S. N. Ananthasubramanian, Practising Company Secretary, (Membership No. FCS 4206, COP No. 1774) or failing him, Mrs. Aparna Gadgil, Practising Company Secretary (Membership No. ACS 14713, COP No. 8430), to act as the Scrutinizer for conducting the Postal Ballot in a fair and transparent manner in accordance with the provisions of the Act and the Rules made thereunder.

Please note that there will be no dispatch of physical copies of the Notice or Postal Ballot Forms to the Members of the Company and no physical ballot forms will be accepted.

The members shall exercise their right to vote on the resolution included in the notice of the Postal Ballot by electronic means i.e. through e-voting services provided by NSDL. The e-voting period shall commence on **Monday, January 16, 2023 at 09.00 A.M. IST** and end on **Tuesday, February 14, 2023 at 05.00 P.M. IST**. Members are requested to carefully read the instructions given in this Postal Ballot Notice and record their assent (FOR) or dissent (AGAINST) through the e-voting process not later than

05.00 P.M. IST on **Tuesday, February 14, 2023**. E-voting will be blocked by NSDL immediately thereafter and voting will not be allowed beyond the said date and time.

The Scrutinizer will submit his report to the Chairman or in his absence, any other person authorised by him, after completion of scrutiny of the votes. The results of the voting by Postal Ballot (through e-voting process) along with the Scrutinizer's report will be announced by the Chairman of the Company or any other person authorized by him, on or before **Thursday, February 16, 2023**. The results of the Postal Ballot will be posted on the Company's website at www.larsentoubro.com and the website of NSDL at www.evoting.nsdl.com and will be displayed on the notice board of the Company at its Registered Office. The results will also be intimated to NSE and BSE, where the equity shares of the Company are listed.

Resolution:

1. Approval for sale of Carved-out Business of Smart World & Communication business to L&T Technology Services Limited, entering into LTTS PT&D Sub-contracts and other Related Party Transactions.

To consider, and if thought fit, to pass as an **Ordinary Resolution** the following:

“RESOLVED THAT pursuant to the provisions of Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the applicable provisions of the Companies Act, 2013 along with the rules made thereunder and other applicable laws including any amendments, modifications, variations or re-enactments thereof, the Company's Policy on Related Party Transactions and as per the recommendation/approval of the Audit Committee and/or the Board of Directors of the Company and subject to such other approvals, consents, permissions, sanctions of any authorities as may be necessary, approval of the Members of the Company be and is hereby accorded to sell, transfer, assign and convey the Carved-out Business of Smart World and Communication (SWC) Business Unit of the Company by way of a sale on a going concern basis to L&T Technologies Services Limited, a subsidiary of the Company and a Related Party within the meaning of Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the Listing Regulations along with its respective assets and liabilities including the concerned licenses, consents, approvals, employees and contracts for a total consideration of Rs. 800 crore (Rupees Eight Hundred Crore only), subject to customary working capital adjustments, on such terms and conditions as approved by the Board of Directors/Audit Committee of the Company.

RESOLVED FURTHER THAT consent of the members of the Company be and is hereby accorded to enter into and continue to enter into sub-contracts with L&T Technology Services Limited for execution of certain contract(s) won by SWC business jointly with Power Transmission & Distribution business of the Company (“LTTS PT&D Sub-contracts”), for a period of five years from FY 2023, upto an amount not exceeding Rs. 500 crore (Rupees Five Hundred Crore only), on such terms and conditions as approved by the Board of Directors/Audit Committee of the Company.

RESOLVED FURTHER THAT consent of the members of the Company be and is hereby accorded to enter into and/or continue to enter into other contract(s)/arrangement(s)/ transaction(s) with L&T Technologies Services Limited in the nature of a) sale, purchase, lease, or supply of goods or property; b) availing or rendering of services; c) transfer of any resources, services or obligations to meet its business objectives/requirements upto an amount not exceeding Rs. 700 crore (Rupees Seven Hundred Crore only), on such terms and conditions as approved by the Board of Directors/Audit Committee of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to delegate all or any of the powers conferred on it to any Committee of Directors and/or Managing/Whole-time Director(s) and/or Officers of the Company and to do all such acts and take all such steps as may be considered necessary or expedient to give effect to the aforesaid resolution and to do and perform or cause to be done all such acts, deeds, matters and things, as may be required or deemed necessary or incidental thereto, and to settle and finalize all issues that may arise in this regard, without further referring to the Members of the Company, including without limitation, finalizing and executing necessary agreements, deeds of assignment and such other documents as may be necessary or expedient in its own discretion and in the best interest of the Company.

RESOLVED FURTHER THAT all actions taken by the Board of Directors in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects.”

By Order of the Board of Directors
For **LARSEN & TOUBRO LIMITED**

SIVARAM NAIR A
COMPANY SECRETARY
(M.NO – F3939)

Place: Mumbai
Date: January 12, 2023

NOTES:

- a) Pursuant to sections 102 and 110 of the Act and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021, an Explanatory Statement setting out material facts and reasons for the proposed resolution is appended hereto.
- b) In compliance with the MCA Circulars, the Company is sending this Postal Ballot Notice to the Members in electronic form only. Accordingly, the communication of the assent or dissent of the Members would take place through e-voting only.
- c) The Postal Ballot Notice is being sent via email only to the Members of the Company, whose names appear in the Register of Members/the list of Beneficial Owners, as received from National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) on **Friday, January 6, 2023 (“cut-off date”)**. Any person who is not a member as on the cut-off date should treat this Postal Ballot Notice for information purposes only.
- d) A copy of this Postal Ballot Notice is also available on the Company’s website www.larsentoubro.com, the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on website of NSDL at www.evoting.nsdl.com.
- e) Members who have not registered/updated their email IDs so far are requested to register/update the same to receive this Postal Ballot Notice by clicking on this link <https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx> or as per the following procedure:

Physical Holding	Provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy), AADHAR (self-attested scanned copy) by email to einward.ris@KFintech.com and copy to the Company at igrc@larsentoubro.com .
Demat Holding	Provide Demat account details (CDSL - 16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of consolidated account statement, PAN (self-attested scanned copy), AADHAR (self-attested scanned copy) by email to einward.ris@KFintech.com and copy to the Company at igrc@larsentoubro.com .

In case of any queries, for registering email address, Members may write to einward.ris@KFintech.com and igrc@larsentoubro.com.

Members are requested that for permanent registration of their e-mail address, they can register their e-mail address, in respect of electronic holdings with their concerned Depository Participants and in respect of physical holdings with the Company’s RTA, KFintech.

Those Members who have already registered their e-mail addresses are requested to get their e-mail addresses validated with their Depository Participants/RTA to enable servicing of notices/documents/Annual Reports and other communications electronically to their email address in future.

- f) After dispatch of the postal ballot notice through email, advertisement shall be published in 1 (one) English daily newspaper and in 1 (one) Marathi Newspaper, each having wide circulation in the district where the registered office of the Company is situated and will also be uploaded on the Company's website at www.larsentoubro.com.
- g) Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Member as on the cut-off date i.e. **Friday, January 6, 2023**.
- h) Once the vote on the resolution is cast by the Members, the Members shall not be allowed to change it subsequently.
- i) Relevant documents referred to in this Postal Ballot Notice will be made available for inspection on NSDL's website from the date of commencement of e-voting period i.e. Monday, January 16, 2023 upto the last date of e-voting i.e. Tuesday, February 14, 2023.
- j) The last date specified in this notice for e-voting shall be the date on which the resolution would be deemed to have been passed, if approved by the requisite majority.
- k) Contact details of the person responsible to address the queries/grievances connected with the voting by Postal Ballot including voting by electronic means, if any:
- The Company Secretary, Larsen and Toubro Limited, L&T House, Narottam Morarji Marg, Ballard Estate, Fort, Mumbai-400001., Tel: 022 6752 5656 ; Email – igrc@larsentoubro.com.
 - In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Mr. Amit Vishal - Assistant Vice President or Ms. Pallavi Mhatre, Senior Manager - NSDL at evoting@nsdl.co.in.
- l) Members may note that as per SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021, it is mandatory to update PAN, Address, Email ID, Bank account details (KYC details) and Nomination details of shareholders, who have not updated the same with the RTA i.e. KFintech in case of physical shareholding and with Depository Participants (DPs) in case of Demat shareholding. Henceforth, KFintech will attend to all service requests of the shareholders with respect to transmission, dividend, etc., only after updating the above details in the records. Non-updation of KYC details in Folios, wherein any one of the cited details/documents (i.e. PAN, Bank Details, Nomination) are not available on or after April 01, 2023, shall be frozen by the RTA as per above SEBI Circular.





m) **PROCEDURE AND INSTRUCTIONS FOR E-VOTING:**

I. FOR INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT

Pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-voting facility provided by listed companies", e-voting process has been enabled to all the Individual demat account holders, by way of single login credential, through their demat accounts/website of Depositories/Depository participants in order to increase efficiency of the voting process.

Shareholders are advised to update their mobile number and email id in their demat accounts in order to access e-voting facility.

Login method for Individual shareholders holding shares in demat mode is given below:

Type of shareholders	Login Method
<p>Individual Shareholders holding securities in demat mode with NSDL.</p>	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL viz. https://eservices.nSDL.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-voting services under Value added services. Click on “Access to e-voting” under e-voting services and you will be able to see e-voting page. Click on company name or e-voting service provider i.e. NSDL and you will be re-directed to e-voting website of NSDL for casting your vote during the e-voting period. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nSDL.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp Visit the e-voting website of NSDL. Open web browser by typing the following URL: www.evoting.nSDL.com either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on company name or e-voting service provider i.e. NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the e-voting period. Shareholders/Members can also download NSDL Mobile App “NSDL Speed-e” facility by scanning the QR code mentioned below for seamless voting experience. <div style="text-align: center;"> <p>NSDL Mobile App is available on</p>  App Store  Google Play </div> <div style="display: flex; justify-content: space-around; margin-top: 10px;">   </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing Myeasi username & password. After successful login the Easi / Easiest user will be able to see the e-voting option for eligible companies where the e-voting is in progress as per the information provided by the Company. On clicking the e-voting option, the user will be able to see e-voting page of the e-voting service provider for casting your vote during the e-voting period. Additionally, there is also

	<p>a link provided to access the system of all e-voting Service Providers, so that the user can visit the e-voting service providers' website directly.</p> <p>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com. Click on login & New System Myeasi Tab and then click on registration option.</p> <p>4. Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from a e-voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and also able to directly access the system of all e-voting Service Providers.</p>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. Upon logging in, you will be able to see e-voting option. Click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on company name or e-voting service provider i.e. NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the e-voting period.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

II. FOR NON-INDIVIDUAL SHAREHOLDERS HOLDING SHARES IN DEMAT MODE AND SHAREHOLDERS HOLDING SHARES IN PHYSICAL FORM

Login method for non-individual shareholders holding shares in demat mode and shareholders holding shares in physical form are given below:

1. Visit the e-voting website of NSDL. Open web browser and type the following URL: www.evoting.nsl.com either on a Personal Computer or on a mobile.
2. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDeAS, you can log-in at <https://eservices.nsd.com> with your existing IDeAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-voting and you can proceed and cast your vote electronically.
4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
 - a. If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
 - b. If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c. How to retrieve your 'initial password'?
 - i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - ii. If your email ID is not registered, please register your email address by following the process given at point (e) above.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsd.com.
 - b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsd.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc. Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-voting will open.

III. CASTING YOUR VOTE ELECTRONICALLY ON NSDL E-VOTING SYSTEM

1. After successful login, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is active.
2. Select “EVEN 123211” to cast your vote during the e-voting period.
3. Now you are ready for e-voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

IV. GENERAL INSTRUCTIONS/INFORMATION FOR MEMBERS FOR VOTING ON THE RESOLUTIONS

1. 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to at scrutinizer@sna.co.net with a copy marked to evoting@nsdl.co.in and igrc@larsentoubro.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-voting" tab in their login
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Mr. Amit Vishal, Asst. Vice President-NSDL or Ms. Pallavi Mhatre, Senior Manager - NSDL at evoting@nsdl.co.in

EXPLANATORY STATEMENT

As required by Section 102(1) and 110 of the Act and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021, the following Explanatory Statement sets out material facts relating to the business under item 1 of this Notice.

ITEM NO. 1

Pursuant to the provisions of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”), material related party transactions require the approval of shareholders through a resolution.

For this purpose, a Related Party Transaction will be considered ‘material’ if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year exceeds Rs. 1,000 Crore or 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower. Considering that 10% of consolidated turnover

of the Company as on March 31, 2022 was Rs. 15,651 crore, the materiality threshold for seeking shareholders' approval is Rs. 1,000 crore. Accordingly, approval of the shareholders is sought for sale of Carved-out Business of Smart Word and Communication business to L&T Technology Services Limited (LTTS), entering into LTTS PT&D sub-contracts and other Related Party Transactions with LTTS.

SALE OF CARVED-OUT BUSINESS

Smart Word and Communication (SWC), a business unit of the Company, is a leading system integrator and global connected intelligence solutions provider. The business with its unique technical expertise, domain knowledge, global partnerships and excellent track record of solutions, provides best-in-class customized security, connectivity and smart solutions to solve complex challenges of enterprises, State and Central Government bodies across various domains in the realm of physical-digital convergence. SWC was formed as a Master System Integrator with a vision for a safe, smart and digital India. SWC has well defined business segments: Security Solutions; Communication Network & Telecom Infrastructure; Military Communications and Smart Infrastructure. Leveraging the experience gained over the years, SWC seeks to cater to global markets. The tested solutions and platforms developed inhouse and capabilities developed by the business can be deployed in enterprises, telcos and Government projects. Creating a greenfield global sales and delivery network in-house within the Company will take time. Further, creating customer connect and relationships will take more time to convert into business for SWC.LTTS, a listed subsidiary of the Company, focuses on Engineering and R&D (ER&D) services. The Company holds 73.85% of equity shares of LTTS. LTTS offers consultancy, design, development and testing services across the product and process development life cycle.

There is complementarity in LTTS' offerings and SWC's offerings in the Safe & Smart and Communication segments. By reducing time to market and to maximise segment synergies, combining SWC or a part thereof with LTTS is expected to increase value to the shareholders of both the companies. Thus, it is proposed to sell and transfer the smart & safe segment and communications segment (including all software platforms, IPs related to these segments and employees) of SWC business, excluding the Military Communications segment and certain identified customer contracts ('Carved-out Business') of the Company by way of a sale on a going concern basis to LTTS for a total consideration of Rs. 800 crore, subject to customary working capital adjustments. The consideration for sale of the Carved-out Business is based on valuation report dated January 10, 2023, issued by GT Valuation Advisors Private Limited (GT), Independent Valuer. A copy of the report is available for inspection to the Members of the Company in the manner specified in this Notice.

The revenue of the Carved-out Business during FY 2021-22 was Rs. 1,098 crore (including inter-segment revenues).

The range of Enterprise Value arrived at by GT for the Carved-out Business is from Rs. 769 crore to Rs. 876 crore. Considering the range given in the valuation report, the agreed consideration for the transaction is Rs. 800 crore, subject to customary working capital adjustments, payable by LTTS to the Company.

The Sale will be done through a Business Transfer Agreement (BTA) to be entered between the Company and LTTS. The BTA will have the following key provisions:

- The right, title and interest of the Company in the Carved-out Business shall be transferred to LTTS and all future benefits and liabilities relating to Carved-out Business shall rest with LTTS
- The closure of the transaction shall take place subject to the receipt of shareholders approval for material related party transaction from both the companies, customer consents and completion of other customary conditions precedents
- Transfer of all employees, tangible and intangible assets, Intellectual Property, outstanding contracts, current assets and liabilities and books and records of Carved-out Business to LTTS
- Novation of all leased properties occupied by Carved-out Business and entering into new leases with LTTS wherever Carved-out Business occupies L&T's premises

- LTTS shall pay L&T the consideration, subject to customary working capital adjustments as a lump-sum for the business
- L&T shall provide customary representations, warranties and indemnities to LTTS as is relevant to the nature of this transaction; and
- The closing of the transaction is expected by March 31, 2023

Synergies of the transaction are as follows:

- Gain from the well-established global sales & marketing network of LTTS to explore new geographies and leverage LTTS's global best practices to scale and manage talent effectively.
- Benefit from the scale of operations without additional cost. The cost of operations is expected to reduce.
- Qualification for more projects on the basis of combined credentials.
- Better technical experience is expected to enable bids for larger, more profitable projects.
- Economies of scale in procurement, effective utilisation of talent pool is expected to enable the combined unit to emerge as a stronger business post acquisition.

The total consideration for sale and transfer of the Carved-out Business is Rs. 800 crore, subject to customary working capital adjustments.

LTTS PT&D SUB-CONTRACT(S)

The SWC business has won certain contracts jointly with Power Transmission & Distribution (PT&D) business of the Company. Consequent to sale of the Carved-out Business, certain portion of the order book that is won by SWC business jointly with PT&D business of the Company needs to be executed by LTTS jointly with the Company. Hence, it requires entering into separate sub-contracts between the Company and LTTS upto an amount not exceeding Rs. 500 crore ("LTTS PT&D Sub-contracts"). the LTTS PT&D Sub-contracts execution is expected to be spread over a maximum period of five years from FY2023 and the Company will receive this amount as revenue from LTTS over this period.

The execution of LTTS PT&D Sub-contracts for the portion won by PT&D business is in the ordinary course for the Company. The Sub-contracts would be executed on the same terms as agreed in line with contract conditions with the customer and hence the transaction is at arm's length.

OTHER RELATED PARTY TRANSACTIONS

Given the nature and scope of the business, the Company works closely with its related parties (including subsidiaries) to achieve its business objectives and enters into various operational transactions with its related parties, from time to time, in the ordinary course of business and on arm's length.

To meet its business objectives/requirements, the Company has entered/proposes to enter into other related party transactions with LTTS as follows:

- sale, purchase, lease, or supply of goods or property;
- availing or rendering of services;
- transfer of any resources, services or obligations

The estimated value of these transactions is Rs. 700 crore of which Rs. 125 crore is in connection with this transaction. The balance transactions amounting to Rs. 575 crore is in connection with normal course of business.

The Company has been undertaking transactions of similar nature in the past in the ordinary course of business and on arms` length after obtaining requisite approvals of the Audit Committee of the Company.

The sale and transfer of the Carved-out Business of the Company to LTTS for a consideration amount of Rs. 800 crore, subject to customary working capital adjustments, execution of LTTS PT&D Sub-contracts for a value of upto Rs. 500 crore and the estimated value of other transactions of an amount of upto Rs. 700 crore, taken together, shall exceed the threshold of material Related Party Transactions within the meaning of amended Regulation 23(1) of the Listing Regulations i.e. Rs. 1,000 crore. The total value of transactions with LTTS is about 1.28% of the Company's annual consolidated turnover for FY 2021-22.

The maximum annual value of other related party transactions with LTTS is estimated on the basis of the Company's current transactions with it and the future business prospects. The approval for other related party transactions shall be valid for a period of one year from the date of passing this resolution.

COMPANY'S RPT FRAMEWORK

The Company has in place a balanced and structured policy and process for approval of Related Party Transactions (RPT). The Policy provides the details required to be provided to the Audit Committee for the purpose of review of such transactions and grant their approval on the proposed transactions. A justification for each and every related party transaction is provided to the Audit Committee which enables them to arrive at the right decisions. Additionally, an update on the actual related party transactions entered during every quarter is provided to the Audit Committee.

The Audit Committee of the Company comprises of only Independent Directors as Members which helps in providing an objective judgement to all transactions proposed for approval.

Details of the Material Related Party Transactions are as follows:

Sr. No	Particulars	Details
1	Name of the Related Party	L&T Technology Services Limited
2	Nature of Relationship	Subsidiary Company. The Company holds 73.85% stake in LTTS.
3	Nature, duration, tenure, material terms, monetary value and particulars of the contract or arrangement	Please refer the details given above.
4	Transaction related to providing loan(s)/advances(s) or securities for loan taken by a related party	Not Applicable
4(a)	Details of the source of funds in connection with the proposed transaction	Not Applicable
4(b)	If any financial indebtedness is incurred to make or give such loans/advances/securities for loan and Nature of Indebtedness/Cost of Funds/Tenure	Not Applicable
4(c)	Applicable terms, including covenants, tenure, interest rate, repayment schedule, whether secured (nature of security) or unsecured	Not Applicable
4(d)	Purpose for which funds will be utilised by L&T Technology Services Limited	Not Applicable
5	Any advance paid or received for the transaction	NIL

6	Percentage of the Company's annual consolidated turnover for the immediately preceding financial year that is represented by the value of the proposed transactions	~1.28%
7	Details about valuation, arms length and ordinary course of business	Please refer the details given above.
8	Rationale/Benefit of the transaction and why this transaction is in the interest of the Company	Please refer the details given above.
9	Any other information relevant or important for the shareholders to take an informed decision	All relevant/ important information forms a part of this Explanatory statement setting out material facts pursuant to Section 102(1) of the Companies Act, 2013.

Any subsequent material modification in the proposed transactions, as defined by the Audit Committee as a part of Company's Policy on Related Party Transactions, shall be placed before the shareholders for approval, in terms of Regulation 23(4) of the Listing Regulations.

The Board recommends the resolution set out at Item No. 1 for approval of the Shareholders.

None of the Directors, Key Managerial Personnel (KMP) or their respective relatives are, in any way, concerned or interested, financially or otherwise, except as shareholders in general in the resolution set out at item No. 1.

The members may note that as per the provisions of the Listing Regulations, all related parties (whether such related party is a party to the above-mentioned transaction or not), shall not vote to approve the resolution set out at item No. 1.

By order of the Board of Directors
For **LARSEN & TOUBRO LIMITED**

SIVARAM NAIR A
COMPANY SECRETARY
(M.NO – F3939)

Place: Mumbai
Date: January 12, 2023