

SEC/PAM/2020

August 31, 2020

The Secretary BSE Limited Phiroze Jeebhoy 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,

**Sub: L&T completes Divestment of the Electrical & Automation Business to Schneider Electric  
This strategic divestment is in line with L&T's stated goal of unlocking value for future growth**

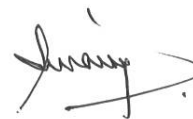
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We send herewith a copy of Press Release that is being issued by the Company today, in connection with the above.

We request you to take note of the same.

Thanking you,

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



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

Encl. as above



## L&T Press Release

Issued by Corporate Brand Management & Communications

L&T House, Ballard Estate,  
N M Marg, Mumbai 400 001 INDIA  
Tel: 1800 2094545  
Email: [mediarelations@Larsentoubro.com](mailto:mediarelations@Larsentoubro.com)  
CIN: L99999MH1946PLC004768

# L&T completes Divestment of the Electrical & Automation Business to Schneider Electric

**This strategic divestment is in line with L&T's stated goal of unlocking value for future growth**

**Mumbai, August 31, 2020:** Larsen & Toubro (L&T), India's leading engineering, technology, construction and financial services conglomerate, today announced the closure of the strategic divestment of its Electrical & Automation (L&T E&A) business to Schneider Electric, a global player in energy management and automation.

The significant and complex divestment deal, one of its kind in India announced in May 2018 has been completed after receiving the requisite regulatory approvals and fulfilment of necessary conditions. The divestment is in line with L&T's stated goal of unlocking value for future growth. L&T continuously evaluates its business portfolio and takes capital allocation decisions from a long-term perspective. Its exit from the Electrical & Automation Business is a part of the strategic portfolio review process.

Commenting on the closure of this divestment, **Mr. A.M. Naik, Group Chairman, Larsen & Toubro said:** *"The closure of divestment of the E&A business is a key milestone in our stated long-term strategy. The challenge was to carve out a business of this scale, with minimum disruption to the sprawling customer base and do it all amid the constraints of a pandemic. We believe Schneider Electric is the right partner to grow the business, that L&T had nurtured and grown over decades. We truly believe that this deal with Schneider Electric is a win-win for our employees, business partners, and shareholders."*

**Mr. S. N. Subrahmanyam, CEO & MD, Larsen & Toubro said:** *"This all-cash deal will help us create a much stronger balance sheet, thereby creating long-term value opportunities for our stakeholders by focusing on key aspects of business. The deal was a complex M&A transaction involving slump sale of the domestic business and share purchase transfer. This is in sync with our strategy to look at L&T in broadly three areas, EPC Construction & Projects, Manufacturing & Defence and Services."*

L&T's E&A business with its wide range of low and medium voltage switchgear, electrical systems, industrial and building automation solutions, energy management systems, metering solutions and projects and services business are transferred to Schneider Electric. Schneider Electric will use related brand insignia for a specified period as the brand is very popular and has a strong brand recall in the switchgear market.

About 5,000 employees of the E&A business will become part of Schneider Electric's global family. The manufacturing facilities of E&A in Navi Mumbai, Ahmednagar, Vadodara, Coimbatore and Mysuru in India and related subsidiaries in UAE, Kuwait, Malaysia and Indonesia are also being transferred to Schneider Electric. In view of the pending local approvals, the subsidiary in Saudi Arabia, L&T Electrical & Automation Saudi Arabia Company Limited (LTEASA), will be transferred to Schneider, once the requisite regulatory approvals are in place.

L&T, over the past five years, in line with its strategy to focus on the EPC and Services business, has exited several businesses. The recent divestment of its stake in ports, insurance, road concessions and other businesses have all unlocked value and this deal with Schneider Electric will further strengthen the balance sheet.

Shardul Amarchand Mangaldas (SAM) Legal Advisors, Ernst & Young (EY) LLP and Arpwood Capital acted as advisors to L&T on this transaction.

**Background:**

Larsen & Toubro is an Indian multinational engaged in technology, engineering, construction, manufacturing and financial services with over USD 21 billion in revenue. It operates in over 30 countries worldwide. A strong, customer-focused approach and the constant quest for top-class quality have enabled L&T to attain and sustain leadership in its major lines of business for eight decades.

**Media Contacts:**

Yuvraj Mehta  
Head, Corporate Brand Management & Communications  
[Yuvraj.mehta@larsentoubro.com](mailto:Yuvraj.mehta@larsentoubro.com) / +91 85888 88272

Ketan Bondre  
Head, Media Relations  
[ketan.bondre@larsentoubro.com](mailto:ketan.bondre@larsentoubro.com) / +9198205 36572