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SEC/2025 March 3, 2025

BSE Limited Phiroze Jejeebhoy 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**

Dear Sirs,

Sub: Clarifications with regard to Postal Ballot Notice dated January 30, 2025

Ref: Stock Exchange Intimation dated February 6, 2025 towards submission of Postal Ballot Notice

In reference to our above-mentioned intimation wherein we had submitted the Postal Ballot Notice and had informed that the same was being sent to the members of the Company for seeking approval, for material related party transactions proposed to be entered by Larsen & Toubro Limited with L&T-MHI Power Boilers Private Limited (LMB) and L&T-MHI Power Turbine Generators Private Limited (LMTG), subsidiaries of the Company (the "**Proposed Material RPT**").

In this connection, the Company has been receiving certain queries from investors/proxy advisors seeking clarification on the Proposed Material RPT. Accordingly, the Company hereby clarifies the following:

1. **Tenure of the Proposed Material RPT**

   As mentioned in the Postal Ballot Notice, the Company has secured 'Limited Notice to Proceed' from NTPC Limited for setting up thermal power plants in Madhya Pradesh and Bihar and proposes to enter into contracts for design, engineering, manufacturing and supply of boilers and its auxiliaries for the said projects. The Limited Notice is a confirmation for the project being awarded to the Company. The tenure of the project would be as per the contract to be entered into with NTPC Limited and can be estimated only when such contract is entered into by the Company.

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We draw your attention to point No. 5 of SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2022/47 dated April 8, 2022, wherein the omnibus approval for material RPTs obtained from members through postal ballot shall be **valid for a period not exceeding one year**. The Company would seek approval for members based on the validity of omnibus resolutions, as applicable, from time to time.

2. **Sale and purchase of business assets, property & equipment being considered as transactions in the ordinary course of business**

As mentioned in the Postal Ballot Notice to members, the Company has secured 'Limited Notice to Proceed' from NTPC Limited for setting up thermal power plants in Madhya Pradesh and Bihar and proposes to enter into contracts for design, engineering, manufacturing and supply of boilers and its auxiliaries for the said projects.

L&T-MHI Power Boilers Private Limited (LMB), a joint venture with Mitsubishi Heavy Industries (MHI), Japan, specialises in engineering, designing, manufacturing, erection, and commissioning of ultra-supercritical/supercritical boilers up to a single unit of 1,000 MW. L&T-MHI Power Turbine Generators Private Limited (LMTG), a joint venture with Mitsubishi Heavy Industries (MHI), Japan and Mitsubishi Electric Corp. (MELCO), specialises in manufacture of Steam Turbine Generator (STG) equipment of capacity ranging from 660 MW to 1,000 MW. The Company is engaged in the engineering, design, manufacture, erection, and commissioning of ultra-supercritical/supercritical turbines and generators.

Boilers and Turbines are critical component of a power plant and the joint venture companies mentioned above are inherent part of our L&T-Energy Carbonlite Solutions business to our clients. LMB and LMTG in its ordinary course of business supplies boilers and turbines to L&T and also provides infrastructure support services. The transaction is consistent with the business objective of the Companies. Please note that the properties and equipment contemplated are for the projects and not for the captive use of the Company. The transactions would also form part of the revenue from operations for LMB and LMTG and operating expenses for the Company. Further the Company has been availing such services from LMB and LMTG for several years in the past.

3. **Basis of arriving for arm's length pricing for certain transactions with L&T-MHI Power Turbine Generators Private Limited**

The Company is charged a price for Turbines Generator based on pre-bid commitment given by LMTG which is comparable with the price LMTG would charge its other customers. With regard to infrastructure and business support services with respect to turbines, the Company is charged a price comparable with what LMTG charges to its other customers. The PCGs will be provided on arm's length basis and a fee would be charged which will be benchmarked with the Company's existing bank guarantee charges. Necessary disclosures are already made in the postal ballot notice sent to the members.

4. **Parent Company Guarantee to L&T MHI Power Turbines Generators Private Limited (LMTG)**

   LMTG is a 51:39:10 joint venture of L&T with Mitsubishi Heavy Industries Limited (MHI) and Mitsubishi Electric Corporation (MELCO). The total value of The PCGs of upto Rs. 215 crores to be issued by the Company on behalf of LMTG represents the share of L&T, the balance would be issued by MHI. All the JV partners provide financial and technical support to LMTG. The technical support is already disclosed in the explanatory statement as follows:

   “While bidding for a project, the technical qualifications of MHI/MELCO increases the value proposition in the pre-qualifications of the Company and enhances the delivery capabilities to the clients.”

Please note that this clarification does not alter any disclosures provided in the explanatory statement of the Postal Ballot Notice.

We request you to take the same on record.

Thanking You

Yours faithfully,
For Larsen & Toubro Limited

SIVARAM AZHAKANKUMARATH NAIR

Digitally signed by SIVARAM AZHAKANKUMARATH NAIR
Date: 2025.03.03 12:15:48 +05'30'

Sivaram Nair A
Company Secretary &
Compliance Officer
(FCS 3939)