LARSEN & TOUBRO

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SEC/PAM/2019

July 25, 2019

The Secretary BSE Limited Phiroze Jejeebhoy Towers, Dalal Street, MUMBAI - 400 001s **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: **Clarification /Confirmation on news item appearing in "Media/Publication dated – July 24, 2019 LARSEN & TOUBRO LTD.(500510) / LT**

Please refer to your email dated 24th July 2019 on captioned subject.

Enclosed is a note giving clarification. We request you to take the same on record.

Thanking you,

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

N. HARIHARAN
EXECUTIVE VICE PRESIDENT &
COMPANY SECRETARY
(ACS 3471)

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CIN : L99999MH1946PLC004768

Clarifications to Stock Exchanges

L&T Halol Shamlaji Tollway Ltd ("HSTL") was incorporated as a special purpose vehicle for the purpose of designing, constructing, financing, operating and maintaining, improving, widening the four laning of the two lane road of the Halol-Godhra-Shamlaji section of SH-5 from Km335/168 to Km 501/395 in the State of Gujarat on Build Operate Transfer basis for a period of 20 years ("Project") and a Concession Agreement dated 17th September 2008 had been entered into with Gujarat State Road Development Corporation ("GSRDC").

For part financing the Project, HSTL had entered into Common Loan Agreement dated 28.8.2009 with Consortium of 9 Banks with Allahabad Bank as Lead Bank. Oriental Bank of Commerce ("OBC") sanctioned an amount of Rs.155 crores out of the total Rs.1044 crores.

Due to significant diversion of traffic into an alternate stretch (SH-59), developed by Government of Gujarat, the toll collections were lower than expected, which in turn had led to losses for HSTL. HSTL was unable to repay the loan and account was declared Non Performing Asset effective 31.7.2016.

Pursuant to several meetings with the Lenders, HSTL's account was restructured (SDR) and a Master Restructuring Agreement ("MRA") of 14.2.2017 and Shareholders Agreement ("SHA") of 27.2.2017 were entered into whereby:

a. the Lenders have converted an amount of Rs.405,82,65,250/-(Rupees Four Hundred and Five Crores Eighty two lakh Sixty five Thousand Two hundred and Fifty only) which is a portion of the amount outstanding under the Facility, due and payable to the Lenders into equity shares of the HSTL. ON account of this SDR package, the Holding Company's shareholding in HSTL got reduced to 49%.

b. the repayment schedule applicable to the Part B debt (Rupees Five hundred and Ninety seven crores only) was extended as per the Restructuring Repayment Schedule as in the Schedule IV of the MRA.

Pursuant to such Restructuring, HSTL has been servicing the restructured debt regularly without any default.

Oriental Bank of Commerce ("OBC"), on 12.9.2018 had sent a recall notice recalling the entire outstanding stating that SDR package could not be fully implemented and by declaring the account to be NPA as on the reference date (31.7.2016) and had demanded repayment within 7 days.

As HSTL did not make such repayment, OBC filed an application under section 7 of IBC in 21st January 2019 being IBA 138/2019.

OBC's case was essentially based on the fact that GSRDC was not taking up equity in accordance with the letter dated 08.11.2016 sent by the Lead Bank (Allahabad bank) to GSRDC. HSTL, however, contended that there was no financial default and the debt is being serviced regularly which can be evidenced from Minutes of meeting dated 20.2.2019 also vide

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certificate from Lead Bank in this regard. Moreover, in terms of Clause 8 of MRA there is a procedure set out for consequence of event of default.

However, the Hon'ble Tribunal admitted the Application on 17.7.2019 and the certified copy of the Order was received by us on 23.7.2019.

Material impact

OBC has filed this present Application claiming an amount of Rs.76.68 Crores to be the debt due. The Company has made necessary impairment provision, including Rs.93 Crores, in the June 2019 quarter.

