

Date: _____

Mr./Ms. _____

SUBJECT: LETTER OF APPOINTMENT/RE-APPOINTMENT AS INDEPENDENT DIRECTOR

Dear Sir/Madam,

We are pleased to inform you that due to your accomplishments and the wide range of experience and expertise that you can offer, upon the recommendation of the Nomination & Remuneration Committee, the Board of Directors and shareholders of Larsen & Toubro Limited ("the Company"), have approved your appointment as an Independent Director of the Company with effect from _____.

Pursuant to the requirements of Schedule IV of the Companies Act, 2013 ("the Act") pertaining to the Code of Independent Directors, we intend to issue this formal letter of re-appointment.

1. TENURE OF APPOINTMENT/RE-APPOINTMENT:

You will serve as an Independent Director for the _____ term of five consecutive years commencing from _____ up to _____.

Your re-appointment is not a contract of employment with the Company.

2. TERMS OF APPOINTMENT/RE-APPOINTMENT:

We thank you for your confirmation that you meet the independence criteria as envisaged in section 149(6) of the Companies Act, 2013 ("Act") and Regulation 16(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR regulations").

Membership of other boards:

You can continue on the Boards of other companies. However, there should not be any conflict of interest vis-à-vis our company. Upon your appointment in any other Company/Bodies Corporate/ Firms or other Association of individuals, you will be required to give notice of interest or concern of your appointment, to the Company, as required under the law.

Retirement by Rotation:

As provided under the Act, you will not be liable to retire by rotation at any General Meeting of the Company during your term of five years.

3. ABOUT THE COMPANY:

A brief note providing information about the Company, its organization structure and internal frameworks is enclosed with this letter as **Annexure 1**.

4. COMMITTEES OF THE BOARD:

The Company has the following Committees:-

- a) Audit Committee
- b) Nomination & Remuneration Committee
- c) Stakeholders' Relationship Committee
- d) CSR & Sustainability Committee
- e) Board Risk Management Committee

Brief descriptions of the Committees including their terms of reference are enclosed as Annexure 2.

You may be requested:-

- a) To be a Member/Chairperson of any one or more Committees/Sub-committees of the Board which may be constituted from time to time.
- b) To be a director on the Board of one or more of the Company's subsidiaries.

5. DEVOTION OF TIME:

It is expected that you will give sufficient time, as may be appropriate and essential in line with your responsibilities and duties as an Independent Director.

6. REMUNERATION:

As per the provisions of the Act, the maximum limit of remuneration to be paid to all the Non-Executive Directors (NED)/Independent Directors of the Company is capped at 1% of the net profits of the Company.

Sitting fees will be Rs. 1,00,000 per meeting of the Board, Rs. 75,000 per meeting of the Audit Committee, Nomination & Remuneration Committee and Board Risk Management Committee and Rs. 50,000 for meeting of the CSR & Sustainability Committee and Stakeholders Relationship Committee. You will be entitled to reimbursement of expenses incurred by you, in connection with your attendance at Board, Committee(s) and General Meetings.

In addition to the sitting fees, profit related commission would also be payable to you. In determining the amount of this commission, the Nomination & Remuneration Committee of the Company may consider various factors which *inter alia* include attendance at Board

and Committee meetings, Chairmanship of the Board and Committees, contribution to the Board and Committee meetings, industry practices, performance evaluation and performance of the Company.

7. ROLES & FUNCTIONS:

As an independent director, you will be expected to –

- a) Bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- b) Bring an objective view in the evaluation of the performance of board, committees and individual directors;
- c) Scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- d) Ensure the integrity of financial information and that financial controls and the systems of risk management are robust and flexible;
- e) Safeguard and balance the interest of all stakeholders; and
- f) Moderate and arbitrate in the interest of the Company in situations of conflict between management and shareholder's interest.

8. RESPONSIBILITIES & DUTIES:

Following will be your responsibilities and duties –

- a) Updation of your skills, knowledge and familiarity with the Company and the external environment in which it operates;
- b) Seeking appropriate clarification or amplification of information;
- c) Striving to attend and actively participate in all meetings of the Board and Committees of which you are a chairperson/member as well as the general meetings of the Company;
- d) Holding and/or participating actively in the separate meetings of the independent directors of the Company which shall –
 - review the performance of non-independent directors and the Board as a whole;
 - review the performance of the Chairperson of the Company, taking into account the views of executive and non-executive directors;
 - assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform its duties.
- e) Ensuring that your concerns about the running of the Company or a proposed action, are addressed by the Board and, to the extent that are not resolved, insist that your concerns are recorded in the minutes of the Board/Committee meeting;
- f) Not unfairly obstructing the functioning of an otherwise properly conducted meeting of the Board or committee(s) of the Board;

- g) Ensuring adequate deliberations, before approving related party transactions and assuring yourself that the same are in the interests of the Company;
- h) Ensuring that the Company has an adequate and functional vigil mechanism, to ensure that the interest of a person who uses such mechanism are not prejudicially affected on account of such use and report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
- i) Acting within your authority, assist in protecting the legitimate interests of the Company, shareholders and employees;
- j) Not abusing your position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- k) Refraining from any action that would lead to the loss of independence;
- l) Ensuring that you do not take personally any business opportunities that belong to the Company or are discovered through the use of corporate property, information or position;
- m) Not disclosing confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or is required by law.

9. PROFESSIONAL CONDUCT:

As an independent director, you shall-

- a) Uphold ethical standards of integrity and probity.
- b) Act objectively and constructively while exercising your duties;
- c) Exercise your responsibilities in a *bona fide* manner in the interests of the Company;
- d) Devote sufficient time and attention to your professional obligations for informed and balanced decision making;
- e) Not allow any extraneous considerations that will vitiate your exercise of objective independent judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- f) Not abuse your position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- g) Refrain from any action that would lead to loss of your independence;
- h) Where circumstances arise which make you lose your independence, you must immediately inform the Board accordingly; and
- i) Assist the Company in implementing the best corporate governance practices.

10. TRAINING AND DEVELOPMENT:

The Company holds Board meetings at its registered office and also if necessary, in locations, where it operates. Site/factory visits are organized at various locations for the Directors. Presentations are made regularly to the Board and the Committees where Directors get an opportunity to interact with senior managers. Presentations, *inter alia*,

cover business strategies, management structure, HR policy, management development and succession planning, quarterly and annual results, budgets, treasury policy, review of internal audit, risk management framework, operations of subsidiaries and associates, etc.

The Company will facilitate your attending seminars/programs/conferences designed to train directors to enhance the role as a Independent Director.

11. CODE OF CONDUCT OF THE COMPANY:

The Company has a well-defined Code of Conduct ensuring proper compliance with necessary regulations. Every Director is expected to abide by the Code of Conduct in complete letter and spirit. The Code of Conduct is available on our website at <https://www.larsentoubro.com/corporate/about-lt-group/corporate-policies/>.

12. DEALING IN SECURITIES OF THE COMPANY:

Directors are prohibited from dealing in the Company's securities during the period when the trading window is closed. Directors are prohibited from forward dealing in securities of the Company. Also, they are expected to comply with the Company's 'Securities Dealing Code' as well as with the concerned provisions of the prohibition of insider trading laws and regulations. The Company's 'Securities Dealing Code' is available on our website at <https://www.larsentoubro.com/corporate/about-lt-group/corporate-policies/>.

13. TRANSFER PRICING REGULATIONS:

The Government had introduced certain provisions in the Income Tax Act to ensure that Specific Domestic Transactions between related parties are done at Arm's Length. The Company has to report the prescribed domestic transactions to the income tax authorities for which we request you to give a list of persons/entities which are related to you as per the definition of 'related parties' given in the Domestic Transfer Pricing guideline attached with this letter as Annexure 3.

You may give us the specified transactions done by you or by your relatives or by entities as stated, on a quarterly basis, if you are aware of such transactions apart from annual disclosure in the 'Declaration under Domestic Transfer Pricing Rules' which is also enclosed with the above-mentioned **Annexure 3**.

14. LIABILITY OF NON-EXECUTIVE DIRECTORS & INDEPENDENT DIRECTORS:

Abiding by the provisions of the Act, we would like to mention that you being a non-executive independent director of the Company, will be held liable, only in respect of such acts of omission or commission which have occurred with your knowledge, attributable through Board processes, and with your consent or connivance or where you have not acted diligently.

15. DIRECTORS AND OFFICERS (D&O) LIABILITY INSURANCE:

A Directors & Officers (D&O) Liability Insurance policy is an insurance cover to protect the individual directors and officers in respect of personal liabilities arising out of their unintentional wrongful acts, committed in the course of their official duty. These wrongful acts can be actual or alleged breach of duty, breach of trust, neglect, error, misstatement, misleading statement, omission.

The Company has a D&O Policy with a limit of US\$ 90,000,000 and extends worldwide.

The policy covers individual Directors and Employees, outside entity directors, spouse & legal heir of the insured person and retired directors. The Company has a D&O Policy which covers the Company as well as all its Subsidiaries. Outside Entity Directors cover gives protection to those directors nominated on associate companies by the policy holder or its subsidiaries.

We look forward to working closely with you in the exciting times ahead.

Thanking You,

Yours sincerely,

For **Larsen & Toubro Limited**

Mr. _____
Chairman & Managing Director
(DIN: _____)

Accepted
Mr./Ms. _____
(DIN: _____)

ABOUT THE COMPANY

ORGANISATION STRUCTURE OF THE COMPANY:

Larsen & Toubro is a USD 30 billion Indian multinational engaged in EPC Projects, Hi-Tech Manufacturing, and Services, operating across multiple geographies. As on date, group consists of ___ subsidiaries, ___ joint ventures and ___ associates. The Company's facilities for design, engineering, manufacture and modular fabrication are based at multiple locations across India L&T's international manufacturing footprint covers the Gulf (Oman, Saudi Arabia, UAE), Southeast Asia (Malaysia, Indonesia) and UK. The Company also has an extensive network of offices in India and around the globe.

CORPORATE GOVERNANCE IN THE COMPANY:

A. The Governance Structure

The Company has four tiers of Corporate Structure viz.:

(i) **Strategic Supervision** – by the Board of Directors comprising the Executive, Non-Executive and Independent Directors.

(ii) **Executive Management** – by the Executive Committee (ECom) comprising the Chairman and Managing Director, all Executive Directors and identified senior leaders.

(iii) **Strategy & Operational Management** – by the Independent Company Management Leadership Team of each Independent Company (IC) (not legal entities) comprising representatives from the Company's Board (wherever applicable) and Senior Executives from the IC.

(iv) **Operational Management** – by the Business Unit (BU) Heads.

The four-tier governance structure, besides ensuring greater management accountability and credibility, facilitates alignment with L&T overall strategy besides increased autonomy to the businesses, performance discipline and development of business leaders.

B. Roles of various constituents of Corporate Governance in the Company:

i. Board of Directors ("the Board"):

The Directors of the Company hold fiduciary responsibility, entrusted with the oversight of management to ensure their effectiveness and enhancement of stakeholders' value. The Board, inter-alia, offers strategic guidance, evaluates the performance of the group and approves management's business objectives and plans.

ii. Executive Committee (ECom):

The ECom serves as a pivotal entity for conducting comprehensive reviews of company-wide operations. It plays a crucial role in enhancing the connections between the Independent Companies (ICs) and the Company's Board.

Furthermore, ECom is instrumental in optimizing the synergies between various ICs. It also engages in thorough deliberations on strategic and tactical issues that span across the ICs and the Corporate level, ensuring a cohesive approach to addressing cross-functional challenges. The agenda includes:

- Review of major order prospects (Standalone/ Group) / "Integrated offerings";
- Review of consolidated financials including working capital, cash flow, capital structure, etc.;
- Review of Monthly / Quarterly / Yearly financial performance;
- Review of Revenue, Capital & Manpower Budget and performance thereagainst;
- Review and discuss strategic issues which impact the entire organization, viz.,
 - (i) International business expansion
 - (ii) Technology reviews and partnerships
 - (iii) IC synergies
 - (iv) HR Update/ Talent Management / Service contract extensions for senior management personnel / Leadership development and succession planning
 - (v) Digital Transformation Projects
 - (vi) ESG Matters
 - (vii) Review of brand management
 - (viii) Risk Management
- Approval of Company policies;
- Strategic plans & investments and business portfolio reviews; and
- Sharing of best practices, etc.

iii. The Chairman & Managing Director:

The Chairman & Managing Director (CMD) holds full accountability to the Board for the comprehensive aspects of the Company's operations. This includes spearheading business development initiatives, ensuring operational excellence, achieving business results, and fostering leadership development. The CMD's responsibilities extend to all related areas necessary for the Company's success and growth.

iv. Executive Directors / Senior Management Personnel:

The Executive Directors, as integral members of the Board, alongside the Senior Management Personnel within the Executive Committee, play a pivotal role in steering the strategic management of the Company's businesses. They operate within the direction and framework sanctioned by the Board, ensuring alignment with the organization's overarching objectives. Their responsibilities encompass management of both business and corporate functions, which includes overseeing governance

processes and enhancing the effectiveness of top management. This collective leadership ensures that the Company's strategic initiatives are executed efficiently and align with its long-term vision and goals.

Senior Management Personnel means all members of management one level below the Executive Directors including the Company Secretary. Presently, persons in Senior Vice President grade and F&A heads of ICs reporting to Whole-time Directors are covered as Senior Management Personnel.

v. Non-Executive Directors (NED) / Independent Directors:

The Non-Executive Directors and Independent Directors play an essential role in bringing balance to the Board's processes. Their independent judgment is crucial on a range of issues including strategy, performance, resource allocation, standards of conduct and safety. Moreover, they contribute valuable insights and inputs that enhance the Board's decision-making capabilities.

vi. Independent Companies:

The Company has a Hybrid Holdco Structure comprising 'Independent Companies' (ICs) (not legal entities).

Each IC is governed by an IC Management Leadership Team led by an Executive Director or Senior Executive. The IC Management Leadership Team, inter alia, oversees:

- Implementation of Lakshya i.e. the Company's strategic plan
- Leadership pipeline/ succession planning
- Revenue, capital and manpower budget
- Quarterly operational and financial performance of each BU and segment.
- Order prospects and order pipeline.
- ESG matters and Risk assessments, as necessary
- Resolution of critical issues faced by the IC.

INTERNAL FRAMEWORKS:

The Company has the following internal frameworks for smooth functioning –

Risk Management Framework:

The Company has in place mechanism to inform Board members about the risk assessment and minimization procedures and periodical review to ensure that executive management controls risk by means of a properly defined framework.

Internal controls:

The Company has an internal control system commensurate with the size and complexity of the business. Continuous review of internal control efficacy is carried out in all business

segments of the Company in view of the changing business structure and increased focus on international operations. The Corporate Policy on Internal Control provides a structured framework for identification, rectification, monitoring and reporting of internal control weaknesses in the Company. Independent professional firms are engaged periodically to review the various internal control processes.

Statutory Compliance System:

The Company has in place system to ensure compliance with applicable laws, rules and regulations. These comprise of Central and State Acts / Rules where the Company carries on business. The list of applicable laws is reviewed by an External Consultant along with the Legal & Finance & Accounts functions of each Business.

The Company has a web-based portal known as “iCompliance portal”, which enables to monitor the regulatory compliance performance, remediation plans for non-conformities. This portal also helps to maintain updated list of applicable laws and compliance checklist(s) which are monitored & tracked through the portal.

The Company Secretary & Compliance Officer places a statutory compliance certificate before the Board on a quarterly basis. This certificate is given on the basis of compliance certificates received from IC Heads/ Corporate Department Heads through the ‘iCompliance Portal’ affirming compliance of all applicable laws for their respective IC’s/Department. The statutory compliance status is reviewed by Corporate Secretarial Department at periodic intervals.

COMMITTEES OF THE BOARD

The Company has the following Committees constituted duly under the provisions of the Companies Act, 2013 and the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (SEBI LODR Regulations) as applicable to it –

Audit Committee:

The Audit Committee meets at regular intervals and carries out its role which include the following –

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment, terms of appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Reviewing, with the management, the annual financial statements and the audit report before submission to the board for approval, with particular reference to:
 1. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of sub-section (5) of Section 134 of the Companies Act, 2013
 2. Changes, if any, in accounting policies and practices and reasons for the same
 3. Major accounting entries involving estimates based on the exercise of judgment by management
 4. Significant adjustments made in the financial statements arising out of audit findings
 5. Compliance with listing and other legal requirements relating to financial statements
 6. Disclosure of any related party transactions
 7. Modified opinion(s) in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of public or rights issue, and

making appropriate recommendations to the Board to take up steps in this matter, if any.

- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors about any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower mechanism.
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate, if any.
- The recommendation for appointment, remuneration and terms of appointment of secretarial auditors of the Company.
- The recommendation for appointment, remuneration and terms of appointment of cost auditors of the Company.
- Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- Review the management discussion and analysis of financial condition and results of operations.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Reviewing the utilization of loans and/ or advances from/investment in the subsidiary companies exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments
- Valuation of undertakings or assets of the company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Monitoring the end use of funds raised through public offers and related matters.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

- Consider and comment on rationale, cost benefit and impact of Schemes involving mergers, demerger, amalgamation etc on the entity and its shareholders.

Composition of the Audit Committee:

Name of the Director	Designation
Mr. P. R. Ramesh	Chairman
Mr. Sanjeev Aga	Member
Mr. Rajnish Kumar	Member

Nomination & Remuneration Committee:

The Nomination & Remuneration Committee (N&R) meets at regular intervals. The terms of reference of the N&R Committee are –

- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down by the Committee;
- Recommend to the Board appointment and removal of such persons or extension of term of Independent Directors;
- Formulate criteria for determining qualifications, positive attributes and independence of a director;
- Devise a policy on Board diversity;
- Formulation of criteria for evaluation of directors, Board, Chairman & MD and the Board Committees;
- Carry out evaluation of the Board and directors;
- Recommend to the Board a policy, relating to remuneration for the Directors, Key Managerial Personnel (KMP) and senior management.
- Administration of Employee Stock Option Scheme (ESOS).

Composition of Nomination & Remuneration Committee:

Name of the Director	Designation
Mr. Narayanan Kumar	Chairman
Mr. Pramit Jhaveri	Member
Ms. Preetha Reddy	Member
Mr. S. N. Subrahmanyam	Member

Stakeholders' Relationship Committee:

The Stakeholders' Relationship (SR) Committee plays the following role –

- Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
- Review of Investor Relation activities.
- Resolving grievances of debenture holders related to creation of charge, payment of interest/principal, maintenance of security cover & any other covenants.

Composition of Stakeholders' Relationship Committee:

Name of the Director	Designation
Mr. Rajnish Kumar	Chairman
Mr. T. Madhava Das	Member
Mr. Siddhartha Mohanty	Member

CSR & Sustainability Committee:

The CSR & Sustainability (CSR) Committee has also been entrusted with the task of reviewing the sustainability initiatives of the Company. The CSR Committee also reviews the Business Responsibility and Sustainability Report of the Company.

A. Corporate Social Responsibility:

- i. Formulate and recommend to the Board a Corporate Social Responsibility Policy and suggest any changes thereto.
- ii. Provide guidance for the development of annual CSR Action Plan.
- iii. Recommend the CSR annual budget to the Board for approval.
- iv. Monitor the implementation of the CSR Action Plan of the Company from time to time; and
- v. Identify and recommend to the Board the CSR projects that will qualify to be ongoing projects.

B. Sustainability:

- i. Formulate and recommend to the Board a Sustainability Policy and suggest any changes thereto.
- ii. Provide guidance for the development of the long-term Sustainability Plan; and
- iii. Monitor the implementation of the Sustainability Plan of the Company from time to time.

Composition of CSR & Sustainability Committee:

Name of the Director	Designation
Mr. Ajay Tyagi	Chairman
Mr. R. Shankar Raman	Member
Mr. S. V. Desai	Member
Mr. Jyoti Sagar	Member

Board Risk Management Committee:

The Board Risk Management Committee (“the Committee” or “BRMC”) of the Company has been duly constituted as per the provisions of Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The terms of reference of the Committee are as follows:

- Reviewing the existing Risk Management Policy, framework and processes, Risk Management Structure and Risk Mitigation Systems. Broadly, the key risks will cover strategic risks of the group at the domestic and international level, including Sectoral developments, risk related to market, competition, political and reputational issues, Environment, Social and Governance (ESG) risks, etc.
- Evaluate risks related to cyber security.

Composition of Board Risk Management Committee:

Name of the Director	Designation
Mr. Sanjeev Aga	Chairman
Mr. Pramit Jhaveri	Member
Mr. Subramanian Sarma	Member

Transactions with Related Parties

It is essential to ensure that expenses or payments to related parties are at Arm's Length Price (ALP) under the provisions of the Income Tax Act, 1961. An ALP is a price, where transactions are entered into by a company with third parties, without the influence of the relation between the parties. The expenses or payments must not be excessive or unreasonable as regards the fair market value of the goods, services or facilities for which the payment is made. If these payments are excessive or unreasonable, then expenditure, considered by the Assessing Officer to be unreasonable or excessive will not be allowed as a deduction to the company.

The related parties for a company are –

1. Company's Directors
2. Relatives of Directors
3. Entities (proprietary concern, partnership firm, Limited Liability Partnership, Association of Person, Body of Individual, Private Limited company, Public Limited company) in which **1 or 2 above holds 20% or more stake / beneficial interest.**
4. Subsidiaries & associate companies
5. Holding company
6. Subsidiaries & associate companies of Holding company

Further, "relative" has been defined in Sec. 2(41) of the Income Tax Act as follows:
"Relative", in relation to an individual means the husband, wife, brother or sister or any lineal ascendant or descendant of that individual.

We reiterate that Sec. 40A(2) will cover payments made to a Director or to his/her relative or to entities in which either the Director or his/her relative is holding 20% or more beneficial interest / stake

For facilitating this reporting by the Company, we request the Directors to give a list of persons/ entities as stated under item 3 under 'related parties' referred above. You may give us the specified transactions done by you or by your relatives or by entities as stated above with the Company, on a quarterly basis, if you are aware of such transactions. The Company will also monitor such transactions from its books.

In case the payments made are considered excessive or unreasonable, the deduction for the same will not be allowed to the Company.

Formats of disclosure are attached.

DECLARATION FOR TRANSACTIONS WITH RELATED PARTIES

I, _____, Director of Larsen & Toubro Limited, to the best of my knowledge, belief and understanding, confirm that –

- I/ My relatives (as listed in the annexure - I)
- the entities in which I/ my relatives hold 20% or more beneficial interest (as listed in annexure – II)

have entered into the following transactions with Larsen & Toubro Limited as per the details given below during the period _____ to _____ :

Date	Particulars	Reference No	Amount

OR

I, _____, Director of Larsen & Toubro Limited, to the best of my knowledge, belief and understanding, confirm that –

- I/ My relatives (as listed in the annexure - I)
- the entities in which I/ my relatives hold 20% or more beneficial interest (as listed in Annexure – II)

have not entered into any transactions during the period _____ to _____, with Larsen & Toubro Limited as defined under the Income-Tax Act, 1961.

Signature: _____

Name:

(DIN: _____)

Place:

Date:

Note: delete whichever is not applicable

List of relatives

Relation	Name	PAN of the relative
Wife/Husband		
Father		
Mother (Including Step Mother)		
Sons (Including Step Sons)		
Daughters (Including Step Daughters)		
Father's Father		
Father's Mother		
Mother's Father		
Mother's Mother		
Son's Son		
Son's Daughter		
Daughter's Son		
Daughter's Daughter		
Brother (Including Step Brother)		
Sister (Including Step Sister)		
Sister (Including Step Sister)		

List of entities in which I/ My relatives (as per Annexure I) hold 20% or more beneficial interest

Name of the entity	Percentage Stake	PAN of the entity