

May 22, 2018

● National Stock Exchange of India Limited
Exchange Plaza, Bandra-Kurla Complex
Bandra (East), Mumbai – 400 051.
NSE Symbol: LTTTS

The BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai- 400001
BSE Script Code: 540115

**Subject: Outcome of Board Meeting as per Regulation 30 of the
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
Ref: Our letter dated May 4, 2018**

Dear Sirs,

We would like to inform that pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company at their meeting held today i.e. May 22, 2018, have approved and taken on record the Audited Consolidated and Standalone Financial Results of the Company, for the quarter and year ended March 31, 2018. The Board Meeting commenced at 2.00 p.m. and concluded at 4.15 p.m. Accordingly, we attach herewith the following financial results approved by the Board of Directors.

1. Audited Standalone and Consolidated Financial results of the Company for the quarter and year ended March 31, 2018 along with the Auditor's Report thereon. The Audit Reports were issued with unmodified opinion of the financial Statements.
2. Press Release and Investor Release w.r.t. Financial Results for the quarter and year ended March 31, 2018.

FINAL DIVIDEND:

The Board of Directors has recommended a Dividend of Rs. 12/- per equity share subject to the approval of the members; if approved by the members in the Annual General Meeting scheduled to be held on August 22, 2018, the Company will arrange to pay the Dividend on August 24, 2018. The date of book closure for the above purpose shall be intimated later.

The above information is also available on the website of the Company. Kindly take the above information on record.

Thanking You,

Yours sincerely,

For L&T Technology Services Limited



Kapil Bhalla

Company Secretary

FCS.3485

Encl: As above

**Independent Auditor's report on audit of consolidated financial results**

To
**The Board of Directors of
L&T Technology Services Limited**

1. We have audited the accompanying statement of consolidated financial results of L&T Technology Services Limited ('the Holding Company') and its subsidiaries (the holding Company and its subsidiaries together referred to as 'the Group'), for the year ended March 31, 2018 ('the Statement'), being submitted by the Company pursuant to the requirements of regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by circular no. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This Statement is the responsibility of the Holding Company's management and is approved by the Board of Directors, has been compiled from the related consolidated financial statements prepared in accordance with Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder ('Ind AS') and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audits of such interim consolidated financial statements and annual consolidated financial statements.

2. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Holding Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion.

3. The Statement includes the results of the following entities:

Name of the entity	Relationship
L&T Technology Services LLC ('LTTS LLC')	Wholly owned subsidiary
Esencia Technologies Inc ('Esencia')	Wholly owned subsidiary of LTTS LLC
Esencia Technologies India Private Limited	Wholly owned subsidiary of Esencia
L&T Thales Technology Services Private Limited	Subsidiary



4. We did not audit financial statements of three subsidiaries included in the consolidated financial results, whose financial statements reflect total revenues of Rs. 2,848.11 million, total profit after tax of Rs. 241.13 million and total comprehensive income of Rs. 245.08 million for the year ended 31 March 2018, as considered in the consolidated financial results. These financial statements have been audited by another auditor whose audit reports have been furnished to us by management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures of these subsidiaries, is based solely on audit reports of the other auditor.

Two of these subsidiaries are located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in that country ('local GAAP') and which have been audited by another auditor under generally accepted auditing standards applicable in that country. The Holding Company's management has converted the financial statements of these subsidiaries from local GAAP to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the amounts and disclosures of these subsidiaries are based on the audit reports of another auditor and the conversion adjustments prepared by management of the Holding Company and audited by us.

Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

5. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
- (i) is presented in accordance with the requirements of regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by circular no. CIR/CFD/FAC/62/2016 dated July 5, 2016; and
 - (ii) gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net profit, total comprehensive income and other financial information of the Company for the year ended March 31, 2018.
- 6 The figures for the quarter ended March 31, 2018 and March 31, 2017 are the balancing figures between audited figures in respect of the full financial year and the limited reviewed year to date figures up to the quarters ended December 31, 2017 and December 31, 2016 respectively.



Mumbai, May 22, 2018

For Sharp & Tannan
Chartered Accountants
Firm's Registration No.109982W

Firdosh D. Buchia
Partner

Membership No. 038332

L&T Technology Services Limited

Registered Office: L&T House, N.M. Marg, Ballard Estate, Mumbai 400 001
CIN : L72900MH2012PLC232169

Statement of audited consolidated financial results for the year ended March 31, 2018

(In Rs. Million)

Sr. No.	Particulars	Quarter ended			Year ended	
		31/03/2018	31/12/2017	31/03/2017	31/03/2018	31/03/2017
1	Income from operations					
	a) Revenue from operations	10,548	9,691	8,123	37,471	32,483
	b) Other income	755	435	33	1,934	582
	Total income	11,303	10,126	8,156	39,405	33,065
2	Expenses					
	a) Employee benefit expenses	6,818	6,320	5,270	24,600	20,958
	b) Depreciation and amortisation expenses	452	145	147	888	625
	c) Other expenses	2,035	1,886	1,507	7,060	5,669
	d) Change in contingent consideration on acquisition (refer note 4 below)	55	-	-	55	-
	e) Finance costs	8	9	6	24	21
	Total expenses	9,368	8,360	6,930	32,627	27,273
3	Profit from ordinary activities after finance costs but before exceptional items (1-2)	1,935	1,766	1,226	6,778	5,792
4	Exceptional items	-	-	-	-	-
5	Profit from ordinary activities before tax (3-4)	1,935	1,766	1,226	6,778	5,792
6	Tax expense	344	501	261	1,712	1,542
7	Net profit from ordinary activities after tax (5-6)	1,591	1,265	965	5,066	4,250
8	Extraordinary items (net of tax expense)	-	-	-	-	-
9	Net profit for the period (7+8)	1,591	1,265	965	5,066	4,250
10	Other comprehensive income (net of tax expense)	(422)	397	766	222	843
11	Total comprehensive income (9+10)	1,169	1,662	1,731	5,288	5,093
12	Net profit / (loss) attributable to :					
	Shareholders of the Company	1,588	1,263	960	5,060	4,249
	Non-controlling interest	3	2	5	6	1
13	Total comprehensive income attributable to :					
	Shareholders of the Company	1,165	1,660	1,726	5,281	5,092
	Non-controlling interest	4	2	5	7	1
14	Paid up equity share capital	205	204	203	205	203
	Face value per equity share - (in Rs.)	2	2	2	2	2
15	Other equity				19,162	14,649
16	Earnings per equity share (not annualised)					
	a) Basic (in Rs.)	15.52	12.36	9.49	49.60	42.08
	b) Diluted (in Rs.)	15.08	12.00	9.13	48.18	39.64

See accompanying notes to the financial results

Statement of audited consolidated segment information for the year ended March 31, 2018

(In Rs. Million)

Sr. No.	Particulars	Quarter ended			Year ended	
		31/03/2018	31/12/2017	31/03/2017	31/03/2018	31/03/2017
1	Segment revenue					
	Transportation	3,248	2,994	2,709	11,910	10,740
	Process Engineering	1,299	1,235	1,147	4,834	4,962
	Industrial Products	2,194	2,113	2,189	8,531	8,524
	Medical Devices	689	648	538	2,535	2,196
	Telecom	3,118	2,701	1,540	9,661	6,061
	Revenue from operations	10,548	9,691	8,123	37,471	32,483
2	Segment results					
	Transportation	378	364	366	1,428	1,455
	Process Engineering	246	238	212	941	961
	Industrial Products	478	442	523	1,848	2,078
	Medical Devices	150	122	115	512	493
	Telecom	502	327	207	1,220	1,043
	Total	1,754	1,493	1,423	5,949	6,030
	Less - Unallocable expenses (net)	114	8	77	193	174
	Add - Other income	755	435	33	1,934	582
	Less - Finance costs	8	9	6	24	21
	Less - Depreciation and amortisation expense	452	145	147	888	625
	Profit before tax	1,935	1,766	1,226	6,778	5,792

Notes for segment information

- a Segments have been identified in accordance with Indian Accounting Standards ("Ind AS") 108 on Operating Segments, considering the risk/return profiles of the business, their organisational structure and internal reporting systems.
- b Property, plant and equipment used and liabilities contracted for performing the Company's business have not been identified to any of the above reported segments as the property, plant and equipment and services are used interchangeably among segments.




Consolidated audited statement of assets and liabilities as per regulation 33(3)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular dated July 5, 2016.

(In Rs. Million)

Sr. No.	Particulars	As at	As at
		31/03/2018	31/03/2017
A	ASSETS		
1	Non-current assets		
	(a) Property, plant and equipment	1,250	1,190
	(b) Capital work-in-progress	1	23
	(c) Goodwill	4,921	4,215
	(d) Other Intangible assets	923	733
	(e) Financial assets		
	- Other financial assets	590	1,054
	(f) Deferred tax assets (net)	272	335
	(g) Other non current assets	487	380
	Sub-total - non-current assets	8,444	7,930
2	Current assets		
	(a) Financial assets		
	(i) Current investments	2,207	1,946
	(ii) Trade receivables	9,623	7,106
	(iii) Cash and cash equivalent	1,541	672
	(iv) Other bank balances	1	-
	(v) Loans	1	1
	(vi) Other financial assets	1,429	1,275
	(b) Other current assets	3,805	3,399
	Sub-total - current assets	18,607	14,399
	TOTAL ASSETS	27,051	22,329
B	EQUITY AND LIABILITIES		
1	Equity		
	(a) Share capital	205	203
	(b) Other equity	19,159	14,653
	Equity attributable to equity holders of the Company	19,364	14,856
	Non-controlling interest	3	(4)
	Total equity	19,367	14,852
2	Liabilities		
	Non-current liabilities		
	(a) Financial liabilities		
	(i) Other financial liabilities	18	-
	(b) Deferred tax liabilities (net)	29	12
	Sub-total - non-current liabilities	47	12
	Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	702	1,019
	(ii) Trade payables	1,807	1,489
	(iii) Other financial liabilities	2,000	2,562
	(b) Other current liabilities	1,749	1,124
	(c) Short-term provisions	1,206	1,271
	(d) Tax liabilities (net)	173	-
	Sub-total - current liabilities	7,637	7,465
	TOTAL EQUITY AND LIABILITIES	27,051	22,329

Select explanatory notes to the statement of audited consolidated financial results for the year ended March 31, 2018

6. The financial results of the Company for the year ended March 31, 2018 have been audited by the statutory auditors, reviewed by the Audit Committee of the Board and approved by the Board of Directors at its meeting held on May 22, 2018.
7. The Company reports consolidated financial results on a quarterly basis pursuant to the option made available as per regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The standalone financial results are available on the Company's website viz. www.lnttechservices.com and on the websites of BSE (www.bseindia.com) and NSE (www.nseindia.com). The specified items of the standalone financial results of the Company for the quarter and year ended March 31, 2018 are given below:

Particulars	Quarter ended			Year ended	
	31-03-2018	31-12-2017	31-03-2017	31-03-2018	31-03-2017
Total income	10,510	9,504	7,799	36,947	31,671
Profit before tax	2,049	1,701	1,192	6,811	5,996
Profit after tax	1,484	1,196	931	4,894	4,490

8. During the quarter ended March 31, 2018, the Company has allotted 207,130 equity shares of Rs. 2 each fully paid-up on exercise of stock options by employees, in accordance with the Company's stock option scheme.
9. The Company's subsidiary had entered into a stock purchase agreement ('SPA') with the shareholders of Esencia Technologies, Inc. ('Esencia') on 3 May 2017. As part of this agreement, inter alia, the stockholders of Esencia were to be paid Rs. 391 million based on Esencia achieving certain financial targets. This contingent consideration payable was fair valued by assigning probabilities of achieving the targets and discounting future cash flows, and the fair valuation arrived at, Rs. 206 million, was accounted in the first quarter of the current accounting period.

Subsequently, on 30 January 2018, the SPA was amended that resulted in a change to the contingent consideration. The final consideration is fair valued as at 31 March 2018 at Rs. 261 million and the difference of Rs. 55 million is accounted as 'change in contingent consideration on acquisition' in the statement of profit and loss. The final consideration was settled on 30 April 2018.
10. The Board of Directors have recommended a final dividend of Rs. 12 per equity share (Face value Rs. 2) for the year ended March 31, 2018 and the final dividend is payable subject to the approval of the shareholders at the sixth annual general meeting.
6. The figures for the quarter ended March 31, 2018 and March 31, 2017 are the balancing figures between audited figures in respect of the full financial year and the limited reviewed year to date figures up to the quarters ended December 31, 2017 and December 31, 2016 respectively.
7. Figures for earlier periods have been regrouped, wherever necessary.



For and on behalf of the Board of Directors
of L&T Technology Services Limited

KESHAB PANDA
Chief Executive Officer and Managing Director
(DIN: 05296942)



Mumbai
May 22, 2018



Independent Auditor's report on audit of standalone financial results

To
The Board of Directors of
L&T Technology Services Limited

- 1 We have audited the accompanying statement of standalone financial results of L&T Technology Services Limited ('the Company'), for the year ended March 31, 2018 ('the Statement'), being submitted by the Company pursuant to the requirement of regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by circular no. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This Statement is the responsibility of the Company's management and is approved by the Board of Directors, has been compiled from the related standalone financial statements prepared in accordance with Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder ('Ind AS') and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audits of such interim standalone financial statements and annual standalone financial statements.

- 2 We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal financial control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion.

- 3 In our opinion and to the best of our information and according to the explanations given to us, the Statement:
 - (i) is presented in accordance with the requirements of regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by circular no. CIR/CFD/FAC/62/2016 dated July 5, 2016; and
 - (ii) gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net profit, total comprehensive income and other financial information of the Company for the year ended March 31, 2018.



- 4 The figures for the quarter ended March 31, 2018 and March 31, 2017 are the balancing figures between audited figures in respect of the full financial year and the limited reviewed year to date figures up to the quarters ended December 31, 2017 and December 31, 2016 respectively.



Mumbai, May 22, 2018

For Sharp & Tannan
Chartered Accountants
Firm's registration no.109982W

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Firdosh D. Buchia
Partner

Membership no. 038332

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L&T Technology Services Limited

Registered Office: L&T House, N.M. Marg, Ballard Estate, Mumbai 400 001
CIN : L72900MH2012PLC232169

Statement of audited standalone financial results for the year ended March 31, 2018

Sr. No.	Particulars	Quarter ended			Year ended	
		31/03/2018	31/12/2017	31/03/2017	31/03/2018	31/03/2017
		(In Rs. Million)				
1	Income from operations					
	a) Revenue from operations	9,795	9,080	7,783	35,066	31,125
	b) Other income	715	424	16	1,881	546
	Total income	10,510	9,504	7,799	36,947	31,671
2	Expenses					
	a) Employee benefit expenses	6,294	5,883	5,012	22,838	19,738
	b) Depreciation and amortisation expenses	180	131	134	576	575
	c) Other expenses	1,986	1,787	1,458	6,718	5,354
	d) Finance costs	1	2	3	4	8
	Total expenses	8,461	7,803	6,607	30,136	25,675
3	Profit from ordinary activities after finance costs but before exceptional items (1-2)	2,049	1,701	1,192	6,811	5,996
4	Exceptional items	-	-	-	-	-
5	Profit from ordinary activities before tax (3-4)	2,049	1,701	1,192	6,811	5,996
6	Tax expense	565	505	261	1,917	1,506
7	Net profit from ordinary activities after tax (5-6)	1,484	1,196	931	4,894	4,490
8	Extraordinary items (net of tax expense)	-	-	-	-	-
9	Net profit for the period (7+8)	1,484	1,196	931	4,894	4,490
10	Other comprehensive income (net of tax expense)	(433)	412	750	217	828
11	Total comprehensive income (9+10)	1,051	1,608	1,681	5,111	5,318
14	Paid up equity share capital	205	204	203	205	203
	Face value per equity share - (in Rs.)	2	2	2	2	2
15	Other equity				19,448	15,112
16	Earnings per equity share (not annualised)					
	a) Basic (in Rs.)	14.48	11.72	9.16	47.97	44.52
	b) Diluted (in Rs.)	14.07	11.38	8.81	46.59	41.94
See accompanying notes to the financial results						

Statement of audited standalone segment information for the year ended March 31, 2018

Sr. No.	Particulars	Quarter ended			Year ended	
		31/03/2018	31/12/2017	31/03/2017	31/03/2018	31/03/2017
		(In Rs. Million)				
1	Segment revenue					
	Transportation	2,926	2,694	2,369	10,653	9,382
	Process Engineering	1,299	1,235	1,147	4,834	4,962
	Industrial Products	2,194	2,113	2,189	8,531	8,524
	Medical Devices	689	648	538	2,535	2,196
	Telecom	2,687	2,390	1,540	8,513	6,061
	Revenue from operations	9,795	9,080	7,783	35,066	31,125
2	Segment results					
	Transportation	402	329	331	1,426	1,632
	Process Engineering	246	238	212	941	961
	Industrial Products	478	442	523	1,848	2,078
	Medical Devices	150	122	115	512	493
	Telecom	353	288	207	976	1,043
	Total	1,629	1,419	1,388	5,703	6,207
	Less - Unallocable expenses (net)	114	9	75	193	174
	Add - Other income	715	424	16	1,881	546
	Less - Finance costs	1	2	3	4	8
	Less - Depreciation and amortisation expense	180	131	134	576	575
	Profit before tax	2,049	1,701	1,192	6,811	5,996

Notes for segment information

- Segments have been identified in accordance with Indian Accounting Standards ("Ind AS") 108 on Operating Segments, considering the risk/return profiles of the business, their organisational structure and internal reporting systems.
- Property, plant and equipment used and liabilities contracted for performing the Company's business have not been identified to any of the above reported segments as the property, plant and equipment and services are used interchangeably among segments.

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Standalone audited statement of assets and liabilities as per regulation 33(3)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular dated July 5, 2016.

(In Rs. Million)

Sr. No.	Particulars	As at	As at
		31/03/2018	31/03/2017
A	ASSETS		
1	Non-current assets		
	(a) Property, plant and equipment	1,230	1,177
	(b) Capital work-in-progress	1	23
	(c) Goodwill	3,891	3,891
	(d) Other Intangible assets	409	521
	(e) Financial assets		
	(i) Non-current investments	1,031	61
	(ii) Other financial assets	571	1,031
	(f) Deferred tax assets (net)	256	328
	(g) Other non current assets	430	371
	Sub-total - non-current assets	7,819	7,403
2	Current assets		
	(a) Financial assets		
	(i) Current investments	2,194	1,927
	(ii) Trade receivables	9,513	7,110
	(iii) Cash and cash equivalent	1,437	622
	(iv) Other bank balances	-	-
	(v) Loans	61	1
	(vi) Other financial assets	1,490	1,306
	(b) Other current assets	3,415	3,136
	Sub-total - current assets	18,110	14,102
	TOTAL ASSETS	25,929	21,505
B	EQUITY AND LIABILITIES		
1	Equity		
	(a) Share capital	205	203
	(b) Other equity	19,448	15,112
	Total equity	19,653	15,315
2	Non-current liabilities		
	(a) Financial liabilities		
	(i) Other financial liabilities	18	-
	Sub-total - non-current liabilities	18	-
3	Liabilities		
	Current liabilities		
	(a) Financial liabilities		
	(i) Trade payables	1,553	1,330
	(ii) Other financial liabilities	1,683	2,536
	(b) Other current liabilities	1,700	1,099
	(c) Short-term provisions	1,179	1,225
	(d) Tax liabilities (net)	143	-
	Sub-total - current liabilities	6,258	6,190
	TOTAL EQUITY AND LIABILITIES	25,929	21,505

Select explanatory notes to the statement of audited standalone financial results for year ended March 31, 2018

6. The financial results of the Company for the year ended March 31, 2018 have been audited by the statutory auditors, reviewed by the Audit Committee of the Board and approved by the Board of Directors at its meeting held on May 22, 2018.
7. During the quarter ended March 31, 2018, the Company has allotted 207,130 equity shares of Rs. 2 each fully paid-up on exercise of stock options by employees, in accordance with the Company's stock option scheme.
8. The Board of Directors have recommended a final dividend of Rs. 12 per equity share (Face value Rs. 2) for the year ended March 31, 2018 and the final dividend is payable subject to the approval of the shareholders at the sixth annual general meeting.
9. The figures for the quarter ended March 31, 2018 and March 31, 2017 are the balancing figures between audited figures in respect of the full financial year and the limited reviewed year to date figures up to the quarters ended December 31, 2017 and December 31, 2016 respectively.
10. Figures for earlier periods have been regrouped, wherever necessary.



For and on behalf of the Board of Directors
of L&T Technology Services Limited

A handwritten signature in black ink, appearing to be "KESHAB PANDA".

KESHAB PANDA
Chief Executive Officer and Managing Director
(DIN: 05296942)

Mumbai
May 22, 2018



L&T Technology Services Ltd. Press Release

Issued by Corporate Brand Management & Communications

REGISTERED OFFICE:

L&T House, 2nd Floor
Ballard Estate, Mumbai 400 001
Tel: 91 22 6752 5656 / 836
Fax: 91 22 6752 5796
CIN: U72900MH2012PLC232169

Strong demand for digital engineering helps L&T Technology Services (LTTS) post industry leading performance

**FY18 USD Revenue growth of 20% and Profit growth of 19%
Q4 Revenue growth of 8% QoQ to USD162mn**

Mumbai, May 22, 2018: L&T Technology Services Limited (LTTS) (BSE:540115) (NSE: LTTS), India's leading pure-play ER&D services company, announced its results for the fourth quarter and full year ended March 31, 2018.

Highlights for FY18 include:

- USD Revenue at \$580 million for the year; growth of 20% YoY
- Revenue at ₹37,471 million for the quarter; growth of 15% YoY
- Net profit at ₹5,060 million; growth of 19% YoY
- Board has recommended a final dividend of INR 12 per share. Including the interim dividend of INR 4 per share, the total dividend for FY18 will amount to INR 16 per share.

Highlights for fourth quarter include:

- USD Revenue at \$162 million for the quarter; growth of 8% QoQ; 34% YoY
- Revenue at ₹10,548 million for the quarter; growth of 9% QoQ; 30% YoY
- Net profit at ₹1,588 million; growth of 26% QoQ; 66% YoY

During the fourth quarter, growth was broad-based with healthy traction across all segments on sequential basis. LTTS won five multi-million dollar deals across Process Industry, Telecom & Hi-tech and Transportation. On YoY basis, LTTS has increased its USD40mn+ annual billing clients by two, and its USD10mn+ clients by three.

“Our engineering DNA combined with strong demand for digital and new age technologies has helped us grow ahead of the industry with a 20% revenue growth in FY18. The focus on Top 30 customers, large deal wins and technology innovation has enabled us to become India’s fastest growing and leading pure-play engineering services company.

We see large customers across the globe accelerating their investments in digital engineering and partnering with us to build smart products, create factories of the future embedded with new age technologies and increase returns from their legacy products.

Our revenues from digital & leading-edge technologies increased to 26% of the overall business in FY18, driven by investment into newer areas such as NB-IoT, Machine Learning and Embedded AI and creation of new labs to spur research and innovation.

We feel confident about growth momentum continuing in FY19 as we see broad-based demand and a strong positioning in all our five industry segments. To drive sustainable revenue and profit growth, we will continue to fill white spaces in both technology and domain through acquisitions and at the same time improve operational parameters for better margins.” said **Dr Keshab Panda, CEO & Managing Director, L&T Technology Services Limited.**

Awards and Recognitions:

- **Golden Peacock Innovation Award 2018** - LTTS was awarded the Golden Peacock Innovative Product & Service Award for its smart buildings product i-BEMS™ (Intelligent Building Energy Management System), making it the company's second consecutive win.
- **HfS Positions L&T Technology Services in 'Winner's Circle' for IoT services** - LTTS was positioned in the 'Winner's Circle for Excellence in Innovation and Execution' by HfS Research, in its 'Blueprint Report for IoT Services, 2018'. HfS recognized LTTS for its strong manufacturing & engineering practice along with over 300 IoT engagements in Hi-tech, Telecom, Industrial and Energy & Utilities domains.

Patents:

At the end of the fourth quarter, the patents portfolio of L&T Technology Services stood at 328 patents out of which 245 are co-authored with its customers and 83 are filed by LTTS.

Human Resources

At the end of the fourth quarter LTTS' employee strength stood at 12,307, a net addition of 366 during the quarter.

About L&T Technology Services Limited:

L&T Technology Services Limited (LTTS) is a listed subsidiary of Larsen & Toubro Limited focused on Engineering and R&D (ER&D) services. We offer consultancy, design, development and testing services across the product and process development life cycle. Our customer base includes 52 Fortune 500 companies and 48 of the world's top ER&D companies, across industrial products, medical devices, transportation, telecom & hi-tech, and the process industries. Headquartered in India, we have around 12,300 employees spread

across 16 global design centers, 27 global sales offices and 39 innovation labs as of March 31, 2018.

For additional information about L&T Technology Services log on to www.LntTechservices.com

Media Contact:

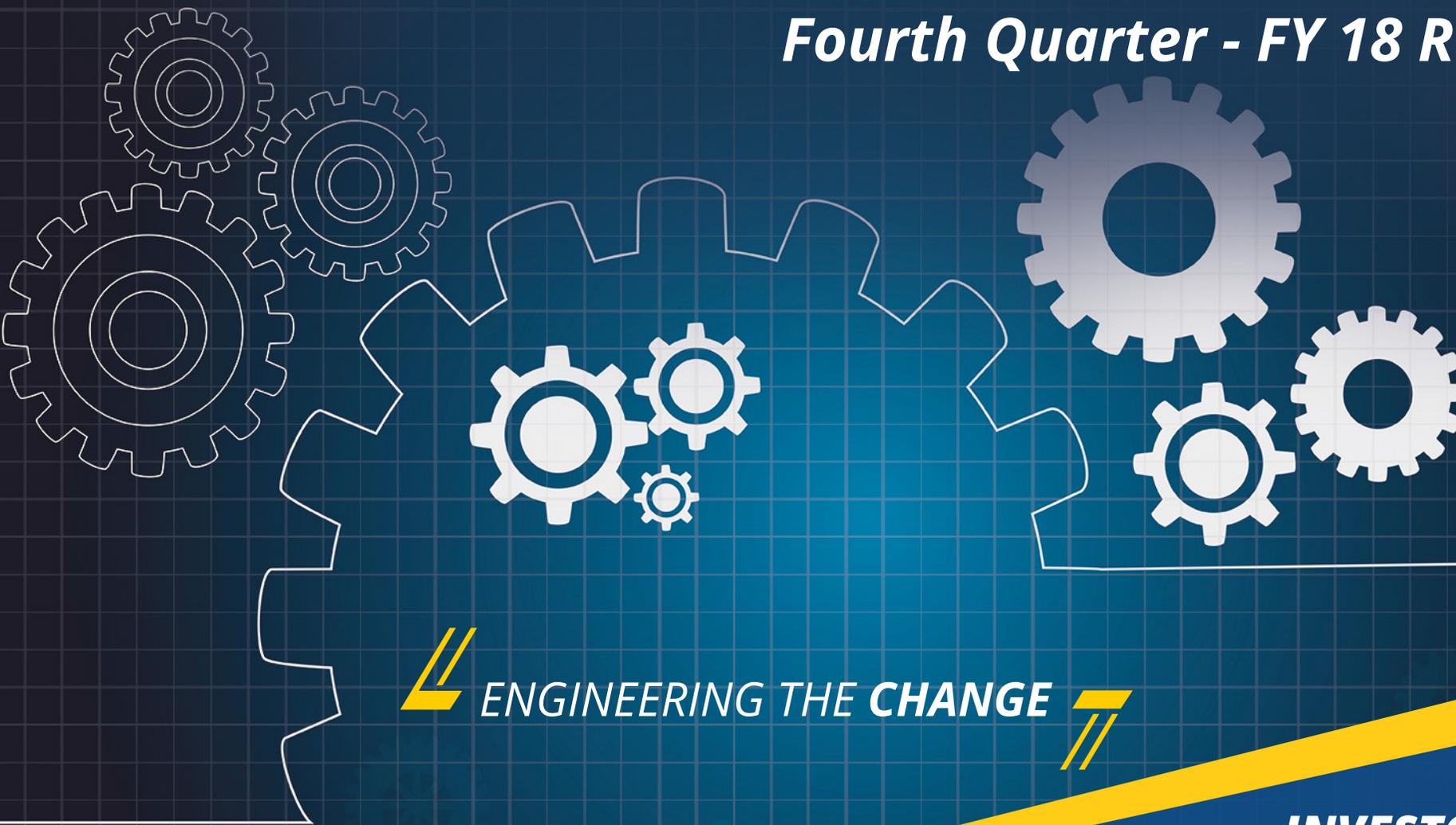
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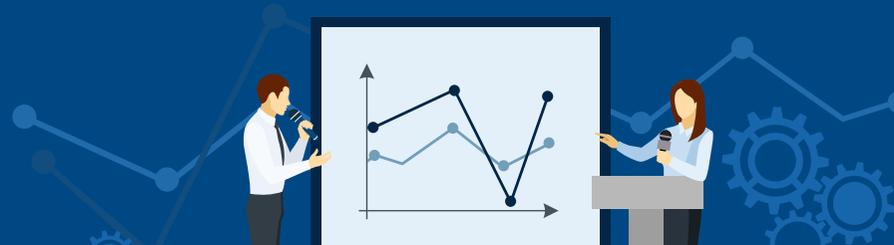
L&T Technology Services Limited **Fourth Quarter - FY 18 Results**



ENGINEERING THE CHANGE

INVESTOR RELEASE
Mumbai, India - May 22, 2018

FINANCIAL HIGHLIGHTS



REVENUE IN INR

- INR Revenue at **₹10,548 million** for the quarter; growth of **8.8% QoQ; 29.9% YoY**
- INR Revenue at **₹37,471 million** for the year; growth of **15.4% YoY**

REVENUE IN USD

- US Dollar Revenue at **\$162.4 million** for the quarter; revenue growth of **7.6% QoQ; 34.0% YoY**; growth in constant currency at **7.1% QoQ; 31.8% YoY**
- US Dollar Revenue at **\$580.4 million** for the year; revenue growth of **19.8% YoY**, growth in constant currency at **18.2% YoY**

PROFIT IN INR

- EBITDA at **₹1,695 million** for the quarter; EBITDA margin at **16.1%**
- Net Income at **₹1,588 million** for the quarter, up **25.9% QoQ** and **65.6% YoY**; Net margin at **15.1%**
- EBITDA at **₹5,811 million** for the year; EBITDA margin at **15.5%**
- Net Income at **₹5,060 million** for the year, up **19.1% YoY**; Net margin at **13.5%**

SAFE HARBOUR STATEMENT

Certain statements in this release concerning our future growth prospects are forward-looking statements, which involve a number of risks, and uncertainties that could cause our actual results to differ materially from those in such forward-looking statements. L&T Technology Services Limited (LTTS) does not undertake to update any forward-looking statement that may be made from time to time by us or on our behalf.

MESSAGE FROM THE CEO & MANAGING DIRECTOR



We are pleased with our performance in FY18, closing the year with **USD580mn** in revenue – which is an industry leading growth of **20%** YoY. Our strategy of focusing on Top 30 accounts, winning large deals and co-innovating with customers has worked well. During FY18, our key achievements include acquiring US based Esencia Technologies which has helped increase our footprint in high-end VLSI and ASIC, opening a Centre of Excellence for video and security in Israel - a hub for innovation, and winning multiple large deals with marquee clients across verticals and technologies.

In Q4, we had a strong revenue growth of **8%** QoQ in USD terms, with all five industry segments registering growth on a sequential basis. We announced two large deal wins with Covestro and Exxon Mobil. We increased the USD40mn+ annual billing clients by two, and the USD10mn+ clients by three, on YoY basis. EBITDA margins was **16.1%** in Q4 and we are taking steps to drive further margin improvement through operational efficiencies.

During the fourth quarter we were awarded the Golden Peacock Innovative Product & Service Award 2018 for our proprietary smart building product i-BEMS (Intelligent Building Energy Management System). HfS Research has positioned LTTs in the 'Winner's Circle' for Excellence in innovation and execution in IoT Services.

We recently concluded the second edition of TECHgium® which is a pioneering initiative by LTTs to recognize young engineering enthusiasts by providing an opportunity to work on technologies of tomorrow. The winning teams came up with remarkable solutions around IoT, Machine Learning, Advanced Image Processing and Smart Tools and we are proud that we could contribute in bridging industry-academia gap and building digital skillsets among today's youth.

As we look ahead, we see large customers across the globe accelerating their investments in digital engineering and partnering with us to build smart products, create factories of the future embedded with new age technologies and increase returns from their legacy products. Our revenues from digital & leading-edge technologies increased to **26%** of the overall business in FY18, driven by investment into newer areas such as NB-IoT, Machine Learning and Embedded AI and creation of new labs to spur research and innovation. We feel confident about growth momentum continuing in FY19 as we see broad-based demand and a strong positioning in all our five verticals.

I would like to thank our employees for their commitment, and our investors & stakeholders for their continued support and encouragement.



Dr. Keshab Panda

CEO & Managing Director
L&T Technology Services Limited



PERFORMANCE HIGHLIGHTS



KEY DEAL WINS

We won several multi-million dollar projects from our global customers across all our verticals. A few key deals are as mentioned below:

- LTTS won a digitalization contract valued at more than \$20 million in the first year, from ExxonMobil Exploration Company, an American multinational oil and gas corporation.
- Germany's Covestro, a world-leading manufacturer of high-tech polymer materials, chose LTTS as one of its major engineering services partners. LTTS won a multi-million dollar contract to implement digitalization based Engineering Programs across Covestro's global locations.
- LTTS entered into a multi-year partnership with a leading networking OEM for a complex 5G product development and testing program. LTTS will also provide engineering services and support to the manufacturer for product commercialization activities in the North American region.
- For a Japanese manufacturer, LTTS has entered into a multi-year deal for end-to-end design & development of its product line across two design centers in India. LTTS will roll out product variants on an ongoing basis from the centres.
- For a European Off Highway major, LTTS is setting up a design centre to build components for the customer's agricultural as well as construction equipment divisions.

FINANCIAL PERFORMANCE

INCOME STATEMENT

Amount in ₹ million

	Q4FY17	Q3FY18	Q4FY18	QoQ	YoY	FY17	FY18	YoY
Revenue	8,123	9,691	10,548	8.8%	29.9%	32,483	37,471	15.4%
Cost of sales	5,461	6,892	7,575			21,964	26,738	
Gross Profit	2,662	2,799	2,973	6.3%	11.7%	10,519	10,733	2.0%
Selling, General & Administration Expenses	1,316	1,314	1,278			4,663	4,922	
EBITDA	1,346	1,485	1,695	14.1%	25.8%	5,856	5,811	-0.8%
Change in Contingent Consideration			55				55	
Depreciation & Amortisation	147	145	452			625	888	
EBIT	1,199	1,340	1,188	-11.4%	-1.0%	5,231	4,868	-6.9%
Other Income, net	27	426	747			561	1,910	
Income tax expense	261	501	344			1,542	1,712	
Minority Interest	5	2	3			1	6	
Net Income	960	1,263	1,588	25.9%	65.6%	4,249	5,060	19.1%
Margins (%)								
Gross Margin	32.8%	28.9%	28.2%			32.4%	28.6%	
EBITDA Margin	16.6%	15.3%	16.1%			18.0%	15.5%	
EBIT Margin	14.8%	13.8%	11.3%			16.1%	13.0%	
Net Income Margin	11.8%	13.0%	15.1%			13.1%	13.5%	
Earnings Per Share (INR)								
Basic	9.49	12.36	15.52			42.08	49.60	
Diluted	9.13	12.00	15.08			39.64	48.18	

OTHER INCOME

Amount in ₹ million

	Q4FY17	Q3FY18	Q4FY18	FY17	FY18
Income from investments, net	22	16	22	53	70
Foreign exchange gains/(loss)	-13	259	376	418	1,147
Others	18	151	349	90	693
Total	27	426	747	561	1,910

NOTES

1. In Q4FY18, Esencia Technologies (a 100% subsidiary of LTTTS) entered into an agreement with one of its customers for a sale of intellectual property and transfer of certain resources, for a total consideration of USD17mn. This transaction has three milestones – an initial consideration of USD3.5mn in Q4FY18, out of which a value of USD2.97mn has been attributed to sale of the intellectual property, recorded in Revenue and the balance amount of 0.53mn attributed to transfer of resources recorded under Other income. The second milestone comprising of USD12mn received in Q1FY19 and the third milestone of USD1.5mn to be received in Q1FY20, are attributed to transfer of resources. Both the second and third milestone will be recorded under Other income in the respective quarters.
2. As part of the Esencia acquisition, a contingent consideration of USD3.15mn payable to the sellers of Esencia Technologies upon achievement of financial targets was recorded in the balance sheet in accordance with the terms of Stock Purchase Agreement (SPA). Due to a revision of the SPA pursuant to the transaction mentioned in Note 1, the contingent consideration has been fair valued to USD4mn and the change in such fair value of USD0.85mn (equivalent to INR55mn) has been recorded in the P&L in Q4FY18. There is no further consideration payable to the sellers of Esencia Technologies.
3. There is an increase under Depreciation and Amortization in Q4FY18 vis-a-vis Q3FY18, due to a one-time obsolescence charge of certain software of INR48mn and an additional charge of INR259mn primarily attributed to a change in the useful life of customer contracts arising out of acquisitions, from 7 years to 4 years.
4. The credit in deferred tax in Q4FY18 is primarily due to a) lower cumulative deferred tax liability on account of changes in the US tax rate and b) change in useful life of customer relationships from 7 years to 4 years as mentioned in Note 3.

BALANCE SHEET

Amount in ₹ million

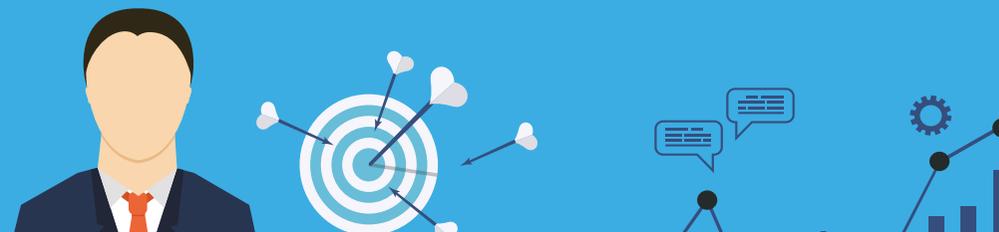
	FY17	FY18
Assets		
Property and equipment	1,213	1,251
Intangible Assets and Goodwill	4,948	5,844
Accounts Receivable	7,106	9,623
Unbilled Revenues	2,295	2,154
Cash & Investments	2,618	3,749
Other current assets	2,380	3,081
Other non-current assets	1,769	1,349
Total Assets	22,329	27,051
Liabilities and Shareholders' Equity		
Shareholders' Funds	14,856	19,364
Short term borrowings	1,019	702
Other current liabilities	6,446	6,935
Other non-current liabilities	12	47
Minority Interest	-4	3
Total Liabilities	22,329	27,051

CASH FLOW SUMMARY

Amount in ₹ million

	FY17	FY18
Net cash provided by operating activities	3,872	4,130
Capex	-447	-511
Free Cash Flow	3,425	3,619
Free Cash flow to Net Income (%)	80.6%	71.5%

OPERATIONAL PERFORMANCE



	Q4FY17	Q3FY18	Q4FY18	QoQ Growth	YoY Growth	In Constant Currency	
						QoQ Growth	YoY Growth
Revenue (USD Mn)	121.2	151.0	162.4	7.6%	34.0%	7.1%	31.8%

	FY17	FY18	YoY Growth	In Constant Currency	
				YoY Growth	YoY Growth
Revenue (USD Mn)	484.4	580.4	19.8%		18.2%

REVENUE BY VERTICAL

	Q4FY17	Q3FY18	Q4FY18	QoQ Growth	YoY Growth	FY17	FY18	YoY
Transportation	33.4%	30.9%	30.8%	7.3%	23.7%	33.0%	31.8%	15.2%
Industrial Products	26.9%	21.8%	20.9%	3.1%	3.7%	26.2%	22.8%	4.0%
Telecom & Hi-tech	19.0%	27.9%	29.5%	13.5%	108.1%	18.7%	25.7%	65.4%
Process Industry	14.1%	12.7%	12.3%	4.1%	16.9%	15.3%	12.9%	1.2%
Medical Devices	6.6%	6.7%	6.5%	5.6%	32.7%	6.8%	6.8%	20.0%

REVENUE BY GEOGRAPHY

	Q4FY17	Q3FY18	Q4FY18	QoQ Growth	YoY Growth	FY17	FY18	YoY
North America	63.3%	58.7%	57.6%	5.7%	21.9%	62.9%	60.2%	14.6%
Europe	17.3%	17.2%	18.6%	16.3%	44.0%	19.1%	17.3%	8.5%
India	9.2%	11.5%	11.7%	8.3%	69.4%	7.9%	10.8%	64.6%
Rest of the World	10.2%	12.6%	12.1%	3.8%	59.7%	10.1%	11.7%	38.5%

REVENUE MIX

	Q4FY17	Q3FY18	Q4FY18	FY17	FY18
Onsite	49.2%	50.7%	50.0%	48.9%	50.2%
Offshore	50.8%	49.3%	50.0%	51.1%	49.8%

REVENUE BY PROJECT TYPE

	Q4FY17	Q3FY18	Q4FY18	FY17	FY18
Fixed Price	30.4%	38.2%	37.0%	30.2%	37.0%
Time and Material Contract	69.6%	61.8%	63.0%	69.8%	63.0%

CLIENT PROFILE

	Q4FY17*	Q3FY18	Q4FY18
Number of Active Clients	223	233	235
40 Million dollar +	0	1	2
30 Million dollar +	1	3	3
20 Million dollar +	3	4	4
10 Million dollar +	9	12	12
5 Million dollar +	30	30	31
1 Million dollar +	79	79	84

*The number of clients are restated on cumulative basis

CLIENT CONTRIBUTION TO REVENUE

	Q4FY17	Q3FY18	Q4FY18	FY17	FY18
Top 5 Clients	22.7%	28.8%	28.6%	23.2%	27.1%
Top 10 Clients	36.2%	41.2%	41.4%	35.2%	39.7%
Top 20 Clients	50.9%	56.4%	56.7%	51.7%	54.8%

UTILISATION

	Q4FY17	Q3FY18	Q4FY18	FY17	FY18
Including Trainees	74.2%	78.8%	80.7%	75.1%	77.8%

EMPLOYEE STATISTICS

	Q4FY17	Q3FY18	Q4FY18
Total Headcount	10,463	11,941	12,307
Billable	9,537	11,009	11,360
Sales & Support	926	932	947
Voluntary Attrition % (LTM)	14.0%	13.2%	13.5%

EXCHANGE RATE (USD/INR)

	Q4FY17	Q3FY18	Q4FY18	FY17	FY18
Period Realised	66.99	64.19	64.94	67.06	64.56
Period Closing	64.85	63.88	65.18	64.85	65.18

AWARDS & RECOGNITIONS

Golden Peacock Innovation Award 2018

LTTS was awarded the Golden Peacock Innovative Product & Service Award for its smart buildings product i-BEMS™ (Intelligent Building Energy Management System), making it the company's second consecutive win.

HfS Positions L&T Technology Services in 'Winner's Circle' for IoT Services

LTTS was positioned in the 'Winner's Circle for Excellence in Innovation and Execution' by HfS Research, in its 'Blueprint Report for IoT Services, 2018'. HfS recognized LTTS for its strong manufacturing & engineering practice along with over 300 IoT engagements in Hi-tech, Telecom, Industrial and Energy & Utilities domains.

LTTS in HfS 'Winners Circle' for Automotive Engineering Services

HfS also recognized LTTS for its capabilities in autonomous and e-vehicle technologies.

OTHER HIGHLIGHTS

TECHgium® 2018:

LTTS organized the second edition of its unique industry-academia initiative TECHgium®. The event drew tremendous response from students across major Indian educational establishments. With the objective to nurture future innovators, LTTS invested over 100 working hours to mentor students shortlisted for the PoC round, with subject matter experts from respective industry domains mentoring the students.

LTTS launches Gurugram Centre

LTTS started a design center in Gurugram, Haryana, which is the first for the company in northern India.

PATENTS

At the end of the fourth quarter, the patents portfolio of L&T Technology Services stood at **328** patents out of which **245** are co-authored with its customers and **83** are filed by LTTS.



CSR & DIVERSITY



L&T Technology Services has been encouraging budding middle and high school students in the UK to develop interest in robotics. As part of this initiative, LTTS supported a group of British students from St. Olave's Grammar School, England who won the **Vex Robotics Championship at the national level**. They subsequently represented UK in the international **Vex World Championships**, where the team went on to bag the **Prestigious Inspire Award** for innovative design of robots at the premium event, held in the U.S.

L&T Technology Services through its CSR Healthcare initiative partnered with Sankara Nethralaya, to provide free eyecare to the financially deprived in the states of Andhra Pradesh and Tamil Nadu. Thus far, LTTS has supported 8 screening camps covering 8000 patients.

LTTS supported 10 villages across Tamil Nadu and Maharashtra through a Watershed project on the occasion of World Water Day on March 22nd, 2018.

Eureka Science Fair organized in Vadodara for Government Aided Schools - A Eureka Science Fair was conducted by L&T Technology Services Ltd to provide a common platform for the students studying at various Government schools of Vadodara to innovate, exhibit and excel in the field of Science.

ABOUT L&T TECHNOLOGY SERVICES

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