



L&T Technology Services

ENGINEERING **THE CHANGE**

The **New Reality**

2019 - 20
ANNUAL REPORT

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Disclaimer

This report may contain forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'estimates' or other words of similar meaning. All statements that address expectations of projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures and financial results, are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events. The Company has sourced the industry information from the publicly available sources and has not verified the information independently.



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Corporate Snapshot

**ENGINEERING
INNOVATING
ENABLING**

Driven by digital disruptions, market dynamics are changing at an unprecedented pace. Smart transitions, cognitive learning, speed of innovation, and technology of everything have become imperative for success. L&T Technology Services (LTTs) is pushing the frontiers of technology and creating new possibilities to engineer the change for a smarter world.

Present in five main areas – Transportation; Industrial Products; Telecom and Hi-Tech; Medical Devices; and Plant Engineering – LTTs offers world-leading engineering, research and development (ER&D) and digitalization solutions to its customers which include 69 Fortune 500 companies and 53 of the world's top ER&D companies. We are at the forefront of the global transition to technology that is not only efficient and resilient but is also intuitive, driven by Artificial Intelligence and Machine Learning.

In the 'new reality' that is the world in 2020, we have the capability to ensure a very high and accurate level of virtualization-from product design to simulated manufacturing for cost and result optimization, AI-powered machines that can self-diagnose and self correct their functioning to creating an impenetrable cybersecurity high wall around the entire process of remote enterprise. We make businesses sustainable and business continuity seamless while complying with the norms of the new day and age.



₹ **5,619** Crores
REVENUE IN FY20



270
GLOBAL CLIENTS



25+
COUNTRIES



16,883
EMPLOYEES



51
INNOVATION LABS



502
PATENTS

Our Pillars of Success

VISION

To be technology explorers, engineering better products, services, and life

To be amongst the top 10 global engineering services companies in the world

MISSION

We aim to be the best, lead the curve, nurture brilliance, obsess about customer delight and become the only partner of choice for our stakeholders

VALUES

Ethical and professional organization with respect for individual and diversified global talent

Social harmony and peaceful existence



LTTTS IS A LISTED SUBSIDIARY OF LARSEN & TOUBRO LIMITED, THE USD 20 BILLION INDIAN CONGLOMERATE OPERATING IN OVER 30 COUNTRIES.

Our Value Proposition

Customer focus



We cater to a very wide range of customers and create specific partnership models that serve each customer's purpose and business goals.

Multi-vertical industry expertise



Our work in different industry verticals gives our team vast experience in several areas of engineering and excellent project management expertise.

Innovation culture

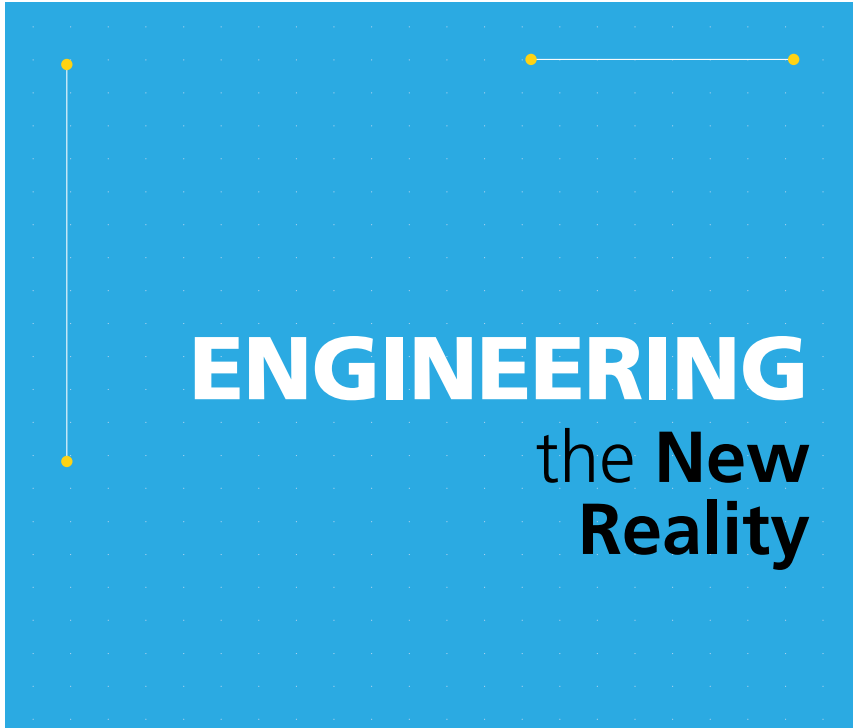


We create innovation-led, pathbreaking solutions with rewarding outcomes. As of March 31, 2020, LTTTS has co-authored or filed 502 patents across industries.

CrossPoll!nnovation



Our in-depth knowledge of multiple industries allows us to bring innovation from one vertical to another, thereby addressing a range of complex business challenges.



ENGINEERING the **New Reality**

As an organization whose core DNA is engineering, we are constantly seeking ways and means to engineer a better world around us. The two key qualities that drive this perennial endeavor are a collective conscience to develop new perspectives and an agile approach to adapt and overcome.

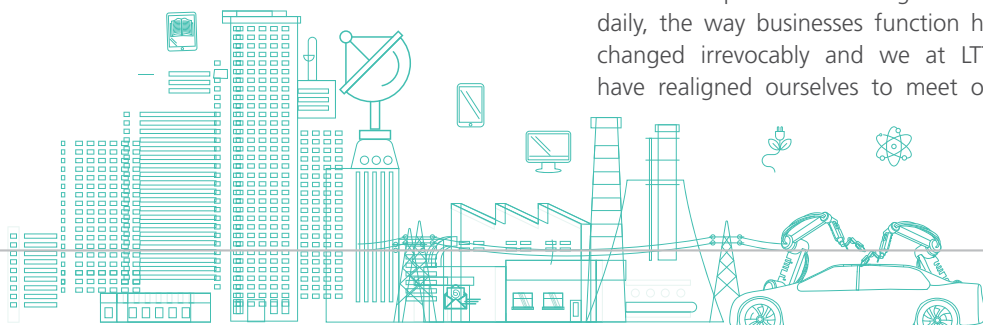
Over the last decade, LTTs has grown into India's leading pure-play engineering services provider with a clientele of 69 Fortune 500 companies, a reflection of our perpetual quest for excellence. Our ability to adopt and adapt to change has seen us evolve on multiple levels – from being a traditional engineering

service provider to becoming a digital engineering expert service provider with core engineering expertise; from being a traditional supplier to assuming the role of a strategic partner; and from executing piecemeal projects to winning large multi-million dollar deals.

With disruptions occurring almost daily, the way businesses function has changed irrevocably and we at LTTs have realigned ourselves to meet our

customers' requirements in this 'New Reality'. However, this realignment is more of a journey for us than a sudden diversion. Roughly a year back, we realized the fast-shifting priorities of global enterprises call for a novel business approach that drive immediate RoI and operational impact. We envisioned Digital Engineering assuming key focus in the future scheme of things for our customers to attain their business goals. While earlier, we used Digital Engineering to successfully execute transformation projects for our customers, we now proactively consult and advice enterprises to formulate a future-ready digital roadmap through our **Digital Advisory Practice (DAP)**.

DAP is an evolving practice that strives for continuous innovation. However, the most interesting aspect of our DAP practice is its contextual relevance in the current times and its suitability to mitigate the problems faced by enterprises and organizations today. Businesses across the industries are revisiting their operations to cater to contemporary demand-supply scenarios. So, be it the requirement for production line set-up/change-over, finding profitable and reliable procurement and sourcing alternatives, finding automation solutions to convert mundane and repetitive tasks, to creating work models that comply with the constraints of contactless manufacturing; a digital expert who knows operational practices across industries and understands the principle of core engineering is the most important cog in the wheel of digital transformation in current times. We are already seeing early flourish through this practice with multiple digital transformation projects with our customers.



Sectors we Service

TRANSPORTATION

[Automotive](#)

[Aerospace](#)

[Rail](#)

[Trucks and Off-Highway](#)



LTTs offers the complete gamut of engineering services and solutions for its global customers in the transportation industry, including OEMs and Tier 1 suppliers in Automotive, Trucks and Off-highway Vehicles, and Aerospace. LTTs caters to customer requirements through specialized state-of-the-art research and test labs for power electronics, tear down, material testing and smart manufacturing across its global delivery centers.

INDUSTRIAL PRODUCTS



[Industrial Machinery](#)

[Power Equipment](#)

[Electronics](#)

[Building Solutions](#)

[Lighting Engineering](#)

[Renewable Energy](#)

LTTs helps its OEM customers across building automation, home and office products, energy, process control and machinery backed by its deep domain expertise across software, electronics, connectivity, mechanical engineering, industrial networking protocols, User Interface/User Experience (UI/UX), test frameworks and enterprise control solutions.



TELECOM AND HI-TECH

Semiconductors

Consumer Electronics

ISV

Media & Entertainment

Telecom



LTTS' Telecom and Hi-Tech vertical provides engineering services and solutions that cater to five key sectors: Telecom, Consumer Electronics, Semiconductor, ISV, and Media & Entertainment. LTTS also provides services and solutions in latest technologies such as 5G, LTE, SDN/ NFV, Multimedia, Connectivity, Cloud, Microservices, DevOps, Big Data/ Analytics, Data Center, OTT, RDK (Video, Broadband, Camera).

MEDICAL DEVICES



Surgical and Diagnostic

Therapeutic and Life Science

Patient Mobility

Musculoskeletal

LTTS helps medical device OEMs address various industry challenges including, acceleration of the development cycle for new products thereby reducing the time-to-market in developing new products, value engineering, and enabling customers to launch their product in various geographies by following country-specific regulatory requirements. LTTS focuses on delivering solutions in in-vitro diagnostics, patient mobility services, musculoskeletal services, surgical services, cardiovascular, home healthcare and general medical.



PLANT ENGINEERING

Consumer Packaged
Goods

Speciality Chemicals
Energy & Utilities



As an engineering, procurement, and construction management (EPCM) specialist, LTTs supports every phase of a plant's lifecycle from concept to commissioning. LTTs enables its customers to streamline their processes, resolve downtime issues, and adhere to statutory, human safety and machine safety standards both locally as well as globally.



Founder Chairman's Message

Dear Shareholders,

LTTS' multi-domain engineering expertise, from manufacturing to healthcare and telecommunications, and its bluechip clientele comprising 69 Fortune 500 companies, has helped it gain market share on a sustained basis.



L&T TECHNOLOGY SERVICES IS A DIGITAL FRONTRUNNER WITH SKILLED WORKFORCE AND FUTURE-READY SERVICES AND SOLUTIONS.

I do hope that you and your loved ones are taking good care of yourselves while keeping faith in the administration, frontline workers and research scientists to contain the fallout of the viral outbreak and develop a solution to overcome a problem of global magnitude.

I now wish to present your Company's Annual Report for the fiscal year 2020. In its fourth year as a listed company, L&T Technology Services (LTTS) continues to build on its engineering legacy and consolidate its position as India's leading pure-play engineering services provider. You will be happy to know that ER&D spends globally have shown a steady increase year after year, making the sector relatively recession-proof, as demand for cutting edge services and solutions continue to rise. The engineering services outsourcing

industry is gaining considerable traction as customers are increasingly placing a premium on R&D and innovation.

Comprehensive ER&D Services

As a leader in the Indian engineering services space, LTTS is poised to become the preferred engineering partner to the world's top ER&D companies. The Company's multi-domain engineering expertise, from manufacturing to healthcare and telecommunications, and its bluechip clientele comprising 69 Fortune 500 companies, has helped LTTS gain market share on a sustained basis.

Your Company is among the frontrunners in Digital Engineering in Indian industry. LTTS' focus is on conceiving and executing digital blueprints for its global customers. A research-oriented culture and

out-of-the-box thinking, reflected in its growing number of patents and IP portfolio, further consolidates its credentials as an innovation-led company.

Our leadership in the field is built on the pillars of investing in future technology trends backed by continuous training to ensure that our employees' skillsets and domain knowledge remain on the cutting-edge. We have set up a comprehensive digital skills training program to encourage and mentor engineers to develop skills in new-age fields such as machine learning, automation and engineering analytics. Theoretical training is complemented with real-life insights from customer projects, making the LTTS engineers both highly-skilled and future-ready.

Industry Trends



In these uncertain times, corporates around the world are seeking to mitigate risk by gravitating towards industry leaders and well-established brands. In my interactions, with several of the world's top CEOs, I have observed a marked trend of consolidation of market share in favor of industry leading technology players. Major enterprises today are looking for technology partners who are agile, flexible, innovative and can accelerate their transformation journey. This holds good prospects for growth for LTTTS in the longer term. In the post COVID era, new-age technologies such as 5G, Artificial Intelligence, Machine to Machine Communication, Internet of Things, and Advanced Robotics will play a major role in 'normalization' of the work ethos. Technology will enable and enhance more operations in multiple sectors – manufacturing, transportation, healthcare, etc. Anticipating this, your Company has been consistently investing and growing its new-age technology portfolio allowing it to roll out cutting-edge offerings to customers. With proven expertise in Digital Engineering, LTTTS could well become the transformation partner of choice for more of the world's leading companies.

Performance in FY20

LTTTS has done remarkably well despite the challenges posed since the beginning of FY20. In the fiscal year ended March 31, 2020, revenues grew 11% to touch ₹ 56,191 million, equivalent to USD 786 million, while net profit rose 7% to ₹ 8,186 million for the year.

LTTTS is among the top-rated companies in the analyst community, winning recognition from some of the world's reputed consultancies including Everest Group, ARC and NelsonHall. Other accolades that your Company won in FY20, include recognition from the Confederation of Indian Industry (CII) as one of the most innovative Indian companies in the Services category in the Large Enterprises' segment. I look forward to seeing the vibrant team of LTTTS cross more milestones in the years ahead.

I thank Dr. Keshab Panda and his inspired team for an impressive performance. I also thank all of you, our valuable shareholders for steadfastly supporting LTTTS. I wish every one of you and your families a safe, healthy and prosperous future.

A. M. Naik
Founder Chairman

CEO & Managing Director's Message

Dear Shareholders,

Having achieved the distinction of being India's #1 pure-play ER&D services company, we are committed to our vision of being the world's leading ER&D Services Company and an agent of transformation for global industries.



FY20 REVENUE GROWTH OF 11%



20%+ GROWTH RATE IN 3 VERTICALS - TRANSPORTATION MEDICAL DEVICES, AND PLANT ENGINEERING

FORMIDABLE IP PORTFOLIO WITH



502 PATENTS

I hope all of you are staying safe and well during these extraordinary times. Despite the global crisis caused by the COVID pandemic towards the end of the fiscal year, our Company remains well-positioned to help our customers navigate through the turbulent new normal.

Over the last decade, there have been multiple external challenges as well as disruptive technological shifts that we have had to overcome, and LTTTS has emerged stronger because of it. This has been possible because of a combination of distinct Engineering DNA, a concentrated focus on ER&D services and an underlying culture of innovation.

LTTTS has benefited immensely from its parent L&T's engineering heritage over eight decades spanning multiple domains and disciplines. Our ability

to leverage this engineering expertise and cross-pollinate technologies from one segment to another has been the defining factor that has helped us to maintain our leadership position across all five industry segments, a fact that is also validated by the annual Zinnov Zones ratings where we have maintained our leadership position year after year.

Today, LTTTS has well-defined offerings in each of our segments helping us expand our customer engagement size. In a span of a few years, LTTTS' technology portfolio has grown, as we successfully merged our strong domain knowledge in engineering with new-age technologies. Our suite of Digital Engineering offerings prepares the roadmap for mobility and autonomy, provides affordable healthcare for the masses, helps develop semiconductor chip designs for 3D Cameras and

smart glasses and transforms the shop floor into intelligent factories. LTTS' share of business from Digital & leading-edge technologies has been steadily rising over the years and now comprises about 40% of our business, compared to 33% in the previous fiscal year.

Our performance continues to be ahead of industry – over the last three years, LTTS has grown revenues at a CAGR of 18% to reach USD 786 million in FY20. We closed FY20 with ₹ 56,191 million in revenue which is a growth of 11%. The EBIT margin improved to 16.5% in FY20 reflecting good execution on the operational front while PAT showed a growth of 7% to touch ₹ 8,186 million in FY20. In line with the dividend distribution policy, the Company declared an interim dividend of ₹ 7.50 and the Board has recommended a final dividend of ₹ 13.50 per share, taking the total dividend to ₹ 21 for FY20.

Innovating for our Customers

There is a lot of hard work, investment, and value addition that shapes our long-term relationships with clients. In FY19, we realized that to truly give our customers an intimate understanding of our technology offerings, it would be necessary to take our solutions to them rather than waiting for customers to visit our sites. With this in mind, we embarked on a first ever ER&D Services bus tour and hackathon in the European market, spanning four countries and eight European cities. LTTS' digital solutions were showcased to customers in a well-decked bus that traveled from city to city. The theme for the LTTS Europe bus tour - *For the Next Billion* - demonstrated how a leading Indian tech company could work with industries in Europe on Industry 4.0 solutions for the next billion users in

the emerging markets, from Africa to Asia and LATAM.

At the same time, we continued to expand our onsite presence to get closer to the customer. In December 2019, we opened a design center in Rockford, Illinois in US that caters to avionics design, systems engineering and aftermarket services for the aerospace industry. The Center of Excellence expands our presence in an important market and helps us work closer with our end-customers, allowing LTTS to be the preferred partner in their ER&D programs.

We have also started to take our products and platforms to the customers' commercial premises and work with them in transforming their workplaces into smart campuses of the future. For instance, our IoT-based smart building framework i-BEMS (Intelligent Building Energy Management System) was deployed to develop the world's smartest office campus for a customer. This smart office campus in Tel Aviv, Israel was launched by the customer – a global technology giant, last year.

Digital Advisory Practice

As the next critical step in moving closer to the customer, we decided to adopt a more consultative approach to solving industry problems for enterprises. With this in mind, LTTS set up its **Digital Advisory Practice (DAP)** with an aim to architect the digital roadmap for global customers with a focus on creating smart products, services and manufacturing systems. Led by the Global Head of Digital Engineering, the elite group comprises seasoned technocrats and engineering heads who can enable enterprises to overcome the challenges faced by organizations operating in a fast-changing global setup.

LTTS' digital advisory practice rolls out end-to-end platforms and solutions for enterprises to enable faster time-to-market using accelerators such as machine learning and automation and also help them move beyond the pilot stage to the entire offerings lifecycle from ideation to design to supply chain and aftermarket services. Our technologists are working with global firms to offer smart solutions & services that can accelerate new product development, facilitate remote asset management and enable virtual Product Design & Prototyping. We have seen good traction with DAP in the last fiscal. For example, our team enabled a major Swedish industrial and commercial product maker to design and develop best-in-class products for its clientele through the setting up of a Global Engineering Center in India that would complement its product engineering roadmap.

Engineering the Change Across Industries

Now let me elaborate a little on the trends and opportunities shaping each of the vertical.

In **Transportation and Aerospace**, our team is incubating exciting solutions in the areas of electric powertrain design, intuitive driving controls and avionics software development. The automotive world is undergoing a paradigm shift with several OEMs steadily transitioning towards autonomous driving, electric cars and sustainable mobility. As an instance of our success in new-age areas of transportation, LTTS was selected as a strategic partner by Europe's leading automotive manufacturer to provide a real-time technology framework for its electric Powertrain (e-Powertrain) practice. LTTS' transportation business grew by 23% in FY20 reflecting the strong

engineering fundamentals underlying the practice.

The demand for industrial machinery, power distribution products and electrical automation was fairly robust lending a fillip to our **Industrial Products** practice during the course of the year. Customers also leveraged our capabilities in smart buildings and energy management. During the year, we successfully implemented programs on power distribution products, electrical automation and Industrial IoT for a range of customers in this segment.

Plant Engineering, another domain where LTTs is a market leader, witnessed growth across all its sub-sectors namely CPG, Oil & Gas and Specialty Chemicals. Customers have been investing in programs on asset digitalization, smart manufacturing technologies and high-end 3D plant modeling, leading to a 26% growth in this business. Our proprietary solutions such as energy monitoring framework **W.A.G.E.S** and condition monitoring platform **Avertle**, helped manufacturers upgrade and integrate their legacy systems to smart platforms that drive connectivity and synergy.

Medical Devices and Healthcare turned out to be one of our major success stories in FY20 with the segment growing by 51% year on year. Rising demand for regulatory compliance for medical devices companies opened new opportunities for LTTs. Moreover, evolving trends like remote patient care and miniaturization of devices also worked in our favor as our teams worked with medical devices OEMs on connectivity and analytics programs.

In the **Telecom & Hi-Tech segment**, a slowdown in semiconductors was somewhat offset by growing demand in the areas of VLSI chip design, hybrid

set-top boxes and ISV. We secured significant deals in VLSI design services and next-gen smart cards platform which augurs well for the future. LTTs delivered advanced engineering service to meet increasing global demand for smart set-top boxes and OTT.

Accelerating Innovation

Complementing the financial performance was LTTs' robust innovation engine. Our team of innovators continued their track record of engineering solutions for the benefit of the masses. LTTs was lauded for developing the world's first cost-effective Robotic Endo-training Kit, in association with the Government of India. LTTs' Robotic Endo-training Kit is a futuristic surgical training robot that gives a high-definition observation of the patient's anatomy and the instruments. This kit was made at a low cost and hence can be used by many hospitals or even in smaller clinics to train on inanimate material.

In FY20, LTTs' portfolio of patents stood at 502 up from 399 in FY19. Our engineers launched the virtual clone of our "Think Studio" in Bengaluru, an incubation hub dedicated to innovative prototypes and design.

We also deployed our equipment maintenance solution Avertle for customer projects around the globe. Avertle employs machine learning principles in predictive analytics to proactively notify operators about potential machine failure.

As a multinational ER&D services company with a market leadership in ten industry sub-verticals, we realized that in order to maintain our leadership position, it is imperative that our workforce is trained in cutting edge skills. With a mission to make our workforce digitally equipped and ready

for the future, LTTs has set up a Global Engineering Academy (GEA) which provides a unique opportunity for LTTs employees to upskill and reboot their domain knowledge. Our engineers can select programs from 15 technology tracks to advance their advanced engineering skillsets. I am confident that our digitally-armed engineers will be the force behind LTTs' growth in the coming years.

I am proud to inform you that LTTs was conferred with the CII Industrial Innovation Award in 2019 that recognized it as one of the most innovative Indian companies in the Services category in the 'Large Enterprises' segment. We were also recognized by the Indo American Chamber of Commerce as the Best Company in the Services category. Such distinguished awards are truly a testimony to LTTs' culture of innovation and track record of engineering excellence.

In conclusion I would like to state that having achieved the distinction of being India's #1 pure-play ER&D services company, we are committed to our vision of being the world's leading ER&D services company and an agent of transformation for global industries navigating the post-COVID new normal.

On behalf of the entire Board of Directors, the management team and all our employees, I would like to thank you for your continued support and encouragement and look forward to another exciting year for Team LTTs.

I wish you and your families happiness, health and prosperity in the months to come.

Dr. Keshab Panda
CEO & MD

Board of Directors



A.M. Naik
Founder Chairman

Mr. A. M. Naik is the Chairman of L&T. He is also the Chairman of the L&T Group of Companies – the Group that he has served for over five decades and led for the last two.

As CEO of L&T, Mr. Naik is credited with initiating the process of articulating a new vision for the Company with unprecedented weightage for IT and IT-related services. He is the architect of a transformation that saw the organization re-structure its portfolio, focusing on carefully curated business lines, accelerating the pace of growth, and boosting shareholder value many times over. In recognition of his role in propagating the development of technical and vocational skills, the Government of India appointed Mr. Naik, Chairman of the National Skill Development Corporation. He is the recipient of some of the most prestigious national and international awards, and has won recognition from academia,

professional associations and the media for his leadership, engineering expertise and financial acumen. He has also been honored for his contribution to society and community in the critical sectors of healthcare, education and skill-building.

Awards won by Mr. Naik include the nation's highest civilian honors – the 'Padma Vibhushan' and the 'Padma Bhushan', the highest award from the state of Gujarat – the 'Gujarat Garima'. He has been named 'Business Leader of the Year' by The Economic Times, 'Asia Business Leader' by the TV channel CNBC Asia and 'Business Leader of the Year (Building India)' by NDTV Profit. He is the Hon. Consul General for Denmark in Mumbai and was honored as a 'Knight of the Order of the Dannebrog', followed by a further honor 'Order of the Dannebrog Knight 1st Class' by Queen Margrethe of Denmark.



S.N. Subrahmanyam
Vice Chairman

Mr. S.N. Subrahmanyam is Vice Chairman, L&T Technology Services Limited, as well as the Chief Executive Officer and Managing Director of Larsen & Toubro. In addition, he is Vice Chairman on the Board of L&T Infotech Limited (LTI) and Non-Executive Chairman of L&T Metro Rail (Hyderabad) Limited.

Mr. Subrahmanyam, or SNS as he is known in industry circles, took over the reins in July 2017 having previously, as Deputy Managing Director and President, L&T, headed the construction business of the group.

At the helm, SNS leads the varied businesses of L&T to chart a new growth trajectory, leveraging the potential of digitalization, big data and predictive analytics that he drives internally with consistency and meticulous planning. With a degree in civil engineering and post-graduation in business management, SNS commenced his professional journey with L&T in 1984 as a project

planning engineer. He was largely responsible for establishing L&T as a significant EPC player in the Middle East, Africa, and ASEAN.

SNS holds positions of pre-eminence on various industry bodies, construction institutions and councils. Recognized as the 'Contractor CEO of the Year' at the Qatar Contractors Forum & Awards function in 2014 in Doha, SNS was ranked 36th in the '2014 Construction Week Power 100' and accorded the Leading Engineering Personality award in the event 'Glimpses of Engineering Personalities' by the Institution of Engineers (India). The Construction Week magazine honored him as the 'Infrastructure Person of the Year – 2012'.

SNS has been conferred the Emergent CEO Award at the CEO Awards 2019 for his exemplary leadership and delivering seamless growth for L&T and recognized as the CEO of the Year by leading Indian news channel, CNBC-Awaaz in 2020.



Dr. Keshab Panda
CEO & MD

Dr. Keshab Panda is the Chief Executive Officer and Managing Director of L&T Technology Services. Dr. Panda has over 31 years of global industry experience in research, conceptualizing, creating, operationalizing and turning around complex technology and engineering services businesses.

He has obtained a graduate degree in aeronautical engineering from Anna University, Chennai, and a post graduate degree in aerospace engineering from Indian Institute of Science, Bangalore. He obtained his Doctor of Philosophy from the Indian Institute of Technology, Bombay in Aero Servo Elasticity – (Control system fly by wire aircraft). He also holds an advanced management degree from the Aresty Institute of Executive Education, The Wharton School, University of Pennsylvania.

He started his career as a research scientist in Indian Space Research Organization and worked at the Aeronautical Development Agency, Ministry of Defence, Government of India, as a scientist/engineer for over 8 years.

Dr. Panda joined the L&T Group as Chief Executive of L&T IES in 2009.

After L&T IES was rechristened as L&T Technology Services in 2013, Dr. Panda was appointed as the Chief Executive Officer and Managing Director of L&T Technology Services on January 21, 2016. Dr. Panda led L&T Technology Services through a high profile Initial Public Offering (IPO) in India and successfully listed the company on the National Stock Exchange and the Bombay Stock Exchange.



Amit Chadha
Deputy CEO &
Whole-Time Director

Mr. Amit Chadha is the Deputy Chief Executive Officer & Whole-Time Director at L&T Technology Services, responsible for providing business leadership, market direction and strategic vision to the Company. He is a core member of LTTTS' executive management team that oversees the organization's business and strategy implementation.

Amit was previously President, Sales and Business Development, where he was responsible for helping global R&D customers and Fortune 500 companies leverage L&T Technology Services' digital engineering offerings for their strategic differentiation and product development.

Amit joined L&T Technology Services in 2009, as its Business Head of America. Over the years, he has progressively taken on increased responsibility for the Company's business worldwide and helped in its growth, both organically and via acquisitions.

As a member of the executive team, Amit led L&T Technology Services through a high profile Initial Public Offering (IPO) in India and successfully listed the Company on the National Stock Exchange and the Bombay Stock Exchange.

Amit's career which spans over two decades is marked with significant achievements. He has managed P&L for multiple business units, led organization-wide strategic initiatives, business development and relationship management activities. His insightful experience has helped create business value in excess of a billion dollars spanning almost two decades in the Engineering and Information Technology outsourcing space.

Amit is certified under the Global Business Leadership Executive Program with Harvard Business School Publishing. He has also done an Advanced Management Program in Business Leadership from INSEAD, France. Amit is currently based in Washington DC.



Abhishek
COO & Whole-Time Director

Mr. Abhishek is the Chief Operating Officer (COO) & Whole-Time Director at LTTS, focusing on quality, cost-efficient delivery, and client and employee satisfaction. Key Vertical and Horizontal Heads roll up to him.

A professional with over two decades of industry experience, Abhishek has a demonstrated track record in Business Leadership on both Engineering and Enterprise Software areas.

His key strengths are making the business competitive through strategy formulation and execution, operational excellence and talent leadership. Clients, peers, senior leaders, and teams respect him for his commitment to driving results and transforming concepts to reality.

Prior to joining LTTS, Abhishek was the Chief Operations & Personnel Officer and Executive Board Member at KPIT, where he was responsible for laying out the operational framework and operational governance of all businesses within KPIT to help in achieving profitable growth. In the past, Abhishek was the Vice President and Global Head for Product Engineering Services (PES) at KPIT.

After graduating in engineering from Banaras Hindu University (now IIT-BHU), Abhishek joined Infosys in 1993 and worked till 2013. During his tenure & leadership, the ER&D business at Infosys witnessed one of the fastest growth in its business.



Sudip Banerjee
Independent Director

Mr. Sudip Banerjee is an Independent Director of our Company.

He obtained a graduate degree in Arts (honors course) in economics from University of Delhi, New Delhi. He holds a diploma in management from the All India Management Association, New Delhi. He has over 32 years of experience in IT industry.

Prior to his appointment as an Independent Director in our Company, he held the position of chief executive officer of LTIL between 2008-2011. He is also on the board of directors of Kesoram Industries Limited and IFB Industries Limited and has been an Operating Partner at Capital Square Partners Advisors Pte Ltd, Singapore. He is also a

member on the advisory board of TAPMI Business School, Jaipur. He worked with Wipro Limited ("Wipro") from 1983 to 2008 and was the President, Enterprise Solutions Division at Wipro and also a member of the Corporate Executive Council of Wipro between 2002 and 2008. He was also a member of the Executive Council of Nasscom during 2000-2002 and again from 2009-2011. He also served as a member on the Board of Governors of Indian Institute of Information Technology, Allahabad. He was appointed as an Independent Director of our Company with effect from January 21, 2016.



Arjun Gupta
Independent Director

Mr. Arjun Gupta is an Independent Director of L&T Technology Services.

He received a graduate degree in economics, (honors) from St. Stephen's College, Delhi University; a graduate degree (Phi Beta Kappa) in computer science and a post graduate degree in computer science from Washington State University; and a post graduate degree in business administration from Stanford University.

He was also an Advanced Leadership Fellow from Harvard University and a 2001 Henry Crown Fellow from the Aspen Institute. He has been the managing partner of TeleSoft Partners, a

special situations venture capital firm he founded in 1997 in U.S.A. He has over 27 years of experience working with technology companies in engineering, consulting and venture capital roles. He was ranked by Forbes Magazine in the Top-100 technology venture capital investors on the 2006, 2007, 2008 and 2009 Midas Lists. He serves on the boards of various companies in U.S.A. such as Calient Technologies Inc., Jumpstart Games Inc. (formerly Knowledge Adventure) Nexant, Inc. and SalesHood Inc.; and he is an advisor of DocuSign. He was appointed as an Independent Director of our Company with effect from October 28, 2015.



Samir Desai
Independent Director

Mr. Samir Desai is an Independent Director of L&T Technology Services.

He has obtained a post-graduate degree in electrical engineering from the Illinois Institute of Technology. He also holds a post-graduate degree in business administration from Loyola University, Chicago. Samir Desai has over 30 years of experience in management.

Prior to joining our Company, he worked at Motorola for over 30 years and has also served as a chief information officer at Motorola. He has also served as general manager of iDEN® Networks & Devices. He was appointed as an Independent Director of our Company with effect from April 30, 2014.



Narayanan Kumar
Independent Director

Mr. Narayanan Kumar is an Independent Director of our Company. He holds a graduate degree in Electronics and Communications Engineering from the University of Madras. He is a fellow member of the Indian National Academy of Engineering and the Institution of Electronics and Telecommunications Engineers. He is the Vice Chairman of The Sanmar Group, a multinational conglomerate headquartered in Chennai, and engaged in the business of Chemicals, Engineering

and Shipping. He is also the Chairman of the Indo-Japan Chamber of Commerce and Industry. He is on the board of various public companies such as L&T, Bharti Infratel Limited, Mphasis Limited among others. He is the President of Bala Mandir Kamaraj Trust, Managing Trustee of the Indian Education Trust and a Trustee of the World Wide Fund for Nature-India. He is the Honorary Consul General of Greece in Chennai.



Apurva Purohit
Independent Director

Ms. Apurva is an independent Director of our Company. Ms. Apurva Purohit is the President of the Jagran Group, one of India's largest multi-media conglomerates. With over three decades of experience in the media and entertainment industry, she leads digital, print, radio and outdoor in the group. She holds a bachelor's degree in science (Physics) and completed her PGDM from IIM Bangalore.

She was responsible for creating Lodestar, one of the largest media agencies in the country today and envisioning Times of India's entry strategy into television. She has also worked on famed turnarounds like Zee TV and is also credited with the listing of Radio City on the stock exchanges in 2017, one of the very few successful IPOs at that time.

Over the last 20 years Apurva has formed significant partnerships with private equity firms as well as promoters to build and scale up a diverse set of businesses - from early stage fledgling businesses, to setting up new ventures and to supervising turnarounds in mature and declining organizations. She is on the board of Mindtree Limited, Midday Infomedia Limited, and BD Foundation, and an advisor to private equity fund Amicus Capital. She actively mentors entrepreneurs across sectors on building and scaling businesses and shaping inspirational work cultures.

Ms. Apurva has won multiple business awards and has been named as one of the Most Powerful Women in Business as per Fortune India in 2018 and 2019 and India Today Group (2016, 2018 and 2019).

Defining the New Normal



Our five industry segments, four service horizontals, and a bouquet of pinpointed solutions enable us to deliver specific answers to the key pain areas of our customers.

Customers are looking for higher levels of personalization, faster Go-to-Market for their solutions, increased **connectivity driven by digital** and commitment to a positive, social and environmental impact. An engineering services firm which can partner with the customer in these critical areas is a clear winner. We understood the tectonic shifts in customer preferences early on and put a premium on innovation and speed to market while our end-to-end engineering capabilities spanning product and process engineering are enabling us to **engage with customers** at a more strategic level.

Leveraging our **multi-industry exposure**, engineering heritage and deep domain expertise, we have structured an organization that caters to the precise requirements of our customers across industries. From innovation in design techniques, to devising ways and means of reducing cost arbitrage, and from improving quality and reliability to streamlining PLM processes for launching better products at a faster pace, we provide services that enable our customers to meet the expectations of their end-customers. Our five industry verticals, four service horizontals and a bouquet of pinpointed solutions enable us to deliver precise answers to the key pain areas of our customers.

WE ARE DISRUPTING THE OLD & BUILDING THE NEW



At LTTS, we have split our product development portfolio into two areas. On the one hand we are working with customers to modernize and refine their product development process through technologies like **digital twinning, cloud engineering and plant automation**. On the other hand, our engineers are developing new/connected products and services for end enterprises across exciting new fields like telematics, preventive healthcare and wearables for monitoring. Both aspects are equally important business drivers as customers demand a mix of modernization of product portfolio and building new connected products and services.

In tandem with this, we are also taking a **strategic leap from services to solutions** as we continue to create new accelerators and platforms to enhance our solutions framework. This can be built up through feature enhancements in existing offerings, or strategic tie-ups with other technology player to develop a bundle of offerings for end consumers.

Technology for Today, Tomorrow and Beyond

LTTS has seen tremendous success with its engineering services offerings that have been rolled out to its global clientele. We are now the preferred engineering partner to many of the industry bell-weather. At the same time, our Digital Engineering proposition has enabled enterprises to undertake radical transformational journeys. To enable our customers to be truly future-ready, we have also set up our Digital Advisory Practice (DAP) through which we are not only enabling digital project executions but are also engaging with customers on a strategic level to execute their business goals.

Our offerings have evolved over time to encompass both, traditional engineering as well as new-age disruptive technologies.

Our offerings portfolio comprises the following:

Core Engineering Services



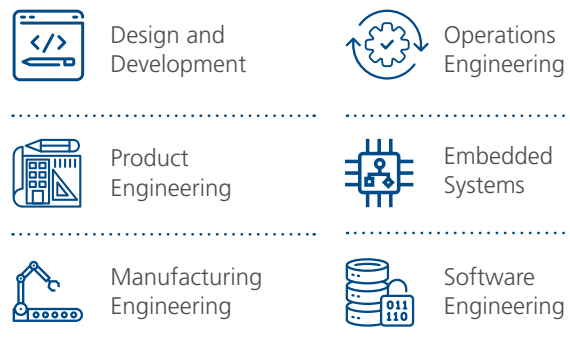
LTTS offers design and development solutions to clients across the entire value chain of product development and caters to all major industries including transportation, industrial products, telecom & hi-tech, medical devices and process industries. LTTS is well-aligned to the core engineering requirements of these industries and provides engineering best practices in the areas of **Product Manufacturing, Manufacturing Engineering, and Operations Engineering**. With its engineering design & development expertise and services portfolio across the engineering value chain, the Company is intimately involved with its global customers in improving their product and solution development and accelerating their engineering roadmap.

Our best-in-class offerings combined with our ER&D competencies power our status as a premiere engineering services company, and enables us to offer a wide spectrum of services covering multiple sectors, design and development solutions and to provide customers with holistic engineering support across their business framework.

5 Industries



Core Engineering Services



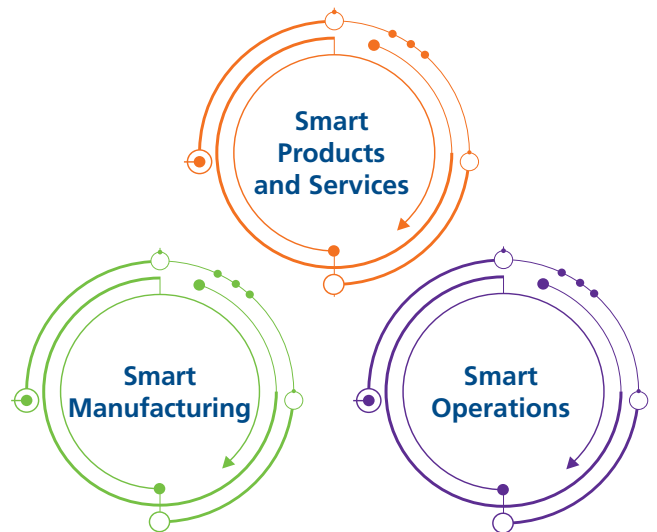


Digital Engineering



Driven by digital disruptions, market dynamics are changing at an unprecedented pace. Smart transitions, cognitive learning, speed of innovation, and technology of everything have become imperative for success. For manufacturers, the three key determinants of a successful business matrix today are Smart Products & Services, Smart Manufacturing and Smart Operations. LTTS' Digital Engineering Practice focuses on enabling our customers achieve their digital priorities in these three areas.

Transitioning to digitalization involves a process of accretion and innovation. It is critical to introduce new technologies in synergy with existing, proven systems. Legacy systems are sometimes built on rigid silos, which hinder the journey towards a digital ecosystem. A complex manufacturing system demands fluidity, agility and flexibility. Strong mechanisms of information-sharing and collaboration, that avoid unnecessary hierarchies, can help achieve this. However, these mechanisms need to be integrated intelligently within the established environment. Our Digital Engineering practice is designed to precisely assess the customer pain points and deliver digital solutions that helps our customers undertake and ace their digital transformation journey.



Key Technologies

- | | |
|---|---|
|  Digital Twins |  Augmented Reality/
Virtual Reality |
|  Artificial Intelligence |  Digital Manufacturing
Services |
|  IoT |  Factory D.0 |
|  Machine Learning | |

Digital Advisory Practice

During our conversations with the customers and industry experts, we realized that a whole lot of digital initiatives failed to provide the desired RoI. We analyzed a range of scenarios and realized while there is no doubt about the fact that 'Digital is the way forward', what determines the success or failure of the digital initiatives is the implementation approach. This led us to carve out a Digital Advisory Practice (DAP) that goes beyond selling the solutions and services and helps companies architect and execute their digital roadmap with LTTS as a consulting partner.

The four areas in which we support customer are:

Digital Road-mapping: Our team of engineering experts work with the customer as a partner and a consultant to assess customer abilities, model value cases, and create a digital roadmap for future growth. With a rich engineering heritage of 80+ years derived from our parent group, exposure to the biggest and greatest engineering projects across the globe and engineering innovations that have led the change, we are well placed to provide consulting on transforming businesses and business practices across industries. From designing a product strategy, to implementing/chalking out the Industry 4.0 roadmap and from building a smart factory to designing the cyber security protocols, our engineers have devised unique approaches and methodologies that enable our customers to build optimal engineering practices.

Virtualization and Simulation Services:

From designing the digital blueprints for the modern factories and campuses to developing exciting product prototypes, the DAP can recommend virtualization and simulation solutions for our customers. This service portfolio can also bring R&D innovation labs to the customer's doorstep by providing the customer a virtual walk-through of our digitally-cloned labs. Lastly, the DAP practice also deploys AR/VR tools to facilitate training, troubleshooting and remote operations.

Innovation Labs as-a-service: LTTS has 51 innovation labs that can be efficiently utilized to accelerate the product & manufacturing needs of enterprises. LTTS' 'labs-as-a-service' model factors in critical aspects such as cybersecurity, embedded software, chip design, connected devices, hardware, prototype and design simulation. In addition to providing its own infrastructure, LTTS also operates the customer's engineering labs in a managed services model – by running them either in full remote or social distancing.

Platforms and Solutions

Our Platforms and Solutions span across the industries and help our customers in various use case scenarios and requirements. From accelerating their product development cycles to enabling them in predictive maintenance and from executing analytics on edge to managing their facilities, our array of solutions enable our customers meet their business goals.

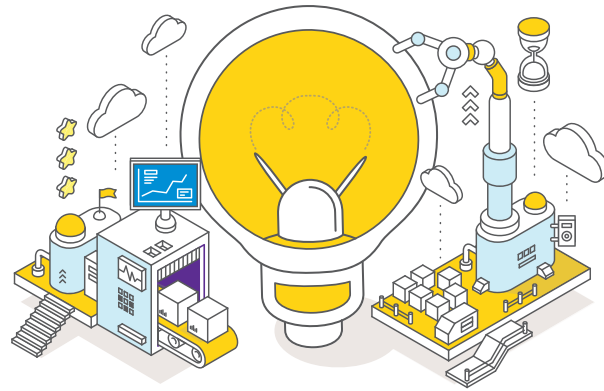


SUCCESS STORIES FROM THE DIGITAL ADVISORY PRACTICE

ROBOTICS PROCESS AUTOMATION

Our Digital Advisory team was approached by the customer for improving productivity, quality and safety of their plant. The requirement was to develop smart BOTs to notify safety alerts to various regions for approval, as soon as an alert is received through an e-mail and validated against data management system. The customer's existing process took about 20 minutes of manual effort to validate the alert individually with the different facilities across the geographies. After 14 working days, the comments were consolidated and sent to the alert owner. After 45 working days, an email was sent to stakeholders as an acknowledgment.

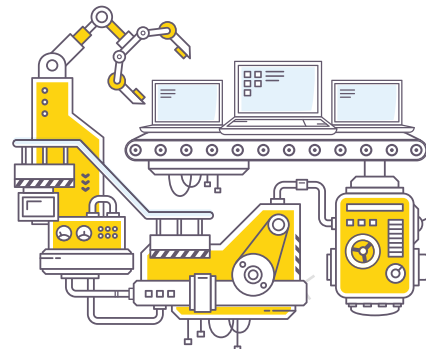
By implementing BOTs, the complete process of validation is now processed through the back-end system and with notification alerts to different regions, the process of consolidating the comments takes around 3 minutes & it can execute the tasks 24x7 without manual intervention.



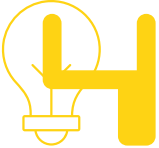
Digital Roadmapping and Solutioning

SMART PRODUCT ENGINEERING

LTTS' DAP enabled a Swedish Industrial and Commercial Product's giant through its growth journey which included prioritization of four areas: launching of new products, entering the new market areas, focus on after-market and closer co-operation with their current and new supply base. LTTS helped the customer address these priorities by setting up a dedicated Global Engineering Center (GEC) in Chennai, to complement their product engineering road-map. The GEC lends our customer, capabilities to design and develop best-in-class products for their global clientele.



Digital Roadmapping and Digital R&D Labs-as-a-Service

 **Innovation Engine**



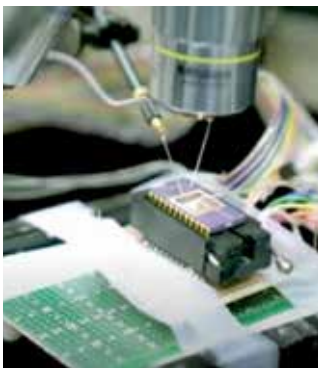
Manufacturing Design Centre, Bengaluru



Microscopy Lab, Mysuru



Aerospace & Defense Design Engineering Centre, Rockford, USA



Cybersecurity and Hardware Design COE, Israel



Design Studio, Bengaluru



ER&D Centre for Hybrid Electric Vehicles and Suite of Infotainment Console, Munich, Germany

Our conversations with customers indicate that spends on areas such as cognitive engineering, cybersecurity and engineering analytics are becoming more pervasive and are leading to development of next-generation smart products, services and operations. As part of our strategy to be the preferred ER&D partner to our customers, we continue to invest in competency building and broadening our presence

within each of these segments. We see new opportunities as customers seek disruptive technologies like AI, sensor fusion and industrial robotics to strengthen their market competitiveness. LTTS has created a strong R&D infrastructure with 51 labs and has a rich portfolio of 502 patents out of which 352 have been in collaboration with our customers.

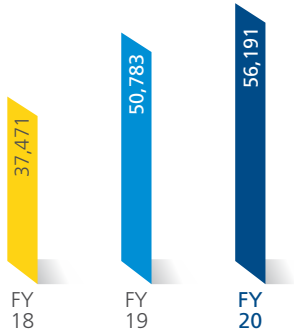


LTTS HAS CREATED A STRONG R&D INFRASTRUCTURE WITH 51 LABS AND HAS A RICH PORTFOLIO OF 502 PATENTS OUT OF WHICH 365 HAVE BEEN IN COLLABORATION WITH OUR CUSTOMERS.

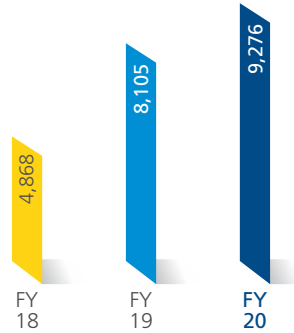
LTTS Facts & Figures

Financial Results

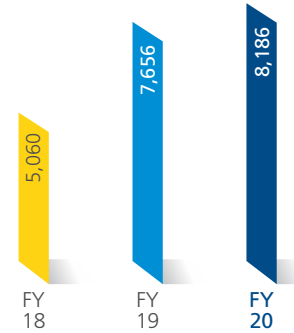
Revenue (₹ in Mn)



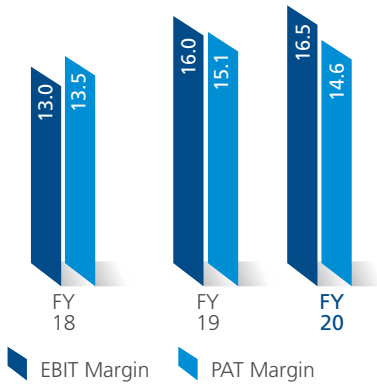
EBIT (₹ in Mn)



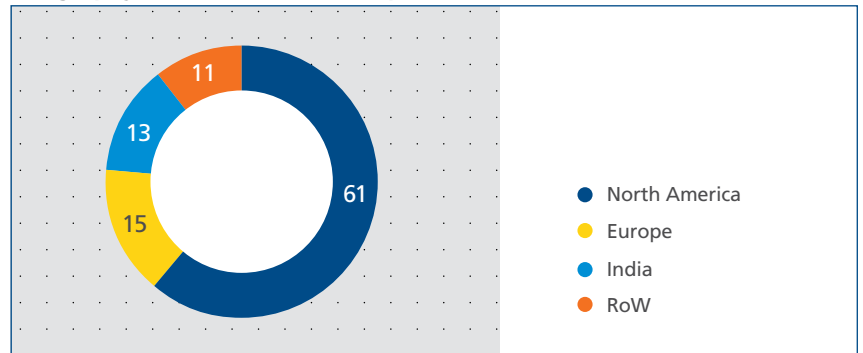
PAT (₹ in Mn)



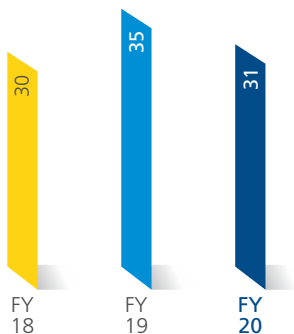
EBIT Margin and PAT Margin (%)



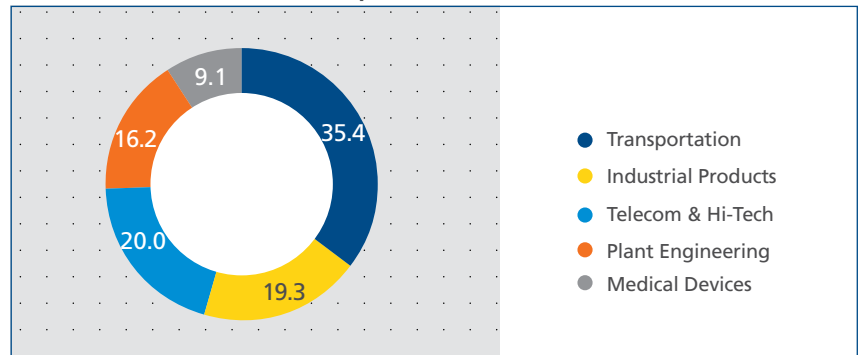
Geography-wise revenue break-up in FY20 (%)



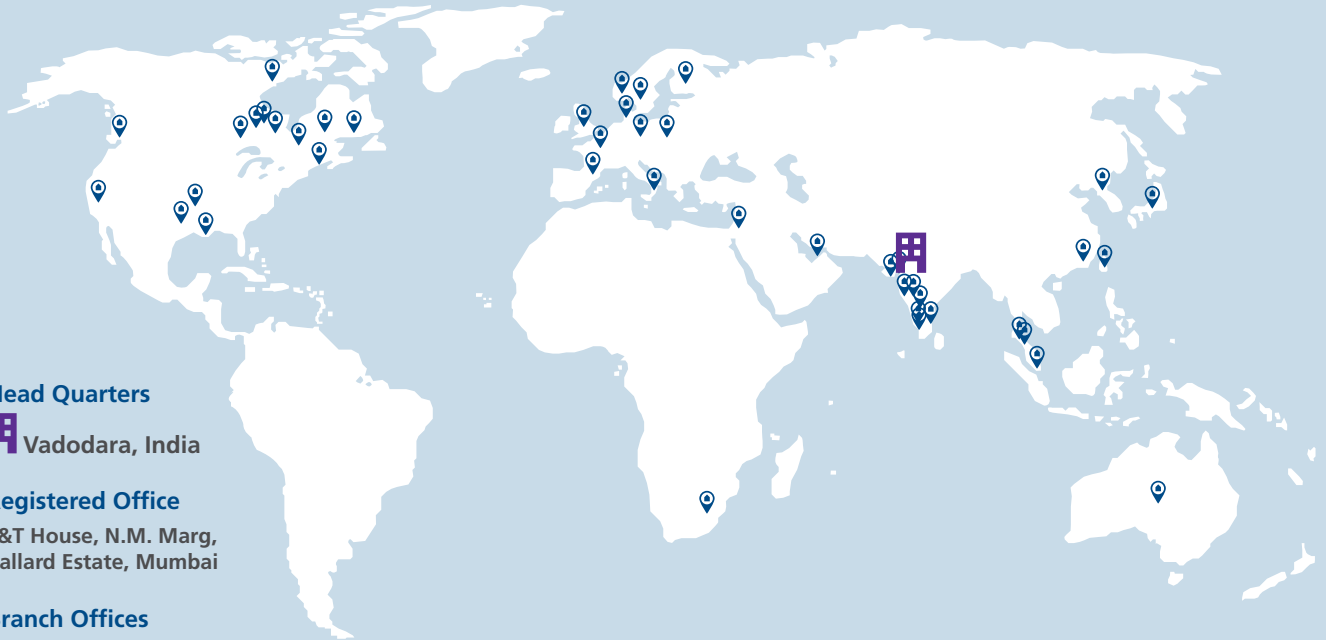
Return on Equity (%)



Business-wise revenue break-up in FY20 (%)



Global Presence



Head Quarters

 Vadodara, India

Registered Office

L&T House, N.M. Marg,
Ballard Estate, Mumbai

Branch Offices

India

- Bengaluru
- Chennai
- Hyderabad
- Mumbai
- Mysuru
- Pune
- Vadodara

USA

- **California**
Santa Clara
- **Illinois**
Peoria
Rockford
Schaumburg

- **Iowa**
Bettendorf
- **New Jersey**
Edison
- **Ohio**
Dublin
- **Pennsylvania**
New Holland
- **Texas**
Plano
Houston
- **Connecticut**
Windsor Locks

Europe

- **Belgium**
• Brussels
- **Denmark**
• Copenhagen
- **Finland**
• Espoo
- **France**
• Neuilly-Sur-Seine
• Paris
- **Germany**
• Frankfurt
• Hamburg
• Leipzig
• Munich
- **Italy**
• Milan

Israel

- Jerusalem

Netherlands

- The Hague
- Eindhoven

Norway

- Baerum

Poland

- Warsaw

Sweden

- Stockholm
- Gothenburg

United Kingdom

- London
- Manchester
- Welwyn Garden City

Europe

Japan

- Tokyo

UAE

- Abu Dhabi

Malaysia

- Petaling Jaya (Selangor)
- Cyber Jaya (Selangor)

Singapore

South Korea

- Suwon

Taiwan

- Taipei

China

- Shanghai

Rest of the World (RoW)

Australia

- Victoria (Melbourne)

Canada

- Ontario
- British Columbia

South Africa

- Houghton

 Head Quarter  Branch Offices

Map not to scale

HR Initiatives

LTTs launched a slew of employee support and welfare initiatives throughout the year. Few of these are:

Global Engineering Academy

The GEA provides an invaluable opportunity for LTTs employees to reskill and reboot their domain knowledge. There are 15 technology tracks that employees can select from, to advance their digital skillsets and be eligible for new opportunities across technology domains.

Digiciandos

This program helps employees gain proficiency in latest technologies. With over 400 attendees, we have

successfully held three sessions and trained participants on AI and Mobility. An additional USP, byte-sized learning modules that can be accessed using through handheld devices will be launched soon, enabling employees to learn on-the-go.

DeliCiate

DeliCiate (Delighted to Appreciate) provides a platform to acknowledge and appreciate the efforts that enable employees to perform at their optimum best. It provides a chance

for employees to recognize their colleagues who 'Delight' them enough to 'Appreciate' them.

AMBER - A Friend to talk to

Our innovative chatbot and a virtual personal assistant, Amber talks to new joiners and employees who have completed 3, 5, 10 and 15 years of services with us, to share their experience. So far, AMBER has reached out to 1,175 employees across LTTs and received 3.9/5 as company mood score.



Awards & Recognitions



Organizational Awards

- Dr. Keshab Panda honored with the **“CEO of the Year – Emerging Company”** Award at the annual edition of **CNBC-AWAAZ CEO Awards**
- LTTs recognized as **‘Best Company for Excellence in Services’** by **Indo-American Chamber of Commerce-West India Council**
- Recognized by CII as one of the most innovative Indian companies in the **‘Services category’** in the **‘Large Enterprises’** segment
- LTTs recognized at the **BML Munjal Awards** for Business Excellence through Learning & Development in the private services category (The award was presented by **Mr. Pranab Mukherjee, Former President of India**)
- Adjudged as the **Gold Winner of the Stevie® Award for Best Employer of the Year**
- LTTs awarded for **‘High Growth in Women Employment’** and **‘Highest Exporter-IT (Mysuru Region)’** by the Software Technology Parks of India (STPI)
- Recognized for its outstanding financial performance by **The Financial Express newspaper** and bestowed with the **FE CFO of the Year Award** in the Services category

Customer Recognitions

- Felicitated for its Robotic Endo-training Kit by **Global Innovation & Technology Alliance (GITA)**
- Honda conferred LTTs with the **‘Performance Excellence Award’** for exceeding performance standards including quality, cost and service



Technology Awards

- LTTs’ AiKno awarded **Frost & Sullivan’s 2019 Indian Cognitive Automation Technology Innovation Leadership Award**
- LTTs awarded ‘Close Contender’ for **NASSCOM’s Annual Technology Awards** in the ‘IoT’ category for its proprietary intelligent building management framework iBEMS



Research and Analyst Recognitions

- Rated as **‘Leader’** in Worldwide Business and Industrial **IoT Engineering and Managed Services 2020** by IDC
- Everest Group recognizes L&T Technology Services as **‘Leader’** in **Automotive Engineering Services**
- LTTs recognized as a **‘Leader’** in **IoT and Industry 4.0** by Zinnov Zones
- Rated as **‘Expansive and Established Leader’** across **10 verticals** by Zinnov
- Recognized as a **‘Leader’** in **Product Engineering and Manufacturing Services in Automotive & Aerospace** by ISG
- Recognized as a **‘Leader’** in **Digital Oil Field** by ISG
- Rated as an overall leader by **NelsonHall in Digital Manufacturing Services**

Community Initiatives

LTTTS is committed to promoting a culture of caring, trust, and continuous learning. As responsible corporate citizens, we undertake several transformational initiatives that contribute towards community empowerment and all-round societal development.

The journey during FY20 includes several strategic CSR initiatives outlined below:



Cataract Surgery being held at Vadodara

Health Care

In addition to existing initiatives in the areas of eradication of avoidable blindness, pre-natal care and cancer screening, this year LTTTS invested its effort in providing sustainable geriatric care for the rural elderly and extended its pre-natal care program in tribal areas to provide post-natal care to newborn children and infants.

Skill Development

In this area, LTTTS partnered with Samarathanam Trust to provide training and sector-specific skills to the differently abled and collaborated with L&T Charitable Trust to improve digital literacy and other basic skills among low skill workers to help increase their employability potential.

Education

We conducted various skilling programs like Mini Science Labs, Mobile Science Labs, eVidyaloka (virtual classroom), Abhyuday (career guidance) and Teacher Training Program to impart knowledge effectively, across various LTTTS locations, in partnership with

Agastya International Foundation, Indian Institute of Science (IISc) Bangalore and ARCH Development Foundation.

Environment

- LTTTS launched a solid waste management project in association with Society for Clean Environment (SOCLEEN) at Vadodara, Gujarat
- LTTTS launched Project Neelachala to provide disaster-resilient shelters to 150 underprivileged families affected by Cyclone FANI in Puri, Odisha
- LTTTS in collaboration with Swamy Vivekananda Youth Movement (SVYM) installed solar power panels in selected tribal hamlets of H. D. Kote taluk in Karnataka, home to some of the 75 tribes that the Government of India has identified as "Particularly Vulnerable Tribal Groups"
- Protection and Restoration of Public Places: Under the Bangalore Municipal Commissioner's "Adopt a Flyover" initiative, LTTTS partnered with India Rising Trust to adopt the Veeranapalya Flyover Project (Hebbal, Bengaluru) for its development and maintenance with 'Wild Karnataka' as the theme. Under the program, a garbage-dumping area under a flyover has now become India's first wildlife-themed arena

Water Conservation

We have partnered with National Agro Foundation for watershed management project in many villages in Maharashtra and Tamil Nadu for not just water conservation but also to educate, create awareness and organize income generating programs.



Waste Management - Training session conducted on solid waste management in Dumad (Vadodara, Gujarat)

Sports

LTTTS collaborated with ASTHA to identify aspiring wheelchair tennis players, provided them with physical disability aids and trained them in tennis, as well as organized competitive tournaments across India to help them realize their true potential.

COVID-19

LTTTS contributed ₹ 18.3 crores to the Prime Minister's – PM CARES Fund, as part of its CSR initiative. This contribution was a part of the L&T Group's resolve to contribute ₹ 150 crores to the Prime Minister's – PM CARES Fund.

Corporate Information

Board Of Directors

Mr. A. M. Naik	Chairman
Mr. S. N. Subrahmanyam	Vice Chairman
Dr. Keshab Panda	Chief Executive Officer & Managing Director
Mr. Amit Chadha	Deputy CEO & Whole-Time Director
Mr. Abhishek	COO and Whole-Time Director
Mr. Sudip Banerjee	Independent Director
Mr. Arjun Gupta	Independent Director
Mr. Samir Desai	Independent Director
Mr. Narayanan Kumar	Independent Director
Ms. Apurva Purohit	Independent Director

Chief Financial Officer	Mr. P. Ramakrishnan
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Company Secretary	Mr. Kapil Bhalla
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Registered Office	L&T House, N.M. Marg, Ballard Estate, Mumbai - 400 001
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Corporate Office	West Block-II, L&T Knowledge City (IT/ITES) SEZ, N.H. No. 8, Ajwa Waghodia Crossing, Vadodara - 390 019
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CIN No.	L72900MH2012PLC232169
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Website	www.LTTS.com
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Auditors	Sharp & Tannan
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Registrar & Share Transfer Agent	Kfin Technologies Private Limited (www.kfintech.com)
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L&T TECHNOLOGY SERVICES LIMITED

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

CIN: L72900MH2012PLC232169

Email: investor@lts.com • Website: www.LTTS.com

Tel No.: +91 22-67525656 • Fax No.: +91 22-67525893

NOTICE

NOTICE IS HEREBY GIVEN THAT the EIGHTH ANNUAL GENERAL MEETING of **L&T TECHNOLOGY SERVICES LIMITED** will be held through **Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”)** on **Friday, July 17, 2020 at 4.30 p.m.** to transact the following business:

ORDINARY BUSINESS:

- To consider and adopt the audited financial statements of the Company for the year ended March 31, 2020 and the Reports of the Board of Directors and Auditors thereon and the audited consolidated financial statements of the Company and the Reports of the Auditors thereon for the year ended March 31, 2020;
- To declare a final dividend on equity shares for the financial year 2019-20;
- To appoint a Director in place of Mr. S. N. Subrahmanyam (DIN: 02255382) who retires by rotation and is eligible for re-appointment;
- To appoint a Director in place of Dr. Keshab Panda (DIN: 05296942) who retires by rotation and is eligible for re-appointment;

SPECIAL BUSINESS:

- APPOINTMENT OF MS. APURVA PUROHIT (DIN: 00190097) AS AN INDEPENDENT DIRECTOR OF THE COMPANY**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

“RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, Companies (Appointment and Qualifications of Directors) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or amendment(s) thereto or

re-enactment(s) thereof for the time being in force], Ms. Apurva Purohit (DIN: 00190097), who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a Notice in writing from the Director under Section 160 of the Companies Act, 2013 proposing her candidature for the office of Director of the Company, being so eligible, be appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of five consecutive years commencing from December 11, 2019 to December 10, 2024.”

- APPOINTMENT OF MR. ABHISHEK (DIN: 07596644) AS A DIRECTOR OF THE COMPANY**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

“RESOLVED THAT Mr. Abhishek (DIN: 07596644) who was appointed by the Board of Directors as an Additional Director with effect from October 18, 2019 and who holds office up to the date of this Annual General Meeting and is eligible for appointment, and in respect of whom the Company has received a notice in writing from the Director under the provisions of Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as Director who shall be liable to retire by rotation.”

- APPOINTMENT AND REMUNERATION OF MR. ABHISHEK (DIN: 07596644) AS THE CHIEF OPERATING OFFICER & WHOLE-TIME DIRECTOR OF THE COMPANY**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

“RESOLVED THAT pursuant to the provisions of Section 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder [including any statutory

modification(s) or re-enactment(s) thereof for the time being in force] the consent and approval of the members be and is hereby accorded for the appointment and payment of remuneration to Mr. Abhishek (DIN: 07596644) as Chief Operating Officer & Whole-Time Director of the Company for a period of three years w.e.f. October 18, 2019 upto and including October 17, 2022.

RESOLVED FURTHER THAT Mr. Abhishek in his capacity as Chief Operating Officer & Whole-Time Director of the Company, be paid remuneration as may be fixed by the Board, from time to time, as prescribed under the Companies Act, 2013 and within the limits approved by the members as per the details given in the explanatory statement forming part of the Notice convening this Annual General Meeting.”

8. REMUNERATION OF DR. KESHAB PANDA (DIN: 05296942) AS THE CHIEF EXECUTIVE OFFICER & MANAGING DIRECTOR

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

“RESOLVED THAT pursuant to the provisions of Section 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V of the said Act and the rules made thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], approval of the members be and is hereby granted for payment of remuneration to Dr. Keshab Panda in his capacity as Chief Executive Officer & Managing Director of the Company, as may be fixed by the Board, from time to time, as prescribed under the Companies Act, 2013 and within the limits approved by the members as per the details given in the explanatory statement forming part of the Notice convening this Annual General Meeting.

RESOLVED FURTHER THAT save as provided in the Explanatory Statement forming part of this Notice, all other terms and conditions of appointment of Dr. Keshab Panda, as approved by the members on August 22, 2018, shall remain unchanged.”

9. REMUNERATION OF MR. AMIT CHADHA (DIN: 07076149) AS THE DEPUTY CHIEF EXECUTIVE OFFICER AND WHOLE-TIME DIRECTOR

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

“RESOLVED THAT pursuant to the provisions of Section 196, 197 read with Schedule V and other applicable provisions, if any, and the rules made thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], the consent and approval of the members be and is hereby accorded for appointment of Mr. Amit Chadha as Deputy Chief Executive Officer with effect from April 1, 2020.

RESOLVED FURTHER THAT approval of the members be and is hereby granted for payment of remuneration to Mr. Amit Chadha in his capacity as Deputy Chief Executive Officer and Whole-Time Director, as may be fixed by the Board, from time to time, as prescribed under the Companies Act, 2013 and within the limits approved by the members as per the details given in the explanatory statement forming part of the Notice convening this Annual General Meeting.

RESOLVED FURTHER THAT save as provided in the Explanatory Statement forming part of this Notice, all other terms and conditions of appointment of Mr. Amit Chadha, as approved by the members on August 22, 2018, shall remain unchanged.”

By Order of the Board of Directors
For **L&T TECHNOLOGY SERVICES LIMITED**

KAPIL BHALLA
Company Secretary
(M. No. F 3485)

Date: May 15, 2020

Place: Mumbai

NOTES:

1. The information required to be provided under section 102 of the Act, the LODR and the Secretarial Standards on General Meetings (SS-2), with respect to details of Directors who are proposed to be appointed/ re-appointed and the relative explanatory statement in respect of the Business under items 5 to 9 set out above are annexed hereto.
2. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide it’s circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the “AGM” through Video Conferencing (VC) / Other Audio-Visual Means (OAVM), without the physical presence of the Members at a common venue. Accordingly, in compliance with the provisions of the Act, LODR, and MCA Circulars, the AGM of the Company is being held through VC / OAVM. Hence, Members can attend and participate in the AGM through VC/OAVM only.

3. Since the AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. The Company has engaged the services of M/s KFin Technologies Private Limited (Kfintech), Registrars and Transfer Agents (RTA), to provide video conferencing facility and e-voting facility for the AGM.
5. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at alwyn.co@gmail.com with a copy marked to einward.ris@kfintech.com and investor@lts.com. The scanned image of the above mentioned documents should be in the naming format "L&T Technology Services Limited 8th AGM".
6. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company, RTA or CDSL / NSDL ("Depositories"). Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.LTTS.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of Kfintech at www.kfintech.com.
7. Members whose email address are not registered can register the same in the following manner:
 - a. Members holding share(s) in physical mode can register their e-mail address on the Kfintech website at <https://karisma.kfintech.com/emailreg> by providing the requisite details of their holdings and documents for registering their e-mail address. Post successful registration of the email address, the shareholder would get soft copy of the notice and the procedure for e-voting along with the User ID and Password to enable e-voting for this AGM. In case of any queries, shareholder may write to einward.ris@kfintech.com or contact Mr. S V Raju, Deputy General Manager of KFin Technologies Private Limited at 040-67162222 or at 1800 345 4001 (Toll Free).
 - b. Members holding share(s) in electronic mode are requested to register / update their e-mail address with their respective Depository Participants "DPs" for receiving all communications from the Company electronically.
8. In terms of the MCA Circulars and in the view of the Board of Directors, all matters included in this Notice are unavoidable and hence are proposed to be approved at this AGM. Relevant documents referred to in the accompanying Notice calling the AGM will be made available for electronic inspection by the Members upon sending the email to the Company at investor@lts.com upto the date of the AGM. The said documents will be available for electronic inspection for the Members without any fee.
9. The attendance of the Members (members logins) attending the AGM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
10. At the 6th AGM held on August 22, 2018 the Members approved the appointment of M/s Sharp & Tannan Chartered Accountants (ICAI Registration No.109982W), as Statutory Auditors of the Company to hold office for a period of four years from the conclusion of that AGM till the conclusion of the 10th AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at this AGM.
11. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
12. The Register of Members and Share Transfer Books of the Company will remain closed from **Friday, July 10, 2020 to Friday, July 17, 2020 (both days inclusive)**.
13. Members holding shares in physical form are requested to furnish bank details, e-mail address, change of address etc. to the Company's Registrar & Share Transfer Agents: KFin Technologies Private Limited, Selenium Tower B, Plot Nos. 31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad 500 032, so as to reach them latest by **Thursday, July 9, 2020**, in order to take note of the same. In respect of members holding shares in electronic mode, the details as would be furnished by the Depositories as at the close of the aforesaid date will be considered by the Company. Hence, Members holding shares in demat mode should update their records at the earliest.

14. There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. Members who have not encashed their dividend warrants/demand drafts pertaining to the year 2016-17, 2017-18, 2018-19 and interim dividend of 2019-20 may approach the Company/ RTA, for obtaining payments thereof.
 15. Final Dividend if approved by the Members at this Meeting will be directly credited to the bank accounts of the shareholders as on the Record Date i.e. July 9,2020 as per the details available with the Company within the prescribed timelines. In case of shareholders who have not registered their bank details with the Company, dividend warrants/cheque/demand drafts will be sent to them in due course of time and upon normalization of postal services.
 16. The Company has designated an exclusive e-mail id viz. investor@lts.com to enable Investors to register their complaints, if any.
 17. SEBI has mandated securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019. In view of the above and to avail various benefits of dematerialisation, Members are advised to dematerialize shares that are held by them in physical form.
- A. Instructions for attending the AGM through VC / OAVM are as under:**
- I. Convenience of different persons positioned in different time zones has been kept in mind before scheduling the time of AGM.
 - II. Members will be provided with a facility to attend the AGM through video conferencing platform provided by Kfintech. Members may access the same at <https://evoting.karvy.com/>. by using the remote e-voting credentials. The said credentials will be sent to the registered email ID by Kfintech. The link for AGM will be available after login, where the EVENT and the name of the company can be selected. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice.
 - III. Facility of joining the AGM through VC / OAVM shall open 15 minutes before the time scheduled for the AGM and Members who may like to express their views or ask questions during the AGM may register themselves as Speaker by clicking on the "speaker Registration" after logging at <https://emeetings.kfintech.com> by using e-voting login credentials 48 hours before start of the AGM. Facility of joining AGM will be closed on expiry of 15 minutes from the schedule time of the AGM. Only those Members who register themselves as Speaker will be allowed to express views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers and time for each speaker depending upon the availability of time for the AGM.
- B. Instructions for e-voting**
- A. In compliance with the provisions of Section 108 of the Act read with Rules made there under and Regulation 44 of the LODR, the Company is offering e-voting facility to all Members of the Company. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners (in case of electronic shareholding) maintained by the
 - IV. Members who would like to express their views/ask questions during the meeting may log into <https://evoting.karvy.com/> and click on "AGM Questions" and post their queries/views/questions in the window provided by mentioning the name, demat account number/folio number, email id and mobile number. The "AGM Questions" window shall be activated during the remote e-voting period and shall be closed 24 hours before the AGM.
 - V. Facility of joining the AGM through VC / OAVM shall be available for 1000 members on first come first served basis. However, the participation of members holding 2% or more shares, promoters, and Institutional Investors, directors, key managerial personnel, chairpersons of Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Auditors are not restricted on first come first serve basis.
 - VI. Members who need technical assistance before or during the AGM, can contact with Mr. S V Raju of Kfintech at einward.ris@kfintech.com or call at 040-67162222 or at 1800 345 4001 (Toll Free).
 - VII. Members are advised to join the Meeting preferably through Laptops with Google Chrome for better experience. Further Members will be required to enable Camera, if any, and hence use Internet with a good speed to avoid any disturbance during the meeting.
 - VIII. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

- Depositories as on the cut-off date i.e. July 9, 2020 only shall be entitled to avail the facility of remote e-voting/e-voting at the AGM. Kfintech will be facilitating remote e-voting to enable the Members to cast their votes electronically and shall send the instructions for the same to the Members whose email ids are registered with them.
- B. Members can cast their vote online from 9:00 A.M. (IST) on Tuesday, July 14, 2020 to 5:00 P.M. (IST) on Thursday, July 16, 2020. The remote e-voting module shall be disabled by Kfintech for voting thereafter.
 - C. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date of Thursday, July 9, 2020 shall be entitled to avail either the facility of remote e-voting prior to the AGM or voting at the AGM. Persons who are not members as on the cut-off date should treat this notice for information purposes only.
 - D. Eligible members who have acquired shares after the dispatch of the Annual Report and holding shares as on the cut-off date i.e. Thursday, July 9, 2020 may approach the Company for issuance of the User ID and Password for exercising their right to vote by electronic means.
 - E. However, Members who are already registered with Kfintech for remote e-voting can use their existing user ID and password for casting their vote. In case they don't remember their password, they can reset their password by using "Forgot User Details/ Password" option available on <https://evoting.karvy.com>
 - F. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
 - G. The procedure and instructions for remote e-voting are as follows:
 - i. Launch internet browser by typing the URL <https://evoting.karvy.com/>
 - ii. Enter the login credentials as sent by Kfintech (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID.
 - iii. After entering these details appropriately, click on "LOGIN".
 - iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
 - v. You need to login again with the new credentials.
 - vi. On successful login, the system will prompt you to select the event i.e. L&T Technology Services Limited.
 - vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
 - viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.
 - ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
 - x. You may then cast your vote by selecting an appropriate option and click on "Submit".
 - xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution, you

- will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- xii. A Member can opt for only one mode of voting i.e. either through remote e-voting or at the AGM. A Member will not be allowed to vote at the meeting if he/she has voted through remote e-voting.
- H. The procedure and instructions for e-voting during the AGM are as follows:
- i. The e-Voting window shall be activated upon instructions of the Chairman during the AGM proceedings.
- ii. Members shall click on the "Instapoll" icon on the webpage and follow the instructions to vote on the resolutions.
- iii. Only those shareholders, who are present in the AGM and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- I. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.karvy.com/> or contact Mr. S. V. Raju, Deputy General Manager (Unit: L&T Technology Services Limited) of Selenium Tower B, Plot Nos. 31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032 or at einward.ris@kfintech.com or phone no. 040 – 6716 2222 or call KFintech's toll free No. 1-800-34-54-001 for any further clarifications.
18. The Company has appointed Mr. Alwyn D'souza, Practicing Company Secretary (Membership No. FCS 5559) or failing him Mr. Vijay Sonone, Practicing Company Secretary (Membership No. FCS 7301) of Alwyn D'Souza & Co, to act as the Scrutinizer for conducting the voting and remote e-voting process in a fair and transparent manner.
19. The Scrutinizer will submit his report to the Chairman after completion of the scrutiny. The result of the voting on the Resolutions at the AGM shall be announced by the Chairman or any other person authorized by him immediately after the results are declared.
20. Based on the report received from the scrutinizer the Company will submit within 48 hours of the conclusion of the Meeting to the stock exchanges i.e BSE Limited and National Stock Exchange of India Limited, details of the voting results as required under Regulation 44(3) of the LODR.
21. The results declared along with the Scrutinizer's report, will be posted on the website of the Company www.LTTS.com and on the website of KFintech at <https://evoting.karvy.com/> and will be displayed on the Notice Board of the Company at its Registered Office as well as Corporate Office immediately after the declaration of the result by the Chairman or any person authorised by him in writing and will be communicated to the Stock Exchanges.
22. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/ RTA (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).
23. A Resident shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to by visiting <https://iris.kfintech.com/form15> on or before July 9, 2020.
24. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.
25. Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by uploading the duly signed scanned documents by visiting <https://iris.kfintech.com/form15> on or before July 9, 2020.

EXPLANATORY STATEMENT

As required by Section 102(1) of the Act, the following Explanatory Statement sets out material facts relating to the business under Item No. 5 to 9 of the accompanying Notice dated May 15, 2020.

ITEM NO. 5

On the recommendation of the Nomination & Remuneration Committee, the Board of Directors appointed Ms. Apurva Purohit (DIN: 00190097) as an Additional Director with effect from December 11, 2019. In terms of Section 161(1) of the Act, Ms. Apurva Purohit holds office as an Additional Director upto the date of this Annual General Meeting. The Company has received a notice in writing from Ms. Apurva Purohit under Section 160 of the Act, proposing the candidature of Ms. Apurva Purohit for the office of Director of the Company.

In terms of Section 149 and other applicable provisions, if any, of the Act, Ms. Purohit is proposed to be appointed as an Independent Director with effect from December 11, 2019 for a period of five years upto and including December 10, 2024, subject to the approval of the members in the Annual General Meeting. Pursuant to the provisions of the Act and Regulation 25(2) of the LODR, Ms. Purohit would also be eligible for re-appointment after December 10, 2024.

Brief Profile of Ms. Apurva Purohit

Ms. Apurva Purohit is the President of the Jagran Group, one of India's largest multi-media conglomerates. With over three decades of experience in the media and entertainment industry, Ms. Purohit leads the digital, print, radio and outdoor in the group. Ms. Purohit was responsible for creating Lodestar, one of the largest media agencies in the country today and envisioning Times of India's entry strategy into television. She has also worked on famed turnarounds like Zee TV and is also credited with the listing of Radio City on the stock exchanges in 2017, one of the very few successful IPOs at that time. Under the leadership of Ms. Apurva Purohit, Music Broadcast Ltd - the company which runs Radio City FM network - has consistently been ranked as amongst the top 10 Best places to Work in India and in Asia as per the 'Great Places to Work' survey.

In her tenure at Jagran, Ms. Apurva Purohit has pivoted the group from a deep-rooted reliance on its traditional print businesses to focus on new age emerging businesses. The strategies adopted under her leadership and her continued emphasis on excellence in implementation have increased both the scale and the profitability of these businesses manifold. Over the last 20 years, Ms. Purohit has formed significant

partnerships with private equity firms as well as promoters to build and scale up a diverse set of businesses - from early stage fledgling businesses to setting up new ventures and to supervising turnarounds in mature and declining organizations. Ms. Purohit actively mentors entrepreneurs across sectors on building and scaling businesses and shaping inspirational work cultures. Ms. Purohit has won multiple business awards and has been named as one of the Most Powerful Women in Business as per Fortune India in 2018 and 2019 and India Today Group (2016, 2018 and 2019). Ms. Purohit holds a Bachelor's Degree in Science (Physics) and completed her PGDM from IIM- Bangalore.

The Board is of the opinion that Ms. Apurva Purohit fulfills the conditions specified in the Act and rules made thereunder and provisions of the LODR to be eligible for appointment as Independent Director of the Company. The Board is also of the opinion that Ms. Apurva Purohit is independent of the management of the Company and her association would be of immense benefit to the Company and hence, it is recommended to avail the services of Ms. Apurva Purohit as an Independent Director of the Company. A copy of the draft letter of appointment of Ms. Apurva Purohit as an Independent Director setting out the terms and conditions will be available for electronic inspection without any fees by the members.

Disclosures as required under SS-2 on General Meetings are provided as an Annexure to this Notice.

The Board recommends approval for the appointment of Ms. Apurva Purohit as an Independent Director by the Members through Ordinary Resolution set forth in Item No. 5 of the Notice.

Except Ms. Apurva Purohit, being the appointee, none of the Directors and Key Managerial Personnel of the Company, including their relatives, are in any way concerned or interested in the resolution set out at Item No. 5.

ITEM NOS. 6 & 7

On the recommendation of the Nomination & Remuneration Committee, the Board of Directors appointed Mr. Abhishek (DIN: 07596644), as an Additional Director with effect from October 18, 2019. In terms of Section 161(1) of the Act, Mr. Abhishek holds office as an Additional Director up to the date of this Annual General Meeting. The Company has received a notice in writing from Mr. Abhishek under Section 160 of the Act proposing the candidature of Mr. Abhishek for the office of Director of the Company.

Mr. Abhishek was earlier appointed as the Chief Operating Officer of the Company with effect from May 4, 2019. Further, on the recommendation of the Nomination & Remuneration Committee, the Board of Directors appointed Mr. Abhishek (DIN: 07596644), as the Chief Operating Officer and Whole Time Director with effect from October 18, 2019 for a period of three years up to and including October 17, 2022 as per the below mentioned terms and conditions including his remuneration, subject to the approval of the members.

Further, the Board of Directors in its meeting held on May 15, 2020 has decided that due to the ongoing situation caused by COVID-19 and its impact on the Company's business, the existing compensation structure of Mr. Abhishek for FY 2019-20 would continue for FY 2020-21 also. However, the Board is authorised that, in case the situation improves in future, then the Board may revise the compensation structure of Mr. Abhishek, provided however that the annual increment will not exceed 8% of his existing remuneration.

The compensation structure and terms and conditions of the appointment of Mr. Abhishek are as follows:-

Particulars	Existing Remuneration
Basic Salary	20,00,000
Flexible Compensation Plan	1,00,00,000
Performance Linked Compensation	30,00,000

Notes:-

1. *The Total Remuneration mentioned above shall be revised as per the Company's policy subject to annual increment upto 8%, as may be decided by the Board of Directors upon recommendation of NRC from time to time. However, the total remuneration shall not exceed the limits approved by the Members and prescribed under Section 197 read with Schedule V of the Companies Act, 2013.*
2. *Since Mr. Abhishek is appointed as Whole-time Director in the middle of FY 2020, the total remuneration of such financial year will be payable on pro-rata basis for the period of his employment as Director.*
3. *The other components of remuneration such as Stock Options and other terms and conditions will be as mentioned in the draft agreement entered into with the Appointee.*
4. *Appointee will be eligible for provident fund, gratuity, medical insurance premium as per Company's policy.*
5. *Will be eligible for medical benefits and health insurance in accordance with the Company's policy.*
6. *Will be entitled to all other benefits, perquisites, as may be applicable as per Company policy.*

Brief Profile of Mr. Abhishek :

Mr. Abhishek has over two decades of industry experience in Business Leadership in both Engineering and Enterprise Software areas. His key strengths are making business competitive through strategy formulation and execution, operational excellence and talent leadership.

Prior to joining LTTTS, Mr. Abhishek was an Executive Board Member & Chief People and Operations Officer (CPOO) at KPIT Technologies Ltd, responsible for laying out the Operational framework and Operational Governance of all businesses within the company (both IT and Engineering) to help in achieving profitable growth. He was also responsible for creating a highly engaged employee experience through innovative People Practices as the Executive Head of People Function (HR, Learning Organization, Recruitment). Prior to this role, his responsibilities have spanned from managing P&L unit to heading delivery and operations function in the space of Engineering Services, Mobility and BPM (Business Process Management). He has worked in US, UK and Australia in Consulting, Program Management and Account Management roles.

Before joining KPIT, Abhishek had a long association with Infosys Technologies from 1993 and until 2013 where he was Vice President and Delivery Head of "Engineering Services" providing Engineering and R&D services to global clients. Under his leadership, Engineering unit emerged as one of the fastest growing and amongst the most profitable units in Infosys. Mr. Abhishek has completed his B. Tech in Mechanical Engineering from IIT Banaras Hindu University.

Disclosures as required under SS-2 on General Meetings are provided as an Annexure to this Notice.

Part III of Schedule V of the Act read with SS-2 provides that the appointment and remuneration of Managing Directors and Whole-time Directors in accordance with Part I and Part II of the Schedule V shall be subject to approval of resolution of the shareholders in a General Meeting.

The Principle Agreement and Addendum Agreement entered into between the Company and Mr. Abhishek, Chief Operating Officer and Whole-Time Director, containing the terms and conditions of his appointment and remuneration will be open for electronic inspection without any fees by the Members

The Board recommends the approval of resolution for appointment and remuneration of Mr. Abhishek by the Members through Ordinary Resolution set forth in Item No. 6 and 7.

Except Mr. Abhishek, being the appointee, none of the Directors or Key Managerial Personnel of the Company, including their relatives, are in anyway concerned or interested in the Resolution set out in Item Nos. 6 & 7.

ITEM NO. 8

The shareholders of the Company in the Annual General Meeting of the Company held on August 22, 2018 had approved the re-appointment and remuneration of Dr. Keshab Panda (DIN: 05296942) as the Chief Executive Officer and Managing Director of the Company for a period of three years. Further, the shareholders at the Annual General Meeting held on July 20, 2019 had approved the revision in remuneration of Dr. Keshab Panda.

The Board of Directors in its meeting held on May 15, 2020 has decided that due to the ongoing situation caused by COVID-19 and its impact on the Company's business, the existing compensation structure of Dr. Panda for FY 2019-20 would continue till he acts as Director for FY 20-21. However, the Board is authorised that, in case the situation improves in future, then the Board may revise the compensation structure of Dr. Keshab Panda, provided however that the annual increment will not exceed 4% of his existing remuneration.

The compensation structure of Dr. Keshab Panda is as follows:-

Particulars	Existing Remuneration
Basic Salary	USD 700,400/- p.a
Variable Remuneration	Upto USD 2,00,000/-p.a
Profit Sharing Incentive	The CEO & Managing Director will be eligible to be considered for a Profit Sharing Incentive at the rate of 0.2% of Company's Standalone Profit after Tax (PAT). Standalone PAT will be calculated in conformance with the Act and the employee shall have no role in determining the PAT. All Profit sharing incentive payments, and the timing for such payments, will be at the Company's sole discretion.

Notes:-

1. The Total Remuneration mentioned above may be revised as per the Company's policy subject to an annual increment upto 4%, as may be decided by the Board of Directors upon recommendation of NRC. However, the total remuneration shall not exceed the limits approved by the Members and prescribed under Section 197 read with Schedule V of the Companies Act, 2013.
- 2: Will be entitled to all other benefits, perquisites, as may be applicable as per Company policy.

Brief Profile of Dr. Keshab Panda:

Dr. Keshab Panda is the Chief Executive Officer and Managing Director of the Company. Dr. Panda has over 33 years of global industry experience in research, conceptualizing, creating, operationalizing and turning around complex technology and engineering services businesses. He has obtained a graduate degree of technology in aeronautical engineering from Anna University, Chennai and a post graduate degree in aerospace engineering from Indian Institute of Science, Bangalore. He obtained his Doctor of Philosophy from the Indian Institute of Technology, Bombay. He also holds an advanced management degree from the Aresty Institute of Executive Education, The Wharton School, University of Pennsylvania. He started his career as a research scientist in Indian Space Research Organization and worked at the Aeronautical Development Agency, Ministry of Defence, Government of India, as a scientist/ engineer for over 8 years. Dr. Panda led the Company through a high profile Initial Public Offering (IPO) in India and successfully listed the Company on the National Stock Exchange and the Bombay Stock Exchange on September 23, 2016.

Disclosures as required under SS-2 on General Meetings are provided as an Annexure to this Notice.

Part III of Schedule V of the Act read with SS-2 provides that the appointment and remuneration of Managing Directors and Whole-time Directors in accordance with Part I and Part II of the Schedule V shall be subject to approval of resolution of the shareholders in a General Meeting.

The Addendum Agreement entered into between the Company and Dr. Keshab Panda, Chief Executive Officer & Managing Director containing the terms and conditions of his remuneration will be open for electronic inspection without any fees by the Members.

The Board recommends approval of the remuneration of Dr. Keshab Panda by the Members through Ordinary Resolution set forth in Item No. 8 of the Notice.

Except Dr. Keshab Panda, being the appointee, none of the Directors or Key Managerial Personnel of the Company, including their relatives, are in anyway concerned or interested in the Resolution set out in Item No. 8.

ITEM NO. 9

The shareholders of the Company at the Annual General Meeting of the Company held on August 22, 2018 had approved the re-appointment and remuneration of Mr. Amit Chadha (DIN: 07076149) as President-Sales & Business Development and Whole-Time Director of the

Company for a period of three years with effect year February 1, 2018 to January 31, 2021. Further, the shareholders of the Company at the AGM held on July 20, 2019 had approved the revision in remuneration of Mr. Amit Chadha.

The Board of Directors through circular resolution dated March 17, 2020 have appointed Mr. Amit Chadha as the Deputy Chief Executive Officer and Whole-Time Director of the Company with effect from April 1, 2020.

The Board of Directors in its meeting held on May 15, 2020 has decided that due to the ongoing situation caused by COVID-19 and its impact on the Company's business, the existing compensation structure of Mr. Amit Chadha for FY 2019-20 would continue till he acts as Director for FY 20-21. However, the Board is authorised that, in case the situation improves in future, then the Board may revise the compensation structure of Mr. Amit Chadha, provided however that the annual increment will not exceed 4% of his existing remuneration.

The compensation structure of Mr. Amit Chadha is as follows:-

Particulars	Existing Remuneration
Basic Salary	USD 4,55,000/- p.a
Conveyance & Telephone Allowance	USD 10,000/- p.a
Variable Remuneration	Upto USD 3,00,000/-p.a

Notes:-

- The Total Remuneration mentioned above may be revised as per the Company's policy subject to annual increment upto 4%, as may be decided by the Board of Directors upon recommendation of NRC. However, the total remuneration shall not exceed the limits approved by the Members and prescribed under Section 197 read with Schedule V of the Companies Act, 2013.*
- Will be entitled to all other benefits, perquisites, as may be applicable as per Company policy.*

Brief Profile of Mr. Amit Chadha:

Mr. Amit Chadha as the Deputy Chief Executive Officer and Whole-Time Director of the Company and is part of the management team providing business leadership, market direction & strategic vision to the Company. Mr. Amit Chadha is responsible for helping global R&D customers and Fortune 500 companies leverage L&T Technology Services digital engineering offerings for their strategic differentiation and product development.

Mr. Amit Chadha joined Larsen & Toubro- IES Division in 2009, as an Area Vice-President. He was transferred to L&T Technology Services Limited w.e.f. April 1, 2014 and was designated as Business Head, North America and Asia. Mr. Amit Chadha's career spans over two decades and is marked with significant achievements. He has managed P&L for multiple business units, led organization-wide strategic initiatives, business development and relationship management activities. He is certified under the Global Business Leadership Executive Program with Harvard Business School Publishing and holds a Degree in Electrical and Electronics Engineering from BIT Mesra. Mr. Amit Chadha is currently based in Washington DC.

Disclosures as required under SS-2 on General Meetings are provided as an Annexure to this Notice.

Part III of Schedule V of the Act read with SS-2 provides that the appointment and remuneration of Managing Directors and Whole – time Directors in accordance with Part I and Part II of the Schedule V shall be subject to approval of resolution of the shareholders in a General Meeting.

The Addendum Agreement entered into between the Company and Mr. Amit Chadha, Deputy Chief Executive Officer and Whole-Time Director of the Company containing the terms and conditions of his remuneration will be open for electronic inspection without any fees by the Members.

The Board recommends approval of the remuneration of Mr. Amit Chadha as Deputy Chief Executive Officer and Whole-Time Director by the Members through Ordinary Resolution set forth in Item No. 9 of the Notice.

Except Mr. Amit Chadha, being the appointee, none of the Directors or Key Managerial Personnel of the Company, including their relatives, are in any way concerned or interested in the Resolution set out in Item No. 9.

By Order of the Board of Directors
For **L&T TECHNOLOGY SERVICES LIMITED**

KAPIL BHALLA
Company Secretary
(M. No. F3485)

Place: Mumbai
Date: May 15, 2020

(ANNEXURE TO NOTICE DATED MAY 15, 2020)**DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT
AT THE FORTHCOMING ANNUAL GENERAL MEETING**

[Pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings (SS-2)]

Name of the Director	Mr. S. N. Subrahmanyam	Dr. Keshab Panda	Ms. Apurva Purohit	Mr. Abhishek	Mr. Amit Chadha
Date of Birth	March 16, 1960	October 1, 1958	October 3, 1966	June 1, 1972	October 2, 1972
Date of first appointment on the Board	January 10, 2015	June 14, 2012	December 11, 2019	October 18, 2019	February 1, 2015
Qualifications	B.Sc, Engg. (Civil) & MBA Finance	B Tech, ME, PhD from IIT Bombay and Advanced Management Degree (Wharton Business School.)	Bachelor's Degree in Science (Physics) and completed PGDM from IIM- Bangalore	B. Tech in Mechanical Engineering	B.E (Electrical and electronics)
Expertise	Vast Experience in Design and Build (D&B) contracts, PPP Projects, Engineering and Construction Industry	Diversified and global business experience in research, conceptualizing, creating, operationalizing and turning around complex technology and engineering services businesses.	Over 3 decades of experience in media and entertainment industry with focus on new age emerging businesses.	Diversified and vast experience in the field of engineering, product development and software.	Diversified and vast experience in business development and relationship management activities.
Directorships held in other public companies including private companies which are subsidiaries of public companies (excluding foreign companies)	1. Larsen and Toubro Limited 2. Larsen & Toubro Infotech Limited 3. L&T Metro Rail (Hyderabad) Limited 4. Mindtree Limited 5. Mindtree Foundation 6. L&T Realty Limited	Nil	1. Mindtree Limited 2. Middy Infomedia Limited 3. Music Broadcast Limited	Nil	1. Graphene Semiconductor Private Limited
Memberships/ Chairmanships of committees across all companies	Chairman - Risk Management Committee of the Company Member- Risk Management Committee of Larsen & Toubro Infotech Limited Member - Nomination & Remuneration Committee 1) L&T Metro Rail (Hyderabad) Limited 2) Mindtree Limited 3) Larsen & Toubro Infotech Limited	Member - Corporate Social Responsibility Committee and Stakeholders Relationship Committee of the Company	Member - Audit Committee and Chairperson - Stakeholders Relationship Committee of the Company	Nil	Nil
Number of Meetings attended during the year	4 out of 4 meetings	4 out of 4 meetings	1 out of 1 meeting	2 out of 2 meetings	4 out of 4 meetings
Shareholding of Non-Executive Directors as on March 31,2020	1,20,000	NA	NA	NA	NA
Relationships between directors inter-se	Nil	Nil	Nil	Nil	Nil

BOARD REPORT (SECTION 134)

Dear Members,

Your Directors have pleasure in presenting the 8th Annual Report along with the Audited Financial Statements of L&T Technology Services Limited for the year ended March 31, 2020.

FINANCIAL RESULTS

(₹ million)

Particulars	Standalone	
	2019-20	2018-19
Profit Before Depreciation, exceptional and extra ordinary items & tax	12,084	10,145
Less: Depreciation, amortization and obsolescence	1,534	731
Profit / (Loss) before exceptional items and tax	10,550	9,414
Add: Exceptional Items	-	-
Profit / (Loss) before tax	10,550	9,414
Less: Provision for tax	2,650	2,413
Profit for the period carried to the Balance Sheet	7,900	7,001
Add: Balance brought forward from previous year	11,770	7,240
Less: Dividend for the year (Including dividend distribution tax and deemed dividend)	2,641	2,449
Add: ESOP cancellation impact	10	
Less: Impact of IND AS 116 in opening reserve	335	
Less: Impact of Ind AS 115 and ECL on contract asset in opening reserve		22
Balance available for disposal	16,704	11,770
Balance to be carried forward	16,704	11,770

Performance of the Company

State of Company Affairs

The gross sales and other income for the financial year under review were ₹ 53,936 million as against ₹ 48,632 million for the previous financial year registering an increase of 10.91%. The profit before tax from continuing operations including extraordinary and exceptional items was ₹ 10,550 million and the profit after tax from continuing operations including extraordinary and exceptional items of ₹ 7,900 million for the financial year under review as against ₹ 9,414 million and ₹ 7,001 million respectively for the previous financial year, registering an increase of 12.07% and 12.84% respectively.

Segmental Performance

The Company has five Business Segments, namely Transportation, Plant Engineering, Industrial Products, Medical Devices and Telecom & Hi-Tech. During the year, the contribution to the revenue from various business segments were as follows: -

Segmental	FY20	% of overall	FY19	% of overall
Transportation	17,014	32.8%	14,067	29.9%
Plant Engineering	9,101	17.6%	7,220	15.3%
Industrial Products	10,717	20.7%	10,182	21.6%
Medical Devices	5,109	9.9%	3,378	7.2%
Telecom & Hi Tech	9,872	19.0%	12,273	26.0%
Total	51,813	100.0%	47,120	100.0%

The detailed segmental performance is referred in Note No. 40 of the Notes forming part of the standalone financial statements.

Geographical Performance

The Revenue contribution of the Company from various Geographies is mentioned herein below:

GEO	FY20	% of overall	FY19	% of overall
North America	30,258	58.4%	25,729	54.6%
Europe	8,256	15.9%	8,334	17.7%
India	7,457	14.4%	7,012	14.9%
Rest of the World	5,842	11.3%	6,045	12.8%
Total	51,813	100.0%	47,120	100.0%

Capital & Finance

During the year under review, the Company had allotted 4,98,233 Equity Shares of ₹ 2 each upon exercise of stock options by the eligible employees under the Employee Stock Option Scheme - 2016.

As on March 31, 2020 the total paid up equity share capital of the Company was ₹ 20,90,23,116/- consisting of 10,45,11,558 equity shares of ₹ 2 each, fully paid up. During the year under review, our Promoter and Holding Company - Larsen & Toubro Limited (L&T) - sold 40,63,632 equity shares, reducing its stake by 4.26% in order to achieve the minimum public shareholding requirement of 25% in compliance with Rule 19(2) and Rule 19A of the Securities Contracts (Regulation) Rules, 1957 and Regulation 38 of SEBI LODR. The Company thus achieved the minimum public shareholding requirement on June 26, 2019, wherein L&T's holding was reduced to 74.99%.

As on March 31, 2020, L&T holds 7,79,86,899 shares constituting 74.62% of the paid-up share capital of the Company.

Capital Expenditure

As at March 31, 2020, the gross fixed and intangible assets including leased assets, stood at ₹ 13,527 million (previous year ₹ 8,087 million) and the net fixed and intangible assets, including leased assets, at ₹ 9,595 million (previous year ₹ 5,654 million). Capital expenditure during the year is ₹ 1,347 million (previous year ₹ 872 million).

Deposits

During the year ended March 31, 2020, the Company has not accepted any deposits from the public falling within the ambit of Section 73 of the Act and the Rules framed thereunder. Hence the Company does not have any unclaimed deposits as on date.

Pursuant to the Ministry of Corporate Affairs (MCA) notification amending the Companies (Acceptance of Deposits) Rules, 2014, the Company is required to file with MCA annual return of deposits in Form DPT-3 on or before June 30, 2020 for outstanding receipts of amounts which are not considered as deposits as on 31.03.2020.

The Company would be complying with this requirement within the prescribed timelines.

Depository System

As the members are aware, the Company's shares are compulsorily tradable in electronic form only. As on March 31, 2020, 99.99% of the Company's total paid up capital representing 10,44,99,712 shares are in dematerialized form. LODR w.e.f. April 1, 2019 mandated that all transfer of shares except transmission and transposition to be carried out only in dematerialized form.

In view of the numerous advantages offered by the Depository system as well as to avoid frauds, members holding shares in physical mode are advised to avail the facility of dematerialization from either of the depositories. The Company has not accepted any physical transfer of shares during the year under review.

Further in adherence to SEBI's circular to enhance the due-diligence for dematerialization of the physical shares, the Company has provided the static database of the shareholders holding shares in physical form to the depositories which would augment the integrity of its existing systems and enable the depositories to validate any dematerialization request.

Transfer to Investor Education and Protection Fund

There are no amounts that are due to be transferred to Investor Education and Protection Fund by the Company.

The Company has sent adequate communication to the members whose dividends are unclaimed, requesting them to provide/update bank details with the RTA/Company, so that dividends paid by the Company are credited to the investors' account on timely basis.

The Company has sent communication to shareholder(s) holding shares in physical form for collecting details of their bank account such as Bank name, Bank Branch, MICR number, IFSC Code for payment of dividend to such shareholders, whose dividend remained unclaimed/unpaid. The Company hereafter will be crediting the dividend through electronic mode instead of revalidating and issuing fresh warrants or Demand Drafts to the shareholders.

Pursuant to the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has appointed the Company Secretary as the Nodal Officer for carrying out the necessary functions under the said Rules.

Subsidiary/Associate/Joint Venture Companies

During the year under review, the Company has incorporated a wholly owned subsidiary in China named L&T Technology Services (Shanghai) Co. Limited. The Company also formed an overseas company named L&T Technology Services (Canada) Limited through its wholly owned subsidiary, L&T Technology Services LLC, which holds 100% shares in the said Canadian entity.

During the year, the Company has also acquired the shares of Esencia Technologies India Private Limited (India) from Esencia Technologies Inc. and the business of Graphene Solutions PTE. Ltd (Singapore), Graphene Solution SDN. BHD (Malaysia), Graphene Solutions Taiwan limited (Taiwan) and Seastar Labs Private Limited (India) from Graphene Semiconductor Services Private Limited.

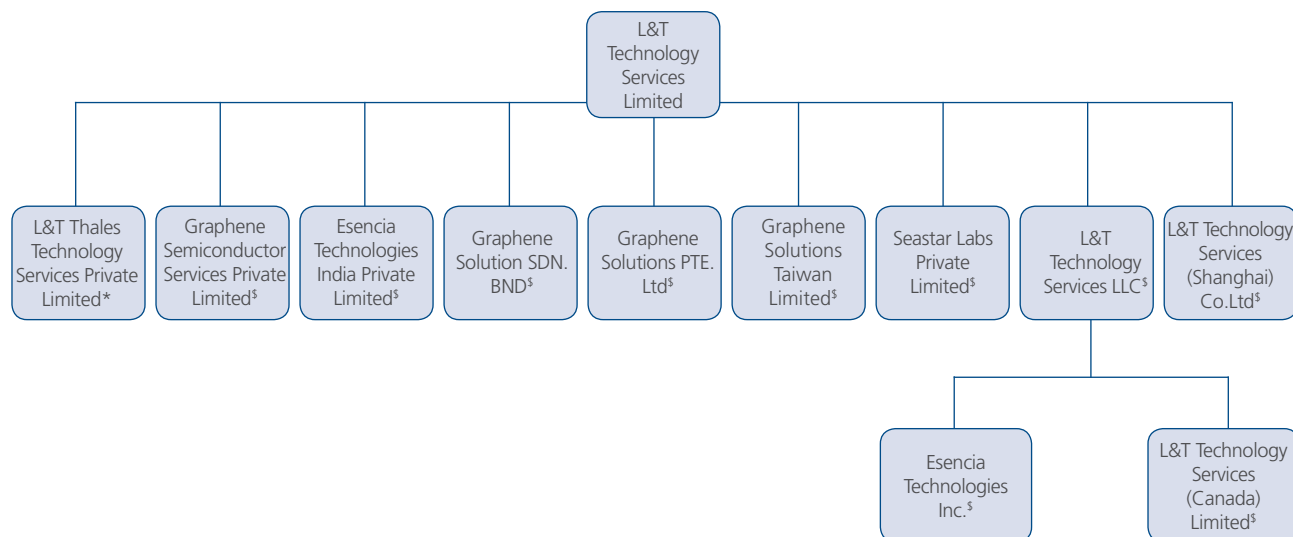
The details of investments in such companies during the year are as under:

A) Shares acquired during the year:

Name of the Company	Type of Shares	No. of shares
Graphene Solutions PTE. Ltd (Singapore)	Equity	60,501
Graphene Solution SDN. BHD (Malaysia)	Equity	1,00,000
Graphene Solutions Taiwan Limited (Taiwan)	Equity	NA*
Seastar Labs Private Limited	Equity	50,000
Esencia Technologies India Private Limited	Equity	10,000

*As per the local laws in Taiwan, share capital is not divided in number of shares

Post the said acquisition, the following is the Group structure of the Company:-



* holding in the company - 74%
 \$ holding in the company - 100%

B) Performance and Financial Position of each subsidiary/associate and joint venture companies:

A statement containing the salient features of the financial statement of subsidiaries/associate/joint venture companies and their contribution to the overall performance of the Company is annexed to this Annual Report at page no.255.

The Company has formulated a policy on identification of material subsidiaries in line with Regulation 16(c) of LODR and the same is placed on the website at <http://www.ltts.com/investors/>. The Company does not have any material subsidiaries.

Particulars of Loans given, Investments made, Guarantees given or Security provided by the Company

The Company has disclosed the full particulars of the loans given, investments made or guarantees given or security provided as required under Section 186 of Act, and Regulation 34(3) read with Schedule V of the LODR in Note 37 forming part of the financial statements.

Particulars of Contracts or Arrangements with Related Parties

The Audit Committee and Board of Directors have approved the Related Party Transaction Policy along with threshold limits and the same has been uploaded on the Company's website <http://www.ltts.com/investors>

The Company has a process in place of periodically reviewing and monitoring Related Party Transactions.

All the Related Party Transactions were in the ordinary course of business and at arm's length. The Audit Committee has approved all the Related Party Transactions for FY 2019-20 and estimated transactions for FY 2020-21 as required under the provisions of Section 177 of the Act.

There are no materially significant related party transactions that may have conflict with the interest of the Company.

Amount to be Carried to Reserves

The Company has not transferred any amount to the reserves during the current financial year.

Dividend

The Board at its meeting held on October 18, 2019 declared an interim dividend of ₹ 7.50 (375%) per equity share amounting to ₹ 782 million (the total payout including Dividend

Distribution Tax amounted to ₹ 943 million). The dividend was paid on November 5, 2019.

Further, the Board of Directors, in its meeting held on May 15, 2020 have recommended the payment of final dividend of ₹ 13.50 (675%) per equity share of ₹ 2 each for the financial year ended March 31, 2020. The proposal is subject to the approval of shareholders at the ensuing Annual General Meeting (AGM) to be held on July 17, 2020.

The final dividend on equity shares, if approved by the members, would involve a cash outflow of ₹ 1411 million.

The dividend is based upon the parameters mentioned in the Dividend Distribution Policy approved by the Board of Directors of the Company which is in line with Regulation 43A of the LODR. The Policy is provided as Annexure 'A' forming a part of this Board Report and also uploaded on the Company's website at <http://www.ltts.com/investors/>

Material changes and commitments affecting Financial position of the Company, between the end of the Current Financial Year and the date of the Report

Other than stated elsewhere in this Report, there are no material changes and commitments affecting the financial position of the Company between the end of the current financial year and the date of this Report.

Conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo

Information as required to be given under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is provided in Annexure 'B' forming part of this Board Report.

Risk Management Policy

The Risk Management Committee comprises of Mr. S. N. Subrahmanyam, Dr. Keshab Panda and Mr. P. Ramakrishnan. Mr. S. N. Subrahmanyam is the Chairman of the Committee.

The Committee is responsible for monitoring and reviewing the risk management plan and ensuring its effectiveness. The Company has formulated a risk management policy and has in place a mechanism to inform the Board Members about risk assessment, including cyber security and minimization procedures and periodical review to ensure that executive management controls risk by means of a properly designed framework. The details of the same are given in Annexure 'D' Report on Corporate Governance forming part of this Board Report.

A detailed note on risk management and the internal controls with reference to the financial statement is given under the financial review section of the Management Discussion and Analysis on page no. 115 and 120 of the Annual Report.

Corporate Social Responsibility

The Corporate Social Responsibility (CSR) Committee comprises of Mr. Arjun Gupta, Mr. Sudip Banerjee and Dr. Keshab Panda as its Members. Mr. Arjun Gupta is the Chairman of the Committee.

The disclosures required to be given under Section 135 of the Act read with Rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 are provided in Annexure 'C' to this Board report.

The CSR Policy framework is available on the Company's website <https://www.lts.com/investors/corporate-governance>

The details of the Committee are given in Annexure 'D' Report on Corporate Governance forming part of this Board Report.

During the year under review, the Company has amended the CSR Policy to include Sports and Environment as its CSR theme.

Contribution to the PM Cares Fund to fight the Covid-19 Pandemic

During the year ended March 31, 2020, as part of the L&T Group's resolve to contribute ₹ 1500 million to the Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund i.e. PM (CARES) FUND, your Company as part of its CSR initiative has made a contribution of ₹ 183.09 million and the employees have contributed ₹ 16.91 million to the PM(CARES) FUND.

Policy of 'Work From Home' implemented for fighting the threat of Covid-19 Pandemic

In line with the Govt of India's directive, State wise guidelines and directives issued by respective countries, and as a protective step for all its employees welfare and safety, the Company had put in place a Policy of "Work From Home" for all its employees from March 23, 2020 at all its Centers and Offices in India and overseas. With the objective of well-being and safety of all its employees, the Senior Management and Business Continuity Team took lot of initiatives and implemented various policies for the benefit of employees. The Human Resource Development Team was constantly in touch with all the employees and regularly gave

instructions to the employees to face this Pandemic through advisory emails.

Directors and Key Managerial Personnel Appointed/ Resigned during the year

The terms and conditions of appointment of the Independent Directors are in compliance with the provisions of the Act and LODR and are placed on the website of the Company <https://www.lts.com/investors/corporate-governance>.

The notice convening the AGM includes the proposal for appointment / reappointment of Directors.

A. Appointment/Re-appointment of Directors & Key Managerial Personnel:

During the year under review, the following appointments/ re-appointments were made on Board:-

- a. Mr. Abhishek, Chief Operating Officer, was appointed as a Whole Time Director for a period of three years with effect from October 18, 2019 upto and including October 17, 2022, subject to the approval of shareholders in the general meeting.
- b. Ms. Apurva Purohit was appointed as an Independent Director of the Company with effect from December 11, 2019 for a term of five years up to and including December 10, 2024, subject to the approval of the shareholders in general meeting.
- c. Mr. Amit Chadha, President Sales & Business Development and Whole-Time Director of the Company, was appointed as the Deputy Chief Executive Officer & Whole-Time Director of the Company with effect from April 1, 2020.
- d. Mr. S. N. Subrahmanyam and Dr. Keshab Panda, Directors, retire by rotation at the ensuing AGM and being eligible, offer themselves for re-appointment.

B. Resignation of Directors & Key Managerial Personnel:

- a. Ms. Renuka Ramnath resigned as an Independent Director of the Company on October 18, 2019 due to her other professional commitments. She has confirmed to the Company that there are no other material reasons for her resignation.

- b. Mr. Bhupendra Bhate resigned as Chief Operating Officer and Whole Time Director of the Company on May 3, 2019. He was appointed as the Chief Innovation Officer of the Company.

The Board places on record its appreciation towards valuable contribution made by them during their tenure as Directors of the Company.

The Company has also disclosed on its website <http://www.lts.com/investors/> details of the familiarization programs formulated to educate the Directors regarding their roles, rights and responsibilities in the Company and the nature of the industry in which the Company operates, the business model of the Company, etc.

Pursuant to the amendments in the Companies (Appointment and Qualification of Directors) Rules, 2014, all the Independent Directors of the Company have registered themselves with the Databank of Independent Directors and are in the process of appearing for the online proficiency test, wherever required.

The Board is of the view that all the Independent Directors on the Board possess integrity, necessary expertise and experience for performing their functions diligently.

Number of Meetings of the Board of Directors

This information is given in Annexure 'D' Report on Corporate Governance forming part of this Board Report. Members are requested to refer to page no. 61 of this Annual Report.

Audit Committee

The Company has in place an Audit Committee in terms of the requirements of Section 177 of the Act read with rules made thereunder and Regulation 18 of LODR.

Currently, the Committee comprises of 3 Independent Directors namely, Mr. N. Kumar-Chairman, Mr. Samir Desai and Ms. Apurva Purohit.

During the year under review 4 meetings were held on May 3, 2019, July 19, 2019, October 18, 2019 and January 17, 2020.

The details relating to the same are given in Annexure 'D' Report on Corporate Governance forming part of this Board Report. Members are requested to refer to page no. 65 of this Annual Report.

Company Policy on Directors' Appointment and Remuneration

The Company has in place a Nomination and Remuneration Committee (NRC) in accordance with the requirements of Section 178 of the Act read with rules made thereunder and Regulation 19 of LODR.

The details of the same are given in Annexure 'D' Report on Corporate Governance forming part of this Board Report. Members are requested to refer to page no. 67 of this Annual Report.

NRC has formulated a policy on directors appointment and remuneration including recommendation of remuneration of the key managerial personnel and senior management personnel and the criteria for determining qualifications, positive attributes and independence of a Director and also disclosed the policy on the Company's website <http://www.lts.com/> and is also enclosed to the Board Report as Annexure 'I'

The Committee has formulated a policy on Board diversity.

Stakeholders' Relationship Committee

The Company has in place a Stakeholders' Relationship Committee in terms of the requirements of the Act read with the rules made thereunder and Regulation 20 of the LODR.

The details of the same are given in Annexure 'D' Report on Corporate Governance forming part of this Board Report. Members are requested to refer to page no. 70 of this Annual Report.

Declaration of Independence

The Company has received Declarations of Independence from Independent Directors as stipulated under Section 149(7) of the Act confirming that he/she is not disqualified from being appointed or continuing as Independent Director. The same are also displayed on the website of the Company <http://www.lts.com/investors/investor-download/>. The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Act.

Adequacy of Internal Financial Controls

The Company has designed and implemented a process driven framework for Internal Financial Controls ('IFC') within the meaning of the explanation to Section 134(5)(e) of the Act. For the year ended March 31, 2020, the Board is of the opinion that the Company has sound IFC commensurate with the nature and size of its business operations and operating effectively and no material weaknesses exist. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and/or improved controls wherever such gaps would have a material effect on the Company's operations.

Directors' Responsibility Statement

The Board of Directors of the Company confirms that:

- a. In the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. The Directors have prepared the Annual Accounts on a going concern basis;
- e. The Directors have laid down an adequate system of internal financial control to be followed by the Company and such internal financial controls are adequate and operating efficiently;
- f. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively.

Performance Evaluation of Board, its Committees, Directors and Chairman

The Nomination and Remuneration Committee and the Board have laid down the manner in which formal annual evaluation of the performance of the Board, Committees, Chairman and individual Directors has to be made. All Directors responded through a structured questionnaire giving feedback about the performance of the Board, its Committees, individual Directors and the Chairman.

The Company had engaged an external agency to facilitate the process of annual evaluation of the performance of the Board, Committees, Chairman and the individual Directors. The said external agency was responsible to receive the responses from the Directors, to consolidate and analyze their responses and present the same to the Chairman of the Nomination and Remuneration Committee. The external agency used its IT platform for the entire board evaluation process right from initiation till conclusion in order to ensure that the entire process is done in a confidential, transparent and independent manner without the involvement of the Management or the Company's IT system to ensure an unbiased feedback.

The questionnaires cover the Board composition, its structure, its culture, its effectiveness, its functioning, information availability, adequate discussions etc. These questionnaires also cover specific criteria and the grounds on which all directors in their individual capacity will be evaluated.

Evaluation of Independent Directors was done by board including assessment of their performance and their independence of management.

The Board Performance Evaluation inputs were highlighted by the Chairman of Nomination and Remuneration Committee in the Nomination and Remuneration Committee as well as in the Board Meeting held on May 15, 2020. Further, the Chairman of the Nomination and Remuneration Committee apprised the Chairman on the outcome of Board Evaluation and suggested that the individual discussion with the Independent Director can be held, once the lockdown is lifted. Most of the suggestions from the Board Evaluation exercise of FY 2018-19 had been suitably implemented including Directors' Familiarization Programme, fixation of Board calendar in advance and adequate time allocation for meetings etc.

Disclosure of Remuneration

The details of remuneration as required to be disclosed under the Act and the rules made thereunder are given in the Annexure 'E' forming part of this Board Report.

The information in respect of employees of the Company required pursuant to Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, is provided in Annexure 'F' forming part of this Board Report.

In terms of Section 136(1) of the Act and the rules made thereunder, the Report and Accounts are being sent to the shareholders excluding the aforesaid Annexure. Any Shareholder interested in obtaining copy of the same may write to the Company Secretary at the registered office of the Company. None of the employees listed in the said Annexure is related to any Director of the Company.

Compliance with Secretarial Standards on the Board and General Meetings

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

Protection of Women at Workplace

The Company has constituted an Internal Complaints Committee ('ICC') - in line with the requirements of the Sexual

Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. The ICC has been constituted as per the Act, to redress the complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the year under review, 3 cases of sexual harassment were received on Ethics Line. The same were resolved and wherever necessary appropriate action was taken by the Company.

Awareness workshops/training programmes are conducted across the Company to sensitize employees to uphold the dignity of their colleagues at work place especially with respect to prevention of sexual harassment.

Consolidated Financial Statements

Your Directors have pleasure in attaching the Consolidated Financial Statements pursuant to Section 129(3) of the Act and Regulation 34 of the LODR and prepared in accordance with the applicable Accounting Standards prescribed by the Institute of Chartered Accountants of India (ICAI), in this regard.

Auditors' Report

The Auditors' Report to the shareholders does not contain any qualification, observation or comment or adverse remark(s).

Statutory Auditors

In view of the mandatory requirement of the rotation of Auditors and in accordance with the provisions of the Act, Sharp & Tannan, (firm registration number 109982W) Chartered Accountants, were appointed as Statutory Auditors for a period of 4 continuous years from the conclusion of 6th Annual General Meeting (AGM) till the conclusion of 10th AGM of the Company, in the AGM held on August 22, 2018.

Certificate from the Auditors has been received to the effect that they are eligible to act as auditors of the Company and their appointment would be within the limits as prescribed under Section 141 of the Act.

The Auditors have confirmed that they have subjected themselves to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the Peer Review Board of the ICAI.

The Auditors have also furnished a declaration confirming their independence as well as their arm's length relationship with the Company and declared that they have not taken up any prohibited non-audit assignments for the Company.

The Audit Committee reviews the independence and objectivity of the Auditors and the effectiveness of the Audit process.

For the financial year 2019-20, the total fees paid by the Company and its subsidiaries, on a consolidated basis, to the Auditors and all entities in the network firm/entity of which the Auditors are a part thereof for all the services provided by them is ₹ 4.72 million.

The Auditors attend the AGM of the Company. Also see page no. 73 forming part of Annexure 'D' of this Board Report.

Secretarial Audit Report

The Board had appointed Mrs. Naina Desai (M. No. F1351), Practicing Company Secretary, to carry out Secretarial Audit under the provisions of Section 204 of the Act for the financial year 2019-20.

The Secretarial Audit Report issued by Mrs. Naina Desai, Practicing Company Secretary, is attached as Annexure 'G' to this Board Report.

The Secretarial Auditor's Report to the shareholders does not contain any qualification or reservation or adverse remark.

Details of Significant and Material Orders Passed by the Regulators or Courts or Tribunals

During the year under review, there were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and the Company's operations in future.

Extract of Annual Return

As per the provisions of Section 92(3) of the Act, an extract of the Annual Return in Form MGT-9 is provided in Annexure 'H' to this Board Report and is also available on the website of the Company <http://www.lts.com/investors/>.

Other Disclosures

1. Corporate Governance Report

Pursuant to Regulation 34 read with Schedule V of the LODR, a Report on Corporate Governance and a certificate obtained from the Statutory Auditors confirming compliance, is provided in Annexure 'D' forming part of this Board Report.

2. Employee Stock Option Scheme

There has been no material change in the Employee Stock Option Scheme – 2016 (ESOP Scheme – 2016) during the current financial year. The ESOP Scheme -2016 is in compliance with the SBEB Regulations.

The disclosure relating to the ESOP Scheme-2016 required to be made under the Act and rules made thereunder and the SBEB Regulations together with a certificate obtained from the Statutory Auditors, confirming compliance, is

provided on the website of the Company <http://www.lts.com/investors/>.

The Statutory Auditors' Certificate confirming compliance with the Act and the SBEB Regulations is provided in Annexure 'D' forming part of this Board Report.

3. No disclosure is required under Section 67(3)(c) of the Act in respect of voting rights not exercised directly by the employees of the Company as the provisions of the said section are not applicable.

4. Credit Rating

The Company enjoys a good reputation for its sound financial management and the ability to meet its financial obligations. The Company has received CRISIL AAA/stable and CRISIL A1+ rating for its the long term and short term financial instruments of the Company respectively.

5. Vigil Mechanism

As per the provisions of Section 177(9) of the Act, the Company is required to establish an effective Vigil Mechanism for directors and employees to report genuine concerns.

The Company has a Whistle-Blower Policy in place since 2014 to encourage and facilitate employees to report concerns about unethical behaviour, actual/suspected frauds and violation of Company's Code of Conduct. The Policy provides for adequate safeguards against victimisation of persons who avail the same and provides for direct access to the Chairperson of the Audit Committee. The Audit Committee of the Company oversees the implementation of the Whistle-Blower Policy. The Policy also establishes adequate safeguards to enable employees report instances of leak of unpublished price sensitive information.

The Company has disclosed information about the establishment of the Whistle-Blower Policy on its website <http://www.lts.com/investors/>. During the year, no personnel has been declined access to the Audit Committee, wherever desired.

6. Reporting of Frauds

The Auditors of the Company have not reported any instances of fraud committed against the Company by its officers or employees as specified under Section 143(12) of the Act.

7. Business Responsibility Reporting

As per Regulation 34 of LODR, a separate section on Business Responsibility Reporting forms a part of the

Annual Report (refer pages 124 to 133) describing initiatives taken by the Company from an environmental, social and governance perspective. The activities carried out by the Company as a part of its CSR initiatives during 2019-20 are covered in the same.

8. Statutory Compliance

The Company complies with all applicable laws, rules and regulations, pays applicable taxes on time, ensures taking care of all its stakeholders, initiates sustainable activities and ensures statutory CSR Spend.

9. MSME

The Ministry of Micro, Small and Medium Enterprises vide their Notification dated November 2, 2018 has instructed all the companies registered under the Act, with a turnover of more than Rupees Five Hundred crore to get themselves onboarded on the Trade Receivables Discounting system platform (TReDS), set up by the Reserve Bank of India. In compliance with this requirement, the Company has registered itself on TReDS through KredX Early.

The Company complies with the requirement of submitting the half yearly return to the Ministry of Corporate Affairs within the specified timelines.

Acknowledgement

Your Directors take this opportunity to thank the customers, vendors, academic institutions, Financial Institutions, Regulatory authorities and Stock Exchanges and all the various stakeholders for their continued co-operation and support to the Company. Your Directors also acknowledge the support and co-operation from the Government of India and the Governments of various countries, the concerned State Governments and other Government Departments and Governmental Agencies. The Directors appreciate the significant contributions made by the employees of the Company and its subsidiaries during the year under review and value the contributions made by every member of the LTTS family globally.

For and on behalf of the Board

Dr. Keshab Panda

CEO & Managing Director
(DIN: 05296942)

Place: New Jersey, USA
Date : May 15, 2020

S. N. Subrahmanyam

Vice Chairman
(DIN: 02255382)

Place: Chennai, India
Date : May 15, 2020

Annexure A

Dividend Distribution Policy

INTRODUCTION

As per Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, prescribed Listed Companies are required to frame a Dividend Distribution Policy.

PURPOSE

The purpose of this Policy is to regulate the process of dividend declaration and its pay-out by the Company which would ensure a regular dividend income for the shareholders and long term capital appreciation for all stakeholders of the Company.

AUTHORITY

This Policy has been adopted by the Board of Directors of L&T Technology Services Limited ('the Company') at its Meeting held on May 3, 2017. The Policy shall also be displayed in the annual reports and also on the website of the Company.

FORMS OF DIVIDENDS

The Companies Act provides for two forms of Dividend:

- **Final Dividend**

The final dividend is paid once for the financial year after the annual accounts are prepared. The Board of Directors of the Company has the power to recommend the payment of final dividend to the shareholders for their approval at the general meeting of the Company. The declaration of final dividend shall be included in the ordinary business items that are required to be transacted at the Annual General Meeting.

- **Interim Dividend**

This form of dividend can be declared by the Board of Directors one or more times in a financial year as may be deemed fit by it. The Board of Directors shall have the absolute power to declare interim dividend during the financial year, as and when they consider it fit, in line with this policy. The Board should consider declaring an interim dividend after finalization of quarterly/ half yearly financial results.

QUANTUM OF DIVIDEND AND DISTRIBUTION

Dividend payout in a particular year shall be determined after considering the operating and financial performance of the Company and the cash requirement for financing the Company's future growth. In line with the past practice, the payout ratio is expected to grow in accordance with the profitable growth of the Company under normal circumstances.

DECLARATION OF DIVIDEND

Dividend shall be declared or paid only out of-

- 1) Current financial year's profit:
 - a) after providing for depreciation in accordance with law;
 - b) after transferring to reserves such amount as may be prescribed or as may be otherwise considered appropriate by the Board at its discretion
 - c) after appropriating any other item as mandated by prescribed accounting standards
- 2) The profits for any previous financial year(s) after providing for depreciation in accordance with law and remaining undistributed; or
- 3) Out of 1) & 2) both.

The circumstances under which shareholders may not expect dividend/or when the dividend could not be declared by the Company shall include, but are not limited to, the following:

- A. Due to operation of any other law in force;
- B. Due to losses incurred by the Company and the Board considers it appropriate not to declare dividend for any particular year;
- C. Due to any restrictions and covenants contained in any agreement as may be entered with the Lenders and
- D. Because of any default on part of the company.

FACTORS AFFECTING DIVIDEND DECLARATION:

The Dividend pay-out decision of any company, depends upon certain external and internal factors-

External Factors:

- **Legal/ Statutory Provisions:** The Board should keep in mind the restrictions imposed by Companies Act, any other applicable laws with regard to declaration and distribution of dividend. Further, any restrictions on payment of dividend by virtue of any regulation as may be applicable to the Company may also impact the declaration of dividend.
- **State of Business Environment:** The Board will endeavor to retain larger part of profits to build up reserves to absorb future shocks in case of uncertain or recessionary economic conditions.
- **Nature of Industry:** The nature of industry in which a company is operating, influences the dividend decision, like stability of earnings will influence stable dividend.
- **Taxation Policy:** The tax policy of a country also influences the dividend policy of a company. The rate of tax directly influences the amount of profits available to the company for declaring dividends.
- **Capital Markets:** In case of unfavorable market conditions, the Board may resort to a conservative dividend pay-out in order to conserve cash outflows and reduce the cost of raising funds through alternate resources.

Internal Factors:

Apart from the various external factors, the Board shall take into account various internal factors including the financial parameters while declaring dividend, which inter alia will include -

- **Magnitude and Stability of Earnings:** The extent of stability and magnitude of the company's earnings will directly influence the dividend declaration. Thus, the dividend is directly linked with the availability of the earnings (including accumulated earnings) with the company.

- **Liquidity Position:** A company's liquidity position also determines the level of dividend. If a company does not have sufficient cash resources to make dividend payment, then it may reduce the amount of dividend pay-out.
- **Future Requirements:** If a company foresees some profitable investment opportunities in near future including but not limited to Brand/ Business Acquisitions, Expansion of existing businesses, Additional investments in subsidiaries/associates of the Company, Fresh investments into external businesses, then it may go for lower dividend and vice-versa.
- **Leverage profile and liabilities of the Company.**
- **Any other factor as deemed fit by the Board.**

RETAINED EARNINGS

The portion of profits not distributed among the shareholders but retained and used in business are termed as retained earnings. It is also referred to as ploughing back of profit. The Company should ensure to strike the right balance between the quantum of dividend paid and amount of profits retained in the business for various purposes. These earnings may be utilized for internal financing of its various projects and for fixed as well as working capital. Thus the retained earnings shall be utilized for carrying out the main objectives of the Company and maintaining adequate liquidity levels.

PARAMETERS THAT SHALL BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARE

The Company does not have different classes of shares and follows the 'one share on vote' principle.

REVIEW & AMENDMENT

The Policy shall be reviewed as and when required to ensure that it meets the objectives of the relevant legislation and remains effective. The Board has the right to change/amend the policy as may be expedient taking into account the law for the time being in force.

Annexure B

a. Conservation of Energy:

The Company being a technology driven Company, has always adapted new technologies in its office infrastructure setup. Conservation of Energy is a continuous and enduring process and is one of the most important factors while designing the office infrastructure.

The office zones have installed occupancy sensors which automatically sense the presence/absence of humans. The Company has installed Energy Management Technology in its offices which regulates the maximum demand and changes accordingly thereby saving electricity consumption. Some of the conservation measures incorporated are as follows:

- Double glazing façade, thereby having less transfer of heat. Advantage is less usage of HVAC
- Increased chilled water temperature by 2 degrees to result in energy savings.
- Occupancy sensors in work areas, to switch off lights when there are no employees
- Water cooled chillers which consume lesser power as compared to Air cooled chillers
- Installed VRF units for 24x7 operation which will consume much less power as compared to conventional Split A/c.
- Utilizing free cooling during winter (Making use of Ambient temperature to cool office areas).
- Started ODD/EVEN Floor Lift operations & keeping 2 Lifts OFF during NON-PEAK hours, to reduce power consumption by approx. 4500 units per annum.
- Replaced all CFL Lighting by LED Lights in Vadodara office, EB-2 (Ground to 4th Floor-Avg Floor Size: 26,000 Sq. ft.); and achieved a monthly saving of approx. 4000 KWH per month.

- Optimizing HVAC/Chiller Parameters' Setting, achieved power saving.

Comparison & Cost Saving	2019-20	2018-19
Units Consumed per Annum (in KWH)	26,43,108	27,11,331
Saving in terms of power consumption (KWH)	68,223	-
Average unit rate per Annum (INR)	7.90	7.90
Savings in terms of INR	5,38,961	-

Water Conservation:

Considering the problem of water scarcity, the Company has taken the following measures regarding water conservation:

- Using treated water for flushing, road washing and for gardening and having rain water sump and using rain water for raw water usages like hand wash etc.
- Rain water percolation pits to recharge ground water and to have minimum runaways
- Installed pressmatic taps which will close automatically after usage
- Installed aerators in all taps to reduce usage of water
- Terrace runaway water is collected in underground sumps and reused

b. Technology absorption:

The Company has always adopted the latest technology trends, best practice and continues to invest to build capability and capacity in new and emerging technologies. To encourage and accelerate the culture of open innovation in solving industry challenge we continue to strengthen our collaboration with Academia. We have institutionalized programs that encourage employees to file patents, contribute ideas, invest in some of these ideas to build offerings for our customers, programs to take Interns from leading colleges while the students are still in 3rd year of engineering college and give them on the job experience. All these programs help build a culture which encourages ideation, experimentation and early investments. Our Customers have visibility into

these programs and we are moving towards co-opting our customers to contribute and participate.

We have collaboration projects with leading Engineering colleges, participation in our Marquee Industry – Academia program has increased and is seeing an overwhelming positive response. Many ideas that have got selected as a part of our Innovation programs are now in advanced stages of completion which lead them to be used both internally for executing projects as well as taking these to the customers.

HR Digitalization

At LTTTS, we believe our HR digital transformation is a continuous process revolving around alignment and drive across people, processes and product with integrated stack as foundational element.

We continued this year to disrupt and reformulate digitization. With having state of the art technology in place, we now have an HR Landscape that's seamless, simple and has enhancing employee experience as the core objective. We have the following modules in place

- Enhanced Employee Lifecycle Management Processes from hire to retire
- Digital Learning Experience
- Onboarding and Recruitment Module
- Video Interviewing, online offer process
- Performance Goal and continuous feedback system
- Enhanced Career Development and Succession Planning Automation

- Workforce Analytics to have information at tip of finger for leadership team

Automation and Artificial Intelligence/Machine Learning is backbone for our operational efficiency. With introduction of ASK GENIE, employees can use the bot to complete all transactional activities as Leave Application, Attendance Regularisation, Updating Personal Information, Knowing Policies etc. anywhere, anytime on their mobile while on the move. Our Policy BoT and HR Helpdesk minimises dependency on HR and empowers employees with required information at their fingertips.

Our digital technology developments are being implemented with the below objectives in mind:

1. Provide a simple system that helps employees to make their work life easy
2. Provide a stellar employee experience
3. Ensure increased productivity and improved business outcome

c. Foreign exchange earnings and outgo:

The Company exports engineering and designing services mainly to North America, Europe, Middle East, Japan, Korea and other APAC countries.

The total foreign exchange earned and used for the period under review is as under:

Particulars	₹ million
Foreign exchange earned	47,771
Foreign exchange used	26,921

Annexure C

Annual Report on Corporate Social Responsibility (CSR) Activities

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

As a leading corporate citizen, L&T Technology Services Limited (LTTS) is committed to a vision of building India's social infrastructure, protect, preserve and nurture the environment and create a positive impact on the millions who hail from weaker sections of society. True to the spirit of Larsen & Toubro, LTTS has resolved to contribute towards all-round societal development and script a happier and more inclusive future for all Indians. With strategic social investments in several key areas such as access to alternative energy, water conservation, digital literacy and healthcare for the very young and the elderly, LTTS' sustained CSR efforts have a beneficial effect on the masses who do not always have ready access to the fruits of development.

The CSR policy of the Company is guided by the core values put by its parent Larsen & Toubro Limited. The CSR activities identified, evaluated and undertaken are carried out by partnering with credible NGOs and by involving the community at large, in the following areas which have been the main thrust areas for the CSR activities:

- a. Health
- b. Education & Skill Development
- c. Sports
- d. Water Conservation
- e. Environment
- f. Corporate Volunteering Program

A. Health

The government's efforts to provide better rural healthcare have been delivering results, with the latest data on indicators such as live births, infant mortality and deaths suggesting that more people in rural areas are visiting doctors at private and government clinics and hospitals than ever before. However, given the scale and size of our country, a lot more needs to be done to bridge the healthcare gaps that a majority of rural Indians

contend with daily. From not having enough information and awareness about their possible health conditions, to not having easy access to healthcare centers, to not receiving proper consultation and treatment when they visit health centers, the problems are manifold.

LTTS has been contributing to rural healthcare initiatives for a number of years in the areas of eradication of avoidable blindness, pre-natal care and cancer screening. This year, in addition to expanding the reach of its existing programs, LTTS also initiated programs providing sustainable geriatric care for the people in rural India and extended its pre-natal care program in tribal areas to provide post-natal care.

LTTS' health programs venture deeper into rural areas through following health projects;

- Pre-natal care in tribal areas
- Rural eye care centers
- Mobile Health Unit for Primary Medical care
- Mobile eye surgical camps
- Cancer screening & awareness camps
 - 864 women benefited through Ante Natal and Post Natal care. The live births have increased to 97.5%. Around 95% of newly born were with a birth weight higher than 2 ½ Kgs in Nandurbar, Maharashtra
 - 13,263 rural patients were screened for eye-related ailments, 1,399 cataract operations were performed and 4,700 spectacles were provided at Uran and Murbad in Maharashtra through Laxmi Charitable Trust.
 - 4,978 patients were screened across 8 Mobile Eye Surgical Units camps and 861 patients were operated for cataract through Medical Research Foundation.
 - 14,930 people have been benefited through Cancer Survey, Awareness Program and Cancer Screening and Treatment.

- A total of 12,449 people from rural areas were screened for eye-related ailments and 2,000 cataract surgeries were performed. In addition, through Mobile Health Unit Van, 18,932 people were benefited with Primary Health care consultations and treatment across various villages in and around Vadodara through our partner HelpAge India. Thus, through these two programs, 31,381 people were benefited.
- A total of 456 persons were provided with artificial limbs & calipers and 160 crutches were provided to differently abled people through Bhagwan Mahaveer Viklang Sahayata Samiti.

As many as 66,032 patients in rural areas benefited from Pre & Post-natal care, eyecare, mobile health van and cancer screening programs.

B. Education and Skill Development

Education: As India marches forward on the path of development for all, one of the most crucial aspects that it needs to address is that of quality education for its aspiring billions. High pupil-to-teacher ratios, shortage of infrastructure and teaching staffs are some of the challenges the sector is working to address. Bridging these gaps is what LTTs strives to achieve through its programs in the area of education. These carefully-selected programs are designed to impart knowledge effectively, nurture a scientific temperament, and make learning a joyous process.

LTTs has adopted a three-pronged approach to improve the quality of education in India:

- Strategic management of science pedagogy
- Capability-building of teachers
- Democratization of learning through digital classrooms
 - 44,641 students and 41 teachers from 37 government schools in Vadodara benefited from the mini science labs which are installed at schools enabled by its Partner ARCH Foundation.
 - 12,646 students and 252 teachers between Grades V to X from 55 government schools in Bangalore, Mysuru, Kancheepuram, Navi

Mumbai and Hyderabad benefited from mobile science labs project where different exhibits are carried in a Mobile van to demonstrate and teach Students through its Partner Agasthya.

- 117 teachers from various government schools across India, in association with Indian Institute of Science (IISc), Bangalore were trained and 40 Science Experimental kits were given to government schools in Karnataka benefiting around 4,100 students in all.
- 37,000 students across 240 Government schools in Mumbai were covered through career counselling project implemented by social body of IIT Bombay (Abyuday).
- 1,252 rural school students from 34 centres across 8 states are educated by volunteer teachers through digital class rooms implemented by our partner e-Vidyaloka.

Overall 99,639 students benefited from our education programmes and 410 school teachers gained knowledge from training programmes.

Skill Development: Professional and livelihood-focused skills training is key to helping the working age population from less privileged sections of society to secure gainful and productive employment. This will make them financially self-sufficient and positive contributors to the economy and to society.

LTTs has been contributing to the national skill development effort for several years, in collaboration with various NGOs. The focus this year has been two-fold - providing training and sector specific skills to the differently abled and improving digital literacy and the basic skills among low skill workers to help them increase their earning potential.

- Skills training was provided across industries like hospitality, retail, BFSI and IT/ITES to 205 differently abled youth in Karnataka.
- 353 rural youth from Kharel, Gujarat were trained in basic computing skill in line with Skill India and National Digital Literacy Mission imparting use of technology, assistive aids and soft skills.

Overall 558 rural youth benefited from skill development projects.

C. Sports

Sports is conventionally associated with persons who are physically fit and athletically gifted. However, participating and thriving in sports is an excellent way for the differently abled to demonstrate their passion, determination and talent and to be better included into society. With this guiding thought in mind, LTTS continued its partnership with ASTHA to identify and train aspirants with physical disabilities in wheelchair tennis, as well as organize competitive tournaments across India to shine a light on para-sports and the talent that lies largely unseen.

The tournaments of Indian Wheelchair Tennis Tournament (IWTT) are a great means of creating awareness about para sports and its power for social inclusion. These tournaments are acting as conversation for inclusive society at various level.

LTTS supported 'Wheelchair Tennis Tournaments in Chennai, Hyderabad and Bangaluru, which saw participation from 37 players (both male and female). The players came from across India.

These tournaments are creating credibility of Indian players and the International Tennis Federation may also provide more guidance and benefits for training and nurturing the Indian Players.

The IWTT tournaments are helping us find leaders in various cities to carry on the work of wheelchair tennis development in their respective cities.

Illustration competition for Kids was organized during the Bengaluru tournament. Intention of this competition was to sensitize the kids about para-sports. 25 Kids participated in this contest during which poems and essays were written.

D. Water Conservation

A combination of factors including a growing population, excessive usage and lack of water retention and conservation efforts has resulted in India going through a severe water crisis in the past few years. Per capita availability of water has fallen from 1816 cubic meters in 2001 to 1545 cubic meters in 2011 and may further reduce to 1486 cubic meters by 2021. For an economy like India that is still predominantly dependent on agriculture, scarcity of water can lead to serious socio-economic implications impacting farmers and rural communities, especially the small and marginal farm holders who form a major proportion of the farming population.

Over the past few years, LTTS has been working with its partner to implement integrated and holistic watershed management projects that not only target water retention and conservation in agrarian rural communities but also address other related issues including awareness, education, agroforestry, horticulture and income generating programs.

Watershed Project

The integrated watershed management projects in partnership with National Agro Foundation drive a broad range of impactful activities. Apart from building water infrastructure, de-silting wells and creating farm bunds, the projects also guide beneficiaries on activities that improve soil health, farm productivity and increasing green and tree cover in Tamil Nadu & Maharashtra;

- 4 -Check Dams, 7- Farm Ponds, 2- Gabion Check Dams, 2- Sunken Ponds, 1- loose Bould structure, 400 Water Absorption Trenches constructed and 152 Hectares fertilized through water shed activities.
- 2290 Plantations of Agro horticulture saplings done.
- 1700 People benefited through the water shed activities carried out during the year.

Increase in water table to the tune of 10-12 feet is estimated.

Watershed +

Watershed+, project activities address the community's needs by providing adequate and safe drinking water through proper pipeline network, restructuring the improper sewage drainage line, providing sanitation facilities, renewable energy solution, promoting income generation activities and improvising the agricultural production system in five villages; Kolwadi, Kathwadi, Mangdari, Ketkavane and Nigde villages of Pune District, Maharashtra.

Key achievement of the project

- Drinking water pipelines constructed - 731 Running Meters.
- Number of homes where construction of Toilets started - 38 Nos.
- 645 people benefited through other exposure and training programs.

- 178 Animals treated through Veterinary camps.
- Installation of all-in-one solar LED street light with Max power of 30 W and.
- LED brightness: 4350 Lumen increasing the quality of life of the villagers.

E. Environment

A sustainable world is what we owe our children. Unbridled pollution, huge carbon footprints, depletion of the ozone layer, deforestation and the loss of green cover in our urban areas have caused immense damage to the environment, leading to climate change and its adverse impacts. The time to act to save our environment and our planet is now.

LTTs strives to address some important areas in society's collective endeavour to protect, preserve and nurture the environment.

LTTs has associated with following projects:-

- Rural electrification using solar power
- Protection and restoration of Public Places
- Solid waste management
- Disaster recovery support

Rural Electrification:

While electricity may have reached a village, reaching it out to every household has its own challenge. Also, the total requirement of electricity in a country as populous as India is a huge one and a challenge to the existing grid infrastructure.

Exploring alternate, cleaner forms of energy is a viable solution to overcome this challenge, and that is what LTTs has done, in collaboration with its partner, Swamy Vivekananda Youth Movement (SVYM). Solar power was an obvious choice, given the abundance of it in India. Blessed with SVYM's Socio-economic Empowerment Program, in collaboration with LTTs, took up a project for installation of solar power panels in selected tribal hamlets of H D Kote taluk in Karnataka, home to some of the 75 tribes that are identified as "Particularly Vulnerable Tribal Groups" by the Government of India.

The cumulative result has been the electrification of 94 homes, 2 community centres, 1 Anganwadi, 29 street

lights and one school across 3 villages through first two phases and during FY 20 solar lamps for 30 Homes and 1 each at one community centre and one Anganwadi have been initiated in Phase 3. The impact of having dependable and stable electricity connections has been visible in every aspect of the villagers' lives, improving them socially, economically and culturally.

Protection and restoration of Public Places

LTTs has been supporting clean and green initiatives in many parts of the country. The focus in all these projects has been on maintaining public places that are used by the masses; maintaining them, restoring them where needed, and working on elevating their aesthetic appeal and usability quotient.

In partnership with India Rising Trust, LTTs adopted a flyover under the Bangalore Municipal Commissioner's "Adopt a Flyover" initiative. The aim was to develop the walk path/foot path under the flyover and to turn it into a noteworthy aesthetic hotspot.

- 6000 sq. ft of area developed
- 35000 sq. ft area maintained through the year
- Wild Karnataka theme brought alive in a unique manner

Through Meta Design partner, we maintain a Median at Mumbai which has resulted in :

- 250+ palms trees planted, absorbing 25 kg of CO₂ per annum per palm tree towards improving air quality.
- A mixed usage of tanker water and drip irrigation used, saving water required for maintenance thus saving water.
- 5 tons of leaf fall generated, converted to manure and re-used in the project – making value out of a waste.

Through Sampath Nursery at Mysore, the maintenance of Dr. Jagjivan Ram roundabout near the Mysore railway station and the Dr. Rajkumar park was undertaken.

- 3,14,000 sq. ft. through park maintenance
- 1,000 sq. ft. through the circle maintenance and development.

LTTTS maintains & develops a total 4,50,000 lakh sq. ft. under the initiative “green coverage”.

Solid waste management

Waste management plays an important role in the sustainable development of nations. It contributes to creating a hygienic environment and to the good health of citizens. To further the country's efforts in this direction, LTTTS launched a solid waste management project in association with Society for Clean Environment (SOCLEEN) at Vadodara, Gujarat in August 2019.

- Total households: 1530
- Total waste collected: 4973.815 kg
- Segregated plastic waste: 1678.34 kg

Assisting to build disaster-resilient homes

Nothing is as traumatic as losing one's home to a natural disaster. To alleviate the pain and loss suffered by the poor under such circumstances, LTTTS launched Project Neelachala - a CSR Initiative to provide disaster-resilient shelters to those affected by Cyclone FANI in Puri, Orissa. Launched in December, 2019 through its implementing partner Habitat for Humanity India, this program aims to provide homes to some underprivileged families affected by the cyclone. 600 people are expected to benefit out of this.

F. Corporate volunteering program (CVP):

The employees of LTTTS play a significant role in the success of every endeavour, and the LTTTS volunteering program is no exception. Our employees were involved in various corporate volunteering activities like school wall painting, traffic monitoring, hands on science activities, on-line teaching to children in rural schools, cleaning the public places, sports activities with school children and blood donation, with zeal, enthusiasm, commitment and dedication. Employees who volunteers to spare their available time for social cause are named as “Samaritans”

1,316 Samaritans dedicated 4045 hours to volunteering work for 32 volunteering activity across LTTTS locations during the year

The CSR Policy of the Company is available on the Company's website: <https://www.lttts.com/about-us/csr>

2. The Composition of the CSR Committee

- Mr. Arjun Gupta, Chairman of the CSR Committee
- Mr. Sudip Banerjee, Member of the CSR Committee
- Dr. Keshab Panda, Member of the Committee and CEO & MD of the Company

3. Average net profit of the Company for last three financial years:

₹ 6,298 Million

4. Prescribed CSR Expenditure for FY 2020 (two per cent of the amount as in item 3 above):

₹ 127 Million

5. Details of CSR spent during the financial year FY 2020:

- Total amount spent: ₹ 326 Million (Detailed breakup of the said amount is mentioned below)
- Amount unspent, if any: NIL
- Manner in which the amount spent during the FY 2020 is detailed as per table enclosed.

The objective of our CSR Policy has been to create a visible impact in the focus areas for the beneficiaries and not just spending the requisite amount.

The Company has made efforts to identify projects in line with its CSR focus areas. In FY2020, the Company has spent its CSR amount through credible implementing partners such as Indian Institute of Science, Arch Development Foundation, Agastya International Foundation, eVidyaloka, Samarthanam Trust for the disabled, L&T Public Charitable Trust, Abhyuday, National Agro Foundation, Swami Vivekananda Youth Movement, Meta Design, India Rising Trust, Sampath Nursery, Habitat for Humanity India, SOCLEEN, Madras Research Foundation, Laxmi Charitable Trust, Indian Cancer Society, CareNx, HelpAge, Bhagwan Mahaveer Viklang Sahayata, ASTHA.

Focus areas such as Health, Education, Skill Development, Water Conservation, Environment and Sports were given priority as per the CSR Policy of the Company.

During the financial year 2019-20, the Company was required to spend a total amount of ₹ 127 million (being 2% of the average net profits for the last three years) on CSR activities and the said amount has been fully spent on the various CSR projects undertaken by the Company in partnership with various NGOs and Agencies.

Apart from the above, the Company also had an unspent amount of ₹ 53.81 million accumulated from previous years (2015-16 till 2018-19) due to certain projects which could not take off due to feasibility or which had to be stopped due to some technical difficulties and the CSR Committee had in 2019-20 earmarked the entire amount to be utilized towards Disaster Management Projects.

However, on account of the sudden outbreak of Coronavirus (COVID-19) which was declared a Pandemic by the World Health Organization (WHO), the Company has contributed this entire amount of ₹ 53.81 million towards the PM CARES Fund as on March 31, 2020, as part of the CSR activity.

Further, in view of the severity of the pandemic, the Company has contributed an additional amount of ₹ 129.28 million towards the PM CARES Fund as part of its CSR activity. The Company contributed ₹ 183.09 million and the employees have contributed ₹ 16.91 million.

Thus, a total amount of ₹ 200.00 million was contributed by the Company and its employees towards the PM CARES Fund as of March 31, 2020.

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report:

NOT APPLICABLE

7. A Responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

The CSR Committee hereby affirms that:

- The Company has duly formulated a CSR Policy Framework which includes formulation of a CSR Theme, CSR budget and roles and responsibilities of the Committee, CSR team formed for implementation of the CSR policy;
- The Company has constituted a mechanism to monitor and report on the progress of the CSR programs;
- The activities undertaken by the Company as well as the implementation and monitoring mechanisms are in compliance with its CSR objectives, CSR policy & its framework.

Dr. Keshab Panda

Chief Executive Officer
& Managing Director

Arjun Gupta

Chairman – CSR Committee

(₹ in Millions)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No	CSR Project or Activity Identified	Sector in which the project is covered	Project or programs Local area or other Specify the state and district were program and projects was undertaken	Amount outlay to project (Budget) project or program wise	Amount spent on projects or programs Sub Heads: Direct Expenditure on projects or programs Overheads + taxes	Cumulative expenditure up to the reporting period	Amount Spent: Direct or through implementing agency
1	Pre- & Post natal care in tribal areas, Rural Eye-Care Centre & Cataract Surgeries, Mobile Health Unit for Primary Medical care, Cancer screening and awareness, Artificial Limbs to differently abled	Health care	Maharashtra Tamil Nadu Andhra Pradesh Gujarat Karnataka	30.10	47.01	47.01	CareNX Innovations Private Limited, Laxmi Charitable Trust, Madras Research Foundation, HelpAge India, Indian Cancer Society, Bhagwan Mahaveer Viklang Sahayata Samiti
2	Establish mini-science lab and Training Govt School Teachers, Education through Digital Platform, Mobile Scientific exhibits, Digital literacy and office apprenticeship training to rural youth	Education & Skill Development	Andhra Pradesh Gujarat Jharkhand Karnataka Maharashtra Tamil Nadu Telangana West Bengal	31.80	31.80	31.80	Indian Institute of Science, ARCH Development Foundation, Samarathanam Trust, Larsen & Toubro Public Charitable Trust, Agastya International Foundation, E-vidyaloka Trust, Indian Institute of Technology, Mumbai
3	Integrated watershed management & watershed Projects	Water Conservation	Maharashtra Karnataka Tamil Nadu	22.90	22.90	22.90	National Agro Foundation
4	Protection & Restoration of public places, Solid Waste Management, Solar Lamps and Building Shelter for cyclone affected families	Environment	Maharashtra Karnataka Odisha Gujarat	32.90	32.90	32.90	Meta Design, India Rising Trust, SOCLEEN, Swami Vivekananda Youth Movement, Habitat for Humanity India, Sampath Nursery
5	Sports for Differently-abled	Sports	Andhra Pradesh Karnataka Tamil Nadu	3.00	3.00	3.00	Astha
6	Others	Others		6.30	5.30	5.30	
	TOTAL SPEND			127.00	142.91	142.91	
7	Amount contributed for COVID-19 relief measures			53.81 (unspent amount of previous years)	183.09	183.09	PM CARES FUND

Annexure-D

CORPORATE GOVERNANCE REPORT

Corporate Governance

The elements of Corporate Governance are independence, transparency, accountability, responsibility, compliance, ethics, values and trust. Corporate Governance is a set of principles, processes and systems which govern a company. Corporate Governance enables an organization to perform efficiently and ethically generate long term wealth and create value for all its stakeholders.

The Company believes that sound Corporate Governance is crucial for enhancing and retaining investor trust and your Company always seeks to ensure that its performance goals are met accordingly. The Company has established systems and procedures to ensure that its Board of Directors is well informed and well equipped to fulfill its overall responsibilities and to provide management with the strategic direction needed to create long term shareholders' value. The Company has adopted many ethical and transparent governance practices even before they were mandated by law. The Company has always worked towards building trust with shareholders, employees, customers, suppliers and other stakeholders based on the principles of good corporate governance.

Company's Corporate Governance Philosophy

Your Company is committed to continuously scaling up its corporate governance standards. In line with the L&T Group's philosophy, your Company firmly believes in adherence to good corporate governance practices and constant efforts are made to improve such practices and to adopt emerging best practices. The Company has adopted a consolidated Code of Conduct, wherein Part A is for its employees including the Managing Director and the Executive Directors and Part B is for members of board and senior management. In addition, the Company has adopted a Code of Conduct for its non-executive directors which includes Code of Conduct for Independent Directors which suitably incorporates the duties of independent directors as laid down in the Act. The Company's character essentially revolves around values based on transparency, integrity, professionalism and accountability. The Company is committed towards maximizing shareholders value, ensuring fairness and building trust with shareholders, employees, customers, service providers and other stakeholders.

Corporate Governance Guidelines

The Management continuously strives to follow the global best practices and timely disclosure of accurate information pertaining to financials & performance in accordance with good governance practices.

Further, in order to strengthen the corporate governance culture within the Company, training and awareness program on Corporate Governance and related policies for employees is also initiated by the Company since 2017-18. The Company has a strong legacy of fair, transparent and ethical governance practices.

Board of Directors

a. Composition of the Board:

The Board of Directors along with its committees provide the requisite leadership and guidance to the Company's senior management team and also direct, supervise and closely monitor the performance of the Company.

The Company's policy is to have an appropriate mix of Executive, Non-Executive & Independent Directors. As on March 31, 2020, the Board comprises of 10 Directors, of which, 3 are Executive Directors, 2 are Non-Executive Directors and 5 are Independent Directors. The Board is chaired by Mr. A. M. Naik, Non-Executive Chairman. The Composition of the Board is in conformity with the provisions of the Act and Regulation 17 of the LODR.

None of the Directors on the Company's Board is a member of more than 10 Committees and chairman of more than 5 Committees across all public limited companies including listed entities in which he/she is a Director.

b. Meetings of the Board:

The Board Meetings are held at regular intervals with a time gap of not more than 120 days between two consecutive meetings. Additional meetings are held whenever deemed necessary for the conduct of business. During the year under review, 4 board meetings were held on May 3, 2019, July 19, 2019, October 18, 2019 and January 17, 2020.

The Company Secretary prepares the agenda and the explanatory notes, in consultation with the Chairman and circulates the same in advance to the Directors. As a green initiative, the agenda is circulated to the Directors through a secure web-based application. Every Director is free to suggest the inclusion of any item(s) on the agenda. The Board meets at least once in every quarter, inter alia, to review the quarterly financial results. The Company also provides Video Conference facility, if required, for participation of the Directors at the Board/Committee Meetings. Presentations are made on business operations to the Board by the CEO & Managing Director of the Company. Senior Management Personnel are invited, as and when necessary to the meetings to provide additional inputs for the items being discussed by the Board of Directors and Committee Members.

The proceedings of the Meetings of the Board of Directors are noted and the draft minutes are circulated amongst the Members of the Board for their perusal. Comments, if any, received from the Directors are also incorporated in the minutes, in consultation with the Chairman. Thereafter the minutes are signed by the Chairman of the Board at the next meeting.

The Board of Directors takes note of the minutes of the committee meetings held in the previous quarter, at its meetings. The Board also take note of the gist of discussion/decision taken by its subsidiary companies.

The following is the composition of the Board of Directors as on March 31, 2020. The Directors strive to attend all the Board /Committee meetings. Their attendance at the Meetings held during the year and at the last Annual General Meeting was as under:

Name of Director	Category	Meetings held during the year	No. of Board Meetings Attended	Attendance at last AGM
Mr. A. M. Naik	Non-Executive Chairman	4	3	YES
Mr. S. N. Subrahmanyam	Non-Executive Vice-Chairman	4	4	YES
Dr. Keshab Panda	Chief Executive Officer & Managing Director	4	4	YES
Mr. Amit Chadha ¹	Deputy Chief Executive Officer and Whole-Time Director	4	4	YES
Mr. Abhishek ²	Chief Operating Officer and Whole-Time Director	2	2	NA
Mr. Bhupendra Bhate ³	Chief Operating Officer and Whole-Time Director	1	1	NA
Mr. Samir T. Desai	Independent Director	4	4	YES
Mr. Narayanan Kumar	Independent Director	4	4	YES
Ms. Renuka Ramnath ⁴	Independent Director	3	2	YES
Ms. Apurva Purohit ⁵	Independent Director	1	1	NA
Mr. Arjun Gupta	Independent Director	4	4	YES
Mr. Sudip Banerjee	Independent Director	4	4	YES
Meetings held during the year are expressed as number of meetings eligible to attend.				

¹Appointed as Deputy Chief Executive Officer and Whole Time Director w.e.f. April 1, 2020.

²Appointed as Chief Operating Officer & Whole Time Director w.e.f. October 18, 2019.

³Resigned as Chief Operating Officer & Whole-Time Director w.e.f. May 3, 2019.

⁴Resigned as Independent Director w.e.f. October 18, 2019.

⁵Appointed as Independent Director w.e.f. December 11, 2019.

During the year under review, Ms. Renuka Ramnath resigned as Independent Director of the Company because of her other professional commitments. Further, Ms. Ramnath has confirmed that there are no other material reasons for her resignation. The said declaration was received and noted by the Company.

None of the above Directors are related inter-se.

None of the Directors hold the office of director in more than the permissible number of companies under section 165 of the Act or Regulation 17A of the LODR.

The names of the listed entities (whose equity and debt securities are listed) wherein the Director holds directorships as on March 31, 2020 are as follows:

Name of Director	Names of Listed entities where the Director holds Directorship	Category of Directorship
Mr. A. M. Naik	Larsen & Toubro Limited Larsen & Toubro Infotech Limited Mindtree Limited L&T Technology Services Limited	Non-Executive Chairman Non-Executive Chairman Non-Executive Chairman Non-Executive Chairman
Mr. S. N. Subrahmanyam	Larsen & Toubro Limited Larsen & Toubro Infotech Limited Mindtree Limited L&T Metro Rail (Hyderabad) Limited L&T Technology Services Limited	Chief Executive Officer & MD Non-Executive Vice-Chairman Non-Executive Vice-Chairman Chairman Non-Executive Vice-Chairman
Dr. Keshab Panda	L&T Technology Services Limited	Chief Executive Officer & MD
Mr. Amit Chadha ¹	L&T Technology Services Limited	Dy. CEO and Whole-Time Director
Mr. Abhishek ²	L&T Technology Services Limited	COO & Whole-Time Director
Mr. Bhupendra Bhat ³	L&T Technology Services Limited	COO & Whole-Time Director
Mr. Samir T. Desai	Larsen & Toubro Infotech Limited L&T Technology Services Limited	Independent Director Independent Director
Mr. Narayanan Kumar	Larsen and Toubro Limited Mphasis Limited Take Solutions Limited Entertainment Network (India) Limited Bharti Infratel Limited L&T Technology Services Limited	Independent Director Independent Director Independent Director Independent Director Independent Director Independent Director
Ms. Renuka Ramnath ⁴	Tata Communications Limited Arvind Limited PVR Limited Vastu Housing Finance Corporation TV18 Broadcast Limited L&T Technology Services Limited	Independent Director Independent Director Non-Executive Director Nominee Director Independent Director Independent Director
Ms. Apurva Purohit ⁵	Music Broadcast Limited Mindtree Limited L&T Technology Services Limited	Non-Executive Director Independent Director Independent Director
Mr. Arjun Gupta	Larsen & Toubro Infotech Limited L&T Technology Services Limited	Independent Director Independent Director
Mr. Sudip Banerjee	IFB Industries Limited Kesoram Industries Limited Larsen & Toubro Infotech Limited L&T Technology Services Limited	Non-Executive Director Independent Director Independent Director Independent Director

¹Appointed as Deputy Chief Executive Officer and Whole Time Director w.e.f. April 1, 2020.

²Appointed as Chief Operating Officer & Whole Time Director w.e.f. October 18, 2019.

³Resigned as Chief Operating Officer & Whole-Time Director w.e.f. May 3, 2019.

⁴Resigned as Independent Director w.e.f. October 18, 2019.

⁵Appointed as Independent Director w.e.f. December 11, 2019.

As on March 31, 2020, the number of other Directorships & Memberships/Chairmanships of Committees of the Board of Directors are as follows:

Name of Director	No of other company Directorships	No. of Committee Membership	No. of Committee Chairmanship
Mr. A. M. Naik	5	0	0
Mr. S. N. Subrahmanyam	5	0	0
Dr. Keshab Panda	0	0	0
Mr. Amit Chadha ¹	0	0	0
Mr. Abhishek ²	0	0	0
Mr. Bhupendra Bhate ³	0	0	0
Mr. Samir T. Desai	1	1	0
Mr. Narayanan Kumar	6	2	3
Ms. Renuka Ramnath ⁴	6	0	1
Ms. Apurva Purohit ⁵	3	2	0
Mr. Arjun Gupta	1	0	0
Mr. Sudip Banerjee	3	2	0

¹Appointed as a Deputy Chief Executive Officer and Whole Time Director w.e.f. April 1, 2020.

²Appointed as Chief Operating Officer & Whole Time Director w.e.f. October 18, 2019.

³Resigned as a Chief Operating Officer & Whole-Time Director w.e.f. May 3, 2019.

⁴Resigned as an Independent Director w.e.f. October 18, 2019.

⁵Appointed as an Independent Director w.e.f. December 11, 2019.

Notes: -

- Other company Directorship includes directorship in all entities whose securities are listed, public limited Companies (whether listed or not) and excludes private limited Companies, foreign Companies and Section 8 Companies.
- The other Committee Chairmanships/Memberships are disclosed as per Regulation 26 of the LODR.

c. Information to the Board:

The Board of Directors has complete access to the information within the Company, which inter alia includes -

- Annual revenue budgets and capital expenditure plans
- Quarterly results and results of business segments
- Financing plans of the Company
- Minutes of meeting of Board of Directors, Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee
- Details of any joint venture, acquisitions of companies or collaboration agreement
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.

- Materially relevant default, if any, in financial obligations to and by the Company or substantial non-payment for goods sold or services rendered, if any
- Any issue, which involves possible public or product liability claims of substantial nature, including any Judgment or Order, if any, which may have strictures on the conduct of the Company
- Developments in respect of human resources.
- Compliance or Non-compliance of any regulatory, statutory nature or listing requirements and investor service such as non-payment of dividend, delay in share transfer, etc., if any

The Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company along with the name of directors who possess such skills/expertise/competencies:

Skill Area	Description
Leadership	Ability to envision the future and prescribe a strategic goal for the Company, help the Company to identify possible road maps, inspire and motivate the strategy, approach, processes and other such key deliverables and mentor the leadership team to channelize its energy/efforts in appropriate direction. Be a thought leader for the Company and a role model in good governance and ethical conduct of business, while encouraging the organisation to maximise shareholder value.
Strategy and planning	Ability to think strategically; identify and critically assess strategic opportunities and threats. Has a Knack to offer a solution based approach in developing the effective strategies in the context of the strategic objectives of the Company.
Global Experience / International Exposure	Ability to have access and understand business models of global corporations, relate to the developments with respect to leading global corporations and assist the Company to adapt to the local environment, understand the geo political dynamics and its relations to the Company's strategies and business prospects and have a network of contacts in global corporations and industry worldwide.
Governance, Risk Management and Compliance	Commitment, belief and experience in the application of corporate governance principles and setting up corporate governance practices to support the Company's robust legal, risk and compliance systems and governance policies/practices. Ability to identify key risks associated with the operations of the Company including broad legal and regulatory framework and its mitigation plans.
Engineering Research & Development	Domain knowledge in businesses and closely follow the technology trends in the ER&D industry and focus on key technology areas that impact the various verticals we operate viz. digital engineering, mobility and augmented reality, IOT, automation of Knowledge, robotics, autonomous & near-autonomous vehicles, imaging and video. Having knowledge of the industry wherein the Company operates through its various verticals such as Transportation, Industrial Products, Telecom & Hi-tech, Medical Devices and Plant Engineering. Understanding of the current drivers of innovation in the technology market. Experience in delivering services in response to market demand.
Finance, Accounts & Audit	Qualifications and/or experience in accounting and/or finance or the ability to understand financial policies, disclosure practices, financial statements and critically assess financial viability and performance; contribute to strategic financial planning and oversee budgets and the efficient use of available resources and ability to analyse adequacy of internal financial controls.
Relationship with Clients/Customers	Experience in engaging with management of businesses and organizations and other customers to assess business needs and ability to maintain positive relationships with clients/customers over time.
Stakeholder Engagement & Industry advocacy	Ability to engage with key stakeholders including relevant industry investor and business customers to effectively engage/network and communicate with them. Ability to develop professional relationship with the Policy makers and Regulators for contributing to the shaping of Government policies in the areas of Company business and experience in managing government relations and industry advocacy strategies.
Contributor and collaborator	The ability to critically analyze complex and detailed information, deal appropriately with key issues and suggest solutions to problems. Have ability to work as part of a team and demonstrate the passion and time to make a genuine and active contribution in the Board decision making.

Name of the Director	Leadership	Strategy & Planning	Global Experience/ International Exposure	Governance, Risk Management and Compliance	Engineering Research & Development	Finance, Accounts & Audit	Relationship with Clients/ Customers	Stakeholder Engagement	Contributor and collaborator
Mr. A.M. Naik	√	√	√	√	√	√	√	√	√
Mr. S.N. Subramanian	√	√	√	√	√	√	√	√	√
Dr. Keshab Panda	√	√	√	√	√	√	√	√	√
Mr. Amit Chadha	√	√	√	√	√	√	√	√	√
Mr. Abhishek	√	√	√	√	√	√	√	√	√
Mr. Samir Desai	√	√	√	√	√	√	√	√	√
Mr. Narayanan Kumar	√	√	√	√	√	√	√	√	√
Ms. Apurva Purohit	√	√	√	√	√	√	√	√	√
Mr. Arjun Gupta	√	√	√	√	√	√	√	√	√
Mr. Sudip Banerjee	√	√	√	√	√	√	√	√	√

As evaluated by constituent Board of Directors

Board Committees

The Board currently has the following five Committees: 1) Audit Committee, 2) Nomination and Remuneration Committee, 3) Stakeholders' Relationship Committee, 4) Corporate Social Responsibility Committee and 5) Risk Management Committee.

The terms of reference of the Board Committees are in compliance with the provisions of the Act, the LODR and are also decided by the Board from time to time. The Board is responsible for constituting, assigning and appointing the members of the Committees. Draft minutes of the committee meetings are circulated to the members of those committees for their comments and thereafter, confirmed in its next meeting, in terms of Secretarial Standard on Meeting of the Board of Directors (SS-1) issued by the Institute of Company Secretaries of India.

The minutes of the committee meetings are also placed in the Board meeting of the Company. The brief description of terms of reference of the Committees, the composition of the Committees including the number of meetings held during the financial year and the related attendance are provided below.

Audit Committee

• Terms of Reference

The terms of reference of the Audit Committee include the following:

1. 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;
2. Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - b) Changes, if any, in accounting policies and practices and reasons for the same;
 - c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - d) Significant adjustments made in the financial statements arising out of audit findings;
 - e) Compliance with listing and other legal requirements relating to financial statements;
 - f) Disclosure of any related party transactions; and
 - g) Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. 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 utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. 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;

14. Discussion with internal auditors of any significant findings and follow up there on;
15. 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;
16. 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;
17. 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;
18. To establish and review the functioning of the whistle blower mechanism;
19. Approval of appointment of Chief Financial Officer (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board or specified/provided under the Companies Act, 2013 or Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") or by any other regulatory authority;
21. Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments existing as on the date of coming into force of this provision;
22. Review of Management's discussion and analysis of financial condition and results of operations;
23. Review of Statement of significant related party transactions, submitted by the management;
24. Review of Management letters/letters of internal control weaknesses issued by the statutory auditors;

25. Review Internal audit reports relating to internal control weaknesses;
26. Review the appointment, removal and terms of remuneration of the chief internal auditor; and
27. Review of Statement of deviations if any.

- **Composition**

The Audit Committee has been in place since 2014. As on March 31, 2020 the Audit Committee was comprising of three Independent Directors and one Non-Executive Director as its members. The Chairman of the Committee is an Independent Director. During the year under review, the Audit Committee was re-constituted by inducting Ms. Apurva Purohit as a member. Ms. Renuka Ramnath ceased to be a member of the Audit Committee due to her resignation. Further, on May 15, 2020, the Audit Committee was re-constituted wherein, Mr. S. N. Subrahmanyam ceased to be the member of the Committee and Mr. R. Shankar Raman, Chief Financial Officer & Whole-time Director of Larsen & Toubro Limited was appointed as a Permanent Special Invitee to the Audit Committee Meeting.

- **Meetings**

During the year ended March 31, 2020, Audit Committee met 4 (Four) times on May 3, 2019, July 19, 2019, October 18, 2019 and January 17, 2020.

The attendance of Members at the Meetings was as follows:

Name of Director	Position in the Committee	No. of Meetings held during the year	No. of Meetings Attended
Mr. Narayanan Kumar	Chairman	4	4
Mr. Samir T. Desai	Member	4	4
Ms. Renuka Ramnath ¹	Member	3	2
Mr. S. N. Subrahmanyam ²	Member	4	0
Ms. Apurva Purohit ³	Member	1	1

¹Ceased to be a member of the Committee w.e.f. October 18, 2019

²Ceased to be a member of the Committee w.e.f. May 15, 2020

³Appointed as a member of the Committee w.e.f. December 11, 2019

Meetings held during the year are expressed as number of meetings eligible to attend.

All the members of Audit Committee are financially literate and have accounting and financial matters experience.

The CEO & Managing Director and CFO of the Company are permanent invitees of the Meetings of Audit Committee. Statutory and Internal Auditors or their representatives are permanent invitees for the meetings of the Committee. The Company Secretary is the Secretary to the Committee.

- **Internal Audit:**

M/s. Aneja Associates are the Internal Auditors of the Company. They are reviewing from time to time, Company's systems of internal controls covering financial, operational, compliance, IT applications, etc. and presentations were made to the Audit Committee on quarterly basis covering the scope of their audit and their findings. To maintain its objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee and significant audit observations, comments and corrective actions thereon are presented to the Audit Committee in its meeting. The Board of Directors had appointed M/s. Aneja Associates as the Internal Auditors of the Company for a period of 3 years commencing from May 3, 2017 to May 2, 2020. Further on the recommendation of the Audit Committee, the Board of Directors have re-appointed M/s. Aneja Associates as the Internal Auditors of the Company for a further period of 3 years commencing from May 3, 2020 till May 2, 2023.

Nomination and Remuneration Committee

Terms of Reference

The terms of reference of the Nomination and Remuneration Committee include the following:

1. To identify, review, assess and recommend to the Board the appointment of executive and non-executive Directors and senior management personnel;
 2. To formulate criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy for appointment and remuneration of the directors, key managerial personnel and senior management personnel and other employees;
 3. To formulate a criteria for evaluation of performance of independent directors and the Board of Directors;
 4. To consider and approve employee stock option schemes and to administer and supervise the same;
 5. Devising a policy on Board diversity;
 6. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
7. Any other terms of reference as may be referred by the Board or as may be provided under the Companies Act, or the Listing Regulations, or by any other regulatory authority; and
 8. Recommend to the board, all remuneration, in whatever form, payable to senior management.
- **Composition**
The Nomination and Remuneration Committee ('NRC') has been in place since February 15, 2014. As on March 31, 2020 the NRC comprised of three Members including two Independent Directors and a Non-Executive Chairman of the Board. The Chairman of the Committee is an Independent Director.
 - **Meetings**
During the year ended March 31, 2020, the NRC committee met 4 (Four) times on May 3, 2019, July 19, 2019, October 18, 2019 and January 17, 2020.
- The attendance of Members at the NRC Meetings was as follows:

Name of Director	Position in the Committee	No. of Meetings held during the year	No. of Meetings Attended
Mr. Samir T. Desai	Chairman	4	4
Mr. A.M. Naik	Member	4	3
Mr. Arjun Gupta	Member	4	3

Meetings held during the year are expressed as number of meetings eligible to attend.

- **Board Membership Criteria**

While screening, selecting and recommending to the Board new members, the NRC ensures that the Board is objective, there is absence of conflict of interest, ensures availability of diverse perspectives, business experience, legal, financial & other expertise, integrity, managerial qualities, practical wisdom, ability to read & understand financial statements, commitment to ethical standards and values of the Company and ensure healthy debates & sound decisions.

While evaluating the suitability of a Director for re-appointment, besides the above criteria, the NRC considers the past performance, attendance & participation in and contribution to the activities of the Board by the Director.

The Independent Directors comply with the definition of Independent Directors as given under Section 149(6) of the Act and Regulation 16(1)(b) of the LODR and other applicable provisions if any. While appointing/re-appointing any Independent Directors/Non-Executive Directors on the Board, the NRC considers the criteria as laid down in the Act and LODR.

All the Independent Directors give a certificate confirming that they meet the “independence criteria” as mentioned in Section 149(6) of the Act and the LODR.

These certificates have been placed on our corporate website www.LTTS.com.

The Board has taken on record the declaration and confirmation submitted by the Independent Directors after assessing the veracity of the same.

Further, the Board is of the opinion that the Independent Directors fulfill the conditions specified in the LODR and are independent of the management.

- **Remuneration Policy**

The remuneration of the Board members is based on the Company's size & global presence, its economic & financial position, industrial trends, compensation paid by the peer companies, etc. Compensation reflects each Board member's responsibility and performance. The level of compensation to Executive Directors is designed to be competitive in the market for highly qualified executives.

The Whole Time Directors are paid remuneration by way of salary, perquisites, variable pay and commission, wherever applicable based on recommendation of the NRC, approval of the Board and the shareholders. The commission is based on the performance of the business/function as well as other qualitative factors. The commission is calculated with reference to net profits of the Company in the financial year subject to overall ceilings stipulated under Section 197 of the Act.

The Independent Directors and Non-Executive Chairman are paid remuneration by way of commission & sitting

fees. The Company is paying sitting fees of ₹ 50,000/- for attending each meeting of the Board and ₹ 25,000/- for attending each Committee Meeting during the year to the Independent Directors and Non-Executive Chairman. The commission paid to them is subject to a limit of not exceeding 1% p.a. of the profits of the Company as approved by shareholders (computed in accordance with Section 197 of the Act).

The commission to Independent Directors is distributed broadly on the basis of their attendance, contribution at the Board, the Committee meetings, Chairmanship of Committees etc. The Non-Executive Chairman is paid a commission which is recommended by the Nomination & Remuneration Committee and is approved by the Board.

As required under the provisions of Regulation 46 of the LODR the criteria for payment to Independent Directors/ Non-Executive Directors is made available on the investor page of our corporate website www.LTTS.com.

Performance Evaluation criteria for Independent Directors:

The performance evaluation questionnaire covers specific criteria with respect to the Board & Committee composition, structure, effectiveness of the Board and Committees, functioning of the Board and Committees, information availability, remuneration structure, succession planning, relevant skills etc. It also contains specific criteria for evaluating the performance of the Chairman and individual Directors.

This year the Company has appointed an external agency to facilitate the process of performance evaluation of the Board of Directors, its Committees, individual directors and Chairman of the Company. The external agency had received the responses of the Directors and consolidated and analyzed the said responses.

The Board Performance Evaluation inputs were highlighted by the Chairman of Nomination and Remuneration Committee in the Nomination and Remuneration Committee as well as in the Board Meeting held on May 15, 2020.

Members are also requested to refer to page no. 46 of the Board Report.

• **Details of Remuneration Paid/Payable to Directors for the Year Ended March 31, 2020**

(a) **Executive Directors:**

The details of remuneration paid/payable to the Executive Directors are as follows:

(₹ million)

Name of Director	Salary	Perquisites	Perquisites related to ESOPs	Commission	Variable Pay	Total
Dr. Keshab Panda, CEO and Managing Director ⁵	48.76	-	85.82	8.43	3.78	146.80
Mr. Amit Chadha ¹ , Dy. CEO and Whole Time Director ⁵	33.38	-	57.26	-	10.21	100.85
Mr. Abhishek ² , COO and Whole Time Director	5.11	0.18	-	-	1.50	6.79
Mr. Bhupendra Bhate ³ , COO and Whole Time Director	0.74	-	-	-	-	0.74

⁵Dr. Keshab Panda and Mr. Amit Chadha have been paid remuneration in USD. Accordingly, the figures mentioned in INR are equivalent to USD.

¹Appointed as a Deputy Chief Executive Officer and Whole Time Director w.e.f. April 1, 2020.

²Appointed as Chief Operating Officer & Whole Time Director w.e.f. October 18, 2019.

³Resigned as a Chief Operating Officer & Whole-Time Director w.e.f. May 3, 2019.

The above amount does not include gratuity and leave encashment.

Notice period for termination of appointment of Managing Director and other Whole-time Directors is three months on either side. No severance pay is payable on termination of appointment.

Details of Options granted under Employee Stock Option Schemes are provided on the website of the Company www.LTTS.com.

(b) **Independent Directors/Non-Executive Director:**

The details of remuneration paid/payable to the Independent Director/Non-Executive Directors is as follows:

(₹ million)

Name of Director	Category	Sitting fees for Board Meetings	Sitting fees for Committee Meetings	Commission	Total
Mr. A. M. Naik	Non-Executive	0.15	0.08	6.80	7.03
Mr. S. N. Subrahmanyam	Non-Executive	-	-	-	-
Mr. Samir T Desai*	Independent Director	0.20	0.20	5.30	5.70
Mr. Narayanan Kumar	Independent Director	0.20	0.10	1.50	1.80
Ms. Renuka Ramnath ¹	Independent Director	0.07	0.08	0.64	0.79
Ms. Apurva Purohit ²	Independent Director	0.05	0.05	0.43	0.53
Mr. Arjun Gupta*	Independent Director	0.17	0.13	3.78	4.09
Mr. Sudip Banerjee	Independent Director	0.20	0.18	1.60	1.98

¹Ms. Renuka Ramnath resigned as Independent Director w.e.f. October 18, 2019.

²Ms. Apurva Purohit was appointed as Independent Director w.e.f. December 11, 2019.

*The Commission paid to Mr. Samir T. Desai and Mr. Arjun Gupta was in USD, the figure mentioned above is INR Equivalent of USD.

Shares held by the Non-Executive Directors as on March 31, 2020 are as follows:

Names	No. of Shares held
Mr. A.M. Naik	13,00,000
Mr. S.N. Subrahmanyam	1,20,000

Stakeholders' Relationship Committee

• Terms of Reference

The terms of reference of the Stakeholders' Relationship Committee include the following:

1. To redress grievances of shareholders, debenture holders and other security holders;
2. Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
3. Issue of duplicate certificates and new certificates on split/consolidation/renewal;
4. To consider and resolve grievances related to non-receipt of declared dividends, annual report of the Company or any other documents or information to be sent by the Company to its shareholders; and
5. Carrying out any other function as may be decided by the Board or specified/provided under the Companies Act, 2013 or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or by any other regulatory authority.
6. Resolving the grievances of the security holders of the listed entity 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.
7. Review of measures taken for effective exercise of voting rights by shareholders.
8. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
9. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

• Composition

The Stakeholders' Relationship Committee (SRC) as on March 31, 2020, comprised of two Independent Directors and one Executive Director as its members. The Chairperson of the Committee is an Independent Director of the Company. During the year under review, the SRC was re-constituted by inducting Ms. Apurva Purohit as the Chairperson of the Committee in place of Ms. Renuka Ramnath who ceased to be the Chairperson of the Committee.

• Meetings

During the year ended March 31, 2020, the SRC met 4 (Four) times on May 3, 2019, July 19, 2019, October 18, 2019 and January 17, 2020. The attendance of Members at the Meetings was as follows:

Name of Director	Position in the Committee	No. of meetings held during the year	No. of Meetings Attended
Ms. Renuka Ramnath ¹	Chairperson	3	2
Mr. Sudip Banerjee	Member	4	4
Dr. Keshab Panda	Member	4	4
Ms. Apurva Purohit ²	Chairperson	1	1

¹Ceased to be the Chairperson of the Committee w.e.f. October 18, 2019.

²Appointed as the Chairperson of the Committee w.e.f. December 11, 2019.

Meetings held during the year are expressed as number of meetings eligible to attend. The meetings were chaired by Mr. Sudip Banerjee in the absence of Ms. Renuka Ramnath.

Mr. Kapil Bhalla, Company Secretary is the Compliance Officer.

• Number of Requests/Complaints

During the year, the Company has resolved investor grievances expeditiously.

During the year, the Company/ its Registrar received the following complaints from SEBI/Stock Exchanges and queries from shareholders, which were resolved within the time frames laid down by SEBI.

Particulars	Opening Balance	Received	Resolved	Pending
Statutory Complaints: SEBI/ Stock Exchange	NIL	2	2	NIL
Shareholder Queries	NIL	20	20	NIL
Dividend Related	NIL	28	28	NIL
Transmission/ Transfer	NIL	NIL	NIL	NIL
Demat/Remat	NIL	NIL	NIL	NIL

The Board has delegated the powers to approve transfer of shares to Share Transfer Committee comprising of Chief Financial Officer and Company Secretary. Pursuant to SEBI press release dated December 3, 2018, requests for transfer of securities after April 1, 2019, were to be executed only in dematerialised form and hence the Share Transfer Committee had not approved any request for transfer of shares in physical form during the year under review.

Corporate Social Responsibility Committee

• Terms of Reference

The terms of reference of the Corporate Social Responsibility (CSR) Committee are as under:

1. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 including any amendments thereto;
2. To recommend the amount of expenditure to be incurred on the CSR activities referred to in the above clause; and
3. To monitor CSR policy of the Company including instituting a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the Company.

• Composition

As on March 31, 2020 the CSR Committee comprised of two Independent Directors and one Executive Director as its members. The Chairman of the Committee is an Independent Director.

• Meetings

During the year, the Committee met 3 (Three) times on May 3, 2019, October 18, 2019 and January 17, 2020.

The attendance of Members at the Meetings was as follows:

Name	Position in the Committee	No. of Meetings held during the year	No. of Meetings Attended
Mr. Arjun Gupta	Chairman	3	2
Mr. Sudip Banerjee	Member	3	3
Dr. Keshab Panda	Member	3	3

Meetings held during the year are expressed as number of meetings eligible to attend.

During the financial year 2019-20, the Company was required to spend a total amount of ₹ 127 million (being 2% of the average net profits for the last three years) on CSR activities and the said amount has been fully spent on the various CSR projects undertaken by the Company in partnership with various NGOs and Agencies.

Apart from the above, the Company also had an unspent amount of ₹ 53.81 million accumulated from previous years (2015-16 till 2018-19) due to certain projects which could not take off due to feasibility or which had to be stopped due to some technical difficulties and the CSR Committee had in 2019-20 earmarked the entire amount to be utilized towards Disaster Management Projects. However, on account of the sudden outbreak of Coronavirus (COVID-19) which was declared a Pandemic by the World Health Organization (WHO), the Company has contributed this entire amount of ₹ 53.81 million towards the PM CARES Fund as on March 31, 2020, as part of the CSR activity. Further, in view of the severity of the Pandemic, the Company has contributed an additional amount of ₹ 129.28 million towards the PM CARES Fund as part of its CSR activity. The Company has thus contributed a total amount of ₹ 183.09 million and the employees have contributed ₹ 16.91 million to the PM CARES Fund as of March 31, 2020 as part of its contribution to the overall contribution of ₹ 1500 million committed by the L&T Group to the PM CARES Fund to help the Government fight the Covid-19 Pandemic.

The Company along with its subsidiary companies is also contributing through its CSR Partners for providing sanitizers and masks to the students appearing in their Board Exams.

The detailed disclosures of CSR spending during the year has been given in Annexure 'C' forming part of this Board Report. Please refer to Page 53 of this Annual Report.

Risk Management Committee

• Terms of Reference

The terms of reference of the Risk Management Committee include the following:

1. Framing, implementing, reviewing and monitoring the risk management plan for the Company;
2. Laying down risk assessment and minimization procedures and the procedures to inform Board of the same;
3. Oversight of the risk management policy/enterprise risk management framework (identification, impact assessment, monitoring, mitigation & reporting);
4. Review key strategic risks at domestic/international, macro-economic & sectoral level (including market, competition, political & reputational issues);

5. Review significant operational risks;
6. Performing such other activities as may be delegated by the Board of Director or specified/provided under the Companies Act, 2013 or by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or statutorily prescribed under any other law or by any other regulatory authority; and
7. Review of risks specifically associated with cyber security.

- **Composition**

The Risk Management Committee as on March 31, 2020 comprised of Mr. S. N. Subrahmanyam, Non-Executive Director as the Chairman, Dr. Keshab Panda, Chief Executive Officer & Managing Director and Mr. P. Ramakrishnan, Chief Financial Officer as its members. The majority of members including the Chairman of the Committee are Board members.

- **Meetings**

Due to outbreak of Novel Coronavirus (COVID-19) Pandemic, SEBI had given a relaxation of 3 months from compliance with certain provisions of the LODR vide its circular dated March 24, 2020, including holding of the Risk Management Committee Meeting for the financial year ended March 31, 2020. Accordingly, the Risk Management Committee Meeting was held on May 14, 2020 in which the Committee discussed in detail, the Risk Management Framework of the Company.

Other Information:

- **Directors' Familiarization Program**

All directors are made aware of and also regularly updated as and when required of their responsibilities, roles and duties.

The Company normally holds its Board meetings in Mumbai and occasionally at the various Centers of the Company in India.

The internal newsletters of the Company are also circulated to the directors and the press releases, etc. are uploaded on website of the Company so that the directors are updated about the operations of the Company.

The website of the Company is regularly updated with regards to all the business developments, so that they are updated about the operations of the Company.

The Board of Directors has complete access to the information within the Company. Minutes of all committees are being included as a part of Agenda to the

Board. Systems, procedures and resources are in place to ensure that every Director is supplied, in a timely manner, with precise and concise information in a form and manner appropriate to effectively enable/discharge their duties.

Information and data are shared with the Directors in an orderly manner so that the Directors are able to contribute effectively to the Board discussions. Presentations are made regularly to the Board/NRC/Audit Committee where Directors get an opportunity to interact with senior managers. Presentations, inter alia, cover business strategies, management structure, HR policy, succession planning, quarterly and annual results, budgets, review of Internal Audit, Corporate Social Responsibility and risk management framework etc.

Independent Directors through their interactions and deliberations give suggestions for improving overall effectiveness of the Board and its Committees. Independent Directors have the freedom to interact with the Company's management.

As part of the appointment letter issued to Independent Directors, the Company has stated that it will facilitate attending seminars/programs/conferences designed to train directors to enhance their role as an Independent Director.

This information is also available on the website of the Company www.LTTS.com.

- **Risk Management Framework:**

Please refer page no. 114 of the Board Report

- **Vigil Mechanism/Whistle Blower Policy:**

The Company has a Whistle Blower Policy in place since October 2014. The Company has a Whistle Blowing Investigation Committee (WBIC) to manage complaints under the said Policy. The WBIC consists of the Senior Executives of the Company. The WBIC is responsible for end to end management of the investigations from receipt of complaints to bringing them to a logical conclusion, keeping in mind the interest of the Company.

Employees are encouraged to report any wrong-doings having an adverse effect on the Company's financials/ image and instances of leak of unpublished price sensitive information. An employee can report any wrong-doing in oral or written form. Whistle blowers are assured by the management of full protection from any kind of harassment, retaliation, victimization or unfair treatment.

The Company with reference to the Whistle Blower mechanism has created an online platform "Ethics Line" which offers an independent multi-channel interface to employees for reporting unethical conduct/malpractice they may see around them, in case of any hesitation to report face to face. Through the said helpline employees raise their concerns and the same are addressed and necessary action is taken by the Company. The said helpline and the management maintain anonymity of the whistle-blower at all times. It helps build a culture of trust, transparency, honest communication and ethical conduct and provides employees with non-threatening and impartial way of communicating their concerns while allowing the organization to act on the tip-offs as per process. One of the constant endeavors is to promote "ZERO TOLERANCE" for values, violation & unethical conduct at the workplace. To promote this culture, "Ethics Line" plays an important role.

The Audit Committee is periodically briefed about the various cases received, the status of the investigation, findings and action taken, if any.

During the year, the Company received total 4 complaints under Ethics Line. Out of the same 2 complaints were resolved through appropriate action taken by the Company. The remaining 2 complaints were under investigation and action on the same was delayed on account of lockdown due to Covid-19.

Please refer page no. 48 of the Board Report. The Company has amended its Whistle Blower Policy to incorporate the amendments pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 which were effective from April 1, 2019.

- **Statutory Auditors**

In the case of appointment of new auditors, the Audit Committee evaluates various audit firms based on approved criteria as given herein below. The Audit firms are required to make a presentation to this Committee. The Committee considers factors such as compliance with the legal provisions, number/nature/size and variation in client base, skill sets available in the firm both at partner level and staff level, international experience, systems and processes followed by the firm, training and development by the firm to its partners and staff, etc. during the process of evaluation. Based on merit and the factors mentioned above, the Committee finalizes the firm to be appointed and recommends the appointment of Auditors to the Board and shareholders for approval.

The above process was followed by the Company while appointing M/s Sharp & Tannan as the Statutory Auditors of the Company in 2018.

For the Financial year 2019-20, the total fees paid by the Company and its subsidiaries on a consolidated basis, to Sharp & Tannan, Statutory Auditor and all entities in the network firm/network entity of which the Statutory Auditors are part thereof for all the services provided by them is ₹ 4.72 million.

Also refer to Page 47 of the Board Report.

- **Code Of Conduct**

The Company has laid down a Code of Conduct for all Board members and senior management personnel. The Code of Conduct is available on the website of the Company, www.LTTS.com. The declaration of Chief Executive Officer & Managing Director is given below:

To the Shareholders of L&T Technology Services Limited	
Sub: Compliance with Code of Conduct	
I hereby declare that all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct as adopted by the Board of Directors and Senior Management Personnel.	
DR. KESHAB PANDA CEO & MANAGING DIRECTOR	
Date: May 15, 2020 Place: New Jersey, USA	

- **General Body Meeting**

The last three Annual General Meetings of the Company were held as under:

Financial Year	Date	Venue	Time
2018-19	July 20, 2019	Birla Matushri Sabhagar, 19, Marine Lines, Mumbai-400020	3.30 PM
2017-18	August 22, 2018	Yashwantrao Chavan, Pratishthan Auditorium, General Jagannath Bhosale Marg, Nariman Point Mumbai-400021	11.00 AM
2016-17	August 23, 2017	St. Andrews Auditorium, St. Dominic Road, Bandra West, Mumbai-400050	3.00 PM

The following Special Resolutions were passed by the members during the past three Annual General Meetings:

Annual General Meeting held on July 20, 2019:

- To approve Re-appointment and Continuation of Samir Desai (DIN:01182256) as an Independent Director of the Company.

Annual General Meeting held on August 22, 2018

- To approve Appointment and Continuation of Mr. A.M Naik as a Non-Executive Director of the Company, who has attained the age of Seventy-Five Years.

Annual General Meeting held on August 23, 2017:

- No special resolutions were listed in the agenda for the meeting

Postal Ballot

During the year, no matters were transacted through postal ballot.

Disclosures:

- During the year, there were no transactions of material nature with the Directors or the Management or relatives or the subsidiaries or related parties that had potential conflict with the interests of the Company.
- Details of all related party transactions form a part of the accounts as required under IND AS 24 and the same are given on page 189 of this Annual Report.
- The Company has followed all relevant Accounting Standards notified by the Companies (Indian Accounting

Standards) Rules, 2015 while preparing the Financial Statements.

- The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or any other statutory authorities relating to the above.
- The Company has obtained Certificate from Mrs. Naina Desai, Practicing Company Secretary confirming that Directors have not been debarred or not been disqualified from being appointed or continuing as Directors by SEBI/ MCA or any other authority. The said Certificate is provided in Annexure 'D' forming part of this Board Report.
- The policy for determining material subsidiaries and related party transactions is available on our website www.LTTS.com.
- Details of risk management including foreign exchange risk, commodity price risk and hedging activities form a part of the Management Discussion & Analysis. Please refer to page 114 of this Annual Report.
- Details in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 form a part of the Board Report. Please refer to page 46 of this Annual Report.

Means Of Communication:

Financial Results	Quarterly & Annual Results are published in prominent daily newspaper viz. The Financial Express and Loksatta. The results are also posted on the Company's website www.LTTS.com . In view of the situation caused by Covid-19 Pandemic, and the resulting Lockdowns in place in the whole of India, SEBI, vide its Circulars dated March 26, 2020 and May 12, 2020, had exempted all Listed Companies from publishing their Financial results in Newspapers; accordingly, the Annual Audited Financial Results of the Company for the Quarter and Financial Year ended March 31, 2020, which were approved by the Board in its meeting held on May 15, 2020, were not published in the Newspapers but were only posted on the Company's website www.LTTS.com as well as filed with the Stock Exchanges.
News releases	Official news releases are sent to stock exchanges as well as displayed on the Company's website: www.LTTS.com .
Website	The Company's website www.LTTS.com . provides comprehensive information about its portfolio of businesses. Section on "Investors" serves to inform and service the Shareholders allowing them to access information at their convenience. The quarterly shareholding pattern of the Company is available on the website of the Company as well as the stock exchanges. The entire Annual Report and Accounts of the Company are available on the websites of the Stock Exchanges. The Annual Report and Accounts of the Company and its subsidiaries are also available on the website of the Company in downloadable format.
Filing with Stock Exchanges	Information to Stock Exchanges is being filed online on NEAPS for NSE and BSE Listing Centre for BSE.
Annual Report	Annual Report is circulated to all the members and all others like auditors, secretarial auditor, equity analysts, etc.
Management Discussion & Analysis	This forms a part of the Annual Report which is sent to the shareholders of the Company.
Presentations/Investor call made to Institutional Investors and Analysts	The schedule of analyst/institutional investor meets and presentations if made to them are placed on the website of the Company. The quarterly Earning Conference Call transcript is made available to the investors on the Company's website.

Compliance Monitoring System

The statutory compliance has become a catalyst for Corporate Governance. A good statutory compliance system has become vital for effective conduct of business operations. As a major portion of the Company's business is conducted abroad, apart from ensuring compliance with Indian statutes, the Company also complies with the statutes of the countries where the Company has presence.

With a view to strengthen this system, the Company has taken steps to automate the said system and has framed a web-based portal which will provide the users a web-based access, controls based on a defined authorization matrix. Besides connecting all the compliance owners across time zones to a common corporate platform, the portal is expected to serve as a repository of the compliance exercise yielding substantial saving in resources and efforts for tracking compliance. The Company is taking steps to build this Statutory Compliance Monitoring system.

Unclaimed Shares

During the year under review none of the shareholders had approached for transfer of shares out of the shares lying in the escrow account. As on March 31, 2020, the Company has 16 unclaimed shares lying from its public issue.

General Shareholders' Information

Financial Year

The financial year of the Company is from April 1 to March 31.

Annual General Meeting:

The Annual General Meeting of the Company to be convened on Friday, July 17, 2020 at 4:30 p.m. through Video Conferencing.

In view of the situation caused by Covid-19 Pandemic and in line with the exemption granted to all the Companies by the MCA vide its Circular No. 20/2020 dated May 5, 2020, the 8th Annual General Meeting of the Shareholders is being held through Video Conferencing mode only. In line with the aforesaid Notifications issued by MCA, the Company shall provide Video-Conferencing Facility for Shareholders to enable them to attend the Annual General Meeting on first-come-first-serve basis.

Financial calendar:

Annual Results of 2019-20	15 th May 2020
E-Mailing of Annual Reports to the registered email ids of the shareholders whose email ids are registered with the Company**	Fourth week of June, 2020
First Quarter Results	During third week of July, 2020*
Annual General Meeting	17 th July 2020
Payment of Dividend	On or before August 5, 2020
Second Quarter Results	During third week of October, 2020*
Third Quarter Results	During third week of January, 2021*

*Tentative dates

**In view of the situation caused by Covid-19 Pandemic, MCA vide its Circular No. 20/2020 dated May 5, 2020 and SEBI vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, granted exemption to all the Companies for the current calendar year i.e. 2020 from sending physical copies of the Annual Report to the shareholders. Accordingly, the Annual Report for FY 2019-20 along with the Notice for the 8th Annual General Meeting is being sent through email only.

Book Closure:

The dates of Book Closure are from Friday, July 10, 2020 to Friday, July 17, 2020 (both days inclusive) to determine the members entitled to the dividend for 2019-2020.

Listing of Equity Shares on Stock Exchanges:

The shares of the Company are listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

Listing Fees to Stock Exchanges:

The Company has paid the Listing Fees for the year 2019-2020 to the above Stock Exchanges.

Custodial Fees to Depositories:

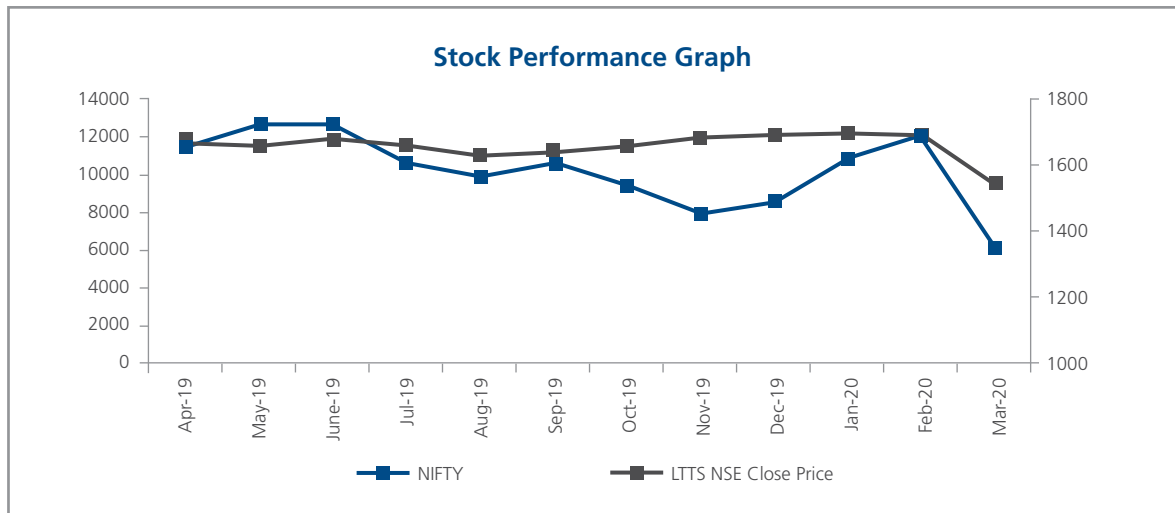
The Company has paid custodial fees for the year 2019-2020 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Stock Code/Symbol:

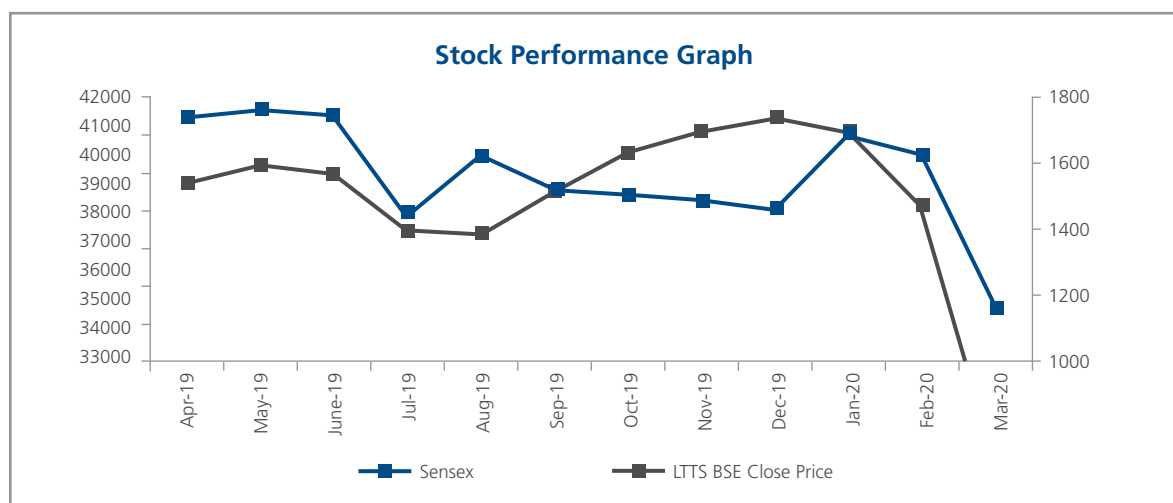
BSE Limited (BSE)	Scrip Code: 540115
National Stock Exchange of India Limited (NSE)	Scrip Code: LTTS
ISIN	INE010V01017
Corporate Identification Number	L72900MH2012PLC232169

Stock market data for the year 2019-2020:

Month	LTTTS NSE Price (₹)			NIFTY		
	High	Low	Month Close	High	Low	Month Close
2019						
April	1675.71	1628.11	1651.80	11722.13	11616.12	11666.45
May	1754.32	1704.60	1722.83	11676.86	11523.38	11529.02
June	1735.45	1703.96	1718.90	11904.47	11774.86	11839.02
July	1625.98	1578.49	1598.17	11597.67	11479.08	11523.11
August	1583.28	1544.46	1563.48	11050.64	10885.28	10976.50
September	1628.32	1586.30	1602.02	11197.15	11038.37	11124.29
October	1562.37	1504.54	1535.29	11559.37	11416.27	11490.21
November	1474.88	1443.81	1457.36	12013.58	11915.50	11964.13
December	1507.08	1472.92	1488.18	12145.86	12052.73	12096.88
2020						
January	1633.31	1587.14	1613.96	12247.01	12139.99	12183.07
February	1713.18	1666.13	1686.54	12017.57	11880.57	11934.47
March	1396.04	1277.52	1342.48	9679.07	9179.63	9426.31



Month	LTTTS BSE Price (₹)			BSE SENSEX		
	High	Low	Month Close	High	Low	Month Close
2019						
April	1774.70	1563.05	1737.20	39487.45	38460.25	39031.55
May	1817.75	1668.00	1762.25	40124.96	36956.10	39714.20
June	1792.70	1656.75	1747.30	40312.07	38870.96	39394.64
July	1768.00	1415.50	1440.20	40032.41	37128.26	37481.12
August	1653.00	1445.00	1620.75	37807.55	36102.35	37332.79
September	1651.10	1515.00	1522.90	39441.12	35987.80	38667.33
October	1657.00	1442.00	1504.25	40392.22	37415.83	40129.05
November	1514.00	1395.60	1487.65	41163.79	40014.23	40793.81
December	1529.00	1450.90	1465.60	41809.96	40135.37	41253.74
2020						
January	1780.00	1473.80	1679.20	42273.87	40476.55	40723.49
February	1775.00	1580.00	1626.75	41709.30	38219.97	38297.29
March	1708.00	995.00	1162.40	39083.17	25638.90	29468.49

**Registrar and Share Transfer Agent:**

KFin Technologies Private Limited
 Unit: L&T Technology Services Limited
 Selenium Tower B, Plot 31-32,
 Financial District, Nanakramguda
 Serilingampally Mandal, Hyderabad, 500 032
 Tel: (91 40) 6716 2222
 Fax: (91 40) 2343 1551
 Email: einward.ris@kfintech.com

a) Share Transfer System:

The Company's investor services are handled by KFin Technologies Private Limited who are the Company's RTA. Pursuant to SEBI press release dated December 3, 2018, except in case of transmission or transposition of securities, requests for effecting transfer of securities after April 1, 2019, have not been processed by the Company unless the securities were held in the dematerialized form with a depository.

Physical shares received for dematerialization are processed and completed within a period of 21 days from the date of receipt.

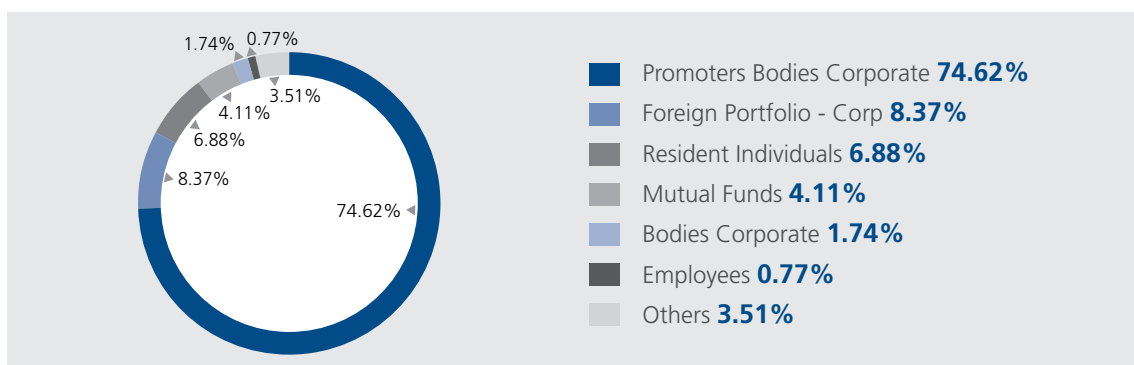
As required under Regulation 40 of the LODR, a certificate on half yearly basis confirming due compliance of share transfer formalities by the Company from Practicing Company Secretary has been submitted to Stock Exchanges within stipulated time.

Distribution of Shareholding as on March 31, 2020:

No. of shares	Shareholders		Shareholding	
	Number	Percentage	Number	Percentage
Upto 500	93,707	98.08	41,37,749	3.96
501-1000	869	0.91	6,18,794	0.59
1001-2000	422	0.44	6,02,034	0.58
2001-3000	118	0.12	2,93,333	0.28
3001-4000	81	0.08	2,84,792	0.27
4001-5000	49	0.05	2,21,888	0.21
5001-10000	114	0.12	8,35,643	0.80
10001 & above	177	0.19	9,75,17,325	93.31
Total	95,537	100.00	10,45,11,558	100.00

Category of Shareholder is as under:

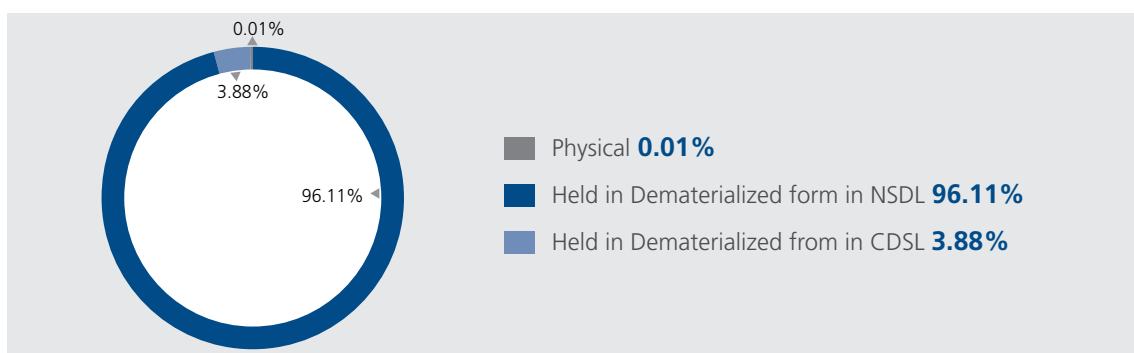
Category	31.03.2020		31.03.2019	
	No of shares	%	No of shares	%
Mutual Funds	42,90,363	4.11	45,79,634	4.40
Foreign Portfolio - Corp	87,44,894	8.37	52,85,685	5.08
Resident Individuals	71,90,167	6.88	73,25,590	7.04
Employees	8,08,623	0.77	5,65,972	0.54
Promoters Bodies Corporate	7,79,86,899	74.62	8,20,50,531	78.88
Bodies Corporate	18,21,074	1.74	25,41,817	2.44
Others	36,69,538	3.51	16,64,096	1.62
Total:	10,45,11,558	100.00	10,40,13,325	100.00


b) Dematerialization of Shares:

The Company's shares are required to be compulsorily traded in the Stock Exchanges in dematerialized form.

As on March 31, 2020, the number of shares held in dematerialized and physical mode is as under:

Particulars	Number of shares	% of total capital issued
Held in Dematerialized form in NSDL	10,04,42,050	96.11
Held in Dematerialized form in CDSL	40,57,662	3.88
Physical	11,846	0.01
Total	10,45,11,558	100.00



Members holding shares in physical format can convert the same into electronic holdings which will negate risks associated with physical certificates.

Members holding shares in dematerialized form can intimate all changes viz. pertaining to change of address, change in e-mail id, bank details etc. to their Depository Participants whilst those holding shares in physical form can intimate such changes to the Company's RTA. The Company collected PAN and bank account details of securities holders whose dividend remain unpaid/unclaimed, hereinafter all payments of dividend will be made in electronic formats.

c) Address for Correspondence:

Address of the Registrar and Share Transfer Agent (RTA)	KFin Technologies Private Limited Unit: L&T Technology Services Limited Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad 500 032 Tel: (91 40) 6716 2222 Fax: (91 40) 2343 1551 Toll free no.: 1800 419 8283 Email: einward.ris@kfintech.com Website: https://www.kfintech.com
Address of the Compliance Officer	Kapil Bhalla L&T Technology Services Limited 2 nd Floor, Tower B, L&T Business Park, TC2, North -East Wing, Gate No. 5, Saki Vihar Road, Powai, Mumbai – 400072 Tel: (91 022) 6705 9200 Fax: (91 022) 6705 9695 E-mail: investor@lts.com

Global Locations:

The Company has a network of offices all around the globe. The sales offices and delivery centers of the Company are located in USA, Canada, UK, Sweden, Poland, Norway, Netherlands, Italy, Germany, France, Finland, Denmark, Belgium, Israel, UAE, South Korea, Japan, Singapore, Malaysia, Australia, South Africa and China.

India Locations:

As on March 31, 2020, the Company has delivery centers located at Mumbai, Pune, Vadodara, Chennai, Bengaluru, Mysuru and Hyderabad.

The Registered Office of the Company is located at L&T House, Ballard Estate, N.M. Marg, Fort, Mumbai- 400001 and the Corporate Office of the Company is located at 5th Floor, West Block-II, L&T Knowledge City (IT/ITES) SEZ, N.H. No. 8, Ajwa-Waghodia Crossing, Vadodara 390 019.

d) Shareholder Grievances:

The Company has designated an e-mail id viz. investor@lts.com to enable shareholders to contact in case of any queries/complaints. The Company strives to resolve any complaint within 7 working days.

Securities Dealing Code

The Company has adopted a Securities Dealing Code pursuant to SEBI (Prevention of Insider Trading) Regulations 2015.

Pursuant to Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (SEBI Insider Trading Regulations) the Company has adopted its Securities Dealing Code ('Code') for prevention of insider trading. The objective of the Code is to prevent dealing in the shares of the Company by an Insider while in possession of information known only to them, and not yet made publicly available by the Company, which, when made publicly available, can materially impact the price of the Company's securities.

The Code lays down stringent guidelines for the Designated Persons and creates the necessary framework for transacting in the Company's securities, after seeking prior clearance for transactions wherever necessary, and a mechanism for periodical reporting of transactions.

The objective of the Code is to prevent purchase and/or sale of shares of the Company by an Insider on the basis of unpublished price sensitive information. Under this Code, Designated Persons (Directors, Advisors, Officers and other concerned employees/persons) are prevented from dealing in the Company's shares during the closure of Trading Window. To deal in securities beyond specified limit, permission of Compliance Officer is also required.

All the employees falling in the Designated Persons category are also required to disclose related information periodically as defined in the Code. Directors and Designated Persons who buy and sell shares of the Company are prohibited from entering into a contra transaction i.e. enter into an opposite transaction i.e. sell or buy any shares of the Company during the next six months following the prior transactions. Pursuant to the enactment of the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, the Company has suitably modified the provisions of the Code which are effective from 1st April 2019. Further, the Company modifies the Code as and when there are amendments in the SEBI (Prohibition of Insider Trading) Regulations, 2015.

Mr. Kapil Bhalla, Company Secretary has been designated as the Compliance Officer. Mr. P. Ramakrishnan is the Chief Investor Relations Officer of the Company.

The Company has also formulated the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information which is available on Company's Website www.LTTS.com

Awareness sessions/workshops on Governance practices:

Employees across the Company are being sensitized about the various policies and governance practices of the Company. The Company has in-house training workshops on Corporate Governance with the help of an external faculty covering basics of Corporate Governance as well as internal policies and compliances under Code of Conduct, Whistle Blower Policy, Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, SEBI Insider Trading Regulations, etc.

Secretarial Audit as per SEBI requirements:

As stipulated by SEBI, a Qualified Practicing Company Secretary carries out Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted

to the Stock Exchanges. The Audit confirms that the total Listed and Paid-up capital is in agreement with the aggregate of the total number of shares in dematerialized form and in physical form. Appropriate actions are taken to continuously improve the quality of compliance.

The Company also has adequate software and systems to monitor compliance.

Secretarial Audit as per Companies Act, 2013:

Pursuant to the provisions of section 204(1) of the Act, Mrs. Naina Desai, Practicing Company Secretary, conducts the secretarial audit of the compliance of applicable statutory provisions and the adherence of good corporate practices by the Company.

Pursuant to the SEBI circular dated 8th February 2019, the Company has obtained an annual secretarial compliance report from Mrs. Naina Desai, Practicing Company Secretary and have submitted the same to the Stock Exchanges within the prescribed timelines.

Group Governance:

All the subsidiaries of the Company are following governance practices as prescribed by Parent company LTTS, the Company also periodically monitors transactions in subsidiary and step down subsidiaries by way of receiving checklists from these companies.

CEO/CFO Certificate

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

Dear Sirs,

Sub: CEO/CFO Certificate

{Issued in accordance with provisions of Regulation 17(8) of SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015}

We have reviewed the consolidated financial statements, read with the consolidated cash flow statement of L&T Technology Services Limited for the year ended March 31, 2020 and that to the best of our knowledge and belief, we state that:

- (a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
- (ii) these statements present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies, if any, in the design or operation of such internal controls of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
 - (i) that there were no significant changes in internal controls over financial reporting during the year; and
 - (ii) that there were no significant changes in accounting policies made during the year; and
 - (iii) that there were no instances of significant fraud of which we have become aware.

Yours Sincerely,

P. Ramakrishnan
Chief Financial Officer

Place: Mumbai, India
Date: May 15, 2020

Dr. Keshab Panda
CEO & Managing Director

Place: New Jersey, USA
Date: May 15, 2020

Independent Auditors' Certificate on Corporate Governance To the members of L&T Technology Services Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 30 August 2018.
2. We have examined the compliance of conditions of corporate governance by L&T Technology Services Limited ('the Company'), for the year ended on 31 March 2020, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

Management's responsibility

3. The compliance of conditions of corporate governance is the responsibility of management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of corporate governance stipulated in the SEBI Listing Regulations.

Auditors' responsibility

4. Our responsibility is to examine the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate governance. It is neither audit nor expression of opinion on the financial statements of the Company.
5. We have examined the books of accounts and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with corporate governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('the ICAI'), the Standards on Auditing specified under section 143(10) of the Companies Act, 2013, in so far as is applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purpose issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanation provided to us and representations provided by management, we certify that the Company has complied with the conditions of corporate governance as specified in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of schedule V of the SEBI Listing Regulations, as applicable during the year ended 31 March 2020.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

10. The certificate is addressed to and provided to the members of the Company solely for the purpose of complying with the aforesaid SEBI Listing Regulations and may not be suitable for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing.

SHARP & TANNAN

Chartered Accountants
Firm's registration no. 109982W
by the hand of

Firdosh D. Buchia

Partner
Membership no. 038332
UDIN: 20038332AAAALF3544

Mumbai, 15 May 2020

Independent Auditors' certificate on Employee Stock Option Scheme

1. This certificate is issued in accordance with the terms of our engagement letter dated 30 August 2018.
2. We have examined the Employees Stock Option Scheme ('the Scheme') of L&T Technology Services Limited ('the Company'), the books of accounts and other relevant records to determine whether the Scheme is in accordance with the rules specified under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (as amended) ('the Regulations') and in accordance with the resolutions passed in the general meeting held on 21 January 2016 ('the General Meeting') and as per postal ballot dated 15 December 2016.

Management's responsibility

3. Management is responsible for maintaining the information and documents, which are required to be kept and maintained under the relevant laws and regulations and implementing the Scheme in accordance with the Regulations and the resolutions passed at the General Meeting.
4. Management is also responsible for design, implementation and maintenance of internal control relevant to the implementation of Scheme in accordance with the Regulations and the resolutions passed at the General Meeting and for providing all information in this regard.

Auditors' responsibility

5. Our responsibility is to examine the procedures and implementation thereof, adopted by the Company for ensuring implementation of the Scheme in accordance with the Regulations and the resolutions passed at the General Meeting. It is neither audit nor expression of opinion on the financial statements of the Company.
6. We have examined the books of accounts and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the implementation of the Scheme by the Company in accordance with the Regulations and the resolutions passed at the General Meeting.
7. We have carried out an examination of the Scheme, books of accounts and other relevant records of the Company in accordance with the Guidance Note on Reports or Certificates for Special Purpose (Revised 2016) issued by the Institute of Chartered Accountants of India ('the ICAI'), which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and related services engagements.

Criteria and scope

9. The criteria against which the information is evaluated are the following:
 - a. the Regulations;
 - b. the Scheme;
 - c. special resolution passed by the shareholder for the Scheme; and
 - d. written representation from management.

Opinion

10. Based on our examination of the relevant records and according to the information and explanation provided to us and representations provided by management, we certify that the Company has implemented the Scheme in accordance with the Regulations and the resolutions passed at the general meeting held on 21 January 2016 and as per postal ballot dated 15 December 2016.

Restriction on use

11. The certificate is addressed to and provided to the members of the Company solely for the purpose of compliance with clause 13 of the Regulations. This certificate should be used solely for the purpose of complying with the Regulations and may not be suitable for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing.

SHARP & TANNAN

Chartered Accountants
Firm's registration no.109982W
by the hand of

Firdosh D. Buchia

Partner
Membership no. 038332
UDIN: 20038332AAAALE6192

Mumbai, 15 May 2020

ANNEXURE TO DIRECTORS' REPORT
CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

TO:

The Members of L&T Technology Services Limited

I have examined the relevant records of L&T Technology Services Limited for the purpose of certifying compliance of requirements in Schedule V (C) 10(i) under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the financial year ended March 31, 2020.

In my opinion, to the best of my knowledge and belief, according to the explanations and information furnished to me and based on the confirmation received from the Company and each of the Directors of the Company, I certify that, none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board/Ministry of Company Affairs or any such statutory authority.

NAINA R DESAI

Practising Company Secretary

Membership No. F1351

Certificate of Practice No.13365

Peer Review Certificate No.590/2019

UDIN F001351B000245298

Place: Mumbai

Date: May 15, 2020

Annexure E

A) Ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year 2019-20, the percentage increase in remuneration of each Director & Key Managerial Personnel (KMP) during the financial year 2019-20

(₹ in million)

Name of the Director/KMP	Designation	2019-2020		
		Total Remuneration	Ratio of Remuneration to median Remuneration	Percentage increase in Remuneration
Mr. A. M. Naik	Non-Executive Chairman	7.03	8.08	NA
Mr. S. N. Subrahmanyam	Non-Executive Vice Chairman	-	-	NA
Dr. Keshab Panda	CEO & Managing Director	146.80 [®]	168.79	-2.3%
Mr. Amit Chadha ¹	Deputy Chief Executive Officer and Whole-Time Director	100.85 [®]	115.96	-1.0%
Mr. Abhishek ²	Chief Operating Officer & Whole-Time Director	6.79	7.81	NA
Mr. Bhupendra Bhate ³	Whole Time Director and Chief Operating Officer	0.74	0.85	NA
Mr. Samir T Desai	Independent Director	5.70	6.55	8.7%
Mr. Narayanan Kumar	Independent Director	1.80	2.07	0.0%
Ms. Renuka Ramnath ⁴	Independent Director	0.79	0.91	NA
Ms. Apurva Purohit ⁵	Independent Director	0.53	0.60	NA
Mr. Arjun Gupta	Independent Director	4.09	4.70	-6.3%
Mr. Sudip Banerjee	Independent Director	1.98	2.27	6.8%
Mr. P. Ramakrishnan	Chief Financial Officer	6.95	7.99	-0.4%
Mr. Kapil Bhalla	Company Secretary	5.72	6.57	47.0%

Notes:

¹Appointed as a Deputy Chief Executive Officer and Whole Time Director w.e.f. April 1, 2020.

²Appointed as Chief Operating Officer & Whole Time Director w.e.f. October 18, 2019.

³Resigned as a Chief Operating Officer & Whole-Time Director w.e.f. May 3, 2019.

⁴Resigned as an Independent Director w.e.f. October 18, 2019.

⁵Appointed as an Independent Director w.e.f. December 11, 2019.

[®]The remuneration of Dr. Keshab Panda and Mr. Amit Chadha was paid in US Dollars. However, the figure mentioned above is INR equivalent of US Dollar. Further, the remuneration also includes perquisite value related to employee stock options exercised during the year.

B) Percentage increase in the median remuneration of all employees in the financial year 2019-20:

The median remuneration of employees of the Company during the financial year was ₹ 8,69,751. In the financial year; there was an increase of 1.91 % in the median remuneration of employees;

C) Number of permanent employees on the rolls of Company as on March 31, 2020

There were 16429 permanent employees on the rolls of Company as on March 31, 2020;

D) Average percentile increase already made in the salaries of the employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in managerial remuneration

The Average Annual increase in the salaries of India-based Employees was around 5.91% and for Employees based outside India it was around 1.85%. The average decrease in managerial remuneration was 9%. The average decrease in managerial remuneration was on account of lower pay-out of variable pay and commission to the Executive Directors and lower commission to Non-Executive Director.

E) Affirmation that the remuneration is as per the remuneration policy of the company:

It is hereby affirmed that the remuneration paid is as per the remuneration policy for Directors, Key Managerial Personnel and other employees.

Annexure G

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED March 31, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
L&T TECHNOLOGY SERVICES LIMITED

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **L&T Technology Services Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), **as applicable:-**

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, presently, the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; presently the Securities and Exchange Board of India (Issue of Capital And Disclosure Requirements) Regulations, 2018;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; presently the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; presently, the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018.
- (vi) Other specific business/industry related laws that are applicable to the Company, viz.
- The Information Technology Act, 2000
 - The Special Economic Zone Act, 2005
 - Policy relating to Software Technology Parks of India and its regulations.
 - The Indian Copyright Act, 1957

- The Patents Act, 1970
- The Trade Marks Act, 1999
- Indian Telegraph Act.
- Telecom Regulatory Authority of India (TRAI)/ Department of Telecommunication (DOT) Guidelines.
- Other Service Provider Guidelines (Governed by DOT)

I have also examined compliance with the applicable clauses of the following:

- Secretarial Standards issued by the Institute of Company Secretaries of India.
- The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and the Listing Agreements entered into by the Company with Stock Exchange(s), if applicable.
 - Equity Shares listed on BSE Limited and National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that, based on review of the compliance mechanism established by the Company and the Compliance Certificates taken on record by the Board of Directors at their meetings, there are adequate systems and processes in the Company commensurate

with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the following events / actions have taken place which have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc., like -

- Public/Right/Preferential issue of shares / debentures/ sweat equity, etc.-NIL.
- Redemption / buy-back of securities – NIL.
- Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013 –NIL.
- Merger / amalgamation / reconstruction, etc.–NIL.
- Foreign technical collaborations –NIL.
- Other Events :
 - Acquisition of business of Esencia Technologies India Private Limited from Esencia Technology Inc.
 - Acquisition of business of Graphene Solutions PTE. Ltd (Singapore), Graphene Solution SDN. BHD (Malaysia), Graphene Solutions Taiwan Limited (Taiwan) and Seastar Labs Private Limited (India) from Graphene Semiconductor Services Private Limited.
 - Incorporation of a wholly owned subsidiary in China named L&T Technology Services (Shanghai) Co. Limited.
 - The Company also formed overseas Company named L&T Technology Services (Canada) Limited through its subsidiary L&T Technology Services LLC who is holding 100% shares in the said entity.

NAINA R DESAI

Practising Company Secretary
Membership No. F1351
Certificate of Practice No.13365

Place: Mumbai

Peer Review Certificate No.590/2019

Date: May 15, 2020

UDIN F001351B000245210

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

To,
The Members

L&T TECHNOLOGY SERVICES LIMITED

Our report of even date is to be read along with this letter.

- 1) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- 2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- 3) We have not verified the correctness and appropriateness of financial records and Books of Account of the Company.
- 4) Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- 5) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- 6) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

NAINA R DESAI

Practising Company Secretary
Membership No. F1351
Certificate of Practice No.13365
Peer Review Certificate No.590/2019
UDIN F001351B000245210

Place: Mumbai
Date: May 15, 2020

Annexure H

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and Other Details:

i) CIN	L72900MH2012PLC232169
ii) Registration Date	June 14, 2012
iii) Name of the Company	L&T Technology Services Limited
iv) Category	Public Limited Company
v) Sub-Category of the Company	Company Limited by Shares
vi) Address of the Registered office and contact details	L&T House, N.M.Marg, Ballard Estate, Mumbai-400001 Mr.Kapil Bhalla- 022-6705 9200
vii) Whether listed company	Listed
viii) Name, Address and Contact details of Registrar and Transfer Agent, if any	KFin Technologies Private Limited Selenium Tower B Plot 31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad 500 032 Tel: (91 40) 6716 2222 Fax: (91 40) 2343 1551 Email: einward.ris@kfintech.com Website: https://www.kfintech.com

II. Principal Business Activities of the Company

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	To Provide a range of Engineering Services and related technologies in the areas of Embedded Systems, Mechanical etc and to act as a services provider to companies in India and abroad	620	100

III. Particulars of Holding, Subsidiary and Associate Companies

Sl. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY /ASSOCIATE	% of Shares held	Applicable Section
1	Larsen & Toubro Limited L&T House, N.M.Marg, Ballard Estate, Mumbai-400001	L99999MH1946PLC004768	Holding Company	74.62	2(46)
2	L&T Thales Technology Services Private Limited RR V Tower, 7 th Floor, 33A, Developed Plots, Sidco Industrial Estate, Guindy, Chennai-600032	U72200TN2006PTC059421	Subsidiary Company	74	2(87)
3	L&T Technology Services LLC 2035, Lincoln Highway, Suite#3002, Edison Square West, Edison, NJ-08817	0479598-9	Subsidiary Company	100	2(87)
4	Graphene Semiconductors Services Private Limited 8/2 & 9, The Hub, Unit 1 Rear Wing, Sarjapura Main Road, Ambalipura Village, Bengaluru 560103	U74900KA2013PTC068574	Subsidiary Company	100	2(87)
5	Esencia Technology Inc 2350 Mission College BLVD suite 550, Santa Clara, CA 95054	NA	Subsidiary Company	100	2(87)
6	Esencia Technologies India Private Limited No. 26, 3 rd Floor, 5 th Cross, 5 th Block, Koramangala, Bangalore 560095	U74140KA2011PTC061480	Subsidiary Company	100	2(87)
7	Graphene Solutions PTE. Ltd 30, Cecil Street, #19-08, Prudential Tower, Singapore - 049712.	201524512K	Subsidiary Company	100	2(87)
8	Graphene Solution SDN.BHD C-2-20, SME1, SME Technopreneur Centre, 2270, Jalan Usahawan 2, Cyber 6, 63000 Cyberjaya, Selangor, Malaysia.	1231163-D	Subsidiary Company	100	2(87)
9	Graphene Solutions Taiwan Limited 6F., No. 378, Changchun Rd., Taipei 10487, Taiwan	50787314	Subsidiary Company	100	2(87)
10	Seastar Labs Private Limited 501, Sarkar-1, opp. Gandhigram Railway Station, Ashram Road Ahmedabad -380009	U72900GJ2015PTC083374	Subsidiary Company	100	2(87)
11	L&T Technology Services (Shanghai) Co.Ltd Unit 3031, room 302, Building 1, Shengix Rd, 399, Shanghai Pilot Free Trade Zone, China	91310115MA1K4DK527	Subsidiary Company	100	2(87)
12	L&T Technology Services (Canada) Limited 200 Burrard Street, Vancouver BC, Canada V6C 3L6	5020583	Subsidiary Company	100	2(87)

IV. Share Holding Pattern (Equity Share Capital Breakup As Percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	0	0	0	0	0	0	0	0	
b) Central Govt	0	0	0	0	0	0	0	0	
c) State Govt (s)	0	0	0	0	0	0	0	0	
d) Bodies Corp.	8,20,50,531	0	8,20,50,531	78.88	7,79,86,899	0	7,79,86,899	74.62	-4.26
e) Banks / FI	0	0	0	0	0	0	0	0	
f) Any Other...	0	0	0	0	0	0	0	0	
Sub-total (A) (1):-	8,20,50,531	0	8,20,50,531	78.88	7,79,86,899	0	7,79,86,899	74.62	-4.26
(2) Foreign									
a) NRIs -Individuals	0	0	0	0	0	0	0	0	
b) Other -Individuals	0	0	0	0	0	0	0	0	
c) Bodies Corp.	0	0	0	0	0	0	0	0	
d) Banks / FI	0	0	0	0	0	0	0	0	
e) Any Other...	0	0	0	0	0	0	0	0	
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	
Total shareholding of Promoter									
(A) =(A)(1)+(A)(2)	8,20,50,531	0	8,20,50,531	78.88	7,79,86,899	0	7,79,86,899	74.62	-4.26
B Public Shareholding									
1. Institutions									
a) Mutual Funds	45,79,634	0	45,79,634	4.40	42,90,363	0	42,90,363	4.11	-0.30
b) Banks / FI	30,434	0	30,434	0.03	21,902	0	21,902	0.02	-0.01
c) Central Govt	0	0	0	0.00	0	0	0	0.00	
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	
g) FIs	52,85,685	0	52,85,685	5.08	87,44,894	0	87,44,894	8.37	3.29
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	
Sub-total (B)(1):-	98,95,753	0	98,95,753	9.51	1,30,57,159	0	1,30,57,159	12.49	2.98
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	25,41,817	0	25,41,817	2.44	18,21,074	0	18,21,074	1.74	-0.70
ii) Overseas	0	0	0	0.00	0	0	0	0.00	
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 2 lakh	62,10,891	5,852	62,16,743	5.98	59,32,131	6,846	59,38,977	5.68	-0.29

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	13,00,000	0	13,00,000	1.25	14,20,000	0	14,20,000	1.36	0.11
c) Others (specify)									
Foreign Portfolio Investors	4,000	0	4,000	0.00	4,000	0	4,000	0.00	0.00
Non Resident Indians	3,66,919	0	3,66,919	0.35	3,40,392	0	3,40,392	0.33	-0.03
Non Resident Indian Non Repatriable	1,64,415	-	1,64,415	0.16	2,13,090	-	2,13,090	0.20	0.05
Clearing Members	1,21,788	-	1,21,788	0.12	1,05,862	-	1,05,862	0.10	-0.02
NBFC	3,647	-	3,647	0.00	300	-	300	0.00	0.00
Trust	5,032	-	5,032	0.00	5,207	-	5,207	0.00	0.00
Alternate Investment Fund	7,76,686	-	7,76,686	0.75	7,82,964	-	7,82,964	0.75	0.00
Qualified Institutional Buyer	22	-	22	0.00	20,27,011	-	20,27,011	1.94	1.94
Employees	5,60,972	5,000	5,65,972	0.54	8,03,623	5,000	8,08,623	0.77	0.23
Sub-total (B)(2):-	1,20,56,189	10,852	1,20,67,041	11.60	1,34,55,654	11,846	1,34,67,500	12.89	1.28
Total Public Shareholding (B)=(B)(1)+ (B)(2)	2,19,51,942	10,852	2,19,62,794	21.12	2,65,12,813	11,846	2,65,24,659	25.38	4.26
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	
Grand Total (A+B+C)	10,40,02,473	10,852	10,40,13,325	100.00	10,44,99,712	11,846	10,45,11,558	100.00	0.00

(ii) Shareholding of Promoters

Sl	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Larsen & Toubro Limited	8,20,50,531	78.88	0	7,79,86,899	74.62	0	4.26
	Total	8,20,50,531	78.88	0	7,79,86,899	74.62	0	4.26

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl	Name of the Share Holder	Shareholding at the beginning of the year		Date of Transaction	Reason	Increase/ Decrease in Shareholding	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% change in shareholding during the year
1	LARSEN AND TOUBRO LIMITED	8,20,50,531	78.88					
	Date wise Increase/ Decrease in Promoter Shareholding during the year specifying the reasons for increase/ decrease(eg allotment/ transfer/bonus/sweat equity etc)			06/06/2019	Transfer	-36,30,959	7,84,19,572	75.39
				07/06/2019	Transfer	-2,32,673	7,81,86,899	75.16
				26/06/2019	Transfer	-1,80,000	7,80,06,899	74.99
				27/06/2019	Transfer	-20,000	7,79,86,899	74.97
	At the end of the year						7,79,86,899	74.62

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

SL No.	Name of the shareholder	Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
					No. of shares	% of total shares of the Company
1	HDFC TRUSTEE COMPANY LIMITED-HDFC CAPITAL BUILDER	Shareholding at the beginning of the year			18,54,400	1.78
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease(eg allotment/transfer/bonus/sweat equity etc)	30/08/2019	33,000	Transfer	18,87,400	1.81
		27/09/2019	1,87,195	Transfer	20,74,595	1.99
		30/09/2019	15,300	Transfer	20,89,895	2.01
		08/11/2019	50,000	Transfer	21,39,895	2.05
		07/02/2020	-2,44,000	Transfer	18,95,895	1.81
		14/02/2020	-31,000	Transfer	18,64,895	1.78
		21/02/2020	-600	Transfer	18,64,295	1.78
		28/02/2020	-58,057	Transfer	18,06,238	1.73
		06/03/2020	-1,17,100	Transfer	16,89,138	1.62
		13/03/2020	-32,000	Transfer	16,57,138	1.59
		27/03/2020	50,000	Transfer	17,07,138	1.63
		27/03/2020	-59,500	Transfer	16,47,638	1.58
	At the end of the year				16,47,638	1.58
2	ANILKUMAR MANIBHAI NAIK	Shareholding at the beginning of the year			13,00,000	1.25
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease(eg allotment/transfer/bonus/sweat equity etc)	At the end of the year			13,00,000	1.24

SL No.	Name of the shareholder	Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year	
					No.of shares	%of total shares of the Company
3	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED	Shareholding at the beginning of the year			11,60,554	1.12
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease(eg allotment/transfer/bonus/sweat equity etc)	05/04/2019	-13,537	Transfer	11,47,017	1.10
		12/04/2019	-5,415	Transfer	11,41,602	1.10
		19/04/2019	-10,614	Transfer	11,30,988	1.09
		26/04/2019	-9,707	Transfer	11,21,281	1.08
		03/05/2019	-13,818	Transfer	11,07,463	1.06
		10/05/2019	-233	Transfer	11,07,230	1.06
		17/05/2019	-37,530	Transfer	10,69,700	1.03
		24/05/2019	-58,299	Transfer	10,11,401	0.97
		31/05/2019	-1,28,431	Transfer	8,82,970	0.85
		07/06/2019	1,87,058	Transfer	10,70,028	1.03
		14/06/2019	16,208	Transfer	10,86,236	1.04
		21/06/2019	4,555	Transfer	10,90,791	1.05
		28/06/2019	59,440	Transfer	11,50,231	1.11
		05/07/2019	-6,313	Transfer	11,43,918	1.10
		12/07/2019	-50,608	Transfer	10,93,310	1.05
		19/07/2019	28,589	Transfer	11,21,899	1.08
		26/07/2019	56,152	Transfer	11,78,051	1.13
		02/08/2019	-6,194	Transfer	11,71,857	1.13
		09/08/2019	-2,614	Transfer	11,69,243	1.12
		16/08/2019	-17,628	Transfer	11,51,615	1.11
		23/08/2019	-4,165	Transfer	11,47,450	1.10
		30/08/2019	-6,546	Transfer	11,40,904	1.10
		06/09/2019	-14,399	Transfer	11,26,505	1.08
		13/09/2019	-2,724	Transfer	11,23,781	1.08
		20/09/2019	-21,280	Transfer	11,02,501	1.06
		27/09/2019	-2,71,583	Transfer	8,30,918	0.80
		04/10/2019	-107	Transfer	8,30,811	0.80
		11/10/2019	-25,697	Transfer	8,05,114	0.77
		18/10/2019	25,000	Transfer	8,30,114	0.80
		25/10/2019	-2,715	Transfer	8,27,399	0.79
		01/11/2019	16,199	Transfer	8,43,598	0.81
		08/11/2019	-19	Transfer	8,43,579	0.81
		15/11/2019	18,535	Transfer	8,62,114	0.83
		22/11/2019	1,04,840	Transfer	9,66,954	0.93
		29/11/2019	-36	Transfer	9,66,918	0.93
		06/12/2019	6,220	Transfer	9,73,138	0.93
		13/12/2019	-22,859	Transfer	9,50,279	0.91
		20/12/2019	10,577	Transfer	9,60,856	0.92
		27/12/2019	18,460	Transfer	9,79,316	0.94
		31/12/2019	20,895	Transfer	10,00,211	0.96
		03/01/2020	8,316	Transfer	10,08,527	0.97
		17/01/2020	-40,030	Transfer	9,68,497	0.93
		24/01/2020	-2,156	Transfer	9,66,341	0.92
		31/01/2020	48,353	Transfer	10,14,694	0.97

SL No.	Name of the shareholder	Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year	
					No. of shares	% of total shares of the Company
		21/02/2020	-601	Transfer	10,14,093	0.97
		28/02/2020	9	Transfer	10,14,102	0.97
		06/03/2020	-19,170	Transfer	9,94,932	0.95
		13/03/2020	-20,832	Transfer	9,74,100	0.93
		20/03/2020	26,239	Transfer	10,00,339	0.96
		27/03/2020	1,992	Transfer	10,02,331	0.96
		31/03/2020	-25,691	Transfer	9,76,640	0.93
		At the end of the year			9,76,640	0.93
4	ABU DHABI INVESTMENT AUTHORITY - PEACOCK	Shareholding at the beginning of the year			33,400	0.03
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease(eg allotment/transfer/bonus/sweat equity etc)	05/04/2019	1,59,109	Transfer	1,92,509	0.19
		19/04/2019	1,92,509	Transfer	3,85,018	0.37
		19/04/2019	-1,92,509	Transfer	1,92,509	0.19
		26/04/2019	1,07,000	Transfer	2,99,509	0.29
		03/05/2019	48,000	Transfer	3,47,509	0.33
		07/06/2019	6,55,000	Transfer	10,02,509	0.96
		25/10/2019	-46,877	Transfer	9,55,632	0.92
		01/11/2019	-9,000	Transfer	9,46,632	0.91
		08/11/2019	-42,300	Transfer	9,04,332	0.87
		At the end of the year			9,04,332	0.87
5	SUNDARAM MUTUAL FUND A/C SUNDARAM SELECT MID CAP	Shareholding at the beginning of the year			7,81,988	0.75
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease(eg allotment/transfer/bonus/sweat equity etc)	10/05/2019	-68,420	Transfer	7,13,568	0.69
		17/05/2019	-46,678	Transfer	6,66,890	0.64
		31/05/2019	-41,019	Transfer	6,25,871	0.60
		07/06/2019	45,050	Transfer	6,70,921	0.64
		28/06/2019	-19,557	Transfer	6,51,364	0.63
		26/07/2019	-6,754	Transfer	6,44,610	0.62
		06/12/2019	-20,220	Transfer	6,24,390	0.60
		31/01/2020	-1,161	Transfer	6,23,229	0.60
		06/03/2020	-5,000	Transfer	6,18,229	0.59
		20/03/2020	-5,299	Transfer	6,12,930	0.59
		27/03/2020	-8,064	Transfer	6,04,866	0.58
		31/03/2020	-1,936	Transfer	6,02,930	0.58
		At the end of the year			6,02,930	0.58
6	AL MEHWAR COMMERCIAL INVESTMENTS LLC - (WHITING)	Shareholding at the beginning of the year			6,10,020	0.59
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease(eg allotment/transfer/bonus/sweat equity etc)	13/09/2019	52,000	Transfer	6,62,020	0.64
		25/10/2019	-4,867	Transfer	6,57,153	0.63
		01/11/2019	-6,900	Transfer	6,50,253	0.62
		08/11/2019	-22,600	Transfer	6,27,653	0.60
		20/12/2019	-48,300	Transfer	5,79,353	0.56
		27/12/2019	-31,000	Transfer	5,48,353	0.53
		31/12/2019	-59,000	Transfer	4,89,353	0.47
		20/03/2020	-14,000	Transfer	4,75,353	0.45
		27/03/2020	-20,000	Transfer	4,55,353	0.44
		31/03/2020	-5,500	Transfer	4,49,853	0.43
		At the end of the year			4,49,853	0.43

SL No.	Name of the shareholder	Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year	
					No.of shares	%of total shares of the Company
7	RELIANCE CAPITAL TRUSTEE CO LTD-A/C RELIANCE ETF N	Shareholding at the beginning of the year			1,70,679	0.16
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease(eg allotment/transfer/bonus/sweat equity etc)	05/04/2019	305	Transfer	1,70,984	0.16
		12/04/2019	360	Transfer	1,71,344	0.16
		19/04/2019	140	Transfer	1,71,484	0.16
		26/04/2019	40	Transfer	1,71,524	0.16
		03/05/2019	58	Transfer	1,71,582	0.16
		10/05/2019	-1,022	Transfer	1,70,560	0.16
		17/05/2019	100	Transfer	1,70,660	0.16
		24/05/2019	53	Transfer	1,70,713	0.16
		31/05/2019	444	Transfer	1,71,157	0.16
		07/06/2019	96	Transfer	1,71,253	0.16
		07/06/2019	-4,989	Transfer	1,66,264	0.16
		14/06/2019	-15	Transfer	1,66,249	0.16
		21/06/2019	55	Transfer	1,66,304	0.16
		28/06/2019	35	Transfer	1,66,339	0.16
		05/07/2019	415	Transfer	1,66,754	0.16
		12/07/2019	65	Transfer	1,66,819	0.16
		19/07/2019	158	Transfer	1,66,977	0.16
		26/07/2019	60	Transfer	1,67,037	0.16
		02/08/2019	31,012	Transfer	1,98,049	0.19
		09/08/2019	17,487	Transfer	2,15,536	0.21
		09/08/2019	-3,288	Transfer	2,12,248	0.20
		16/08/2019	25	Transfer	2,12,273	0.20
		23/08/2019	30	Transfer	2,12,303	0.20
		30/08/2019	89	Transfer	2,12,392	0.20
		06/09/2019	15	Transfer	2,12,407	0.20
		13/09/2019	35	Transfer	2,12,442	0.20
		20/09/2019	35	Transfer	2,12,477	0.20
		27/09/2019	1,240	Transfer	2,13,717	0.21
		30/09/2019	1,037	Transfer	2,14,754	0.21
		04/10/2019	20	Transfer	2,14,774	0.21
		11/10/2019	120	Transfer	2,14,894	0.21
		18/10/2019	30	Transfer	2,14,924	0.21
		01/11/2019	45	Transfer	2,14,969	0.21
		08/11/2019	15	Transfer	2,14,984	0.21
		15/11/2019	-9	Transfer	2,14,975	0.21
		22/11/2019	-78	Transfer	2,14,897	0.21
		29/11/2019	-1,668	Transfer	2,13,229	0.20
		06/12/2019	-287	Transfer	2,12,942	0.20
		13/12/2019	8	Transfer	2,12,950	0.20
		20/12/2019	6	Transfer	2,12,956	0.20
		27/12/2019	300	Transfer	2,13,256	0.20
		31/12/2019	6	Transfer	2,13,262	0.20
		03/01/2020	180	Transfer	2,13,442	0.20
		10/01/2020	48	Transfer	2,13,490	0.20

SL No.	Name of the shareholder	Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year	
					No. of shares	% of total shares of the Company
		17/01/2020	306	Transfer	2,13,796	0.20
		24/01/2020	234	Transfer	2,14,030	0.20
		31/01/2020	10,221	Transfer	2,24,251	0.21
		31/01/2020	-198	Transfer	2,24,053	0.21
		07/02/2020	2,61,472	Transfer	4,85,525	0.46
		14/02/2020	76	Transfer	4,85,601	0.46
		21/02/2020	-276	Transfer	4,85,325	0.46
		28/02/2020	25,000	Transfer	5,10,325	0.49
		28/02/2020	-22	Transfer	5,10,303	0.49
		06/03/2020	52,805	Transfer	5,63,108	0.54
		13/03/2020	38,631	Transfer	6,01,739	0.58
		20/03/2020	-345	Transfer	6,01,394	0.58
		27/03/2020	-42	Transfer	6,01,352	0.58
		31/03/2020	318	Transfer	6,01,670	0.58
		31/03/2020			6,01,670	0.58
8	INDIA ACORN FUND LTD	Shareholding at the beginning of the year			5,49,000	0.53
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease(eg allotment/transfer/bonus/sweat equity etc)	07/06/2019	45,000	Transfer	5,94,000	0.57
		30/08/2019	-30,000	Transfer	5,64,000	0.54
		13/09/2019	-24,000	Transfer	5,40,000	0.52
		25/10/2019	-9,030	Transfer	5,30,970	0.51
		01/11/2019	-5,800	Transfer	5,25,170	0.50
		08/11/2019	-15,900	Transfer	5,09,270	0.49
		29/11/2019	-18,000	Transfer	4,91,270	0.47
		13/12/2019	-7,500	Transfer	4,83,770	0.46
		20/12/2019	-32,300	Transfer	4,51,470	0.43
		27/12/2019	-7,900	Transfer	4,43,570	0.43
		31/12/2019	-16,274	Transfer	4,27,296	0.41
		03/01/2020	-30,000	Transfer	3,97,296	0.38
		20/03/2020	-32,900	Transfer	3,64,396	0.35
		27/03/2020	-5,000	Transfer	3,59,396	0.34
		31/03/2020	-5,300	Transfer	3,54,096	0.34
		At the end of the year			3,54,096	0.34
9	WHITE OAK INDIA EQUITY FUND	Shareholding at the beginning of the year			5,46,465	0.53
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease(eg allotment/transfer/bonus/sweat equity etc)	30/08/2019	-38,000	Transfer	5,08,465	0.49
		13/09/2019	-28,000	Transfer	4,80,465	0.46
		25/10/2019	-3,422	Transfer	4,77,043	0.46
		01/11/2019	-4,800	Transfer	4,72,243	0.45
		08/11/2019	-24,700	Transfer	4,47,543	0.43
		20/12/2019	-28,700	Transfer	4,18,843	0.40
		27/12/2019	-58,500	Transfer	3,60,343	0.35
		20/03/2020	-10,400	Transfer	3,49,943	0.33
		27/03/2020	-20,000	Transfer	3,29,943	0.32
		31/03/2020	-5,200	Transfer	3,24,743	0.31
		At the end of the year			3,24,743	0.31

SL No.	Name of the shareholder	Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year			
					No.of shares	%of total shares of the Company		
10	LLOYD GEORGE INVESTMENT COMPANY PUBLIC LIMITED COM	Shareholding at the beginning of the year			0	0.00		
		Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease(eg allotment/transfer/bonus/sweat equity etc)	06/12/2019	50,453	Transfer	50,453	0.05	
		13/12/2019	2,99,759	Transfer	3,50,212	0.34		
		20/12/2019	1,49,493	Transfer	4,99,705	0.48		
		31/01/2020	740	Transfer	5,00,445	0.48		
		14/02/2020	5,451	Transfer	5,05,896	0.48		
		06/03/2020	-28,712	Transfer	4,77,184	0.46		
		At the end of the year			4,77,184	0.46		
11	CANARA ROBECO MUTUAL FUND A/C CANARA ROBECO EMERGI	Shareholding at the beginning of the year			4,75,769	0.46		
		Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease(eg allotment/transfer/bonus/sweat equity etc)	05/04/2019	10,040	Transfer	4,85,809	0.47	
		05/04/2019	-7,453	Transfer	4,78,356	0.46		
		19/04/2019	-10,016	Transfer	4,68,340	0.45		
		26/04/2019	-1,50,300	Transfer	3,18,040	0.31		
		10/05/2019	-15,464	Transfer	3,02,576	0.29		
		17/05/2019	-1,45,054	Transfer	1,57,522	0.15		
		24/05/2019	-1,57,522	Transfer	0	0.00		
		At the end of the year			0	0.00		
		12	ITPL - INVESCO INDIA MID CAP FUND	Shareholding at the beginning of the year			0	0.00
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease(eg allotment/transfer/bonus/sweat equity etc)	17/01/2020			59,713	Transfer	59,713	0.06	
24/01/2020	1,04,523			Transfer	1,64,236	0.16		
31/01/2020	5,743			Transfer	1,69,979	0.16		
28/02/2020	11,238			Transfer	1,81,217	0.17		
06/03/2020	15,351			Transfer	1,96,568	0.19		
13/03/2020	11,924			Transfer	2,08,492	0.20		
20/03/2020	76,257			Transfer	2,84,749	0.27		
27/03/2020	83,274			Transfer	3,68,023	0.35		
31/03/2020	59,491			Transfer	4,27,514	0.41		
At the end of the year					4,27,514	0.41		
13	MAX LIFE INSURANCE COMPANY LIMITED A/C - ULIF0012			Shareholding at the beginning of the year			3,72,399	0.36
				Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease(eg allotment/transfer/bonus/sweat equity etc)	05/04/2019	65,310	Transfer	4,37,709
		05/04/2019	-9,000	Transfer	4,28,709	0.41		
		10/05/2019	17,657	Transfer	4,46,366	0.43		
		07/06/2019	3,15,152	Transfer	7,61,518	0.73		
		14/06/2019	-4,146	Transfer	7,57,372	0.73		
		05/07/2019	7,439	Transfer	7,64,811	0.74		
		26/07/2019	-1,22,414	Transfer	6,42,397	0.62		
		02/08/2019	-89,448	Transfer	5,52,949	0.53		
		09/08/2019	-4,140	Transfer	5,48,809	0.53		
		30/08/2019	3,037	Transfer	5,51,846	0.53		
		11/10/2019	7,500	Transfer	5,59,346	0.54		
		25/10/2019	-3,862	Transfer	5,55,484	0.53		
		22/11/2019	12,500	Transfer	5,67,984	0.54		
		27/12/2019	8,000	Transfer	5,75,984	0.55		

SL No.	Name of the shareholder	Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year	
					No. of shares	% of total shares of the Company
		17/01/2020	-50,000	Transfer	5,25,984	0.50
		31/01/2020	-676	Transfer	5,25,308	0.50
		14/02/2020	24,775	Transfer	5,50,083	0.53
		28/02/2020	24,123	Transfer	5,74,206	0.55
		28/02/2020	-7,719	Transfer	5,66,487	0.54
		13/03/2020	29	Transfer	5,66,516	0.54
		20/03/2020	-6,086	Transfer	5,60,430	0.54
		At the end of the year			5,60,430	0.54
14	PRINCIPLAL TRUSTEE CO. PVT LTD A/C PRINCIPAL MUTUAL	Shareholding at the beginning of the year			3,09,300	0.30
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease(eg allotment/transfer/bonus/sweat equity etc)	31/05/2019	-9,000	Transfer	3,00,300	0.29
		07/06/2019	9,000	Transfer	3,09,300	0.30
		21/06/2019	-3,000	Transfer	3,06,300	0.29
		28/06/2019	3,000	Transfer	3,09,300	0.30
		26/07/2019	12,000	Transfer	3,21,300	0.31
		30/08/2019	6,000	Transfer	3,27,300	0.31
		04/10/2019	3,000	Transfer	3,30,300	0.32
		11/10/2019	3,000	Transfer	3,33,300	0.32
		25/10/2019	-50,000	Transfer	2,83,300	0.27
		06/12/2019	-2,83,300	Transfer	0	0.00
		At the end of the year			0	0.00

(iv) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of Director / KMP		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
1	A.M.NAIK	At the Beginning of the year	13,00,000			
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (eg allotment/transfer/bonus/ sweat equity etc)	At the end of the year			13,00,000	1.24
2	S N SUBRAHMANYAN	At the Beginning of the year	80,000			
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (eg allotment/transfer/bonus/ sweat equity etc)	25/10/2019	40,000	ESOP Exercise		
		At the end of the year			1,20,000	0.11
3	KESHAB PANDA	At the Beginning of the year	82,750			
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (eg allotment/transfer/bonus/ sweat equity etc)	10/05/2019	-13,000			
		25/10/2019	28,000	ESOP Exercise		
		24/01/2020	32,000	ESOP Exercise		
		24/01/2020	-25,000			
		At the end of the year			1,04,750	0.10

Sl. No.	Name of Director / KMP		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
4	AMIT CHADHA Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (eg allotment/transfer/bonus/sweat equity etc)	At the Beginning of the year	61,000			
		17/05/2019	-4,500			
		24/05/2019	-7,000			
		31/05/2019	-1,000			
		07/06/2019	-1,288			
		25/10/2019	20,000	ESOP Exercise		
		24/01/2020	20,000	ESOP Exercise		
	At the end of the year			87,212	0.08	
5	BHUPENDRA M BHATE* Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (eg allotment/transfer/bonus/sweat equity etc)	At the Beginning of the year	26,362			
		At the end of the year			NA	NA
6	APURVA PUROHIT# Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (eg allotment/transfer/bonus/sweat equity etc)	At the Beginning of the year	220			
		At the end of the year			220	0.00
7	P. RAMAKRISHNAN Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (eg allotment/transfer/bonus/sweat equity etc)	At the Beginning of the year	16			
		At the end of the year	0		16	0

*Ceased to be Director and Chief Operating Officer with effect from May 3, 2019.

#Appointed as Independent Director with effect from December 11, 2019.

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	426			
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	-			
Changes In Indebtness during the financial year				
Addition	258			
Reduction	444			
Net Change	186			
Indebtness at the end of financial year				
i) Principal Amount	239			
ii) Interest due but not paid	-			
iii) Interest accrued but not due	-			
Total (i+ii+iii)	239			

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in million)

Sl. no.	Particulars of Remuneration	Dr. Keshab Panda	Mr. Amit Chadha	Mr. Abhishek ⁵	Mr. Bhupendra Bhate*	Total Amount
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	48.76	33.38	5.11	0.74	87.99
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			0.18	0.00	0.19
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961					
2	Stock Option	85.82	57.26			143.08
3	Sweat Equity					
4	Commission - as % of profit - others, specify...	8.43			NA	8.43
5	Variable Pay	3.78	10.21	1.50		15.49
6	Others, please specify					
	Total (A)	146.80	100.85	6.79	0.74	255.19
	Ceiling as per the Act					

*Ceased to be Director and Chief Operating Officer with effect from May 3, 2019.

⁵Appointed as Chief Operating Officer and Whole -Time Director with effect from October 18, 2019

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors								Total Amount
		Mr. Samir Desai	Ms. Renuka Ramnath*	Ms. Apurva Purohit#	Mr. Arjun Gupta	Mr. Sudip Banerjee	Mr. Narayanan Kumar	Mr. A M Naik	Mr. S N Subrahmanyam	
1	Independent Directors									
	- Fee for attending board / committee meetings	0.40	0.15	0.10	0.30	0.38	0.30			1.63
	- Commission	5.30	0.64	0.43	3.78	1.60	1.50			13.24
	- Others, please specify									
	Total (1)	5.70	0.79	0.53	4.09	1.98	1.80	-	-	14.87
2	Other Non-Executive Directors									
	- Fee for attending board / committee meetings						0.23			0.23
	- Commission						6.80			6.80
	- Others - Stock Option									
	Total (2)						7.03			7.03
	Total (B)=(1+2)	5.70	0.79	0.53	4.09	1.98	1.80	7.03		21.89
	Total Managerial Remuneration									
	Overall Ceiling as per the Act									

C. Remuneration to Key Managerial Personnel Other than MD/Manager/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4.95	6.86	11.82
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.76	0.09	0.85
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission - as % of profit - others, specify...			
5	Others, please specify			
	Total	5.72	6.95	12.67

VII. Penalties/Punishment/Compounding of Offences:NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

Annexure I

NOMINATION & REMUNERATION POLICY

The Board of Directors of L&T Technology Services Limited ("the Company") had constituted the "Nomination and Remuneration Committee" which is in compliance with the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR")

1. OBJECTIVE:

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of LODR. The Key Objectives of the Committee would be:

- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its Committees and individual directors to be carried out by the Board or the Nomination & Remuneration Committee or by an Independent External Agency and review its implementation and compliance;
- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;
- To ensure that level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;
- Devising a policy on Board diversity;

2. DEFINITIONS:

- 2.1. **Act** means the Companies Act, 2013 or Companies Act, 1956 as may be applicable and Rules framed thereunder, as amended from time to time.
- 2.2. **Board** means Board of Directors of the Company.
- 2.3. **Directors** mean Directors of the Company.
- 2.4. **Executive Directors** means the Executive Chairman if any, Chief Executive Officer and Managing Director, Deputy Managing Director, if any and Whole-time Directors.
- 2.5. **Key Managerial Personnel (KMP)** means
 - Chief Executive Officer or the Managing Director or the Manager;
 - Whole-time director;
 - Chief Financial Officer;
 - Company Secretary;
 - Senior Management Personnel designated as such by the Board and
 - Such other officer as may be prescribed.
- 2.6. **Senior Management Personnel** means all members of management one level below the Executive Directors including the Chief Financial Officer and Company Secretary.

3. ROLE OF COMMITTEE:

3.1. Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

3.2. Policy for appointment and removal of Director, KMP and Senior Management

3.2.1. Appointment criteria and qualifications

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, and recommend to the Board his / her appointment.

Appointment and Remuneration of KMP or Senior Management Personnel is in accordance with the HR Policy of the Company. The Company's policy is committed to acquire, develop and retain a pool of high calibre talent, establish systems and practises for maintaining transparency, fairness and equity and provides for payment of competitive pay packages matching industry standards.

- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Director who has attained the retirement age fixed by the Board or as approved by the Shareholders pursuant to the requirement of the Act/LODR.

3.2.2. Term / Tenure

- a) Executive Directors:

The Company shall appoint or re-appoint any person as its Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

- b) Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report. The rationale for such re-appointment shall also be provided in the Notice to Shareholders proposing such re-appointment.

- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

- c) Maximum Number of Directorships:

A person shall not be appointed as a Director in case he is a Director in more than eight listed companies after April 1, 2019 and seven listed companies after April 1, 2020. For the purpose of this clause listed companies would mean only those companies whose equity shares are listed.

3.2.3. Evaluation

The Committee shall by itself or through the Board or an independent external agency carry out evaluation of performance of the Board/Committee, Individual Directors and Chairman at regular interval (yearly) and review implementation and compliance.

The Company may disclose in the Annual Report:

- a. Observation of the Board Evaluation for the year under review
- b. Previous years observations and actions taken
- c. Proposed actions based on current year's observations

3.2.4. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend,

to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

3.2.5. Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act or the prevailing policy of the Company, as applicable. The Board /Committee will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

3.3. Policy relating to the Remuneration for the Executive Director, KMP and Senior Management Personnel

3.3.1. General:

- a) The remuneration / compensation / commission etc. to the Executive Directors will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the approval of the shareholders of the Company.
- b) The remuneration and commission to be paid to Executive Directors shall be in accordance with the percentage / limits / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act.
- c) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Executive Directors.
- d) Where any insurance is taken by the Company on behalf of its Executive Directors, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

- e) Remuneration of other KMP or Senior Management Personnel, in any form, shall be as per the policy of the Company based on the grade structure in the Company.

3.3.2. Remuneration to Executive directors/ KMP and Senior Management Personnel:

- a) Fixed pay:
The Executive Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee or policy of the Company. In case of remuneration to Directors, the breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders.
- b) Minimum Remuneration:
If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Executive Directors in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of shareholders and other appropriate authorities.
- c) Provisions for excess remuneration:
If any Chairman/Managing Director/Whole-time Directors draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.
- d) Stock Options in Subsidiary Companies:
Executive Directors may be granted stock options in subsidiary companies as per their Schemes and after taking necessary approvals. Perquisites may be added to the remuneration of concerned directors and considered in the limits applicable to the Company.

3.3.3. Remuneration to Non- Executive / Independent Director:

- a) Remuneration / Commission:
The remuneration / commission shall be fixed as per the limits and conditions mentioned in the Articles of Association of the Company and the Act.
- b) Sitting Fees:
The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rupees One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.
- c) Commission:
Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act. The Board of Directors will fix the Commission payable to Directors on the basis of number of Board/Committee meetings attended during the year and Chairmanships of Committees.
- d) Stock Options:
An Independent Director shall not be entitled to any stock option of the Company. Non-Executive Directors are eligible for Stock options in accordance with Schemes formulated by the Company. Nominee Directors are not entitled to stock options as per their respective nomination letters received by the Company.

4. MEMBERSHIP

- 4.1** The Committee shall consist of three or more non-executive directors, half of them shall be independent directors.
- 4.2** Minimum two (2) members or one-third of the members whichever is greater including atleast one Independent Director shall constitute a quorum for the Committee meeting.
- 4.3** Membership of the Committee shall be disclosed in the Annual Report.
- 4.4** Term of the Committee shall be continued unless terminated by the Board of Directors.

5. CHAIRPERSON

- 5.1** Chairperson of the Committee shall be an Independent Director.
- 5.2** Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- 5.3** In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
- 5.4** Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to attend and to answer the shareholders' queries.

6. FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at least once in a year and such regular intervals as may be required.

7. COMMITTEE MEMBERS' INTERESTS

- 7.1** A member of the Committee is not entitled to be present/participate in discussion when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- 7.2** The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

8. SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee.

9. VOTING

Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

10. NOMINATION DUTIES

The duties of the Committee in relation to nomination matters include:

- 10.1** Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;

- 10.2 Determining the appropriate size, diversity and composition of the Board;
- 10.3 Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- 10.4 Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- 10.5 Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- 10.6 Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;
- 10.7 Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- 10.8 Recommend any necessary changes to the Board; and
- 10.9 Considering any other matters, as may be requested by the Board.

11. REMUNERATION DUTIES

The duties of the Committee in relation to remuneration matters include:

- 11.1 To consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- 11.2 To ensure the remuneration maintains a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company.
- 11.3 To delegate any of its powers to one or more of its members or the Secretary of the Committee.
- 11.4 To consider any other matters as may be requested by the Board.
- 11.5 To review Professional indemnity and liability insurance for Directors and senior management.

12. MINUTES OF NOMINATION AND REMUNERATION COMMITTEE MEETING

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

13. REVIEW & AMENDMENT:

The Policy shall be reviewed as and when required to ensure that it meets the objectives of the relevant legislation and remains effective. The Nomination and Remuneration Committee & Board has the right to change/amend the policy as may be expedient taking into account the law for the time being in force.

Management Discussion and Analysis

1. Overview

L&T Technology Services Limited (LTTS) is a leading global pure-play Engineering Research & Development (ER&D) services company. It offers design and development solutions throughout the product development chain and provides services and solutions in the areas of mechanical and manufacturing engineering, embedded systems, engineering analytics and plant engineering. LTTS' customer base includes 69 Fortune 500 companies and 53 of the world's top ER&D companies, across Industrial Products, Transportation, Telecom & Hi-tech, Medical Devices, and Plant Engineering. The business also provides digital engineering advisory services to some of the world's leading enterprises. The key differentiators for LTTS' business are its customer-centric industry innovations, domain expertise, and multi-vertical presence spanning major industry segments.

Transportation: LTTS offers the complete gamut of engineering services and solutions for its global customers in the transportation industry, including OEMs and Tier 1 suppliers in Automotive, Trucks & Off-highway vehicles, and Aerospace sectors. In the automotive sector, LTTS helps its customers through best-in-class platforms and solutions in areas such as Advanced Driver Assistance System (ADAS), Autonomous Drive (AD) and Electrical Vehicles (EV). In the Aerospace sector, LTTS' offerings encompass a wide spectrum including aero engines, aero structure & systems, avionics, air traffic management and new-age digital transformation solutions which cater to all the phases of aircraft life-cycle - design, manufacturing, and aftermarket services. LTTS' distinct advantages in the aerospace landscape include certified state-of-the-art facilities, robust lab & testing infrastructure, and strategic alliances with Fortune 500 companies. LTTS has over a decade of domain expertise in the Trucks and Off-highway segment, offering services across industries like Construction & Mining, Cranes & Material Handlers, Commercial Vehicles, Agricultural & Gardening Equipment, Powersports and Polymer. LTTS caters to customer requirements through specialized state-of-the-art research and test labs for power electronics, tear down, material testing and smart manufacturing across its global delivery centers.

Industrial Products: LTTS helps its OEM customers in the areas of building automation, home and office products, energy and utilities, process control and industrial machinery. LTTS brings in innovative ideas and engineers them into solutions that address some of the most pertinent modern-day industrial concerns, such as product design, industrial automation, ruggedization, equipment maintenance, and advanced safety. LTTS' expertise spans the entire value chain from design, development and deployment to monitoring, testing and automation of processes, products and solutions. The Company has a home-grown building management solution iBEMS, that breaks the silos between various systems in a facility and enables cost savings, energy management and quicker decision making by using predictive analytics and real-time insights.

Telecom & Hi-tech: LTTS' Telecom and Hi-tech vertical provides engineering services and solutions that cater to five key sectors: Telecom, Consumer Electronics, Semiconductor, ISV, and Media & Entertainment. For the Telecom sector, LTTS' services include product variant design & development, maintenance, testing, support, optimization, system integration and professional services (pre-deployment, deployment & post-deployment). For the Semiconductors industry, LTTS provides turnkey design services, IC design services, hardware system design, platform software, modem services, verification & validation, multimedia, connectivity, storage, mechanical engineering, and customer engineering support. In Consumer Electronics, LTTS provides services in the areas of product conceptualization, design & development, platform software, testing & certification, manufacturing support, product maintenance, and product launch support. For the Media & Entertainment industry, LTTS provides services in product engineering, product conceptualization, design & development, testing & certification, manufacturing support, product maintenance, and value engineering. And, in ISV, LTTS offers services like application engineering, VLSI, cloud engineering, product uplift, platform development & migration, product support, testing and certification.

LTTs also provides services and solutions in latest technologies such as 5G, LTE, SDN/NFV, multimedia, connectivity, cloud, microservices, DevOps, big data/ analytics, data center, OTT and RDK (video, broadband, camera).

Plant Engineering: As an engineering, procurement, and construction management (EPCM) specialist, LTTs supports every phase of a plant's lifecycle from concept to commissioning. LTTs enables its customers to address all their engineering requirements from streamlining their processes, resolving downtime issues to ensuring adherence to statutory, human safety, machine safety, regulatory compliance, and local & global standards. LTTs provides end-to-end solutions in the areas of plant design, process engineering, project management, construction management, MOC (Management of Change), and handover of operations to its customers in Chemical, Consumer Packaged Goods (CPG), and Oil & Gas sectors. LTTs has broad expertise in traditional EPCM and sustenance engineering, as well as contemporary digital engineering enterprises. LTTs also offers services and solutions in the digital sphere to its customers in the areas of 'Smart Manufacturing' technologies such as 'integrated digital factory' & 'factory of the future' using Industry 4.0, IoT, and analytics platforms.

Medical Devices: LTTs helps medical device OEMs address various industry challenges including, acceleration of the development cycle for new products, reduction in time-to-market in developing new products, value engineering, and geo-specific/regional product launches. It focuses on delivering solutions in in-vitro diagnostics, patient mobility services, musculoskeletal services, surgical services, cardiovascular, home healthcare and general medical. LTTs has designed and developed innovative products and solutions such as world's first drug patch applicator, smart inhalers, connected hospitals, robotic endo trainer for laparoscopic surgeries, integrated reusable vessel sealing, and surgical staplers for emerging markets along with world's first airway clearance system with Bluetooth connectivity among others. LTTs also provides pre-compliance testing and validation support including product/compliance remediation, complaints management, and regulatory documentation support.

2. Business Environment

According to NASSCOM, India's ER&D services sector (comprising of embedded systems, ER&D and product engineering services) is the fastest growing sector within the Indian technology space - estimated to grow at 11 percent Y-o-Y to reach USD 32.7 billion in FY20.

NASSCOM reports that over the last 5-6 years, India's ER&D services sector has been a story of consistent double-digit growth, even as the overall IT industry has grown in single digits.

Global ER&D spend remained strong at USD 1.5 trillion in calendar year 2019 (growth of 5.3% Y-o-Y) driven by increasingly software-led engineering and digital technologies (like IoT and analytics). Digital Engineering is going to be the focus area for the enterprises with growing requirements for better user experience and personalization, greater adoption of platforms & cloud, and consolidation to build full-stack capabilities.

Zinnov reiterates this fact by observing that global ER&D spend is resilient and has witnessed growth despite slowdown and geo-political factors. Zinnov too, forecasts that the enterprises will continue to invest in Digital Engineering initiatives to stay relevant. The global spend of Digital Engineering is expected to grow at a CAGR of 19 percent from USD 403 billion in 2019 to reach USD 1153 billion by 2025.

The key technologies that will drive the ER&D sector's growth are: Artificial Intelligence, Machine Learning, Platform Engineering, Big Data Analytics, Cybersecurity, Factory 4.0, Autonomous Vehicles, SDN/NFV, Automation, Predictive Maintenance, AR/VR, Chip Development, In-flight Connectivity, Remote Patient Monitoring, Robotics, and Preventive Healthcare.

LTTs' service portfolios have well-defined offerings in each of these technology areas and through our services and solutions in the areas of Core Engineering, Digital Engineering and Digital Advisory Practice combined with our Innovation Engine, we are well positioned to provide our customers business value propositions throughout their value chain needs across domains and industries. This is further corroborated through our positioning as established technology leaders by the industry experts such as Zinnov, ISG, ARC, IDC, Nelson Hall, and Frost & Sullivan.

Personalization and Servitization of services are other two key areas where LTTs is developing its capabilities to enable our customers to provide a value add to their end-customers. Customers today look for personalization in nearly every product and service, hence customization on a large scale is the key for success. And the extent of this will only continue to increase in the future and with it, the need for accessibility to user information. Another key differentiator when it comes to serving today's consumer

is the overall experience comprising of ease of usage, simplicity, and interactivity and this is where the concept of servitization takes precedence. As products and services evolve with consumer requirements, experience is bound to take the top spot as a differentiator. At LTTTS, we are cognizant of these developments and are investing in creating capabilities in these areas through training and development. We have multiple PoCs, use-cases and pilots in these areas that give us a head start over our peers.

3. Major Achievements

LTTTS had a healthy inflow of projects across all its verticals. The Company won several multi-million-dollar deals across the globe.

Deal Wins

Transportation

- A global automotive manufacturer has chosen LTTTS for the development of AUTOSAR platform and integration of 5G telematics modules. As part of this same engagement, LTTTS has also been selected by their after-market group for cloud migration and maintenance support.
- A European components supplier for autonomous vehicles has selected LTTTS as its engineering partner for key programs in Advanced Driving Assistance Systems (ADAS) and Automated Driving (AD) domains.
- Selected as strategic partner by a European automotive manufacturer for its Electric Powertrain (ePowertrain) practice. LTTTS will be responsible for the functional qualification of the ePowertrain ECU (Electronics Control Unit).
- A Sweden-based leading component supplier for autonomous vehicles has selected LTTTS as a strategic partner for key programs in autonomous driving domains.
- Airbus India selected LTTTS to manage their avionics software development, V&V (Verification & validation), and data analytics.
- A multi-national power company has selected LTTTS as its strategic engineering partner to develop an IoT platform that combines hardware, software, and

communication elements to bring diverse power components into a unified system that can be monitored and managed effectively. In addition, the customer's aero division has chosen LTTTS for analysis & simulation of engine systems and structures.

- A leading auto parts maker has awarded LTTTS a multi-year program for design and development of their Engine Control Unit (ECU) for enhanced fuel efficiency for a new range of powertrain vehicles.
- LTTTS secured a project to take ownership of multi-disciplinary engineering design activities for an OEM involved in energy generation solutions. LTTTS is leveraging its niche Plant Engineering global capabilities to deliver end to end engineering design & development.
- A leading Swedish automotive OEM has awarded LTTTS a multi-year program to set-up a SCRUM team to develop and manage the software components in brakes, steering, suspension, and climate control domains.

Industrial Products

- For an industrial automation company, LTTTS won a deal to develop IoT firmware for next generation motor drives and controllers.
- LTTTS is setting up a development and design center in India for a European manufacturer to provide engineering projects across embedded, mechanical and connectivity domains.
- A global manufacturer of drinking water management solutions has chosen LTTTS to be their sole engineering services partner to support various advanced digital programs including NPD and sensorization.
- A major Industrial automation company has awarded LTTTS a multi-year contract to develop an electrical power module using end-to-end engineering protocols including product qualification.

Telecom and Hi-Tech

- LTTTS has been selected by a global semiconductor OEM to set up a center of excellence as part of a two-year embedded systems program with a value of USD 15 million in the first phase of the project.

- LTTS has been chosen as a preferred engineering partner by a global technology company based out of the United States. Under the new 3-year engagement, LTTS will provide ER&D services for the customer in the embedded, RF engineering, hardware, electrical, thermal, and firmware domains. LTTS will also set up a U.S. based Center of Excellence (CoE) focused on incubating new & emerging technologies.
- LTTS won a contract from a social networking and technology company for VLSI engineering services spanning its product suite of AR & VR enabled solutions.
- One of the world's leading technology firm has awarded LTTS a multi-year deal involving an engineering analytics program for next generation wireless laptops and processors.
- Awarded a 2-year program to set up a Center of Excellence (CoE) in the embedded systems space. The program is extendable by additional two years after completion of the first phase. Through the CoE, LTTS will provide VLSI design services to support the next-generation product development requirements of the customer in the semiconductor domain.
- The world's leading datacenter solutions provider has awarded LTTS a program to validate their family of high-speed platforms. LTTS will build BSPs for accelerating deployment of their IoT solutions. Additionally, LTTS won a deal to set up a development and validation Center of Excellence (CoE) for the customer, with a plan to scale up over the next three years.
- A multinational technology company has selected LTTS as its technology partner for a digital transformation program that involves setting up of global standards development & POCs for the customer's global sites across 12 workstreams. LTTS will also deploy its intelligent buildings framework i-BEMS for the Company's Headquarters in the U.S.A to help optimize energy conservation, implement analytics and enhance UX.
- A European media and communications conglomerate awarded a Digital Rights Management (DRM) contract to LTTS. Under the engagement, LTTS will develop next-generation hybrid boxes that support 4K used Widewine as the DRM solution for linear and Over-the-Top (OTT) Set-top boxes.
- LTTS has been awarded a program by a global media firm to design and develop a next generation chipset for broad-band and video security.
- LTTS won a managed services deal with a Media & Entertainment customer for the development and maintenance of interactive customer experience applications. LTTS will also provide 24x7 operations support including defect fixes & upgrades for the customer's software platforms.
- For a video solutions provider, LTTS is developing a next gen smart cards platform which will enable significant cost reductions per chip. LTTS' Israel VLSI team will provide end-to-end expertise from design & verification through manufacturing (by 3rd party), post silicon analysis and ongoing support.

Medical Devices

- For a leading medical device manufacturer, LTTS is executing a complete DHF and EU medical device regulation and remediation project in newborn care and neurology markets. As part of the project, the team will be conducting gap analysis & complete DHF and MDR remediation and certifications for 50+ accessories covering class 1 products.
- A medical technology company has awarded LTTS a multi-year program to set up a global team to support the customer's manufacturing operations worldwide. LTTS will provide next-generation software that will help digitally transform the customer's end-to-end systems and processes.
- LTTS has secured the next phase of development of a digital health program for one of the top life sciences companies in the US. LTTS will integrate the customer's new range of glucose monitoring devices to physician portals and handheld devices.
- A global medical devices OEM awarded LTTS a contract to develop a new IoT platform to remotely monitor their life sciences products installed globally.
- For a global healthcare company, LTTS was chosen to be their engineering partner to set up a Center of Excellence (CoE) that will provide support investigating and analyzing reporting of complaints

for regulatory filing in the U.S. and Europe for vital sign monitoring products. Additionally, LTTS will also provide engineering support for transfer of manufacturing lines for some of the customer's scanning devices from to India. Activities include line transfer, validation, design, manufacturing and supply of test fixtures.

- Secured a deal from a medical equipment manufacturer to complete design and development of a new bed side patient monitoring device including hardware & software development, mechanical engineering and prototype building.

Plant Engineering

- LTTS is setting up a greenfield food manufacturing plant for a global consumer goods firm. The project is expected to be completed over a period of two years.
- A leading German chemical company has awarded LTTS a program to offer end-to-end services for a brownfield plant expansion. The entire spectrum of engineering, procurement and construction management activities will be delivered by LTTS.
- Won a large deal to implement over 600 engineering applications for a leading U.S.-based EPC company. LTTS will ensure uptime of the applications and improve engineering productivity.
- One of the largest beverage companies in the world has selected LTTS for an Engineering Construction Management Program (EPCM) to replace the age-old wastewater treatment system at one of its key manufacturing plants. LTTS will upgrade the plant with the latest Industry 4.0 technologies.
- LTTS was awarded a project to set up an Engineering Value center (EVC) by a multinational brewery company for execution of site based projects across pan-India sites.

Customer Recognitions

- LTTS launched the 'smartest office campus in the world' in Israel for a leading technology conglomerate, which runs on its proprietary smart building platform.
- Agappe Diagnostics, a diagnostics reagents and equipment manufacturer, launched the first indigenously developed blood cell counter in

partnership with L&T Technology Services. The blood cell counter provides accurate diagnostics for critical ailments such as Dengue fever, rat fever, allergic conditions, Leukaemia, Typhoid, and Anaemia

- Honda conferred LTTS with the 'Performance Excellence Award' for exceeding performance standards including quality, cost and service

4. Significant Initiatives

LTTS believes in incremental efforts to enhance its technology and service footprint across the industry sectors that it caters to globally. This drives us to carve out various initiatives that enable our vision and commitment towards excellence.

Aerospace & Defense Engineering Design center:

LTTS inaugurated an aerospace and defense engineering design center in Rockford, Illinois to cater to the new age digital requirements of the aerospace and defense markets.

World's first cost-effective robotic endo-training kit:

LTTS developed the world's first cost-effective Robotic Endo-training Kit in association with GITA and Department of Science and Technology (DST). This kit is a futuristic surgical training robot that gives a high-definition observation of the patient's anatomy and the instruments. The research and development for the kit has been a joint effort between India and the Republic of Korea.

Industry4.NOW: LTTS' new framework unveiled a line-up of Digital Manufacturing Solutions (DMS) that can unlock value based digital transformation and help global manufacturers scale their digital initiatives.

TECHgium® Edition 3: The third edition of LTTS' national futuristic technology-based innovation competition received record-breaking 19,000 applications from over 270 reputed colleges & universities across India clocking a 200% increase in participants from its inception year 2016.

Engineering Hackathon: LTTS set out on a dual-purpose Europe mission to showcase its engineering expertise to the customers through a technology-lab-on-a-bus tour and finding solutions to key technological challenges through an engineering hackathon. The Company's 16-day pan-Europe initiative included customer campus visits and roadshows through a 3,000 km innovation-on-wheels drive covering Greater Manchester & Ellesmere Port (Cheshire) in the UK, Amiens & Paris in France and Eindhoven in Netherlands, culminating in Germany.

Google CWIP Certification: LTTS completed Google’s CWIP certification program for Widevine DRM solutions for OTT delivery of secure content to devices for streaming or download.

Consolidating the European Footprint: L&T Technology Services expanded its footprint in Europe by setting up an office in the Hi-Tech campus, Eindhoven. The objective of this office is to enhance customer centricity in the Netherlands. Located in the High-Tech campus, the office will act as a focal point to serve LTTS’ local customers and prospects better in their digital journey.

Factory D.0: LTTS unveiled its one-stop solution for factories of the future to address the fundamental problems with the smart factory solutions of today.

5. Environment Health & Safety

LTTS has aligned its sustainability goals with that of parent L&T with an objective to contribute to the creation of a sustainable world by minimizing environmental impact, maximizing social outreach and offering sustainable solutions. As part of this roadmap, LTTS is constantly undertaking various initiatives in the areas of water and energy conservation along with efforts to reduce carbon footprint.

Energy Conservation

- Utilization of water-cooled chillers which consume lesser power as compared to air cooled chillers
- Installation of double-glazing façade having less transfer of heat and less usage of HVAC
- Utilization of free cooling during winter (making use of ambient temperature to cool office areas)
- Achieved energy saving by increasing chilled water temperature by 2 degrees
- Installation of occupancy sensors in work areas, to switch off lights when there are no employees
- Installation of VRF units for 24x7 operation that consume much less power as compared to conventional split air conditioner units.
- Implemented odd/even floor elevator operations combined with forced shut-down of 2 elevators during non-peak hours, to reduce power consumption by approximately 4500 units per annum.

- Replacement of CFL lights by LED lights across locations contributing to a monthly saving of approx. 4000 kWh per month.

Water Conservation

- Creation of rain-water percolation pits to recharge ground water and to have minimum runaways
- Installation of aerators in all taps to reduce usage of water
- Usage of treated water for flushing, road-washing, gardening and having rain-water sump and using rainwater for raw water usages like washing hands.
- Installation of pressmatic taps to reduce water wastage
- Collection of terrace runaway water in UG sumps for reuse

Carbon Footprint Reduction

The Company has developed digital communication channels that facilitate virtual meetings to reduce travel and logistics costs and thereby the carbon footprint.

Health and Safety

LTTS is committed to providing health and safety support to our global and diverse workforce of nearly 17,000 employees.

All our facilities are equipped to provide medical assistance in case of emergencies. Our cafeteria vendors across all the locations comply with Food Safety Standards Authority of India (FSSAI) regulations and we conduct regular inspections and audits to ensure that the standards are met.

LTTS ensures that all its employees and vendors working on-site and offshore are trained to ensure ‘zero-harm’ to themselves and the people operating around them.

LTTS’ runs ‘i-CALL’ a completely anonymous and confidential counselling service by trained professional counsellors for its employees. The service is aimed to improve the mental wellbeing of employees over telephone, emails and chat, at no cost. Employees can simply call the i-CALL helpline or email the service to be counselled by a trained mental health expert.

LTTS also designed a digital solution called ‘VIGOR’ to foster employees to take microbreaks every 45 minutes to practice ergonomics. VIGOR enables employees to work out while at their desks with basic techniques such as stretching of hands and back.

During the fourth quarter of FY20, as an early response to the COVID 19 pandemic, LTTs rolled out immediate steps like cancelling all large events and shifting them to video conferencing, encouraging all employees returning from affected countries to self-quarantine, sending out awareness mails on prevention, protection precautionary measures to be taken, equipping all LTTs offices with hand sanitization facilities and enabling Work From Home (WFH) for employees and readying the IT infrastructure to support it. LTTs also rolled out a policy of 28 days of paid sick leave to the employees for self-quarantine and recouping.

6. Risks & Concerns

With an objective to look at risk management in a more structured and comprehensive manner in line with industry standards, LTTs created a Risk Management Framework that describes the principles behind risk management, defines a Risk Management Organization that will be entrusted with the responsibility of owning and managing risks and documents a Risk Management Process to identify, treat, monitor and report risks in a timely manner. The Risk Management Framework was placed before the Risk Management Committee and the Audit Committee meetings held on 14 May, 2020 for evaluation and approval.

Key Risks	Mitigation
Economic slowdown in key geographies or cyclical downturns in key segments could materially affect revenue growth and profitability	<ul style="list-style-type: none"> Broad-based revenue mix that is diversified across geographies and industry segments Strategy to cross-sell technology expertise and capabilities derived from one industry segment/geography to clients in other segments and markets, thereby broad-basing exposure and de-risking from cyclicity in any one segment
Inability to innovate and develop new services and solutions to keep up with customer expectations and evolving technologies which could result in lower growth traction	<ul style="list-style-type: none"> Continuous competency and capability building in leading edge technologies supported by investments in labs and center of Excellence (CoE) prepares the Company to address changing customer requirements Focus on innovation and development of solutions and accelerators to reduce time-to-market for customers
Change in strategy at any of our top customers leading to sale/divestiture or shutdown of parts of their businesses, could result in a discontinuity or a ramp-down of existing engagements of LTTs and thereby materially impact revenue and profits	<ul style="list-style-type: none"> Clauses in the contractual agreements with customers to mitigate impact of sudden termination of business Strong relationships with customers will be leveraged to explore alternate areas of engagement
Exchange rate volatility in various currencies could materially and adversely impact results of operations	<ul style="list-style-type: none"> Long term cash flow hedges taken to minimize the impact of exchange volatility on net profit Regular evaluation of hedging policy by internal risk management to assess effectiveness
Risk of inadequate protection of intellectual property rights of our customers can lead to reputational damage and litigation	<ul style="list-style-type: none"> Robust data security protection and controls to prevent unauthorized access and/or transfer Strict physical access controls for employees across customer delivery centers and secure areas Regular internal audits to comply with customer requirement of confidentiality and data protection
Cybersecurity risks that could lead to data leakage, malware or ransomware attacks, hacking etc.	<ul style="list-style-type: none"> Periodic assessment of cybersecurity maturity Periodic threat hunting exercises to identify gaps Mailers, campaigns, sessions to raise employee awareness and participation that will help prevent security mishaps Strict implementation of all protocols, policies relating to Work From Home and VPN access
Changes in immigration laws, rules and policies can impact our ability to provide services to customers at foreign locations	<ul style="list-style-type: none"> Local hiring at multiple locations abroad to reduce the dependency on work visas Proactive engagement with legislative and regulatory stakeholders to improve internal processes for visa filing

In addition to the above risks that are relevant to the company at any point of time, the Company is addressing the following concerns that are more immediate in nature:

The Covid-19 pandemic is expected to create a sharply different business environment. It could lead to business or financial distress for some of the Company's customers and yet at the same time augur well for customers in select industry segments. At this stage, the utmost priority of the Company is to ensure the health and safety of its employees and to work closely with its key customers during this unprecedented crisis, with an objective of minimizing the impact arising out of this crisis.

On 4th of December 2019, officers of the U.S. Department of Homeland Security came to our offices in New Jersey and Illinois seeking information concerning non-immigrant worker visas. The Company is fully cooperating with the U.S. government agencies. The Company has appointed legal counsel in the U.S. to represent it in connection with these matters and has also engaged an expert consultancy firm to conduct a review of its U.S. non-immigrant worker visa processes. U.S. authorities have not filed any formal allegations against the Company in connection with the aforesaid matters.

7. Internal Control Systems and their Adequacy

The management has designed internal control systems commensurate with the size and complexity of the business. An internal control system comprises all policies and procedures that taken together, support Company's effective and efficient operation. The Company has implemented internal controls that deal with system automation, authorisations, access restrictions, physical security etc. for providing reliable financial and operational information. These procedures often include the division of responsibilities, checks and balances to reduce risk. The operating effectiveness of various controls is periodically tested by internal auditors.

8. Outlook

According to NASSCOM, the Indian ER&D landscape has been growing at a healthy rate of 11 percent y-o-y. As an ER&D leader in the industry this bodes well for us. Our strategic business approach helps us to continuously assess the changing business needs, build innovation infrastructure to meet those needs and enable our customers to gain market share and technology edge. Our industry exposure and deep domain knowledge

helps us to develop core and digital solutions to help our customers overcome short-and long-term challenges.

Current circumstances have presented us with a unique opportunity for providing unwavering support to our customers at a difficult time. As an ER&D service provider, at LTTs, we perceive ourselves as not just business solution providers but as all-weather partners to our customers. We have thus identified areas where we can support our customers in these times and help them in their quest to see-through the current challenges as well as help them come out stronger. We have launched services for the Manufacturing industry to address the shift in demand with our manufacturing line expansion/re-design/transfer, achieve business continuity with our AGILE sourcing and supply chain services and plan healthcare for their machines with our remote asset care services.

Furthermore, during our conversations with the customers and industry experts, we realized that a whole lot of digital initiatives failed to provide the desired ROI. This led us to carve out a Digital Advisory Practice (DAP) that goes beyond selling the solutions and services and helps companies to architect and execute their digital roadmap with LTTs as a consulting partner.

The industry outlook points to a steady demand for ER&D led innovation in the form of cutting-edge technology solutions that will help transform customer experiences. LTTs aspires to be the transformation-agent that the customers can bank upon to realize their vision and aspirations.

9. Significant Factors Affecting our Results of Operations

LTTs business growth depends on the global ER&D spending by corporates, the quantum of ER&D outsourced to third party vendors and the ability of LTTs to develop competencies to address the ER&D needs of its customers. On the operational side, LTTs performance depends on the utilization rate of its billable employees, ability to command higher bill rates for its offerings, effective talent management addressing hiring, skilling and retention of high quality resources, management of foreign exchange volatility risk since a significant portion of business is billed in currencies like USD and EUR, and the onsite-offshore revenue mix as profit margins are typically higher if work is performed offshore as compared to onsite.

From a regulatory and compliance standpoint, LTTS' business sustainability requires protecting the confidentiality and intellectual property rights of our customers failing which we could be liable for damages, being compliant to the local regulations that include immigration and data protection laws, in every country we are present in.

10. Financial Conditions (Consolidated)

1. Equity Capital

(₹ million)

Equity Share Capital	As at 31-03-2020	As at 31-03-2019
Authorized		
5,250,000,000 equity shares of ₹ 2 each (previous year 5,250,000,000 equity shares of ₹ 2 each)	10,500	10,500
Issued, subscribed and fully paid up		
104,511,558 equity shares of ₹ 2 each (previous year: 104,013,325 of ₹ 2 each)	209	208
Equity Share Capital	209	208

2. Other Equity

(₹ million)

Other Equity	As at 31-03-2020	As at 31-03-2019
Retained Earnings	17,344	12,132
Hedging reserve	(1,332)	1,171
Securities premium	11,043	10,890
Foreign currency translation reserve	189	66
Employee stock options outstanding (Net of deferred compensation)	354	344
Other Items of other comprehensive income	(121)	(20)
Total Other Equity	27,477	24,583

Total Other equity at the end of March 31, 2020 stood at ₹ 27,477 Million as against ₹ 24,583 Million at the end of at March 31, 2019.

3. Long Term and Short Term Borrowings

(₹ million)

Long Term and Short Term Borrowings	As at 31-03-2020			As at 31-03-2019		
	Non-current	Current	Total	Non-current	Current	Total
Long Term Borrowings						
Secured Loans			-			-
Term Loans from bank			-			-
Short Term Borrowings			-			-
Secured Loans			-		426	426
Unsecured loans from bank		303	303		276	276
Total	-	303	303	-	702	702

The Company's short-term borrowings stood at ₹ 303 Million at March 31, 2020 from ₹ 702 Million as at March 31, 2019 on account of net repayment of loans.

4. Current Liabilities (other than borrowings)

(₹ million)

Current Liabilities	As at 31-03-2020	As at 31-03-2019
Trade payables	1,975	1,879
Other financial liabilities	3,752	2,750
Other current liabilities	2,376	1,899
Short-term provisions	1,654	1,341
Current tax liabilities	328	56
Total	10,085	7,925

Current liabilities consisting of Trade payables, other financial liabilities, other current liabilities, short term provisions and current tax liabilities stood at ₹ 10,085 Million as of March 31, 2020 from ₹ 7,925 Million as of March 31, 2019.

5. Non-current Liabilities (other than borrowings)

(₹ million)

Non-current Liabilities	As at 31-03-2020	As at 31-03-2019
Lease Liability	3,268	-
Other financial liabilities	1,622	60
Total	4,890	60

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the lessee's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted.

6. Property, plant and equipment

(₹ million)

Property, plant and equipment	As at 31-03-2020	As at 31-03-2019
Property, plant and equipment	2,099	1,443
Right of Use Assets	3,490	-
Capital work-in-progress	87	-
Goodwill	5,460	5,365
Other tangible assets	686	992
Total	11,822	7,800

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the lessee's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted.

Additions:

Additions to the gross block in the year ended March 31, 2020 amounted to ₹ 2,324 Million (out of which ₹ 940 Million pertains to ROU). The Company has been investing in infrastructure facilities on account of computers, office equipment, expansion of development centers and overseas offices, in line with business growth.

Deductions:

During the year, the Company disposed various assets with a gross block of ₹ 66 Million.

7. Trade Receivables

Trade Receivables amounted to ₹ 13,807 Million as at March 31, 2020, compared to ₹ 10,643 Million as at March 31, 2019. The day's sales outstanding stood at 90 days as at March 31, 2020 as compared to 76 days as at March 31, 2019.

8. Cash & Bank balances

The Bank balances in India include both rupee accounts and foreign currency accounts. The Bank balances in overseas accounts are maintained to meet the expenditure of the overseas operations.

Deposits with bank represent surplus money deployed in the form of deposits and collaterals kept against open ended bank guarantees issued to customers. The Cash & Bank balance stood at ₹ 2,439 Million as at March 31, 2020 from ₹ 2,051 Million as at March 31, 2019.

9. Current Assets (other than Cash and Trade Receivables)

(₹ million)		
Current Assets	As at 31-03-2020	As at 31-03-2019
Investments	6,110	5,749
Loans	1	-
Other Financial assets	1,730	1,541
Other Current assets	5,015	3,736
Total	12,856	11,026

Investments comprises of Investments in mutual funds & Corporate Deposits.

Other financial assets consisting advance to employees, security deposits, forward contract receivable, etc. which increased from ₹ 1,541 Million as at March 31, 2019 to ₹ 1,730 Million as at March 31, 2020 primarily on account of Unbilled Revenue (T&M Accruals).

Other current assets increased primarily on account of Unbilled Revenue (FP accruals).

10. Non-current Assets (other than Property and Deferred Tax)

(₹ million)		
Non- current Assets	As at 31-03-2020	As at 31-03-2019
Investments	310	-
Other financial assets	827	1,362
Other non-current assets	661	635
Total	1,798	1,997

Other Financial assets as at March 31, 2020 decreased by ₹ 535 Million primarily on account of decrease in forward contract receivable.

11. Net Deferred Tax Assets / Liabilities

(₹ million)

Deferred tax asset	As at 31-03-2020	As at 31-03-2019
Deferred tax asset	311	126
Deferred tax liability		134

Deferred tax asset and liability is recognised on temporary differences between the tax base of assets and liabilities, and their reported amounts in financial statements, which will result in taxable or deductible amounts in the future and quantified using the tax rates and laws enacted or substantively enacted as at balance sheet date.

Other deferred tax assets are recognised and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

11. Results of our operations (Consolidated)

The following table shows a breakdown of our results of operations and each item as a percentage of total income for the years indicated:

	FY 20		FY 19	
	(₹ million)	% of total income	(₹ million)	% of total income
Income				
Revenue from operations	56,191	100.0%	50,783	100.0%
Expenses				
Employee benefit expenses	32,916	58.6%	30,318	59.7%
Other Operating expenses	12,170	21.7%	11,307	22.3%
Change in contingent consideration	-	0.0%	11	0.0%
Total Expenses	45,086	80.2%	41,636	82.0%
Depreciation and amortisation expenses	1,829	3.3%	1,042	2.1%
Operating Profit (EBIT)	9,276	16.5%	8,105	16.0%
Other Income	2,091	3.7%	2,228	4.4%
Finance Costs	365	0.6%	19	0.0%
Profit before extraordinary items and tax	11,002	19.6%	10,314	20.3%
Extraordinary items	-	0.0%	-	0.0%
Profit before tax	11,002	19.6%	10,314	20.3%
Tax Expenses				
- Current tax	2,269	4.0%	2,517	5.0%
- Deferred tax	509	0.9%	113	0.2%
	2,778	4.9%	2,630	5.2%
Profit after Tax	8,224	14.6%	7,684	15.1%
Minority Interest	38	0.1%	28	0.1%
PROFIT FOR THE YEAR	8,186	14.6%	7,656	15.1%

12. Financial Year 2020 compared to Financial Year 2019 (Consolidated)

1. Income

Our revenue from continuing operations increased by 10.6% to ₹ 56,191 Million for the year ended March 31, 2020 from ₹ 50,783 Million for the year ended March 31, 2019, with growth being led primarily by the Transportation, Plant Engineering, and Medical Devices segments.

Our USD revenue from continuing operations comprise revenues denominated in USD, in addition to amounts in foreign currencies across our operations, that are converted into USD using the day-end exchange rates for the relevant period. Such revenues increased by 8.7% to USD 786 Million for the year ended March 31, 2020 from USD 723 Million for the year ended March 31, 2019.

2. Expenses

Our expenses include employee benefit expenses, other operating expenses, change in contingent consideration, finance costs, depreciation and amortization and tax expenses. The total of such expenses increased by 10.4% to ₹ 50,058 Million for the year ended March 31, 2020 from ₹ 45,327 Million for the year ended March 31, 2019, primarily as a result of an increase in employee benefit expenses, which was attributable to the growth of our operations and annual increase in salaries.

Employee benefit expenses comprise salaries (including overseas staff expenses), share based payment, staff welfare, contributions to provident funds and contributions to gratuity funds.

Our employee benefit expenses increased by 8.6% to ₹ 32,916 Million for the year ended March 31, 2020 (which represented 58.6% of our revenue from operations for such year) from ₹ 30,318 Million for the year ended March 31, 2019 (which represented 59.7% of our revenue from operations for such year). This is primarily as a result of increase in salaries, including overseas staff expenses, to ₹ 31,775 Million from ₹ 29,307 Million on account of annual increments and increase in the headcount from 15,140 as at March 31, 2019 to 16,883 as at March 31, 2020.

Employee benefit expenses earlier consisted of Travel Cost of Billable Employees which in FY 20 are regrouped under Other Operating Expense and FY 19 figures are regrouped accordingly.

3. Other Operating expenses

Other operating expenses primarily comprises of subcontracting and component, technical & consultancy charges, cost of computer software, rent and establishment expenses, travelling & conveyance, legal & professional charges, overheads charges & miscellaneous expenses.

Our Other Operating expenses increased by 7.6% to ₹ 12,170 Million for the year ended March 31, 2020 (which represented 21.7% of our revenue from operations for such year) from ₹ 11,307 Million for the year ended March 31, 2019 (which represented 22.3% of our revenue from operations for such year). CSR expenditure which is included in Other Operating expenses totalled ₹ 326 Million in the year ended March 31, 2020 (compared to ₹ 101 Million in the year ended March 31, 2019) and was higher due to a one-time contribution of ₹ 183 Million to the PM CARES Fund for COVID relief measures.

4. Other Income

Our Other Income primarily consists of income from foreign exchange gains investments in mutual funds, interest received, net gain on fair value of investment and miscellaneous income. In miscellaneous income, the income from sale of export licenses (obtained as a result of government incentives) increased by ₹ 655 Million in FY 20 (FY20: ₹ 931 Million and in FY19: ₹ 276 Million) which was more than offset by the absence of the one-time income of ₹ 780 Million registered in FY19 (which was towards a transaction with one of the Company's customers), leading to decrease in our Other Income to ₹ 2,091 Million for the year ended March 31, 2020 from ₹ 2,228 Million for the year ended March 31, 2019.

The Company designates foreign exchange forward contracts as hedge instruments in respect of foreign exchange risks. These hedges are accounted for as cash flow hedges. The Company uses hedging instruments that are governed by the policies of the Company which are approved by the Board of Directors, which provide written principles on the use of such financial derivatives consistent with the risk management strategy of the Company.

The hedge instruments are designated and documented as hedges at the inception of the contract. The effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at inception and on an ongoing basis. The ineffective portion of designated hedges are

recognized immediately in the statement of profit and loss. The effective portion of change in the fair value of the designated hedging instrument is recognized in the other comprehensive income and accumulated under the heading cash flow hedge reserve.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or no longer qualifies for hedge accounting. Any gain or loss recognized in other comprehensive income and accumulated in equity till that time remains and is recognized in statement of profit and loss when the forecasted transaction ultimately affects the profit or loss. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss accumulated in equity is transferred to the statement of profit and loss.

5. Finance costs

Finance costs comprise bank interest paid and Interest accounted towards IND AS116. Exchange losses on borrowings are also accounted for as part of finance costs.

Our finance costs increased to ₹ 365 Million for the year ended March 31, 2020 (majorly on account of Interest on Lease Liability booked amounting to ₹ 350 Million as a part of adoption of IND AS 116 effective 1st April 2019) from ₹ 19 Million for the year ended March 31, 2019.

6. Depreciation and Amortization

Tangible and intangible assets are amortized over periods corresponding to their estimated useful lives.

Our depreciation and amortization on tangible & intangible assets increased to ₹ 1,829 Million for the year ended March 31, 2020 (out of which ₹ 783 Million accounted as Depreciation on ROU created as per IND AS 116) from ₹ 1,042 Million for the year ended March 31, 2019.

7. Profit before Extraordinary Items and Tax

As a result of the above-mentioned factors, our profit before extraordinary items and tax increased by 6.7% to ₹ 11,002 Million for the year ended March 31, 2020 (which represented 19.6% of our revenue from operations for such year) and ₹ 10,314 Million for the year ended March 31, 2019 (which represented 20.3% of our revenue from operations for such year).

8. Tax Expenses

Tax expenses comprise of current tax and deferred tax. Current income tax is the amount expected to be paid to the tax authorities in accordance with the applicable tax

laws in relevant jurisdictions. Deferred income tax reflects the impact of timing differences between taxable income and accounting income.

Our current tax decreased by 9.8% to ₹ 2,269 Million for the year ended March 31, 2020 from ₹ 2,517 Million for the year ended March 31, 2019. Our deferred tax charge for the year ended March 31, 2020 was ₹ 509 Million as against our deferred tax charge for the year ended March 31, 2019 of ₹ 113 Million.

Our total tax expense has increased by 5.6% to ₹ 2,778 Million for the year ended March 31, 2020 from ₹ 2,630 Million for the year ended March 31, 2019. The increase in current tax is mainly on account of higher profit before tax.

9. Net Profit after Tax

As a result of the above-mentioned factors, our net profit increased by 7.0% to ₹ 8,224 Million for the year ended March 31, 2020 from ₹ 7,684 Million for the year ended March 31, 2019.

10. Earnings Per Share (EPS)

Our Basic EPS before extraordinary items has increased by 6.1% to ₹ 78.56 per share in the year ended March 31, 2020 from ₹ 74.06 per share in the year ended March 31, 2019. The diluted EPS has increased by 6.6% to ₹ 77.70 per share in the year ended March 31, 2020 from ₹ 72.91 per share in the year ended March 31, 2019. The increase is on account of higher profit attributable to equity shareholders.

13. Key Financial Ratios (Consolidated)

Ratio	FY 20	FY 19
Days Sales Outstanding (in days)	90	76
Interest Coverage Ratio	1,120	641
Current Ratio	2.8	2.8
Debt Equity Ratio	0.0	0.0
Operating Profit Margin (%)	16.5%	16.0%
Net Profit Margin (%)	14.6%	15.1%
Return on Net Worth (%)	31%	35%

Explanations for changes in ratios:

- Days Sales Outstanding for the year ended March 31, 2020 increased because of greater increase in Trade receivables as compared to Revenues.
- Interest Coverage ratio for the year ended March 31, 2020 improved due to growth in operating profit and reduction in short term debt.

- Operating profit margin marginally improved to 16.5% in FY20 compared to 16.0% in FY 19 primarily on account of rupee depreciation.
- Net profit margin declined slightly to 14.6% in FY20 as compared to 15.1% in FY 19, on account of slightly lower Other income.
- Return on Net Worth for the year ended March 31, 2020 declined slightly on account of lower net profit margin.

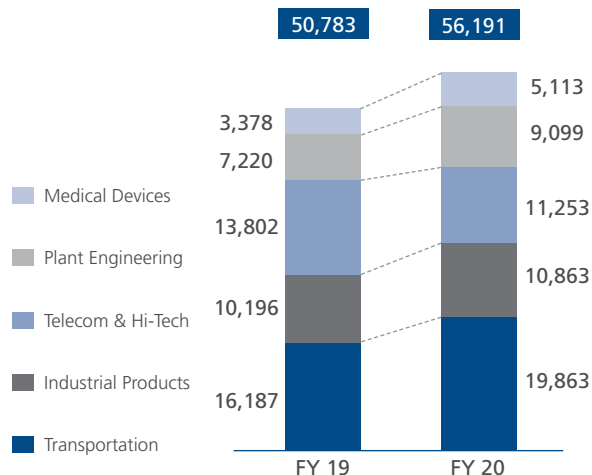
14. Segment Reporting (Consolidated)

Our segmental reporting comprises business and geographic segmentation.

Business Segmentation

LTTs operates in five industry segments namely Transportation, Industrial products, Telecom & Hitech, Plant Engineering and Medical devices.

Revenue Contribution By Segments (₹ million)



The following table shows a breakdown of our revenue by our business segments for the periods indicated:

Segments	FY 20		FY 19	
	INR Million	% to total revenue	INR Million	% to total revenue
Transportation	19,863	35.4%	16,187	31.9%
Industrial Products	10,863	19.3%	10,196	20.1%
Telecom & Hi-Tech	11,253	20.0%	13,802	27.1%
Plant Engineering	9,099	16.2%	7,220	14.2%
Medical Devices	5,113	9.1%	3,378	6.7%
Total operating revenue	56,191	100.0%	50,783	100.0%

Transportation

Transportation segment is our largest segment by revenue and contributed 35.4% of the company's total revenue in FY'20 vs 31.9% of the total revenue in FY'19. The segment clocked a healthy topline growth of 22.7% Y-o-Y. The operating margin of this segment has increased from 16.7% in FY'19 to 17.7% in FY'20. Increase in operating margin is due to increase in revenue from FY'19 to FY'20.

Telecom & Hi-tech

Telecom segment is the second largest segment. The segment has contributed 20% of the company's total revenue in FY'20 vs 27.1% of the total revenue in FY'19. The operating margin of this segment has improved to 16.5% in FY'20 from 15.6% in FY'19.

Industrial Products

The Industrial Products segment is the third largest segment and has contributed 19.3% of the company's total revenue in FY'20 vs 20.1% of the total revenue in FY'19. The segment has shown a decent growth in revenue by 6.5% Y-o-Y. The operating margin of this segment has improved from 24.9% in FY'19 to 26.1% in FY'20.

Plant Engineering

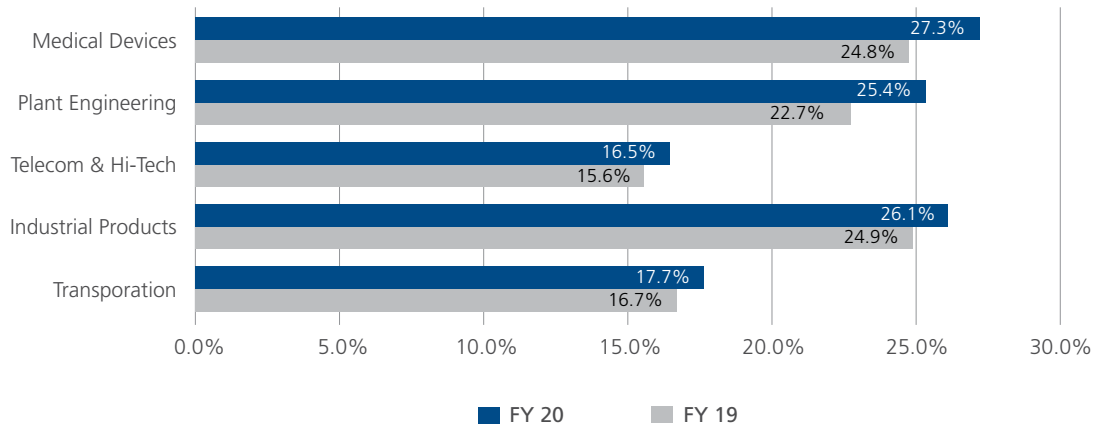
Plant Engineering contributed 16.2% of the company's total revenue in FY'20 vs 14.2% of the total revenue in FY'19. The segment showed an increase of 26% Y-o-Y. The operating margin of this segment has significantly increased from 22.7% in FY'19 to 25.4% in FY'19.

Medical Devices

Medical Devices segment is the smallest segment and contributed 9.1% of the company's total revenue in FY'20 whereas in FY'19 it was 6.7%. This segment grew by 51.4% Y-o-Y and was the fastest growing segment in FY'20. The operating margin of this segment has improved from 24.8% in FY'19 to 27.3% in FY'20.

Further, the segment wise operating profits as a percentage to respective segment revenue has been depicted below for the periods indicated:

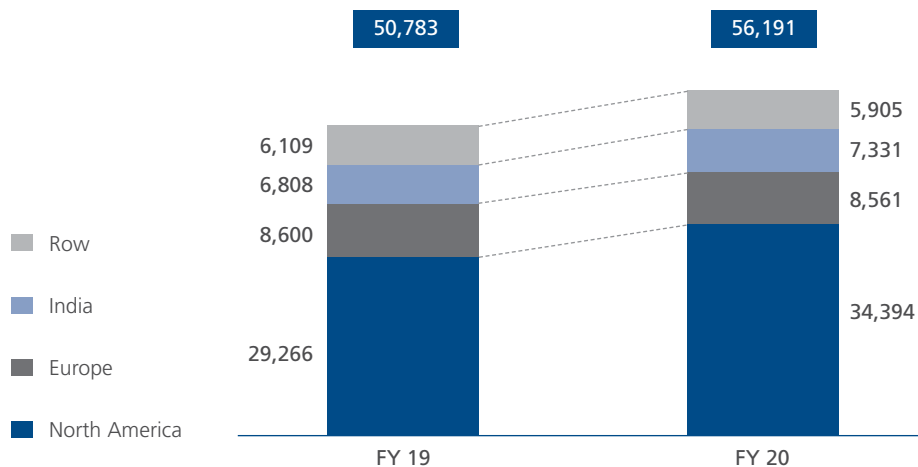
Segmental Operating Profits (% to Revenue from Operations)



Geographical Segmentation

The revenues are generated from four main geographic markets: North America, Europe, India and Rest of the world. We present our revenues by client location, irrespective of the location of the headquarters of the client or the location of the delivery Center where the work is performed.

Revenue Contribution By Geography (₹ million)



Annual Business Responsibility Report 2019-20

We are happy to present the Business Responsibility Report of the Company for the financial year ended as on March 31, 2020, pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Business Responsibility Report covers the responses across environment, governance and stakeholder relationships of all the business. This report conforms to Business Responsibility Reporting (BRR) requirement of SEBI based on the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of the Business (NVG-SEE) released by the Ministry of Corporate Affairs, Government of India.

Through our consistent efforts in utilizing technology and adapting to evolving global scenarios, we strive forth to positively impact our value chain, employees, suppliers, customers, stakeholders and local communities. Through our projects, CSR activities and several people friendly policies & people-oriented initiatives we endeavour to build a better society. We encourage sustainable practices within and outside the organization by participating in social innovation programmes.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

- Corporate Identity Number (CIN) of the Company: **L72900MH2012PLC232169**
- Name of the Company: **L&T TECHNOLOGY SERVICES LIMITED**
- Registered address: **L&T House, N.M. Marg, Ballard Estate, Mumbai 400 001**
- Website: **www.LTTS.com**
- E-mail id: **investor@ltts.com**
- Financial Year reported : **1st April 2019- 31st March 2020**

Sector(s) that the Company is engaged in (industrial activity code- Group)	Class	Sub-Class	Description
620	6209	62099	Other information technology and computer services

- List three key products/services that the Company manufactures/provides (as in balance sheet)
Engineering Research & Development Services in chosen verticals viz Industrial Products, Telecom & Hi-Tech, Plant Engineering, Transportation, and Medical Devices.
- Total number of locations where business activity is undertaken by the Company
I. Number of International Locations - 30
II. Number of National Locations - 8
- Markets served by the Company – Local/State/National/International: **All**

SECTION B: FINANCIAL DETAILS OF THE COMPANY

- Paid up Capital: **₹ 209 million**
- Total Turnover: **₹ 51,813 million**
- Total profit after taxes: **₹ 7,900 million**
- Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax: **More than 2%**
- List of activities in which expenditure in 4 above has been incurred: -
 - Education**
 - Skill development**
 - Healthcare**
 - Water Conservation**
 - Environment**
 - Corporate Volunteering Program**
 - Sports for Specially abled**

SECTION C: OTHER DETAILS

- Does the Company have any Subsidiary Company/Companies?
Yes.
- Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)
No.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

Yes. At present, less than 30% of the suppliers/distributors participate in BR initiatives

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Director responsible for implementation of the BR policy/policies

1. DIN Number: **05296942**
2. Name: **Dr. Keshab Panda**
3. Designation: **CEO & Managing Director**

(b) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	Not applicable
2	Name	Mr. K. N. Prabhakaran
3	Designation	CSR Head
4	Telephone number	+91 22 6752 5656
5	e-mail id	investor@lts.com

2a. Principle-wise (as per NVGS) BR Policy/Policies (Reply in Y/N)

P1- Business should conduct and govern themselves with ethics, transparency and accountability

P2- Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle

P3- Business should promote the well-being of all employees

P4- Business should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

P5- Business should respect and promote human rights

P6- Business should respect protect and make efforts to restore the environment

P7- Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner

P8- Business should support inclusive growth and equitable development

P9- Business should engage with and provide value to their customers and consumers in a responsible manner

Sr. No	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	India based policies are aligned to National Standards. Policies pertaining to GEO NA, Europe & ROW are aligned with the International Standards. (respective GEO)								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/ CEO/appropriate Board Director? Signed By the CEO & MD	Y Note 1	Y Note 1	Y Note 1	Y Note 1	Y Note 1	Y Note 1	Y Note 1	Y Note 1	Y Note 1
5	Does the company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	Available on Company's Intranet						https://www.lts.com/investors/corporate-governance	Available on Company's Intranet	
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y

Sr. No	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

Note 1: As per the approval matrix of the Company.

2b. If answer to the question at serial number 1 against any principle, is 'no', please explain why: (tick up to 2 options):

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The company has not understood the Principles									Not Applicable
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									Not Applicable
3	The company does not have financial or manpower resources available for the task									Not Applicable
4	It is planned to be done within next 6 months									Not Applicable
5	It is planned to be done within the next 1 year									Not Applicable
6	Any other reason (please specify)									Not Applicable

3. Governance related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:

Annually

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

No

The Company's consolidated Code of Conduct (CoC) mandates all the employees, including board members, to remain consistently vigilant and ensure that operations adhere to our ethics and values. The Chief Executive Officer & Managing Director makes an Annual Declaration to the shareholders regarding the senior management's compliance with the CoC.

The Company expects its associates to uphold highest standards of business conduct across all sites where the Company has its presence, as customer, supplier or as consultant. All employees are guided by the vision statement & values mentioned therein for the success & reputation of the organization. Each employee of the Company is required to provide an annual declaration of his/her adherence to CoC. The said CoC is also displayed on the website of the Company. All new associates are made aware of the CoC as a part of their induction program and receive due notification on introduction of any amendments. Any non-compliance is addressed with suitable disciplinary actions.

The Company's Code addressing bribery, corruption and tax evasion extends to all the group companies, suppliers, contractors, NGOs and other stakeholders. Additionally, the Company has drafted a separate CoC for its suppliers, customers and consultants to follow and to uphold business standards.

SECTION E: PRINCIPLE-WISE PERFORMANCE

PRINCIPLE :1

BUSINESS SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY:

The Company's philosophy of corporate governance originates from L&T Group's unique heritage which recognizes Corporate Governance as a fundamental for existence of business. Our philosophy on Corporate Governance is based on a rich legacy of ethics, transparency, intellectual integrity dependability and disclosure practice. Our culture is embedded in accountability and fairness in our business dealings and our unwavering respect for values and equality, which is defined and detailed in the Company's institutionalized Code of Conduct (CoC).

LTTTS recognizes and respects the rights of all individuals for protection of their personal data, which might be accessed by the Company and its employees during the course of business with its stakeholders, from any unauthorized disclosure and usage. The Company has a Privacy Policy, based on the principles set out in the European General Data Protection Regulations (GDPR), duly approved by the Management, to emphasize the Company's commitment to comply with data privacy and security regulations across various geographies, in which the Company operates. The Privacy Policy of the Company covers key areas such as Data Protection Principles as well as Data Use Guidelines. The Privacy Policy is applicable to all LTTTS employees as well as third parties who may be involved in collection, processing, retention, transfer, disclosure and destruction of personal data collected by or on behalf of LTTTS. The Company's Compliance Officer has been authorised for monitoring and updation of the said Privacy Policy.

A vigilance mechanism is in place to report the concerns by the directors and associates about actual or suspected frauds, unethical behaviour or violation of the Company's values or CoC. This is ensured through the Whistle Blower Policy which has been in effect since 2014 and under which a Whistle Blower Investigation Committee is constituted. The Whistle Blower Policy is also displayed on the website of the Company. As per the amendments in SEBI (Prohibition of Insider Trading) (Amendment) Regulations in 2018, the Company has implemented a Policy and Procedure for inquiry in case of leak / suspected leak of Unpublished Price Sensitive Information (UPSI). If any employee has a suspect of leakage of UPSI, necessary investigation and action is taken by the Information Leakage Investigation Committee. Further as per the recent SEBI Notification, the Company has made necessary amendments to the Securities Dealing Code of the Company, in order to enable any Informant to raise concerns, if any, about alleged violation of insider trading laws by the Company

The Company, with reference to the Whistle Blower mechanism, has created an online platform '**Ethics Line**' which offers an independent multi-channel interface to employees for reporting unethical conduct/malpractice they may see around them, in case of any hesitation to report face to face. Through this helpline, employees can raise their concerns, which are addressed and necessary action, if required is been taken by the Company. This helpline and the management always maintain the anonymity of the whistle-blower. It helps build a culture of trust, transparency, honest communication and ethical conduct and provides employees with non-threatening and impartial way of communicating their concerns while

allowing the organization to process and act on the given information. One of our constant endeavours is to promote 'ZERO TOLERANCE' for values violation & unethical conduct at the workplace. To promote this culture, '**Ethics Line**' plays an important role.

During the financial year 2019-20, the Company received total 4 complaints via Ethics Line. Out of the same 2 complaints were resolved through appropriate action taken by the Company. The remaining 2 complaints were under investigation and action on the same was delayed on account of lockdown due to Covid-19.

PRINCIPLE: 2

BUSINESS SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE:

The Company facilities that across all its locations there is an abundance of green spaces and plantations to ensure the well-being of employees. The Company is committed to ensure sustainability throughout its day-to-day operations. The Company is focused towards balancing its innovations across various industry verticals with eco-friendly processes, services and solutions that positively impact their life cycle. The Company constantly works on health, safety and providing conducive environment employees.

The water conservation effort alone has resulted in recycling up to 28,000 liters of water per day and zero waste discharge. We also have a sewage treatment plant to recycle waste water which is put to use for various purposes. Our Vadodara office in Knowledge City has been certified by CII's Indian Green Building Council (IGBC) under the LEED guidelines.

The Company has set up rain water pump in Bengaluru through which we are using treated runaway water for various purposes such as cleaning washroom, road wash, gardening and hand wash. We have also established rain water percolation pits to recharge ground water and to have minimum runaways. The Company has pressmatic taps installed across its facilities which close automatically after usage and are installed with aerators to reduce wastage of water.

The Company has setup water cooled chillers in its campuses that consume lesser power as compared to air cooled chillers. We have also installed VRF units for 24x7 operations which consume much less power as compared to conventional split A/C. Further, we also utilize free cooling during winter. Due to our efforts we have saved 68,223 KWH power in FY20 as compared to FY19.

In Bengaluru, the Company has implemented double glazing façade that facilitates less transfer of heat and puts less pressure on the HVAC systems. This helps to efficiently consume electricity. We have installed occupancy sensors in work areas that switch off lights when no one is around and have installed 2 row coils to increase the efficiency of AHUs (Air Handling Unit).

PRINCIPLE: 3

BUSINESS SHOULD PROMOTE THE WELL-BEING OF ALL EMPLOYEES:

The Company's growth truly depends upon the growth of employees within the organization. The Company's well-being strategy aims at creating a working environment that is supportive of work-life balance while meeting the Company's business needs. We have moved away from traditional ways of people management to contemporary and competency-based hiring, training & development, rewards & awards and career management with equal opportunity to all irrespective of caste, creed, gender or nationality. All the above is with the motive to service the stakeholders and society at large.

We believe that developing people internally is a better alternative for retention of culture, knowledge, longevity with clients giving the desired confidence, focused career management resulting in reduction in attrition which in turn reduces cost of hiring and leads to improvement of financial performance. We foster a healthy work culture and a work place free of any harassment. All our facilities are ergonomically equipped by state-of-the-art infrastructure leading to a vibrant work environment.

While the journey of investing in our assets started in FY 2017-18, FY 2018-19 saw robust implementation of these initiatives. In FY 2019-20, we were able to institutionalize many of these initiatives at organization level. We are in the people dependent business and our employees are our most important assets and therefore we have undertaken the following initiatives:

Accelerated Leadership Program (ALP) for Account Delivery Managers & Program Managers is a 12 months intervention program for shaping and sharpening the competencies required to perform the jobs with complete business acumen. Our high potential associates have gone through this program, subsequent to which they have been delivering consistently greater business results than before. 90% of them have experienced career enhancement.

We believe leadership exists in every rung of the organization and it is mutually beneficial to catch them young.

Young Leadership Program (YLP) aims at providing knowledge, essential skills and attitude which are required to effectively transition to leadership role. A select few Project Leaders & Managers across the globe have undergone this 10 months intervention and have scaled new heights in their careers.

Potential lies everywhere, irrespective of level, function, location, gender, qualification, experience etc. It is important to provide a platform to allow them to surface. **CEO Club** is one such unique initiative to create future leaders – while the initiative is designed by us, the execution is outsourced to an internationally famed consulting firm to eliminate any bias in choosing the leaders benchmarked against world standards. All the successful candidates coming out of this initiative are experiencing exposure to unique projects, assignments, job enrichment, vertical career movement and investment in their continuous learning. The third edition of CEO club saw a huge surge in the participation from across the organization. We received 787 applications which is 114% increase over previous FY. This just reaffirms the value this initiative has created in the organization.

“Leaders create Leaders” akin to this phrase, we have launched a mentoring initiative – **Illuminate** wherein some of our leaders (CXOs & V/H heads) take up the responsibility to mentor & groom chosen dynamic leaders across Sales & Delivery organizations through a well-crafted intervention for 12 months.

Our quest for development does not stop here, in FY 2019-20 we conducted 1500+ workshops covering 11,486 people, with unique methods like theatrics, AR/VR-based, ATL, overseas classroom programs leveraging webinars, which includes behavioral and technical programs specially designed to enhance present performance & career progression across functions.

To scale up technical training to the next level, we have now tied up with online partners like Coursera, Pluralsight, and Simplilearn which will give access to courses & certifications from some of the best international universities like Yale, Stanford, University of Michigan, John Hopkins, Duke University & many more.

630+ of our associates are now proficient in foreign languages like French, German, Japanese, Mandarin & Spanish under our initiative **GLOCAL** ensuring ease in communication with clients. This has helped us in strengthening relationship by breaking barriers of communication. They also act as a bridge between the teams and the clients.

It is said “The one exclusive sign of knowledge is the power of teaching”. Our initiative **PRISM** aims to create a pool of internal trainers by leveraging their knowledge & skills to enhance capability of our employees. This year 600+ training sessions were facilitated by our internal trainers.

The demographical bifurcation of our total workforce for the year 2019-20 is provided below. During the year, there were 3 sexual harassment complaints, which were duly addressed and closed.

1.	Total number of employees	17176
2.	Total number of employees hired on temporary/contractual/casual basis	747 (TPCs & Retainers)
3.	Number of permanent women employees.	3273
4.	Number of permanent employees with disabilities	NA
5.	Do you have an employee association that is recognized by management	No
6.	What percentage of your permanent employees are members of this recognized employee association?	None
7.	Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	3

PRINCIPLE: 4

BUSINESS SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALIZED:

The contribution of shareholders and investors to the growth of the Company is deeply valued, and we work hard to ensure that we deliver positive returns to the stakeholders. The Company maps both internal and external stakeholders along with vulnerable, marginalized and disadvantaged stakeholders. This enables us to understand that our stakeholders comprise a large and mixed community with varied and extended expectations, and LTTs always strives to match their expectations.

Our Corporate Social Responsibility (CSR) pay close attention to the society and its inhabitants within which we operate. As a responsible corporate citizen, we undertake several transformational initiatives that contribute towards community empowerment and all-round societal development. All our engagements are conducted in a transparent manner with honesty, integrity and openness; in compliance with local and international laws.

The Company has a dedicated Corporate Brand Management & Communications department which facilitates an on-going dialogue between the organization and its stakeholders.

External Stakeholders	
Stakeholders	Engagement Models
Media	Press Releases, Quarterly Results, Annual Reports, AGM (Shareholders interaction)
Customers	Regular business interactions, client satisfaction surveys
Shareholders and Investors	Investor meets, dedicated email id for investor grievances, Press Release, AGM
Community	Through various CSR activities
Government	Press Release, Quarterly Results, Annual Reports, CSR Report.

Internal Stakeholders	
Employees	Engagement modes
	Welfare initiatives for the employees
	Circulars to update about the organizational development/changes in the organization structure. Career development initiatives for all employees.
	In-house magazines and CSR program involvement of the employees

PRINCIPLE: 5

BUSINESS SHOULD RESPECT AND PROMOTE HUMAN RIGHTS:

LTTs’ legacy of engineering quality and excellence is rooted its innate respect for human values. Respecting, promoting, and protecting human rights at workplace is an absolute necessity and remains an unwavering responsibility of an organization. Our efficient grievance redressal system is supplemented by various organizational policies and boosted by an efficient whistle blower mechanism, and our online Ethics Line. It enables all employees of the Company to raise their concerns about unethical behaviour and actual or suspected fraud or leakage of Unpublished Price Sensitive Information (UPS) without compromising on need for anonymity. Our CoC, covering Prohibition of Human trafficking and Slavery and Bonded Labor, strictly prohibits all forms of human rights violation including slavery, bonded labor, forced labor, debt bonded labor, child labor and trafficking of labor from any of its establishments to other establishments for conducting business.

In keeping with our avowed commitment to the adoption of best practices, the Company strictly prohibits involvement of its suppliers, contractors, vendors and any third parties involved directly or indirectly with the Company business for such practices, including protection of women’s rights. Our

policies also deal with complaints of sexual harassment, where suitable action is taken to ensure safety and security for the complainants.

Our Code of Conduct (CoC) reflects the effects of local culture, policies and the ecosystem, and provide the information needed to act with integrity in the workplace and in compliance with laws, regulations and company policies. We ensure that employees are sensitized to human rights clauses by mandating trainings around it, creating awareness using other channels like interactive sessions, intranet channels, policy manuals and posters. New employees are made aware of these policies via an elaborate induction plan.

There were no reported complaints on human rights violations during the year.

Principle: 6

BUSINESS SHOULD RESPECT PROTECT AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT:

The Company recognizes the need to preserve and nurture our environment. The Company aligns its business performance to Environment, Social and Governance (ESG) aspects. The Company ensures the environmental sustainability of its own operations through the following approach:

- a. Natural light and heat control films on windows are used to reduce light load & AC heat load.
- b. Occupancy sensors that automatically switch off/switch on the lights in work area
- c. Air Handling Units (AHUs) to regulate the cooling requirement

Under Water & Environment themes the Company has carried out certain CSR projects, for restoration of environment and conservation of water as follows: -

Water

The Company has undertaken **Integrated Watershed Management Projects** interventions in two geographic location – Kolwadi in Maharashtra and Kokkranthangal in Tamil Nadu. These projects have yield successful results and the community has benefitted from these project. The beneficiaries are also encouraged to organize themselves into groups like Mahila Pani Samiti and Village Watershed Committee in order to maintain water conservation structures for the future. Some major highlights of these projects are as below:

A. Kolwadi Watershed Project

LTTs initiated the Kolwadi Watershed Management Project in 2016 and the project is still ongoing. It covers five villages Kolwadi, Kathwadi, Mangdari, Ketkavane

and Nigde in Velhe Taluka of Pune district in Maharashtra. An area with undulating topography and prone to erratic rainfall, water conservation was a daunting and challenging task in the region.

The project was initiated and built on holistic measures through natural resource management and water conservation in order to increase the ground water table for agricultural and domestic use. The ongoing efforts this year included construction of additional check dams, water absorption trenches, farm ponds, village ponds and de-silting of water bodies among many other initiatives.

Besides water conservation, other supplementary socio-economic initiatives were also carried out. These included building drainage facilities for the villages, constructing toilets and compost pits for individual homes, organizing veterinary camps for animals, distributing horticultural and agroforestry saplings and conducting training programs to open new income generating avenues for women members of the Mahila Pani Samitis.

B. Kokkranthangal Watershed Project

Started in 2017, this project covers four villages Kokkranthangal, Amaindhakaranai, Arcadu and Zamin Pudhur in Kanchipuram district in Tamil Nadu. The project goals included turning the area into a self-sustaining area in terms of water security fortifying farmers' ability to withstand delayed and irregular monsoons. The objective was to reduce farmer migration, improving agricultural practices to increase yield and income, and increasing other sources of income and quality of life for the community through water conservation.

During the financial year 2020, various continuing natural resource management efforts, complemented by socio-economic programs such as agricultural training workshops, exposure visits, distribution of horticultural plants for commercial cultivation and improving school facilities and infrastructure delivered significant impact for the community.

C. Watershed+ Project

Key project deliverables: Drinking water provision, sanitation, renewable energy, income generation program, capacity building and agricultural production system. The project components address the community's needs by providing adequate and safe drinking water through proper pipeline network, restructuring the improper sewage drainage line, providing sanitation

facilities, renewable energy solution, promoting income generation activities and improving the agricultural production system. Gender mainstreaming is also the part of project delivery mechanism by strengthening and involving the Village Watershed Committee and Mahila Pani Samiti in the implementation process.

The project was conceived in 2018 which mainly addressed water conservation, agricultural interventions and improvements and additional income generation programs. The work done this year encompassed building drinking water wells and pipelines, installing solar energy pumps for water supply, building sewage and sanitation systems including toilets and bathrooms for individual households, installing biogas and smokeless cooking ranges and improving agricultural processes to enhance productivity. Community members, especially from the Village Watershed Committee and Mahila Pani Samiti were trained at various levels to sustain the project independently going forward.

Environment

Unbridled pollution, huge carbon footprints, depletion of the ozone layer, deforestation and the loss of green cover in our urban areas have caused immense damage to the environment, leading to climate change and its adverse impacts. The time to act to save our environment and our planet is now. The Company strives to address some important areas in society's collective endeavour to protect, preserve and nurture the environment.

The Company has undertaken the following steps:

- (i) Rural electrification using solar power
- (ii) The upkeep of public places in cities
- (iii) Solid waste management

(i) Rural Electrification:

The total requirement of electricity in a country as populous as India is a huge one and a challenge to the existing grid infrastructure.

Exploring alternate, cleaner forms of energy is a viable solution to overcome this challenge, and that is what the Company has done, by undertaking a project in this regard.

The Company has successfully implemented Phase I and Phase II of the project in FY 2018 & FY 2019 respectively. In FY 2020 Phase III of the project

was implemented which includes installation of solar lamps for 30 homes, 1 community center, 1 Anganwadi and 6 street lights were initiated in tribal colonies of Kanthanahaadi.

Project Impact:

- 1) After solar lamps installation, the households are able to prepare and cook meals at night.
- 2) People can mingle and interact without the fear of wild animals.
- 3) Able to move over to neighbours and friends houses without the fear of wild animals.
- 4) Almost all the households have TV now and watch entertainments programs and news.
- 5) Community as a whole is able to gather together and celebrate festivals after the sunset.
- 6) Community's social standards have also been improved.

(ii) The upkeep of public places in cities

"Swachh Bharat Abhiyan" or Clean India Mission was launched as a nation-wide campaign by the government a few years back to clean up the streets, roads and infrastructure of cities, towns and villages of the country. In alignment with this vision, and in keeping with the green ethos of the L&T group, the Company has been supporting clean and green initiatives in many parts of the country. The focus in all these projects has been on maintaining public places that are used by the masses; maintaining them, restoring them where needed, and working on elevating their aesthetic appeal and usability quotient.

Veeranapalya Flyover Project, Hebbal, Bangalore

The Company in partnership with India Rising Trust adopted this flyover under the Bangalore Municipal Commissioner's "Adopt a Flyover" initiative. The aim was to develop the walk path/foot path under the flyover and to turn it into a noteworthy aesthetic hotspot.

- 6000 sq. ft of area developed
- 35000 sq. ft area maintained through the year
- Wild Karnataka theme brought alive in a unique manner

Road Median project: Koparkhairane to Rabale police station

Impact of project:

- Air quality improvement: 250+ palms planted, absorbing 25 kg of CO₂ per annum per palm tree.
- Water conservation: A mixed usage of tanker water and drip irrigation used, saving water required for maintenance.
- Waste management: 5 tons of leaf fall generated, converted to manure and re-used in the project.

(iii) Solid waste Management

Waste management plays an important role in the sustainable development of nations. The Company has launched a solid waste management project in association with Society for Clean Environment (SOCLEEN) at Vadodara, Gujarat, in FY 2020.

The concept of waste segregation did not exist in Dumad village, the wet, dry and hazardous waste were all mixed together by the households and handed over to the Pourkarmikas. Starting from that point, today the village not only segregates its dry and wet waste, but has also learnt micro segregation. All reusable plastic waste that is generated by 1500 households is now sent for recycling and converted into useful objects like benches, toys and t-shirts, among other things.

An unusual incentive was offered to families to encourage them to participate in these segregation practices – they were given potatoes in exchange for the waste they segregated. This worked well with the villagers who welcomed the initiative and the result was wholehearted participation.

PRINCIPLE: 7

BUSINESS, WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE PUBLIC ADVOCACY:

The Company actively participates in industrial forums and engages with professional bodies to participate in proactive dialogue and have an understanding of policies and expectations of stakeholders.

The major industry bodies where the Company participates are:

- 1) Member of the India Electronics & Semiconductor Association (IESA). The Company collectively works with the industry body to deliver on-ground activation for enabling innovation, investment and industry.
- 2) Member of the NASSCOM ER&D Council that seeks to create an eco-system of collaboration and innovation to propel India's burgeoning ER&D sector into the next phase of growth.
- 3) Member of the Confederation of Indian Industry (CII). The Company actively works with the premiere industry body to promote innovation & engineering excellence in the industry and scientific communities.
- 4) The Company strengthened its collaboration with the IEEE (Institute of Electrical and Electronics Engineers) and took part in a number of events organized by the technology body. In FY20, the Company participated with its subject matter experts as thought leaders in the 5G Summit held in Bangalore as well as multiple 5G workshops organized by the IEEE Bangalore Chapter.
- 5) We have ongoing relationship with FICCI for various measures to promote trade & commerce.

The senior leadership team offers their expertise and insights during public policy formulation. Regulatory compliance in passenger safety, autonomous drive and electrification through ISO 26262 classifies safety integrity levels based on severity of the fault. Additionally, we assist automotive manufacturers to reduce the cost and time required for ISO 26262 compliance. In compliance with ISO 26262 we have assisted OEMs and Tier 1 suppliers to achieve functional/process safety compliance while assisting in the development and improvement of their software-intensive products.

PRINCIPLE: 8

BUSINESS SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT:

The Company has the following corporate policies that support inclusive growth and equitable development:

- Corporate Social Responsibility (CSR) Policy
- Corporate Human Resources Policy
- Code of Conduct
- Anti-corruption Policy

- Prohibition of Bribery Prohibition of Human trafficking, Slavery and Bonded labor
- Whistle Blower Policy

The Company's CSR programs focus on contributing to the society and making a meaningful, sustainable and positive impact. The CSR interventions of the Company are based on the CSR Policy of the Company and are in line with the Companies Act, 2013 and the rules made thereunder. The Government and NGO partners enables us to effectively implement our CSR programs. The objective is to contribute positively to society, improve the quality of life, provide sustainable solutions and make a meaningful impact. In order to support inclusive growth and equitable development, we focus on uplifting the quality of life, empowering the marginalised and enhancing the green cover. For the year under review, we have conducted a social audit by a social accounting and audit firm on the CSR activities undertaken by the Company.

PRINCIPLE: 9

BUSINESS SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS IN A RESPONSIBLE MANNER:

The Company offers design and development solutions throughout the product development chain and provides solutions in the areas of mechanical and manufacturing engineering, embedded systems, process engineering and digital engineering. Ever since our establishment, we have made consistent investments in innovation labs and currently the Company has 51 innovation labs. These include design tear down labs, digital and communication labs, design studios, automotive labs, electrical and power labs, optical labs and environmental and testing facilities. The setting up of labs in association with clients instills a differentiating collaborative

model culture and helps us retain our clients for multiple years to come. As a recent practice, the Company is bringing R&D innovations closer to the customer by launching virtual clones of our labs starting with the Think Studio in Bengaluru. The virtual walkthrough of our labs allows the customer to view our technologies and capabilities while sitting at home.

In essence, we are the innovation enablers and partners to our clients. We engage with customers through regular customer meets, customer satisfaction surveys, training programs for customer representatives and market-based research. Customer complaints, comments and suggestions are systematically addressed. Consumer satisfaction trends are measured by capturing CSAT scores & Net promoter scores. Our CSAT scores have consistently ranged over 89%. We are continuously on an upward trajectory in terms of customer satisfaction and key attributes like quality and delivery. Our customers are satisfied with our product development efforts and over 99% of our customers have rated us as satisfied, very satisfied, or delighted.

The high percentage of our repeat orders (90% repeat business) is a reliable indication of customer satisfaction and confidence in our products, projects and services. There is no case against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year.

We believe that our size and scale, multi-domain presence, specialization, practice maturity, and focus on innovation and IP, combined with our ability to handle innovative and complex projects, provides the Company a competitive advantage.

Independent Auditor's Report

To the Members of L&T Technology Services Limited

Report on the audit of the standalone financial statements

Opinion

We have audited the accompanying standalone financial statements of L&T Technology Services Limited ("the Company"), which comprise the balance sheet as at 31 March 2020, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information ("the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing

(SAs) specified under section 143(10) of the Companies Act, 2013 ('the Act'). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India ('ICAI') together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How the matter was addressed in our audit
<p>Revenue recognition</p> <p>The Company is primarily in the business of providing technology and engineering services to third parties.</p> <p>The Company is having two models for the purpose of recognition of revenue from contracts for services rendered, which are time and material contracts and fixed price contracts.</p>	<p>Our revenue testing included both testing of the Company's controls as well as substantive audit procedures.</p> <p>Our procedures included:</p> <ul style="list-style-type: none"> We ensured that revenue recognition method applied was appropriate based on the terms of the agreement with the customer; We obtained an understanding of the processes and tested relevant controls, which impact the revenue recognition;

Key audit matter	How the matter was addressed in our audit
<p>For the year ended 31 March 2020, revenue from services amounts to Rs. 51,813 million (refer note 26 to the standalone financial statements).</p>	<ul style="list-style-type: none"> • For time and material based contracts: <ul style="list-style-type: none"> i. We obtained appropriate evidence based on the circumstances to conclude whether the hours charged on projects were appropriate; ii. We obtained appropriate evidence based on the circumstances to conclude whether the rate charged per man hours on projects were appropriate; and iii. We verified the revenue based on the hours charged on the projects and approved per hour rate. • We considered the appropriateness of disclosures in relation to revenue recognition as detailed in notes 26 and 47 to the standalone financial statements. • For fixed price contracts: <ul style="list-style-type: none"> i. We agreed the total project revenue estimate with customer contracts agreements including amendments as appropriate; ii. We assessed the reliability of management's estimates by comparing actual results of delivered projects to previous estimates; iii. We evaluated management's estimates and assumptions in recognition of the revenue; iv. We verified the revenue based on the stage of completion of the projects; and v. We obtained appropriate evidence based on the circumstances to conclude whether the proportion of completion of projects was appropriate. <p>Based on the procedures performed we consider the amount of revenue recognised to be fairly stated in the standalone financial statements.</p>
<p>Valuation of goodwill</p> <p>The Company accounted for goodwill at the time of acquisition of certain businesses in earlier years.</p> <p>As required by the applicable Indian Accounting Standards, goodwill is not amortised but is tested for impairment by management on an annual basis. The impairment is tested using discounted cash flow models. As disclosed in note 2(k) and 5 to the standalone financial statements, there are a number of sensitive key judgements made in determining the inputs into these models which include:</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> • We tested the methodology applied for impairment of goodwill; • We evaluated process by which the future cash flows were drawn up, including comparing them to the latest board approved targets and long-term plans;

Key audit matter	How the matter was addressed in our audit
<ul style="list-style-type: none"> • Revenue forecasts; • Operating margins; • Cash flow forecasts; and • The discount rate applied to the projected future cash flows. <p>In addition, the impact of Covid-19 is also considered in the current year.</p> <p>Accordingly, the impairment test of goodwill is considered to be a key audit matter.</p> <p>As at 31 March 2020, goodwill amounts to Rs. 3,891 million (refer note 5 to the standalone financial statements).</p>	<ul style="list-style-type: none"> • We tested the key underlying assumptions for revenue growth, operating margins, cash flow forecasts, and the discount rate applied to the projected future cash flows; • We compared the current year actual results included in the impairment model to consider whether forecasts included assumptions that, with hindsight, had been appropriate; • We evaluated management’s assumptions on the impact of Covid-19 on the above matters; and • We considered the appropriateness of disclosures in relation to impairment assessment as detailed in note 2(k) and 5 to the standalone financial statements. <p>Based on the procedures performed we consider the goodwill to be fairly stated in the standalone financial statements.</p>
<p>Derivative financial instruments and hedge accounting</p> <p>Derivative financial instruments are used to manage and hedge foreign currency exchange risks and interest rate risks. These instruments are typically designated in a fair value or cash flow hedge relationship. Financial instruments that are not designated in a hedging relationship and where no hedge accounting is applied are measured at fair value through profit and loss.</p> <p>The fair value of the derivative financial instruments is based on valuation models using observable input data.</p> <p>We focused on this area on account of the number of contracts, the forecast by management of net foreign currency exposure in the future, their measurement, the complexity related to hedge accounting and the potential impact on the statement of profit and loss.</p> <p>In addition, the impact of Covid-19 is also considered for the current year.</p> <p>As at 31 March 2020, the Company has derivative financial assets at fair value of Rs. 641 million and derivative financial liabilities at fair value of Rs. 2,314 million (refer note nos. 8, 16, 20, 23, 41(i) and 41(iii) to the standalone financial statements).</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> • We obtained an understanding of the risk management policies and testing key controls for the use, the recognition and the measurement of derivative financial instruments; • We reconciled derivative financial instruments data with third party confirmations; • We compared input data used in the Group’s valuation models with independent sources and externally available market data; • We compared valuation of derivative financial instruments with market data or results from alternative, independent valuation models; • We tested on a sample basis the applicability and accuracy of hedge accounting; • We evaluated management’s assumptions on the impact of Covid-19 on the above matters; and • We considered the appropriateness of disclosures in relation to financial risk management, derivative financial instruments and hedge accounting to the standalone financial statements. <p>Based on the procedures performed the derivative financial instruments and hedge accounting are fairly stated in the standalone financial statements.</p>

Key audit matter	How the matter was addressed in our audit
<p>Investment in subsidiaries</p> <p>The Company has investments in subsidiaries and the carrying amount of the investments may be affected on account of the impact of the Covid-19 pandemic on their businesses.</p> <p>As at 31 March 2020, the investments in subsidiaries amounted to Rs. 1,264 million (refer note 6 to the standalone financial statements).</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> • We evaluated process by which the future cash flows were drawn up, including comparing them to the latest board approved targets and long-term plans; • We tested the key underlying assumptions for revenue growth, operating margins, cash flow forecasts, and the discount rate applied to the projected future cash flows; • We evaluated management's assumptions on the future cash flows, in the changed circumstances; and • We considered the appropriateness of disclosures in relation to impairment assessment as detailed in note 6 to the standalone financial statements. <p>Based on the procedures performed we consider the investments to be fairly stated in the standalone financial statements.</p>

Information other than the standalone financial statements and auditor's report thereon

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the director's report including annexures thereto, management discussion and analysis and annual business responsibility report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard

Management's responsibility for the standalone financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related

to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the standalone financial statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the

audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in the aggregate, make it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatement in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated

in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the central government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, based on our audit we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The balance sheet, the statement of profit and loss (including other comprehensive income), statement of changes in equity and the statement of cash flow dealt with by this report are in agreement with the relevant books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and

the operating effectiveness of such controls, refer to our separate report in Annexure B. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;

- (g) With respect to the other matters to be included in the auditor's report in accordance with the requirements of section 197(16) of the Act (as amended), we report that in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and
- (h) With respect to the other matters to be included in the auditor's report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i The Company has disclosed the impact of pending litigations on its financial position in its financial statements – refer note 34 to the standalone financial statements;
 - ii the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company – refer note 50 to the standalone financial statements.

For **SHARP & TANNAN**
Chartered Accountants
Firm's registration No.109982W

FIRDOSH D. BUCHIA
Partner

Membership no. 38332

UDIN: 20038332AAAAKD8227

Mumbai, 15 May 2020

Annexure 'A' to The Independent Auditor's Report

(Referred to in paragraph 1 of 'Report on other legal and regulatory requirements' section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets;
- (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. Pursuant to the program, certain fixed assets were physically verified during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification; and
- (c) The Company does not hold any immovable properties. Accordingly, paragraph 3(i) (c) of the Order is not applicable to the Company.
- (ii) The Company does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraphs 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.
- (iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of 185 and 186 of the Companies Act 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) In our opinion, and according to information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India under the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) According to the information and explanations given to us, the central government has not prescribed the maintenance of cost records under section 148(1) of the Act for any of the services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employee's state insurance, income tax, service tax, goods and service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us the Company did not have any dues on account of sales tax, duty of customs, duty of excise and value added tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, service tax, goods and service tax, cess and other material statutory and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of records of the Company, the particulars of income tax, value added tax, sales tax, service tax, duty of excise and duty of custom which have not been deposited with the appropriate authorities on account of any dispute as at 31 March 2020 are as under:

Name of the statute	Nature of the disputed dues	Amount (₹ million)*	Period to which the amount relates	Forum where dispute is pending
The Income-tax Act, 1961	Disallowance of amortisation of goodwill on acquisition of Product Engineering Services (PES) business and nominal disallowance under section 14A. @	72.33	2016-17	Commissioner of Income-tax (Appeals)

* Net of pre-deposit paid in getting the stay/ appeal admitted.

@ Amount unpaid is the outstanding demand as per the Department's record without considering the effect of rectification application.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to bank. The Company has not borrowed any funds from the public financial institutions, government and debenture holders.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in

compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him and hence provisions of section 192 of the Act are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **SHARP & TANNAN**
Chartered Accountants
Firm's registration No.109982W

FIRDOSH D. BUCHIA
Partner

Membership no. 38332

UDIN: 20038332AAAAKD8227

Mumbai, 15 May 2020

Annexure 'B' to The Independent Auditor's Report

(Referred to in paragraph 2(f) of our report of even date)

Report on the internal financial controls under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of L&T Technology Services Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the guidance note on audit of internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the guidance note on audit of internal financial controls over financial reporting and the standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by the ICAI. Those standards and the guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of internal financial controls over financial reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent limitations of internal financial controls over financial reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility

of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020,

based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the guidance note on audit of internal financial controls over financial reporting issued by the ICAI.

For **SHARP & TANNAN**

Chartered Accountants

Firm's registration No.109982W

FIRDOSH D. BUCHIA

Partner

Membership no. 38332

UDIN: 20038332AAAAKD8227

Mumbai, 15 May 2020

Balance Sheet

as at March 31, 2020

	Note No.	As at 31-03-2020	(₹ million) As at 31-03-2019
ASSETS:			
I. Non-current assets			
(a) Property, plant and equipment	4	2,039	1,401
(b) Right-of-use assets	4	3,391	-
(c) Capital work-in-progress	4	87	-
(d) Goodwill	5	3,891	3,891
(e) Other intangible assets	5	274	362
(f) Financial assets			
(i) Investments	6	1,574	1,846
(ii) Trade receivables	7	-	-
(iii) Other financial assets	8	816	1,348
(g) Deferred tax assets (net)	9	366	101
(h) Other non current assets	10	581	590
Total non-current assets		13,019	9,539
II. Current assets			
(a) Financial assets			
(i) Investments	11	6,078	5,678
(ii) Trade receivables	12	13,212	10,173
(iii) Cash and cash equivalents	13	2,011	1,913
(iv) Other bank balances	14	260	3
(v) Loans	15	93	90
(vi) Other financial assets	16	1,677	1,597
(b) Other current assets	17	4,467	3,265
Total current assets		27,798	22,719
TOTAL ASSETS		40,817	32,258
EQUITY AND LIABILITIES:			
I. Equity			
(a) Equity share capital	18	209	208
(b) Other equity	19	25,991	24,151
Total equity		26,200	24,359
II. Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Lease liability	20	3,189	-
(ii) Other financial liabilities	20	1,622	60
Total non-current liabilities		4,811	60
Current liabilities			
(a) Financial liabilities			
(i) Short-term borrowings	21	239	426
(ii) Trade payables			
Due to micro enterprises and small enterprises	22	27	7
Due to others	22	1,843	1,695
(iii) Lease liability	23	658	-
(iv) Other financial liabilities	23	2,893	2,643
(b) Other current liabilities	24	2,292	1,767
(c) Provisions	25	1,625	1,301
(d) Current tax liabilities (net)		229	-
Total current liabilities		9,806	7,839
Total liabilities		14,617	7,899
TOTAL EQUITY AND LIABILITIES		40,817	32,258
Notes forming part of the financial statements	1-51		

As per our report attached
SHARP & TANNAN
Chartered Accountants
Firm's registration no. 109982W

by the hand of

FIRDOSH D. BUCHIA
Partner
Membership No. 38332

P. RAMAKRISHNAN
Chief Financial Officer

KAPIL BHALLA
Company Secretary
Membership No. F3485

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

AMIT CHADHA
Deputy CEO &
Whole-Time Director
(DIN: 07076149)

Place: Mumbai
Date: May 15, 2020

Place: Mumbai
Date: May 15, 2020

Place: Mumbai
Date: May 15, 2020

Place: New Jersey, USA
Date: May 15, 2020

Place: Washington, USA
Date: May 15, 2020

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

Statement of Profit and Loss

for the year ended March 31, 2020

(₹ million except stated otherwise)

	Note No.	Year ended 31-03-2020	Year ended 31-03-2019
Income:			
I. Revenue from operations	26	51,813	47,120
II. Other income (net)	27	2,123	1,512
III. Total income		53,936	48,632
Expenses:			
(a) Employee benefits expenses	28	29,659	27,648
(b) Depreciation and amortisation expenses		1,534	731
(c) Other expenses	29	11,842	10,817
(d) Change in contingent consideration-acquisition		-	11
(e) Finance costs	30	351	11
Total expenses		43,386	39,218
V. Profit before tax (III - IV)		10,550	9,414
Tax expense:			
(a) Current tax		2,083	2,274
(b) Deferred tax		567	139
Total tax expense	31	2,650	2,413
VII. Profit for the year (V - VI)		7,900	7,001
Other comprehensive income			
(A) (i) Items that will not be reclassified to the statement of profit and loss			
(a) Remeasurements of the defined benefit plans (net)		(127)	(36)
(b) Income tax on remeasurements of the defined benefit plans (net)		27	8
(B) (i) Items that will be reclassified subsequently to the statement of profit or loss			
(a) Effective portion of gains and losses on hedging instruments in a cash flow hedge		(3,231)	29
(b) Income tax on effective portion of gains and losses on hedging instruments in a cash flow hedge		728	(22)
Total other comprehensive income (net of tax)		(2,603)	(21)
IX. Total comprehensive income for the year		5,297	6,980
Earnings per equity share			
Equity share of face value of ₹ 2 each			
- Basic (₹)	32	75.82	67.72
- Diluted (₹)		74.99	66.67
XI. Notes forming part of the financial statements	1-51		

As per our report attached
SHARP & TANNAN
 Chartered Accountants
 Firm's registration no. 109982W

by the hand of

FIRDOSH D. BUCHIA
 Partner
 Membership No. 38332

P. RAMAKRISHNAN
 Chief Financial Officer

KAPIL BHALLA
 Company Secretary
 Membership No. F3485

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

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

AMIT CHADHA
 Deputy CEO &
 Whole-Time Director
 (DIN: 07076149)

Place: Mumbai
 Date: May 15, 2020

Place: Mumbai
 Date: May 15, 2020

Place: Mumbai
 Date: May 15, 2020

Place: New Jersey, USA
 Date: May 15, 2020

Place: Washington, USA
 Date: May 15, 2020

Statement of Cash Flows

for the year ended March 31, 2020

(₹ million)

	Year ended 31-03-2020	Year ended 31-03-2019
A. Cash flow from operating activities		
Profit before tax	10,550	9,414
Adjustments for:		
Depreciation and amortisation	1,534	731
Interest received	(185)	(6)
Interest paid	351	11
(Profit)/ loss on sale of fixed assets	-	1
Employee stock option forming part of staff expenses	199	184
Allowances for bad and doubtful debts and ECL	322	189
Dividends received from current investments	(169)	(172)
Unrealised foreign exchange loss/(gain)	(617)	228
Operating profit before working capital changes	11,985	10,580
Changes in working capital		
(Increase)/decrease in trade and other receivables	(2,950)	(1,775)
Increase/(decrease) in trade and other payables	(457)	1,182
(Increase)/decrease in working capital	(3,407)	(593)
Cash generated from operations	8,578	9,987
Direct taxes paid	(1,935)	(2,590)
Net cash (used in)/from operating activities	6,643	7,397
B. Cash flow from investing activities		
Purchase of property, plant and equipment and intangibles	(1,492)	(871)
Sale of property, plant and equipment and intangibles	16	16
(Purchase)/ sales of current investments (net)	(388)	(3,484)
(Purchase)/ sales of non-current investments	(310)	-
Deposits/loans (given) - subsidiaries and third parties	(251)	(29)
Consideration paid on acquisition of subsidiaries	(508)	(700)
Consideration paid for acquiring Graphene business	(206)	-
Income received from current investments	164	171
Interest received	170	6
Net cash (used in)/from investing activities	(2,805)	(4,891)
C. Cash flow from financing activities		
Equity share capital issued	1	3
Proceeds from/(repayment of) borrowings	(186)	426
Interest paid	(351)	(11)
Lease liability paid	(600)	-
Dividend paid	(2,187)	(2,024)
Dividend tax	(449)	(416)
Net cash (used in) / from financing activities	(3,772)	(2,022)
Net (decrease) / increase in cash and cash equivalents	66	484
Cash and cash equivalents at beginning of year	1,899	1,415
Cash and cash equivalents at end of year	1,965	1,899

Notes:

- 1 Statement of cash flows has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows" as specified in the Companies (Indian Accounting Standards) Rules, 2015.
- 2 Purchase of fixed assets represents additions to property, plant and equipment and other intangible assets adjusted for movement of capital work-in-progress of (a) capital work-in-progress for property, plant and equipment and (b) intangible assets.
- 3 Cash and cash equivalents included in the statement of cash flows comprise the following:

	Year ended 31-03-2020	Year ended 31-03-2019
a) Cash and cash equivalents disclosed under current assets [Note 13]	2,011	1,913
b) Other bank balances disclosed under current assets [Note 14]	260	3
c) Cash and cash equivalents disclosed under non-current assets [Note 8]	2	2
Total cash and cash equivalents as per balance sheet	2,273	1,918
Add: (i) Unrealised exchange (gain)/loss on cash and cash equivalents [Note 13]	(46)	(14)
Less: (ii) Other bank balances disclosed under current assets [Note 14]	260	3
Less: (iii) Cash and cash equivalents disclosed under non-current assets [Note 8]	2	2
Total cash and cash equivalents as per cash flow statement	1,965	1,899

- 4 Previous year's figures have been regrouped/reclassified wherever applicable.

As per our report attached
SHARP & TANNAN
 Chartered Accountants
 Firm's registration no. 109982W

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

by the hand of

FIRDOSH D. BUCHIA
 Partner
 Membership No. 38332

P. RAMAKRISHNAN
 Chief Financial Officer

KAPIL BHALLA
 Company Secretary
 Membership No. F3485

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

AMIT CHADHA
 Deputy CEO &
 Whole-Time Director
 (DIN: 07076149)

Place: Mumbai
 Date: May 15, 2020

Place: Mumbai
 Date: May 15, 2020

Place: Mumbai
 Date: May 15, 2020

Place: New Jersey, USA
 Date: May 15, 2020

Place: Washington, USA
 Date: May 15, 2020

Statement of Changes in Equity

for the year ended March 31, 2020

A. Equity share capital

Particulars	01-04-2019 to 31-03-2020		01-04-2018 to 31-03-2019	
	Number of shares	₹ million	Number of shares	₹ million
Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year	104,013,325	208	102,456,047	205
Add: Shares issued on exercise of employee stock options during the year	498,233	1	1,557,278	3
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	104,511,558	209	104,013,325	208

(₹ million except stated otherwise)

B. Other equity

Particulars	Other equity						Total other equity
	Reserves and surplus				Items of other comprehensive income		
	Securities premium account	Employee share options (net)	Retained earnings	Capital reserve *	Hedging reserve	Others	
Balance as at 01-04-2019	10,890	344	11,770	-	1,171	(24)	24,151
Impact of Ind AS 116 in opening reserve	-	-	(335)	-	-	-	(335)
Investment in Graphene	-	-	-	(653)	-	-	(653)
ESOP cancellation impact	-	-	10	-	-	-	10
Profit for the year (a)	-	-	7,900	-	-	-	7,900
Other comprehensive income (net of taxes) (b)	-	-	-	-	(2,503)	(100)	(2,603)
Total comprehensive income for the period (a+b)	-	-	7,900	(653)	(2,503)	(100)	5,297
Deemed dividend - ESOP	-	-	(5)	-	-	-	(5)
Dividends	-	-	(2,187)	-	-	-	(2,187)
Dividend distribution tax	-	-	(449)	-	-	-	(449)
Employees shares options outstanding	-	31	-	-	-	-	31
Deferred employee compensation expense	-	(22)	-	-	-	-	(22)
Addition/(deduction) during the year	153	-	-	-	-	-	153
Balance as at 31-03-2020	11,043	353	16,704	(653)	(1,332)	(124)	25,991
Balance as at 01-04-2018	10,502	538	7,240	-	1,164	4	19,448
Impact of Ind AS 115 and ECL on contract asset in opening reserve	-	-	(22)	-	-	-	(22)
Profit for the year (c)	-	-	7,001	-	-	-	7,001
Other comprehensive income (net of taxes) (d)	-	-	-	-	7	(28)	(21)
Total comprehensive income for the year (c+d)	-	-	7,001	-	7	(28)	6,980
Deemed dividend - ESOP	-	-	(9)	-	-	-	(9)
Dividends	-	-	(2,024)	-	-	-	(2,024)
Dividend distribution tax	-	-	(416)	-	-	-	(416)
Employees shares options outstanding	-	(216)	-	-	-	-	(216)
Deferred employee compensation expense	-	22	-	-	-	-	22
Addition/(deduction) during the year	388	-	-	-	-	-	388
Balance as at 31-03-2019	10,890	344	11,770	-	1,171	(24)	24,151

* on account of Graphene business acquisition

As per our report attached
SHARP & TANNAN
 Chartered Accountants
 Firm's registration no. 109982W

by the hand of

FIRDOSH D. BUCHIA
 Partner
 Membership No. 38332

P. RAMAKRISHNAN
 Chief Financial Officer

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Place: New Jersey, USA
 Date: May 15, 2020

Place: Washington, USA
 Date: May 15, 2020

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

Notes forming part of the Financial Statements

1 Corporate information

L&T Technology Services Limited (“the Company”) is a leading global pure-play Engineering Research and Development (ER&D) services company. ER&D services are a set of services provided to manufacturing, technology and process engineering companies, to help them develop and build products, processes and infrastructure required to deliver products and services to their end customers.

The Company is a listed public company incorporated and domiciled in India and has its registered office at L&T House, N.M. Marg, Ballard Estate, Mumbai 400 001. As at March 31, 2020, Larsen & Toubro Limited, the holding company owns 74.62% of the Company’s equity share capital.

2 Significant accounting policies

a) Statement of compliance

These financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (“Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015 and amendments thereof issued by Ministry of Corporate Affairs under section 133 of the Companies Act, 2013. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations require a different treatment. These financial statements have been approved for issue by the Board of Directors at their meeting held on May 15, 2020.

b) Basis of accounting

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values or at amortised cost at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value measurements are categorised as below, based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

- (i) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date;
- (ii) Level 2 inputs are inputs, other than quoted prices included in level 1, that are observable for the asset or liability, either directly or indirectly; and
- (iii) Level 3 inputs are unobservable inputs for the valuation of assets or liabilities.

Above levels of fair value hierarchy are applied consistently and generally, there are no transfers between the levels of the fair value hierarchy unless the circumstances change warranting such transfer.

Accounting policies have been consistently applied except where a new accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

c) Presentation of financial statements

The balance sheet and the statement of profit and loss are prepared in the format prescribed in schedule III to the Act. The statement of cash flows has been prepared under indirect method and presented as per the requirements of Ind AS 7 “Statement of cash flows”. The disclosure requirements with respect to items in balance sheet and statement of profit and loss, as prescribed in schedule III to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the notified Ind AS and the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended.

Amounts in the financial statements are presented in Indian Rupees in million [1 million = 10 lakhs] rounded off to two decimal places as permitted by schedule III to the Companies Act, 2013. Per share data are presented in Indian Rupees to two decimals places.

Notes forming part of the Financial Statements

d) Operating cycle for current and non-current classification

Operating cycle for the business activities of the Company covers the duration of the project/contract/service and extends up to the realization of receivables within the credit period normally applicable to the respective lines of business.

e) Revenue recognition

Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those services:

- a. Revenue from contracts which are on time and material basis are recognized when services are rendered, and related costs are incurred.
- b. Revenue from fixed-price contracts where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. The cost expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity.
- c. Revenues in excess of invoicing are classified as contract assets (unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (unearned revenue).
- d. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company presents revenue net of discounts, collection charges, indirect taxes and value-added taxes in its statement of profit and loss.
- e. The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer

consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date as per contract.

f) Other income

- a. Interest income is accrued on a time basis by reference to the principal outstanding and the effective interest rate.
- b. Dividend income is accounted in the period in which the right to receive the same is established.
- c. Other items of income are accounted as and when the right to receive arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

g) Exceptional items

Exceptional items are those items that management considers, by virtue of its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company.

h) Property, plant and equipment

Property, plant and equipment is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Property, plant and equipment are stated at cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment loss, if any.

PPE not ready for intended use on the date of balance sheet are disclosed as "capital work-in-progress".

Depreciation is provided for property, plant and equipment so as to expense the cost over their estimated useful lives, based on evaluation, using straight-line method. The estimated useful lives and residual value are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Notes forming part of the Financial Statements

- (i) The estimated useful lives are as mentioned below:

Sr. No.	Asset class	Useful life (in years)
1	Plant and equipment *	12
2	Air-condition and refrigeration *	12
3	Canteen equipment *	8
4	Laboratory equipment *	8
5	Electrical installations	10
6	Computers *	3 – 5
7	Office equipment *	>1 – 4
8	Furniture and fixtures	10
9	Owned vehicles *	7
10	Leasehold improvements	Lease period

*The useful lives for these assets are different from the useful lives as prescribed under part C of schedule II of the Act. Based on technical evaluation, the management believes that the useful lives as given above best represents the period over which the management expects to use these assets.

- (ii) Estimated useful life of following assets is different than useful life as prescribed under part C of schedule II of the Act.

Sr. No.	Category of asset class	Useful life as per schedule II (in years)	Useful life adopted (in years)
1	Plant and equipment	15	12
2	Air-condition and refrigeration	15	12
3	Canteen equipment	15	8
4	Laboratory equipment	10	8
5	Computers	3 – 6	3 - 5
6	Office equipment	5	>1 – 4
7	Owned vehicles	8	7

Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.

i) Right-of-use asset

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling, if

any. The right-of-use assets is subsequently measured at cost less any accumulated depreciation and accumulated impairment losses if any, and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the lease term life of right-of-use asset.

j) Intangible assets and amortisation

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably.

Intangible assets purchased are measured at cost (net of tax/duty credits availed, if any) or fair value as of the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any.

Intangible assets consist of computer software and technical know-how which are amortised on straight line basis over the useful life as given below:

Asset class	Useful life (years)
Specialised software	5
Technical knowhow	4

k) Goodwill

Goodwill represents the excess of consideration paid over the net value of assets acquired. Goodwill is not amortised; however, it is tested for impairment on an annual basis. Refer note I (ii) for accounting policy on impairment of assets.

l) Impairment of assets

i) Trade receivables

The Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward-looking estimates. In addition to the historical pattern of credit loss, the Company has considered the likelihood of increased credit risk and consequential default by customers. In making this assessment, the Company has considered current and anticipated future economic conditions relating to industries/business verticals that the company deals with and the countries where it operates.

Notes forming part of the Financial Statements

ii) Non-financial assets

Tangible and intangible assets

Property, plant and equipment and intangible assets (other than goodwill) are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

Goodwill is tested for impairment annually and if events or changes in circumstances indicate that an impairment loss may have occurred. In the impairment test, the carrying amount of the cash generating unit, including goodwill, is compared with its fair value. When the carrying amount of the reporting unit exceeds its fair value, a goodwill impairment loss is recognised, up to a maximum amount of the goodwill related to the cash generating unit.

m) Employee benefits

(i) Short term employee benefits

All employee benefits falling due wholly within twelve months of rendering the service are classified as short-term employee benefits. The benefits like salaries, wages, and short term compensated absences and performance incentives are recognized in the period in which the employee renders the related service.

(ii) Post-employment benefits

a. Defined contribution plan

The Company's contribution to state governed provident fund scheme, employee state insurance scheme and employee pension scheme are classified as defined contribution

plans. The contribution paid / payable under the schemes is recognised in the statement of profit and loss in the period in which the employee renders the related service.

b. Defined benefit plans

The employee provident fund schemes are managed by board of trustees established by the Larsen & Toubro Limited, employees' gratuity fund schemes managed by LIC and post-retirement medical benefit scheme are the Company's defined benefit plans. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation, for eligible employees.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on government bonds, having maturity periods approximating to the terms of related obligations. In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognize the obligation on net basis.

Gains or losses on the curtailment or settlement of any defined benefit plan are recognized when the curtailment or settlement occurs. Past service cost is recognized as expense at the earlier of the plan amendment or curtailment and when the Company recognizes related restructuring costs or termination benefits.

Actuarial gains and losses are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Other changes in net defined benefit obligation like current service cost, past

Notes forming part of the Financial Statements

service cost, gains and losses on curtailment and net interest expense or income are recognized in the statement of profit and loss.

(iii) Long term employee benefits

The obligation for long term employee benefits like long term compensated absences is recognized in the similar manner as in the case of defined benefit plans as mentioned in (ii) (b) above and compensated absences generated for overseas employees is recognized as per entitlement.

(iv) Social security plans

Employer' contribution payable for overseas employees with respect to social security plans, which are defined contribution plans, is charged to the statement of profit and loss in the period in which employee renders the services.

n) Leases

The Ministry of Corporate Affairs notified Ind AS 116 "Leases" in respect of accounting periods commencing on or after April 1, 2019 superseding Ind AS 17 "Leases".

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective approach - Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application.

Company has followed Modified retrospective approach for accounting and accordingly comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset and the Company has not restated

comparative figures and the cumulative effect of initially applying this Standard has been recognized as an adjustment to the opening balance of retained earnings as on April 1, 2019. The standard, however, does not require an entity to recognize assets and liabilities for (a) short- term leases (for a period of twelve months or less) and (b) leases of low value assets.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease period relating to the existing lease contracts

The Company has elected not to apply the requirements of Ind AS 116 leases to short-term leases where lease term is 12 months or less and leases for which the underlying asset is of low value. The lease payments related to these leases are recognised as an expense.

Notes forming part of the Financial Statements

o) Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

(i) Non-derivative financial assets

a. Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortised cost are represented by trade receivables, cash and cash equivalents, employee and other advances and eligible current and non-current assets.

b. Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

c. Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

(ii) Non-derivative financial liabilities

Financial liabilities are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within 1 year from balance sheet date, the carrying amount approximate fair value due to short maturity of these instruments.

(iii) Derivative financial instrument

Cash flow hedge

The Company designates foreign exchange forward & options contracts as hedge instruments in respect of foreign exchange risks. These hedges are accounted for as cash flow hedges.

The Company uses hedging instruments that are governed by the policies of the Company which are approved by the Board of Directors, which provide written principles on the use of such financial derivatives consistent with the risk management strategy of the Company.

The hedge instruments are designated and documented as hedges at the inception of the contract.

The effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at inception and on an ongoing basis. The ineffective portion of designated hedges are recognised immediately in the statement of profit and loss.

The effective portion of change in the fair value of the designated hedging instrument is recognised in the other comprehensive income and accumulated under the heading cash flow hedge reserve.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity till that time it remains and is recognised in statement of profit and loss when the forecasted transaction ultimately affects the profit or loss. When a forecasted transaction is no longer expected to occur, the cumulative gain

Notes forming part of the Financial Statements

or loss accumulated in equity is transferred to the statement of profit and loss.

(iv) De-recognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

p) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, balance with banks, deposits held at call with financial institutions and other deposits with original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

q) Securities premium account

(i) Securities premium includes:

- a. Any share issued for consideration over and above face value.
- b. The fair value of the stock options which are treated as expense, if any, in respect of shares allotted pursuant to the Company's stock options scheme.

(ii) The issue expenses of securities which qualify as equity instruments are written off against securities premium account.

r) Government grants

The Company recognizes government grant only when there is reasonable assurance that conditions attached to them shall be complied with and grants will be received.

Government grants receivable in the form of duty credit scripts is recognised as other income in the statement of profit and loss in the period in which application is made to the government authorities. Grants are disclosed after netting of all expenses which might not have been incurred by the Company if grant had not been available.

s) Borrowing costs

Borrowing costs include interest expense and exchange differences arising on foreign currency borrowings, to the extent they are regarded as an adjustment to interest costs.

All other borrowing costs are recognized in statement of profit or loss in the period in which they are incurred.

t) Company's stock option scheme

In respect of stock options granted pursuant to the Company's stock options scheme, the excess of fair value of the option over the exercise price is treated as discount and accounted as employee compensation cost over the vesting period. The amount recognised as expense each year is arrived at based on the number of grants expected to vest. If a grant lapses after the vesting period, the cumulative discount recognised as expense in respect of such grant is transferred to general reserve.

u) Foreign currencies

The functional currency of the Company is Indian rupee.

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognized in the statement of profit and loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

v) Income-tax

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognized in statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

Current income taxes

The current income tax expense includes income taxes payable by the Company and its branches in India and

Notes forming part of the Financial Statements

overseas. The current tax payable by the Company in India is Indian income tax payable for their worldwide income after taking credit for tax relief available for export operations in Special Economic Zones (SEZs).

Current income tax payable by overseas branches of the Company is computed in accordance with the tax laws applicable in the jurisdiction in which the respective branch operates. The taxes paid are generally available for set off against the Indian income tax liability of the Company's worldwide income.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

Deferred income taxes

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax asset is recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

For operations carried out in SEZs, deferred tax assets or liabilities, if any, have been established for the

tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

The Company recognizes interest levied related to income tax assessments in interest expenses.

w) Provisions, contingent liabilities and contingent assets

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if

- i) The Company has a present obligation as a result of a past event;
- ii) A probable outflow of resources is expected to settle the obligation; and
- iii) The amount of the obligation can be reliably estimated

Contingent liability is disclosed in the case of

- i) A present obligation arising from a past event when it is not probable that an outflow of resources will be required to settle the obligation; or
- ii) A possible obligation unless the probability of outflow of resources is remote

Contingent assets are neither recognized nor disclosed.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

Notes forming part of the Financial Statements

x) Commitments

Commitments are future liability for contractual expenditure. Commitment are classified and disclosed as follows:

- i) Estimated amount of contracts remaining to be executed on capital account and not provided for,
- ii) Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

y) Statement of cash flow

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The Company segregate the cash flows in operating, investing and financing activities.

z) Use of estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates include useful lives of property, plant and equipment & intangible assets, allowance for doubtful debts/advances, future obligations in respect of retirement benefit plans, expected cost of completion of contracts, provision for rectification costs, future cash inflows (net) for hedging purpose, fair value measurement etc. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

aa) Investment in subsidiaries

Investment in subsidiaries are measured at cost as per Ind AS 27 - Separate Financial Statements.

bb) Earnings per equity share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average numbers of the equity shares outstanding during the period.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and the weighted average number of equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

cc) Business combination

Common control business combination where the Company is transferee is accounted using the pooling of interest method. Assets and liabilities of the combining entities are reflected at their carrying amounts and no new assets is recognised. The difference between the amount of consideration paid and the net worth of the transferor company is recognised as capital reserve on business combination and is separately disclosed from other capital reserves.

dd) Accounting and reporting information for operating segments

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. The Company's operations predominantly relate to

Notes forming part of the Financial Statements

providing end-to-end business solutions to enable clients to enhance business performance. The Company evaluates performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along business segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments and are as set out in the accounting policies.

Revenue and identifiable operating expenses in relation to segments are categorized based on items that are individually identifiable to that segment. Revenue for 'all other segments' represents revenue generated by the Company. Allocated expenses of segments include expenses incurred for rendering services (offsite and onsite) Certain expenses such as depreciation, which form a significant component of total expenses,

are not specifically allocable to specific segments as the underlying assets are used interchangeably. The management believes that it is not practical to provide segment disclosures relating to those costs and expenses, and accordingly these expenses are separately disclosed as "unallocated" and adjusted against the total income of the Company.

Assets and liabilities used in the Company's business are not identified to any of the reportable segments, as these are used interchangeably between segments and it is not practicable to provide segment disclosures relating to total assets and liabilities.

3 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

Notes forming part of the Financial Statements

4 Property, plant and equipment

Particulars	Gross block			Depreciation/amortisation			Net block as at				
	As at 01-04-2019	Pursuant to transfer of Graphene business*	Additions	Disposals	As at 31-03-2020	Pursuant to transfer of Graphene business*	For the year	On disposals	As at 31-03-2020	As at 31-03-2019	
Leasehold improvements	314	8	84	-	406	113	6	48	167	239	201
Plant and equipment	75	-	-	5	70	54	-	11	60	10	21
Computers	1,133	8	691	10	1,822	535	6	356	887	935	598
Furniture and fixtures	204	-	70	7	267	116	-	31	141	126	88
Vehicles	235	-	113	28	320	34	-	44	59	261	201
Office equipments	236	1	86	6	317	171	1	41	207	110	65
Electrical installations	140	-	48	-	188	61	-	16	77	111	79
Aircondition and refrigeration	100	-	47	-	147	38	-	14	52	95	62
Laboratory equipments	135	-	90	-	225	49	-	25	74	151	86
Canteen equipments	-	-	2	-	2	-	-	1	1	1	-
Total	2,572	17	1,231	56	3,764	1,171	13	587	1,725	2,039	1,401
Previous year figures	1,980	-	687	95	2,572	750	-	499	1,171	1,401	1,230
Capital work-in-progress	-	-	-	-	-	-	-	-	-	-	87

* refer note no. 38

Right-of-use assets

Particulars	Gross block			Depreciation/amortisation			Net block as at				
	As at 01-04-2019	Pursuant to Ind AS 116	Additions	Deductions	As at 31-03-2020	As at 01-04-2019	For the year	On disposals	As at 31-03-2020	As at 31-03-2019	
Right-of-use assets	-	3,270	874	8	4,136	-	747	2	745	3,391	-
Total	-	3,270	874	8	4,136	-	747	2	745	3,391	-

5 Goodwill and other intangible assets

Particulars	Gross block		Depreciation/amortisation		Net block as at	
	As at 01-04-2019	Additions	Disposals	As at 31-03-2020	As at 01-04-2019	As at 31-03-2020
Goodwill*	3,891	-	-	3,891	-	3,891
Specialised softwares	1,481	112	-	1,593	1,119	274
Technical knowhow	143	-	-	143	143	-
Total	5,515	112	-	5,627	1,262	4,365
Previous year figures	5,330	185	-	5,515	1,030	4,485

* Goodwill has been tested for impairment.

Notes forming part of the Financial Statements

6 Investments - non-current

	As at 31-03-2020	As at 31-03-2019
(₹ million)		
Unquoted		
a) Investment in equity instruments of subsidiaries (at cost):		
1,520,692 (previous year 1,520,692) equity shares of nominal value of ₹ 10 each, fully paid in L&T Thales Technology Services Private Limited	60	60
- Company's holding * - 74% (previous year: 74%)		
- Principal place of business: India		
1,501,000 (previous year 1,501,000) common stock of nominal value of USD 10 each, fully paid in L&T Technology Services LLC	971	971
- Company's holding * - 100% (previous year 100%)		
- Principal place of business: USA		
1,431,736 (1,431,736) equity shares of nominal value of ₹ 10 each, fully paid in Graphene Semiconductor Services Private Limited	177	815
- Company's holding * - 100% (100%)		
- Principal place of business: India		
60,501 (previous year Nil) equity shares of nominal value of SGD 1 each, fully paid in Graphene Solutions PTE Ltd.	3	-
- Company's holding * - 100% (previous year Nil)		
- Principal place of business: Singapore		
1,00,000 (previous year Nil) equity shares of nominal value of MYR 1 each, fully paid in Graphene Solutions SDN. BHD	2	-
- Company's holding * - 100% (previous year Nil)		
- Principal place of business: Malaysia		
Capital investment (previous year Nil) in Graphene Solutions Taiwan Limited	11	-
- Company's holding * - 100% (previous year Nil)		
- Principal place of business: Taiwan		
50,000 (previous year Nil) equity shares of nominal value of ₹ 10 each, fully paid in Seastar Labs Private Limited	1	-
- Company's holding * - 100% (previous year Nil)		
- Principal place of business: India		
10,000 (previous year Nil) equity shares of nominal value of ₹ 10 each, fully paid in Esencia Technologies India Private Limited	6	-
Capital investment (previous year Nil) in L&T Technology Services (Shanghai) Co. Ltd	33	-
- Company's holding * - 100% (previous year Nil)		
- Principal place of business: China		
	1,264	1,846
Aggregate amount of quoted investment		
At book value	-	-
At market value	-	-
Aggregate amount of unquoted investment		
At book value	1,264	1,846
* Voting power is same as the Company's holding % in respective subsidiaries		
b) Corporate Deposits		
Corporate Deposit with Bajaj Finance	131	-
Corporate Deposit with HDFC	80	-
Corporate Deposit with LIC Housing Finance	99	-
	310	-
	1,574	1,846

Notes forming part of the Financial Statements

7 Trade receivables - non current

(₹ million)

	As at 31-03-2020	As at 31-03-2019
Non current		
Increase in credit risk	69	23
Credit impaired	189	168
	258	191
Less: Allowance for bad and doubtful debt	(258)	(191)
	-	-

8 Other financial assets - non-current

(₹ million)

	As at 31-03-2020	As at 31-03-2019
Security deposits	444	385
Fixed deposits*	2	2
Foreign currency forward and options contracts	370	961
	816	1,348

* Fixed deposits are margin money deposits against bank guarantees

9 Deferred tax assets (net)

(₹ million)

Description	DTL/(DTA) As at 01-04-2019	Ind AS 116 impact	Charge/ (credit) to P&L	Charge/ (credit) to OCI	Transferred from Graphene	DTL/(DTA) As at 31-03-2020
Property, plant and equipment and other intangible assets	626	-	56	-	(1)	681
Branch profit tax	466	-	127	-	-	593
Cash flow hedges	343	-	-	(728)	-	(385)
Net gain/(loss) on fair valuation of investments	-	-	(1)	-	-	(1)
Provision for employee benefits	(219)	-	(62)	-	(3)	(284)
Allowances for doubtful debts	(58)	-	(75)	-	-	(133)
IND AS-116 impact	-	(100)	(28)	-	-	(128)
Other items giving rise to timing differences	(22)	-	(55)	-	-	(77)
MAT credit entitlement	(1,103)	-	693	-	-	(410)
Branch deferred tax	(134)	-	(88)	-	-	(222)
Total	(101)	(100)	567	(728)	(4)	(366)

Notes forming part of the Financial Statements

10 Other non-current assets

	As at 31-03-2020	As at 31-03-2019
Prepaid expenses	22	111
Income tax receivable (net)	559	479
	581	590

(₹ million)

11 Investments - current

	As at 31-03-2020	As at 31-03-2019
Financial assets: investments - current		
a) Quoted		
Investment carried at fair value through profit and loss		
Aditya Birla Sunlife Cash Plus Fund - Direct Plan - Daily Dividend Reinvestment	-	350
Birla SunLife Money Manager Fund - Direct Plan - Daily Dividend Reinvestment	318	202
Aditya Birla Sun Life Floating Rate Fund - Direct Plan - Daily Dividend Reinvestment	303	-
LIC MF Liquid Fund – Direct Growth	300	-
Franklin India Savings Fund – Direct – Daily Dividend	352	-
UTI Money Fund - Direct Growth	458	-
Invesco India Money Fund - Direct Plan - Daily Dividend Reinvestment	-	90
Kotak Corporate Bond Fund -Direct Plan - Monthly Dividend Reinvestment	405	-
Kotak Liquid Fund - Direct - Daily Dividend Reinvestment	-	500
Sundaram Money Fund -Direct Daily Dividend Reinvestment	-	651
DSP BlackRock Liquidity Fund - Direct - Daily Dividend Reinvestment	250	552
Invesco India Money Fund - Direct Growth	101	-
HSBC Cash Fund - Direct - Daily Dividend Reinvestment	-	430
Reliance Liquid Fund Treasury Plan - Daily Dividend Reinvestment	-	582
Axis Liquid Fund - Direct - Daily Dividend Reinvestment	-	581
Axis Treasury Advantage Fund - Daily Dividend Reinvestment	406	-
Invesco India Liquid Fund - Direct Daily Dividend Reinvestment	-	490
Invesco India Treasury Advantage Fund - Direct Plan - Daily Dividend Reinvestment	132	-
Tata Liquid Fund - Direct - Daily Dividend Reinvestment	250	672
UTI Liquid Fund - Cash Plan - Daily Dividend Reinvestment	-	578
UTI Floater Fund - Direct - Quarterly Dividend Reinvestment	101	-
Franklin India Liquid Fund –Direct Plan - Daily Dividend Reinvestment	100	-
Nippon Money Market Fund - Direct Plan - Daily Dividend Reinvestment	409	-
HDFC Ultra Short Term Fund -Direct Plan - Daily Dividend Reinvestment	445	-
L&T Liquid Fund - Daily Dividend Reinvestment	440	-
ICICI Prudential Money Market Fund - Direct Growth	402	-
	5,172	5,678
b) Corporate Deposits		
Corporate Deposit with Bajaj Finance	300	-
Corporate Deposit with HDFC	307	-
Corporate Deposit with LIC Housing Finance	299	-
	906	-
	6,078	5,678
Aggregate amount of quoted investment at cost	6,073	5,677
Aggregate amount of quoted investment at market value	6,078	5,678

(₹ million)

Notes forming part of the Financial Statements

12 Trade receivables

(₹ million)

	As at 31-03-2020	As at 31-03-2019
Current		
Unsecured, considered good	13,438	10,227
	13,438	10,227
Less: Allowance for bad and doubtful debt	(226)	(54)
	13,212	10,173

13 Cash and cash equivalents

(₹ million)

	As at 31-03-2020	As at 31-03-2019
Balances with banks	1,919	1,275
Cheques on hand	56	57
Cash on hand	-	-
Remittance in transit	36	581
	2,011	1,913

There are no repatriation restrictions with regard to cash and cash equivalents at the end of reporting period and prior period.

14 Other bank balances

(₹ million)

	As at 31-03-2020	As at 31-03-2019
Fixed deposits with banks		
Maturity more than 3 months but less than 12 months	258	2
Earmarked balances with banks - unclaimed dividend	2	1
	260	3

15 Loans

(₹ million)

Current	As at 31-03-2020	As at 31-03-2019
Unsecured, considered good		
Intercorporate deposits with related parties	92	90
Others	1	-
	93	90

Notes forming part of the Financial Statements

16 Other financial assets

	(₹ million)	
	As at 31-03-2020	As at 31-03-2019
Advances to employees	237	265
Security deposits	7	6
Foreign currency forward and options contracts	271	489
Loans and advances to related parties	360	224
Other receivables	30	35
Premium receivable on financial guarantee contracts	1	7
Unbilled revenue	802	579
Less: ECL on unbilled revenue	(31)	(8)
	1,677	1,597

17 Other current assets

	(₹ million)	
	As at 31-03-2020	As at 31-03-2019
Unbilled revenue	2,233	1,645
Less: ECL on unbilled revenue	(85)	(24)
	2,148	1,621
Retention money not due	10	-
Advance to suppliers	222	88
Prepaid expenses	857	835
Service tax/GST recoverable	49	36
GST receivable	404	392
Other receivables	777	293
	2,309	1,644
	4,467	3,265

18 Equity share capital

	(₹ million)	
	As at 31-03-2020	As at 31-03-2019
18.1 Authorised :		
5,250,000,000 (previous year: 5,250,000,000) equity shares of ₹ 2 each	10,500	10,500
	10,500	10,500

Notes forming part of the Financial Statements

(₹ million)

	As at 31-03-2020	As at 31-03-2019
18.2 Issued, subscribed and fully paid up		
Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year [10,40,13,325 (previous year: 102,456,047) equity shares of ₹ 2 each]	208	205
Add: shares issued on exercise of employee stock options during the year [4,98,233 (previous year: 15,57,278) equity shares of ₹ 2 each]	1	3
Issued, subscribed and fully paid up equity shares outstanding at the end of the year [10,45,11,558 (previous year: 10,40,13,325) equity shares of ₹ 2 each]	209	208

18.3 Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. They entitle the holder to participate in the dividends, and to share in the proceeds of the winding up the Company in proportion to the number of and amounts paid on the shares held. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.

18.4 Shareholders holding more than 5% of equity shares as at the end of the period

Equity shares	31-03-2020		31-03-2019	
	No. of shares	% Holding	No. of shares	% Holding
Larsen & Toubro Limited	77,986,899	74.62%	82,050,531	78.88%
	77,986,899		82,050,531	

18.5 Shares reserved for issue under options

Information relating to L&T Technology Services Limited Employee Option Plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in note 18.8

18.6 In the period of five years immediately preceding March 31, 2020:

Aggregate number and class of shares allotted as fully paid up pursuant to contract without payment being received in cash - Nil (previous year: Nil)

Aggregate number and class of shares allotted as fully paid up by way of bonus shares - Nil (previous year: Nil)

Aggregate number and class of shares bought back - Nil (previous year: Nil)

18.7 Capital management

The Company continues its policy of a conservative capital structure which has ensured that it retains the highest credit rating. Low gearing levels also equip the Company with the ability to navigate business stresses on one hand and raise growth capital on the other. This policy also provides flexibility of fund raising options for future, which is especially important in times of global economic volatility. The gross debt equity ratio is 0:1 (as at 31-3-2019: 0:1)

Notes forming part of the Financial Statements

18.8 Share based payments

- i) The objective of the ESOP Scheme, 2016 is to reward those employees who contribute significantly to the Company's profitability and shareholder's value as well as encourage improvement in performance and retention of talent. The options are vested equally over a period of 5 years subject to the discretion of the management and fulfilment of certain conditions.
- ii) The exercise period for the options granted under the ESOP Scheme, 2016 would be seven years (84 months) from the date of grant of options or six years from the date of first vesting or three years (36 months) from the date of retirement/death, whichever is earlier, subject to any change as may be approved by the Board. The exercise price may be decided by the Board, in such manner, during such period, in one or more tranches and on such terms and conditions as it may deem fit, provided that the exercise price per option shall not be less than the par value of the equity share of our Company and shall not be more than the market price as defined in the SEBI (Share Based Employee Benefits) Regulations, 2014 and shall be subject to compliance with accounting policies under the said regulation. The number of shares to be allotted on exercise of options should not exceed the total number of unexercised vested options that may be exercised by the employee.
- iii) Details of grant under ESOP Scheme, 2016 is summarised below:

Series reference	ESOP scheme, 2016	
	2019-20	2018-19
Grant price - ₹	2	2
Grant dates	28-07-2016 onwards	
Vesting commences on	28-07-2017 onwards	
Options granted and outstanding at the beginning of the year	1,738,667	3,224,945
Options lapsed during the year	84,000	164,000
Options granted during the year	166,000	235,000
Options exercised during the year	498,233	1,557,278
Options granted and outstanding at the end of the year-(a)	1,322,434	1,738,667
of (a) above - vested outstanding options	105,074	82,187
of (a) above - unvested outstanding options	1,217,360	1,656,480
Weighted average remaining contractual life of options (in years)	2.99	4.51

- iv) No options were granted to key managerial personnel during the current year (previous year - nil).
- v) The number and weighted average exercise price of stock options are as follows:

Particulars	2019-20		2018-19	
	No. of stock options	Weighted average exercise price (₹)	No. of stock options	Weighted average exercise price (₹)
Options granted and outstanding at the beginning of the year	1,738,667	2	3,224,945	2
Options granted during the year	166,000	2	235,000	2
Options allotted during the year	498,233	2	1,557,278	2
Options lapsed during the year	84,000	2	164,000	2
Options granted and outstanding at the end of the year -(a)	1,322,434	2	1,738,667	2
Options exercisable at the end of the year out of -(a) above	105,074	2	82,187	2

Notes forming part of the Financial Statements

- vi) Weighted average share price at the date of exercise for stock options exercised during the year is ₹ 1619.53 per share. (previous year ₹ 1435.59 per share).
- vii) No options expired during the periods covered in the above table.
- viii) Expense on Employee Stock Option Schemes debited to the statement of profit and loss during 2019-20 is ₹ 207 million (previous year: ₹ 184 million).
- ix) The fair value at grant date of options granted during the year ended 31-03-2020 was ₹ 1,588.88 & ₹ 1527.59 (previous year: ₹ 1,231.30). The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, term of option, share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. The model inputs for options granted during the year included:

Particulars	2019-20		2018-19
	Weighted average exercise price	2	2
Grant date	19-Jul-19	18-Oct-19	23-Jul-18
Expiry date	18-Jul-26	17-Oct-26	22-Jul-25
Weighted average share price at grant date	₹ 1660.45 per option	₹ 1593.30 per option	₹ 1,281.80 per option
Weighted average expected price volatility of company's share	24.01%	23.21%	22.47%
Weighted average expected dividend yield over life of option	5.30%	5.08%	5.06%
Weighted average risk-free interest	6.22%	6.03%	7.67%
Method used to determine expected volatility	The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility based on publicly available information.		

18.9 Dividends

- (a) During the year ended March 31, 2020, the Company paid the final dividend of ₹ 13.50 per equity share for the year ended March 31, 2019.
- (b) On October 18, 2019, the Company paid an interim dividend of ₹ 7.50 per equity share for the year ended March 31, 2020.
- (c) On May 15, 2020, the Board of Directors of the Company have recommended the final dividend of ₹ 13.50 per equity share for the year ended March 31, 2020 subject to approval by the shareholders at the forthcoming annual general meeting. On approval, the total dividend payment based on number of shares outstanding as on March 31, 2020 is expected to be ₹ 1,411 million.

Notes forming part of the Financial Statements

19 Other equity

(₹ million)

	As at 31-03-2020	As at 31-03-2019
Securities premium account [note 2(q)]	11,043	10,890
Share options outstanding account [note 2(t)]		
Employee share options outstanding	650	618
Deferred employee compensation expense	(297)	(274)
Retained earnings	16,704	11,770
Cash flow hedge reserve [note 2(o)(iii)]	(1,332)	1,171
Capital reserve on business combination*	(653)	-
Other items of other comprehensive income	(124)	(24)
	25,991	24,151

* Capital reserve on business combination has arisen on transfer of business between entities under common control. It represents the difference, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor.

20 Other financial liabilities

(₹ million)

	As at 31-03-2020	As at 31-03-2019
Lease liability	3,189	-
Liability towards employee compensation	47	-
Foreign currency forward and options contracts	1,575	60
	4,811	60

21 Short-Term Borrowings

(₹ million)

	As at 31-03-2020	As at 31-03-2019
Unsecured borrowing from banks	-	-
Short term borrowings from inter-company	239	-
Loans repayable on demand from banks	-	426
	239	426

22 Trade payable

(₹ million)

	As at 31-03-2020	As at 31-03-2019
Due to related parties*	539	415
Due to Micro and small enterprises	27	7
Due to others	1,304	1,280
	1,870	1,702

* Includes dues to subsidiaries and fellow subsidiaries (refer note 46)

Notes forming part of the Financial Statements

23 Other financial liabilities

(₹ million)

	As at 31-03-2020	As at 31-03-2019
Unclaimed dividend	2	1
Due to others		
Lease liability	658	-
Liability towards employee compensation	2,105	2,213
Other payables	-	226
Foreign currency forward and options contracts	739	88
Financial guarantee contract	1	6
Suppliers ledger - capital goods/services	46	109
	3,551	2,643

24 Other current liabilities

(₹ million)

	As at 31-03-2020	As at 31-03-2019
Unearned revenue	467	224
Other payables	1,711	1,449
Liability - employee car/computer schemes	114	94
	2,292	1,767

25 Provisions

(₹ million)

	As at 31-03-2020	As at 31-03-2019
Provisions for employee benefits		
Leave encashment	1,554	1,242
Post retirement medical benefits	71	59
	1,625	1,301

26 Revenue from operations

(₹ million)

	Year ended 31-03-2020	Year ended 31-03-2019
Engineering and technology services	51,813	47,120
	51,813	47,120

Notes forming part of the Financial Statements

27 Other income

	(₹ million)	
	Year ended 31-03-2020	Year ended 31-03-2019
Export incentive	931	276
Foreign exchange gain/ (loss)*	738	939
Profit/(loss) on sales of fixed asset	-	(1)
Dividend income and gain/(loss) from mutual fund investments (measured at fair value through profit and loss)	190	172
Interest income	185	6
Miscellaneous income	100	120
Net gain/(loss) on sale of investment	(21)	-
	2,123	1,512

*The foreign exchange gain reported above includes loss of ₹ 58 million (previous year gain of: ₹ 704 million) being effective portion of the gain/loss on derivative instruments which are designated as cash flow hedges.

28 Employee benefits expenses

	(₹ million)	
	Year ended 31-03-2020	Year ended 31-03-2019
Salaries including overseas staff expenses	28,541	26,663
Contribution to and provision for:		
Contribution to provident and pension fund	450	364
Contribution to gratuity fund	103	108
Share based payments to employees	207	184
Staff welfare expenses	358	329
	29,659	27,648

29 Other expenses

	(₹ million)	
	Year ended 31-03-2020	Year ended 31-03-2019
Subcontracting and component charges	2,939	2,286
Engineering, professional, technical and consultancy fees	2,251	2,046
Cost of computer software	1,043	830
Travelling and conveyance	2,176	2,183
Rent and establishment expenses	161	878
Communication expenses	275	280
Legal and professional charges	466	318
Advertisement and sales promotion expenses	269	222
Recruitment expenses	262	188
Repairs to buildings & machineries	352	347
General repairs and maintenance	149	108
Power and fuel	161	143
Equipment hire charges	16	11

Notes forming part of the Financial Statements

(₹ million)

	Year ended 31-03-2020	Year ended 31-03-2019
Insurance charges	76	77
Rates and taxes	212	111
Bad debts written off	1	29
Less : Allowance for doubtful debts written back	-	-
Allowances for doubtful debts on trade receivable	239	147
ECL on unbilled revenue	84	12
Overheads charged by group companies	129	191
Trademark fees	84	76
Corporate social responsibility expenditure	326	101
Commission to Directors	12	30
Miscellaneous expenses	159	203
	11,842	10,817

30 Finance costs

(₹ million)

	Year ended 31-03-2020	Year ended 31-03-2019
Interest expense		
Interest expense	5	5
Interest on bill discounting	6	6
Interest on lease liability	340	-
	351	11

31 Provision for taxation

(₹ million)

	Year ended 31-03-2020	Year ended 31-03-2019
Current tax		
Current tax on profits for the year	2,081	2,276
Tax expenses for prior periods	2	(2)
Deferred tax	567	139
	2,650	2,413

Notes forming part of the Financial Statements

32 Basic and diluted EPS

(₹ million except stated otherwise)

	Year ended 31-03-2020	Year ended 31-03-2019
Basic EPS		
Profit after tax	7,900	7,001
Profit attributable to equity shareholders	7,900	7,001
Weighted average no. of equity shares outstanding	104,198,134	103,376,513
Basic EPS (₹)	75.82	67.72
Diluted EPS		
Profit after tax	7,900	7,001
Profit attributable to equity shareholders	7,900	7,001
Weighted average no. of equity shares outstanding	104,198,134	103,376,513
Add - No. of potential equity shares	1,156,615	1,627,949
Weighted average no. of equity shares outstanding	105,354,749	105,004,462
Diluted EPS (₹)	74.99	66.67

33 Estimated amount of contracts remaining to be executed on capital account and not provided for: ₹ 288 million (previous year: ₹ 179 million).

34 Contingent liability

(₹ million)

	Year ended 31-03-2020	Year ended 31-03-2019
Corporate guarantee	1,309	1,196
	1,309	1,196

(Corporate bank guarantee of USD 16.5 million (previous year: USD 16.5 million) issued to Bank of America for securing borrowings of L&T Technology Services LLC, USA and USD 0.8 million (previous year: USD 0.8 million) issued to Bank of America for securing borrowings of Esencia Technologies Inc., USA.)

35 Details of payment to auditors

(₹ million)

	Year ended 31-03-2020	Year ended 31-03-2019
Payment to auditors (net of taxes)		
As auditor:		
Audit fee	0.96	0.96
Taxation matters	0.29	0.29
Company law matters	0.02	0.02
Other services :		
- Limited review	0.68	0.47
- Other services including certification work	1.59	0.92
Re-imbursment of expenses	0.38	0.50
	3.92	3.16

Notes forming part of the Financial Statements

36 Corporate social responsibility expenditure

- a) As per section 135 of the Act, a company meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility ('CSR') activities. The Company's CSR ambit covers skill development, innovation & technology, water, health & education, and environment and it is continuously investing in welfare initiatives and programmes to provide support to people in the communities where the Company has presence. A CSR committee has been formed by the Company as per the Act.
- b) Amount required to be spent by the Company on CSR related activities during the year is ₹ 127 million (previous year: ₹ 103 million).
- c) Amount spent during the year:

(₹ million)

Particulars	Year ended 31-03-2020			Year ended 31-03-2019		
	In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
i) Construction/acquisition of any asset	-	-	-	-	-	-
ii) On purposes other than (i) above (disclosed under note 29 - other expenses)	308	18	326	101	-	101
Total	308	18	326	101	-	101

- 37 Particulars in respect of loans and advances in nature of loans to related parties as required by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

(₹ million)

Name of the company	Balance as at		Maximum outstanding during	
	Year ended 31-03-2020	Year ended 31-03-2019	Year ended 31-03-2020	Year ended 31-03-2019
L&T Thales Technology Services Private Limited	90	90	90	250
Seastar Labs Private Limited	2	-	2	-

Note:

- i) Loans to employees (including directors) under various schemes of the Company (such as housing loan etc.) have been considered to be outside the purview of the disclosure requirements.

38. Business Combination:

During the year, the Company entered into agreement with its wholly owned subsidiary, Graphene Semiconductor Services Private Limited ('Graphene'), for purchase of its business. The agreement was effective from October 1, 2019 and a cash consideration of ₹ 206 million was paid to Graphene under this agreement.

Graphene provides end to end solutions – from chip design and embedded software, through providing support to mass manufacturing, thereby being a one-stop service and solution provider. Further, the transfer has been accounted using pooling of interest method, involving the following:

- a. The assets and liabilities of Graphene has been recognised at their carrying amounts. No adjustment has been made to reflect the fair values or recognize any new asset or liability.

Notes forming part of the Financial Statements

- b. The excess amount of investment by the Company in Graphene over the Net assets of Graphene as on acquisition date has been treated as Capital reserve in Company's Financial statements and presented separately from other Capital reserve [Refer Note no. 2(cc)].

The Company entered into agreement with its subsidiaries for purchase of investments in step-down subsidiaries.

39 Other disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures":

i) Outstanding currency exchange rate hedge instruments:

Forward and options covers taken to hedge exchange rate risk and accounted as cash flow hedge:

(₹ million)

Particulars	As at 31-03-2020				As at 31-03-2019			
	Nominal amount	Average rate* (₹)	Within twelve months	After twelve months	Nominal amount	Average rate (₹)	Within twelve months	After twelve months
(a) Receivable hedges								
US Dollar	73,894	77.09	31,171	42,723	64,298	73.82	35,214	29,084
EURO	7,435		3,427	4,008	5,713		2,944	2,769
(b) Payable hedges								
US Dollar	9,081		5,479	3,602	12,475		9,706	2,769
EURO	2,906		1,317	1,589	2,537		1,334	1,203

*Average rate is attributable to forward contracts only.

ii) Carrying amounts of hedge instruments for which hedge accounting is followed:

(₹ million)

Cashflow hedge	As at 31-03-2020			As at 31-03-2019		
	Current	Non- current	Total	Current	Non- current	Total
Other financial assets	271	370	641	489	961	1,450
Other financial liabilities	(739)	(1,575)	(2,314)	(88)	(60)	(148)
Total	(468)	(1,205)	(1,673)	401	901	1,302

iii) Break up of hedging reserve

(₹ million)

Cash flow hedging reserve	As at 31-03-2020	As at 31-03-2019
Balance towards continuing hedge	(1,534)	1,096
Balance for which hedge accounting discontinued	202	75
Total	(1,332)	1,171

Notes forming part of the Financial Statements

iv) Movement of hedging reserve

(₹ million)

Hedging reserve	As at 31-03-2020	As at 31-03-2019
Opening Balance	1,171	1,164
Changes in fair value of forward and options contracts designated as hedging instruments	(2,822)	676
Amount reclassified to statement of profit & loss where hedge item has become on-balance sheet	(409)	(691)
Tax impact on above	728	22
Closing balance	(1,332)	1,171

40 Segment reporting

(a) Description of segments and principal activities

The Company's management examines the Company's performance both from industry and geographic perspective and has identified five reportable segments of its business:

- 1. Transportation:** The Company offers engineering services and solutions over the complete spectrum of the transportation industry, that includes original equipment manufacturer 'OEM' and Tier 1 suppliers in automotive, trucks and off-highway vehicles, aerospace and rail industries. The segment delivers end-to-end services from concept to detailed design through manufacturing, testing, after-market and sourcing support helping OEMs and Tier 1s develop products in a cost-effective manner. The Company also helps its clients develop cutting-edge transportation technologies such as autonomous driving, electric vehicle and drones. The Company's domain expertise, globalized and customer centric approach, proprietary solutions and a repository of over 150 co-authored patents drive innovation and sustained business growth. The adherence to safety protocols, design and processes and use of cross-disciplinary engineering facilitates superlative experience to the Company's customers.
- 2. Industrial products:** Industrial products practice helps original equipment manufacturer (OEM) customers across building automation, home and office products, energy, process control and machinery. The Company's expertise in engineering industrial products helps customer drive innovation and efficiency, and retain a competitive edge. The Company helps streamline the product development value chain, enabling customers spearhead business growth.

This Industrial Products segment offers end-to-end product development counsel, leveraging expertise spanning software, electronics, connectivity, mechanical engineering, industrial networking protocols, user interface/user experience (UI/UX), test frameworks and enterprise control solutions.

- 3. Telecom & Hi-tech:** The Company's expertise in digital engineering such as the cloud, internet of things (IoT), artificial intelligence, data analytics and other areas in telecom domain enables its partners to leverage the right telecommunications strategy. With expertise in product variant development, 5G capabilities, simulations and automation, and product and mid of life support, the Company is a one stop-solution for the clients. It also provides futuristic solutions and IP Cores that address some of the pressing needs of the semiconductor industry. The Company's narrow band IoT (nBloT) solution provides the complete IoT device management designed with low memory and low power footprint enabling easy integration to custom target platforms.

Notes forming part of the Financial Statements

The Company's experience in product development, digitalization, user experience engineering, and testing and certification enables the customers to expand to new markets, innovate newer and smarter products, and roll-out products faster and cheaper. The Company's designs for 3D cameras, speech recognition, smart glasses and connectivity programs involving wireless mesh networks are seeing increasing traction from the industry.

4. **Plant engineering:** The plant engineering practice provides end to end engineering services for leading plant operators across the globe. The Company provides services in E/EPCM, engineering reapplication and global rollouts, plant sustenance and management, regulatory compliance engineering along with chemical, consumer packaged goods (FMCG) and energy and utility sector clients. The Company specializes in traditional engineering procurement construction management (EPCM) and operational maintenance projects, as well as contemporary digital engineering enterprises. The Company is advancing its engineering footprint to encompass the digital sphere and working with customers on 'Smart Manufacturing' technologies such as automation, IoT, analytics, and augmented reality (AR).
5. **Medical devices:** The Company's domain expertise, supported by robust technological capabilities, helps medical device OEMs address industry challenges, accelerate time to market, and optimize costs. The Company focuses on delivering solutions in diagnostics, patient mobility services, musculoskeletal services, life sciences, surgical services, cardiovascular, home healthcare and general medical.

The management primarily uses a measure of earnings before interest, tax, depreciation and amortisation (EBITDA, see below) to assess the performance of the operating segments.

- (i) Primary segments are defined based on the industries from which revenues are derived and segmental results are as under:

Particulars	(₹ million)					
	Transportation	Industrial Products	Telecom and Hi-tech	Plant Engineering	Medical Devices	Total
Revenue	17,014	10,717	9,872	9,101	5,109	51,813
% to Total	32.8%	20.7%	19.0%	17.6%	9.9%	100.0%
	14,067	10,182	12,273	7,220	3,378	47,120
% to Total	29.9%	21.6%	26.0%	15.3%	7.2%	100.0%
Segment operating profits	3,064	2,695	1,649	2,315	1,397	11,120
% to Revenue	18.0%	25.1%	16.7%	25.4%	27.3%	21.5%
	2,414	2,533	1,944	1,642	839	9,372
% to Total	17.2%	24.9%	15.8%	22.7%	24.9%	19.9%
Un-allocable expenses (net)						808
						728
Other income						2,123
						1,512
Operating profit						12,435
						10,156
Finance cost						351
						11
Depreciation						1,534
						731
Profit before extraordinary items and tax						10,550
						9,414

Notes forming part of the Financial Statements

(ii) Segmental reporting of revenues on the basis of the geographical location of the customers is as under:

(₹ million)

Particulars	North America	Europe	India	Rest of World	Total
External revenue by location of customers	30,258	8,256	7,457	5,842	51,813
	<i>25,729</i>	<i>8,334</i>	<i>7,012</i>	<i>6,045</i>	<i>47,120</i>

Numbers in italics are for the previous year.

Fixed assets used and liabilities contracted for performing the Company's Business have not been identified to any of the above reported segments as the fixed assets and services are used inter-changeably among segments.

(iii) No single customer represents 10% or more of the Company's total revenue for the year ended March 31, 2020.

41 Financial risk management

i) Market risk management

The Company regularly reviews its foreign exchange forward and option positions, both on a standalone basis and in conjunction with its underlying foreign currency related exposures. The Company follows cash flow hedge accounting for highly probable forecasted exposures (HPFE) hence the movement in mark to market (MTM) of the hedge contracts undertaken for such exposures is likely to be offset by contra movements in the underlying exposures values. However, till the point of time that the HPFE becomes an on-balance sheet exposure, the changes in MTM of the hedge contracts will impact the balance sheet of the Company. The Company manages its exposures normally for a period of up to three years based on the estimated exposures over that period. As the period increases, the cash flows hedged as a percentage of the total expected cash flows diminish, as there is increased uncertainty of the total cash flows materializing over a longer period of time. The recognition of the gains and losses related to these instruments may not always coincide with the timing of gains and losses related to the underlying economic exposures and, therefore, may adversely affect the Company's financial condition and operating results. Hence, the Company monitors the potential risk arising out of the market factors like exchange rates, interest rates, price of traded investment products etc. on a regular basis. For on balance sheet exposures, the Company monitors the risks on net un-hedged exposures.

ii) Price risk management

The Company's investment policy and strategy are focused on preservation of capital and supporting the Company's liquidity requirements. The Company uses a combination of internal and external management to execute its investment strategy and achieve its investment objectives. The Company typically invests in money market funds, under a limits framework which governs the credit exposure to any one issuer as defined in its investment policy. To provide a meaningful assessment of the price risk associated with the Company's investment portfolio, the Company performed a sensitivity analysis to determine the impact of change in prices of the securities that would have on the value of the investment portfolio assuming a 0.25% move in debt funds and debt securities. Based on the investment position a hypothetical 0.25% change in the fair market value of debt securities would result in a value change of +/- ₹ 8 million as of March 31, 2020, and +/- ₹ 9 million as of March 31, 2019. The investments in money market funds are for the purpose of liquidity management only and are held only overnight and hence not subject to any material price risk.

iii) Foreign currency risk management

In general, the Company is a net receiver of foreign currency. Accordingly, changes in exchange rates, and in particular a strengthening of the Indian Rupee, will negatively affect the Company's net sales and gross margins as expressed in Indian Rupees.

Notes forming part of the Financial Statements

The Company may enter into foreign currency forward contracts with financial institutions to protect against foreign exchange risks associated with certain existing assets and liabilities, certain firmly committed transactions, forecasted future cash flows and net investments in foreign subsidiaries. The Company's practice is to hedge a portion of its material net foreign exchange exposures with tenors in line with the projected exposure based on future business growth. However, the Company may choose not to hedge certain foreign exchange exposures for a variety of reasons, including but not limited to accounting considerations and the prohibitive economic cost of hedging particular exposures. The Company may also not hedge 100% given the uncertainty with business projections and hence the exposure gets hedged progressively in lower amounts.

To provide a meaningful assessment of the foreign currency risk associated with the Company's foreign currency derivative positions against off balance sheet exposures and unhedged portion of on-balance sheet exposures, the Company uses a multi-currency correlated value-at-risk ("VAR") model. The VAR model uses a Monte Carlo simulation to generate thousands of random market price paths for foreign currencies against Indian rupee taking into account the correlations between them. The VAR is the expected loss in value of the exposures due to overnight movement in spot exchange rates, at 95% confidence interval. The VAR model is not intended to represent actual losses but is used as a risk estimation tool. The model assumes normal market conditions and is a historical best fit model. The overnight VAR for the Company at 95% confidence level is ₹ 205 million as of March 31, 2020 and ₹ 255 million as of March 31, 2019.

Actual future gains and losses associated with the Company's investment portfolio and derivative positions may differ materially from the sensitivity analyses performed as of March 31, 2020 due to the inherent limitations associated with predicting the timing and amount of changes in foreign currency exchanges rates and the Company's actual exposures and position.

iv) Credit/counter-party risk management

The principal credit risk that the Company is exposed to is non-collection of trade receivables and late collection of receivables leading to credit loss. The risk is mitigated by reviewing creditworthiness of the prospective customers prior to entering into contract and post contracting, through continuous monitoring of collections by a dedicated team.

The Company reviews trade receivables on periodic basis and makes provision for doubtful debts if collection is doubtful. The Company also calculates the expected credit loss (ECL) for non-collection and for delay in collection of receivables. The Company makes additional provision if the ECL amount is higher than the provision made for doubtful debts. In case the ECL amount is lower than the provision made for doubtful debts, the Company retains the provision made for doubtful debts without any adjustment.

The provision for doubtful debts including ECL allowances for non-collection of receivables and delay in collection, on a combined basis, was ₹ 484 million as at March 31, 2020 and ₹ 245 million as at March 31, 2019. The movement in allowances for doubtful accounts comprising provision for both non-collection of receivables and delay in collection is as follows:

	(₹ million)	
	2019-20	2018-19
Opening balance of allowances for doubtful accounts	245	98
Allowances recognized (reversed)	239	147
Closing balance of allowances for doubtful accounts	484	245

Notes forming part of the Financial Statements

The percentage of revenue from its top five customers is 19.95% for 2019-20 (27.26% for 2018-19).

The counter-party risk that the Company is exposed to is principally for financial instruments taken to hedge its foreign currency risks. The counter-parties are mainly banks and the Company has entered into contracts with the counterparties for all its hedge instruments.

The Company invests its surplus funds in liquid investments and mitigates the risk of counter-party failure by investing with institutions having good credit rating.

v) Liquidity risk management

The Company manages liquidity risk by maintaining sufficient cash and marketable securities and by having access to funding through an adequate amount of committed credit lines.

Management regularly monitors the position of cash and cash equivalents vis-à-vis projections. Assessment of maturity profiles of financial assets and liabilities including debt financing plans and maintenance of balance sheet liquidity ratios are considered while reviewing the liquidity position.

The Company has no borrowings as on 31-Mar-20 but it has credit facilities with banks that will help it to generate funds for the business if required. The contractual maturities of financial assets and financial liabilities is as follows:

(₹ million)			
Financial assets	Less than 1 year	More than 1 year	Total
Investments	6,078	310	6,388
Trade receivables	13,212	-	13,212
Loans	93	-	93
Other financial assets	1,406	444	1,850
Total	20,789	754	21,543

(₹ million)			
Financial liabilities	Less than 1 year	More than 1 year	Total
Short-term borrowings	239	-	239
Trade payables	1,870	-	1,870
Lease liabilities	658	3,189	3,847
Other financial liabilities	2,154	47	2,201
Total	4,921	3,236	8,157

Notes forming part of the Financial Statements

42 Fair value measurements

Financial instruments by category

(₹ million)

	As at 31-03-2020			As at 31-03-2019		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial assets						
Investments (other than those held in subsidiary)						
- Mutual funds	5,172			5,678		
- Bank fixed deposits			2			2
- Corporate deposits			1,216			
Loans			93			90
Trade receivables			13,212			10,173
Cash and cash equivalents			2,011			1,913
Other bank balances			260			3
Derivative financial instruments		641			1,450	
Security deposits			451			391
Premium receivable on financial guarantee contracts			1			7
Loans - related parties			360			224
Advances - to employees			237			265
Other receivables			801			606
Total financials assets	5,172	641	18,644	5,678	1,450	13,674
Financial liabilities						
Borrowings			239			426
Trade payables			1,870			1,702
Derivative financial instruments		2,314		9	139	
Lease liability			3,847			
Supplier ledger - capital goods/services			46			109
Liability towards employee compensation			2,152			2,213
Financial guarantee contract			1			6
Unclaimed dividend			2			1
Other payables			-			226
Total financials liabilities	-	2,314	8,157	9	139	4,683

i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the

Notes forming part of the Financial Statements

financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

(₹ million)

Financial assets and liabilities measured at fair value - recurring fair value measurements	As at 31-03-2020				As at 31-03-2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Financial investment at FVPL								
Mutual funds	5,172			5,172	5,678			5,678
Financial investment at FVOCI								-
Derivative financial instruments		641		641		1,450		1,450
Total financials assets	5,172	641	-	5,813	5,678	1,450	-	7,128
Financial liabilities								
Derivative financial instruments		2,314		2,314		148		148
Total financials liabilities	-	2,314	-	2,314	-	148	-	148

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

There were no transfers between the levels during the year.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

ii) Valuation technique used to determine fair value

Specific valuation technique used to value financial instruments include :

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of forward foreign exchange contracts and principal swap is determined using forward exchange rates at the balance sheet date.

iii) Valuation processes

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. The fair valuation of level 1 and level 2 classified assets and liabilities are readily available from the quoted prices in the open market and rates available in secondary market respectively. The valuation method applied for various financial assets and liabilities are as follows -

- Quoted price in the primary market (net asset value) considered for the fair valuation of the current investment i.e. Mutual fund. Gain/(loss) on fair valuation is recognised in statement of profit and loss.
- The carrying amounts of trade receivable, unbilled revenue, trade payable, cash and bank balances, short term loans and advances, statutory dues/receivable, short term borrowing, employee dues are considered to be the same as their fair value owing to their short-term nature.

Notes forming part of the Financial Statements

- The fair value of premium receivable on financial guarantee contract is derived by discounting premium receivable over the period of contract. Thereafter, the same is carried at the amount initially recognised less the cumulative amortisation of income over the period of the contract.
- The fair value of non-current security deposits are calculated by discounting future cash inflows.

(iv) Fair value of financial assets and financial liabilities measured at amortised cost:

The carrying amounts of all financial assets and financial liabilities are considered to be the same as their fair values owing to their short term nature.

(iv) Fair value of financial assets and financial liabilities measured at amortised cost:

The carrying amounts of all financial assets and financial liabilities are considered to be the same as their fair values owing to their short term nature.

43 Tax reconciliation statement

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

Sr. no.	Particulars	Year ended 31 March,	
		2020	2019
(a)	Profit before tax	10,550	9,414
(b)	Corporate tax rate as per Income tax Act, 1961	34.94%	34.94%
(c)	Tax on accounting profit	3,686	3,290
(d)	(c)=(a)*(b)		
(i)	Tax effect of exempt non-operating income	(64)	(60)
(ii)	Tax effect due to non-taxable income for Indian tax purposes	(1,433)	(1,144)
(iii)	Effect of non-deductible expenses	59	37
(iv)	Overseas taxes	275	364
(v)	Tax effect on various other items	127	(73)
	Total effect of tax adjustments [(i) to (v)]	(1,036)	(876)
(e)	Tax expense recognised during the year	2,650	2,413
(f)	Effective tax rate	25.12%	25.64%
	(f)=(e)/(a)		

The applicable Indian statutory tax rate for fiscal 2020 and fiscal 2019 is 34.94%.

Overseas taxes are on account of income taxes payable overseas, principally in the United States of America. In India, the Company has benefited from certain tax incentives that the Government of India has provided to the export of software for the units registered under the Special Economic Zones Act, 2005(SEZ). SEZ units which commenced operations on or after April 1, 2005 are eligible for a deduction of 100 percent of profits or gains derived from the export of services for the first five years from the financial year in which the unit commenced the provision of services and 50 percent of such profits or gains for further five years. Upto 50% of such profits or gains is also available for a further five years subject to creation of a Special Economic Zone re-Investment Reserve out of the profit of the eligible SEZ units and utilization of such reserve by the Company for acquiring new plant and machinery for the purpose of its business as per the provisions of the Income tax Act, 1961.

Notes forming part of the Financial Statements

44 Disclosure pursuant to Ind AS 19 "Employee benefits"

a) The amounts recognised in balance sheet are as follows:

(₹ million)

	Gratuity plan		Post retirement medical benefit plan		Provident Fund trust managed by the holding company	
	As at 31-03-2020	As at 31-03-2019	As at 31-03-2020	As at 31-03-2019	As at 31-03-2020	As at 31-03-2019
A. Present value of defined benefit obligation						
Wholly funded	861	627	-	-	4,618	4,138
Wholly unfunded			71	59	-	-
Total (a)	861	627	71	59	4,618	4,138
Less: Fair value of plan assets (b)	691	540	-	-	4,894	4,164
Amount to be recognised as liability or (asset) (a-b)	170	87	71	59	(276)	(26)
B. Amounts reflected in the balance sheet						
Liabilities	170	87	71	59	78	62
Assets						
Net liability / (asset)	170	87	71	59	78	62

b) The amounts recognised in Statement of Profit and Loss are as follows :

(₹ million)

	Gratuity plan		Post retirement medical benefit plan		Provident Fund trust managed by the holding company	
	As at 31-03-2020	As at 31-03-2019	As at 31-03-2020	As at 31-03-2019	As at 31-03-2020	As at 31-03-2019
1 Current service cost	101	101	24	20	270	224
2 Interest cost	3	7	4	4	355	306
3 Expected return on plan assets	-	-	-	-	(355)	(306)
4 Actuarial losses / (gains)	-	-	-	-	(284)	(34)
5 Past service cost	-	-	-	-	-	-
6 Actuarial Gain/loss not recognized in books	-	-	-	-	284	34
Total expense for the year included in staff cost	104	108	28	24	270	224

Notes forming part of the Financial Statements

c) Amount recorded In other comprehensive income :

(₹ million)

	Gratuity plan		Post retirement medical benefit plan	
	As at 31-03-2020	As at 31-03-2019	As at 31-03-2020	As at 31-03-2019
Opening amount recognized in OCI Profit and Loss Account	93	43	(63)	(49)
Remeasurement during the period due to	-	-	-	-
a Changes in financial assumptions	43	15	11	5
b Changes in demographic assumptions	-	-	-	3
c Experience adjustments	108	24	(28)	(22)
d Actual return on plan assets less interest on plan assets	(6)	11	-	-
e Adjustment to recognize the effect of asset ceiling	-	-	-	-
Closing amount recognized in OCI outside profit and loss account	238	93	(80)	(63)

d) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

(₹ million)

	Gratuity plan		Post retirement medical benefit plan		Provident Fund trust managed by the holding company	
	As at 31-03-2020	As at 31-03-2019	As at 31-03-2020	As at 31-03-2019	As at 31-03-2020	As at 31-03-2019
Opening balance of the present value of defined benefit obligation	627	576	59	49	4,138	3,292
Transfer in/(Out)	-	-	-	-	191	231
Current service cost	101	101	24	20	270	224
Past service cost	-	-	-	-	-	-
Interest on defined benefit obligation	41	40	4	4	355	306
Remeasurements due to :	-	-	-	-	-	-
Actuarial loss/(gain) arising from change in financial assumptions	43	15	12	5	-	-
Actuarial loss/(gain) arising from change in demographic assumptions	-	-	-	3	-	-
Actuarial loss/(gain) arising on account of experience changes	107	24	(28)	(22)	-	-
Contribution by Plan Participants	-	-	-	-	578	484
Benefits paid	(66)	(65)	-	-	(912)	(401)
Due to Members Unclaimed	-	-	-	-	(2)	2
Liabilities assumed / (settled)*	8	(63)	-	-	-	-
Liabilities extinguished on settlements	-	-	-	-	-	-
Closing balance of the present value of defined benefit obligation	861	627	71	59	4,618	4,138

* On account of Graphene business combination

Notes forming part of the Financial Statements

The Company expects to contribute ₹ 100 million towards its gratuity plan in FY 2020-21 (₹ 100 million in FY 2019-20)

e) Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows

(₹ million)

	Gratuity plan		Provident Fund trust managed by the holding company	
	As at 31-03-2020	As at 31-03-2019	As at 31-03-2020	As at 31-03-2019
Opening balance of the fair value of the plan assets	540	453	4,164	3,320
Expected return on plan assets	-	-	355	306
Add / (less) : transfer in/(out)	-	-	191	231
Add/(less) : actuarial gains/(losses)	-	-	284	34
Employer contributions	173	131	263	219
Contributions by plan participants	-	-	549	455
Interest on plan assets	38	33		
Remeasurement due to:				
Actual return on plan assets less interest on plan assets	6	(11)		
Benefits paid	(66)	(65)	(912)	(401)
Liabilities assumed / (settled)	-	-		
Closing balance of the plan assets	691	540	4,894	4,164

f) Sensitivity analysis :

(₹ million)

	Gratuity plan		Post retirement medical benefit plan	
	As at 31-03-2020	As at 31-03-2019	As at 31-03-2020	As at 31-03-2019
Impact of increase in 100 bps on defined benefit obligation				
Discount rate	-5.49%	-5.27%		
Salary escalation rate	6.12%	5.80%		
Impact of decrease in 100 bps on defined benefit obligation				
Discount rate	6.11%	5.84%		
Salary escalation rate	-5.60%	-5.35%		
Discount rate				
Impact of increase in 100 bps on defined benefit obligation			-17.54%	-17.72%
Impact of decrease in 100 bps on defined benefit obligation			23.44%	23.30%
Healthcare costs rate				
Impact of increase in 100 bps on defined benefit obligation			15.14%	19.61%
Impact of decrease in 100 bps on defined benefit obligation			-12.15%	-15.46%
Life expectancy				
Impact of increase in 1 year on defined benefit obligation			0.97%	0.44%
Impact of decrease by 1 year on defined benefit obligation			-1.01%	-0.47%

- The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated.
- The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Notes forming part of the Financial Statements

g) The major categories of plan assets as a percentage of total plan assets are as follows:

(₹ million)

	Gratuity plan		Provident Fund trust managed by the holding company	
	As at 31-03-2020	As at 31-03-2019	As at 31-03-2020	As at 31-03-2019
Government of India securities	Scheme with LIC	Scheme with LIC	21.53%	23.64%
State government securities			25.41%	24.00%
Corporate bonds			28.88%	20.91%
Fixed deposits under Special Deposit Scheme framed by central government for provident funds			5.04%	5.33%
Public sector bonds			16.07%	22.00%
Mutual Funds			3.07%	4.12%

h) Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

(₹ million)

	As at 31-03-2020	As at 31-03-2019
1 Discount rate:		
(a) Gratuity plan	6.15%	7.05%
(b) Post retirement medical benefit plan	6.15%	7.05%
2 Annual increase in healthcare costs	5.00%	5.00%
3 Salary growth rate	5.00%	5.00%
4 Attrition rate	14% to 19% for various age groups	17% to 19% for various age groups

Risk exposure

i. Gratuity

The Company operates gratuity plan through a trust wherein every employee is entitled to the benefit equivalent to fifteen days last salary drawn for each completed year of service. The same is payable on termination of service or retirement whichever is earlier. The benefit vests after five years of continuous service. The trustees of the plan have outsourced the investment management of the fund to an insurance company. The insurance company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations.

ii. Post retirement medical benefits plan

The Post-retirement medical care plan provides for reimbursement of health care costs to certain categories of employees post their retirement. The reimbursement is subject to an overall ceiling sanctioned based on cadre of the employee at the time of retirement. The plan is unfunded. Employees do not contribute to the plan.

Notes forming part of the Financial Statements

i) The amounts pertaining to defined benefit plans for the current year are as follows:

(₹ million)

	As at 31-03-2020	As at 31-03-2019
Gratuity plan (wholly funded)		
1 Defined benefit obligation	861	627
2 Plan assets	691	540
3 (Surplus) / deficit	169	87
4 Experience Adjustments plan liabilities	-	-
5 Experience Adjustments plan assets	-	-
Post retirement medical benefit plan (wholly unfunded)		
1 Defined benefit obligation	71	59
2 Experience Adjustments plan liabilities	-	-
3 Experience Adjustments plan assets	-	-
Self - managed provident fund plan (wholly funded)		
1 Defined benefit obligation	4,618	4,138
2 Plan assets	4,894	4,164
3 (Surplus) / deficit	(276)	(26)

General descriptions of defined benefit plans:

a Gratuity plan

The Company makes contributions to the employees' group gratuity-cum-life assurance scheme of the Life Insurance Corporation of India, a funded defined benefit plan for qualifying employees. The scheme provides for lump sum payment to employees at retirement, death while in employment or termination of employment of an amount equivalent to 15 days salary for every completed year of service or part thereof in excess of six months, provided the employee has completed five years in service.

b Post-retirement medical benefit plan

The post-retirement medical benefit plan provides for reimbursement of health care costs to certain categories of employees post their retirement. The reimbursement is subject to an overall ceiling limit sanctioned at the time of retirement. The ceiling limits are based on cadre of the employee at the time of retirement.

c Provident Fund trust managed by the holding company

The Company's provident fund plan is managed by its holding company through a trust permitted under The Employees' Provident Funds and Miscellaneous Provisions Act, 1952. The plan envisages contribution by employer and employees and guarantees interest at the rate notified by the Provident Fund Authority. The contribution by employer and employee together with interest are payable at the time of separation from service or retirement whichever is earlier. The benefit under this plan vests immediately on rendering of service.

Employee benefit plan

In January 2018, the Company established the L&T Technology Services 401k Plan (the "Plan") for the benefit of its employees in USA. As allowed under section 401(k) of the Internal Revenue Code, the Plan provides for tax-deferred salary contributions for eligible employees of L&T Technology Services Limited, L&T Technology Services LLC and Esencia Technologies Inc. The Plan allows the employee and Company's contributions to vest 100% immediately. During the year ended March 31, 2020, the Company contributed ₹ 37 million towards the Plan (Previous year: ₹ 30 million)

Notes forming part of the Financial Statements

45 Lease liability

		(₹ million)
1	Reconciliation of IND AS 17 lease commitments with lease liability as on April 1, 2019	
	Total Operating Lease commitments disclosed as at March 31, 2019	6,191
	Less: Recognition exemptions	
	Short term leases	(76)
	Less: Impact of discounting under Ind AS 116	(1,601)
	Add: Extension and termination options reasonably certain to be exercised	(914)
	Lease liability as on April 1, 2019	3,600
2	Impact of change in accounting policy /adoption of IND AS 116	
	Decrease in fixed assets	-
	Increase lease liability	3,600
	Increase Right-of-use	3,270
	Increase / decrease in deferred tax assets	(100)
	Increase in finance cost	340
	Increase in depreciation	747
3	Classwise right of use assets (in our case it will be only office premise)	
	Balance as on April 1, 2019	3,270
	Addition during the year (net of deletion)	868
	Depreciation during the year	(747)
	Closing balance as on March 31, 2020	3,391
4	Lease liability movement	
	Balance as on April 1, 2019	3,600
	Addition during the year	842
	Repayment during the year (lease payment towards lease liability net of finance cost)	(595)
	Closing balance as on March 31, 2020	3,847
5	Maturity analysis of lease liability (undiscounted)	
	Less than 1 year	967
	1 to 5 years	2,912
	More than 5 years	1,554
	Total	5,433
	Closing balance as on March 31, 2020	
	Current liability	658
	Non -current liability	3,189
		3,847
6	Amount recognised in P&L account	
	Interest on lease liability	340
	Rent expense - low value lease agreements	93
7	Lease commitment	
	Leases not yet commenced as on March 31, 2020 to which the Company is committed is ₹ 180 million for period more than 5 years.	

Notes forming part of the Financial Statements

46 Related party disclosure

46 (1) (i) List of related parties over which control exists/exercised

Name	Relationship
L&T Technology Services LLC	Wholly owned subsidiary
L&T Thales Technology Services Private Limited	Subsidiary
Esencia Technologies Inc	Wholly owned subsidiary of L&T Technology Services LLC
Esencia Technologies India Private Limited	Wholly owned subsidiary
Graphene Semiconductor Services Private Limited	Wholly owned subsidiary
Graphene Solutions Pte. Ltd.	Wholly owned subsidiary*
Graphene Solution SDN. BHD.	Wholly owned subsidiary*
Graphene Solutions Taiwan Limited	Wholly owned subsidiary*
Seastar Labs Private Limited	Wholly owned subsidiary*
L&T Technology Services (Shanghai) Co. Ltd.	Wholly owned subsidiary
L&T Technology Services (Canada) Ltd.	Wholly owned subsidiary of L&T Technology Services LLC

*Wholly owned subsidiary w.e.f October 1, 2019. Earlier wholly owned by Graphene Semiconductor Services Private Limited

46 (1) (ii) List of related parties which can exercise control

Name	Relationship
Larsen and Toubro Limited	Holding company

46 (1) (iii) Key management personnel

Executive directors	Status
Dr. Keshab Panda	Chief Executive Officer & Managing Director
Mr. Amit Chadha	Deputy Chief Executive Officer and Whole Time Director
Mr. Abhishek	Chief Operating Officer & Whole Time Director
Mr. P. Ramakrishnan	Chief Financial Officer
Mr. Kapil Bhalla	Company Secretary

Non-executive directors

Mr. Anilkumar Manibhai Naik
Mr. Sekharipuram Narayanan Subrahmanyam

46 (1) (iv) List of related parties with whom there were transactions during the year

Name	Relationship
Larsen & Toubro Limited	Holding company
Larsen & Toubro Infotech Limited	Fellow subsidiary
Larsen & Toubro Infotech Canada Limited	Fellow subsidiary
Larsen & Toubro Infotech GmbH	Fellow subsidiary
L&T Information Technology Services (Shanghai) Co. Ltd	Fellow subsidiary
L&T Infotech Financial Services Technologies INC	Fellow subsidiary
Larsen Toubro Arabia LLC	Fellow subsidiary

Notes forming part of the Financial Statements

Name	Relationship
Larsen & Toubro (East Asia) SDN.BHD	Fellow subsidiary
L&T Metro Rail (Hyderabad) Limited	Fellow subsidiary
L&T Hydrocarbon Engineering Limited	Fellow subsidiary
L&T Construction Equipment Limited	Fellow subsidiary
Servowatch Systems Limited	Fellow subsidiary
L&T Valves Limited	Fellow subsidiary
Kesun Iron & Steel Company Private Limited	Fellow subsidiary
L&T Overseas Projects Nigeria Limited	Fellow subsidiary
Tamco Switchgear (Malaysia) SDN BHD	Fellow subsidiary
L&T-Sargent & Lundy Limited	Joint Venture
L&T Technology Services LLC	Subsidiary
L&T Thales Technology Services Private Limited	Subsidiary
Esencia Technologies INC	Subsidiary
Esencia Technologies India Private Limited	Subsidiary
Graphene Semiconductor Services Private Limited	Subsidiary
Seastar Labs Private Limited	Subsidiary
Graphene Solutions Taiwan Limited	Subsidiary
L&T Technology Services (Shanghai) Co. Ltd.	Subsidiary

46 (1) (v) Name of post-employment benefit plans with whom transactions were carried out during the year:

- Larsen & Toubro Officers & Supervisory Staff Provident Fund
- L&T Technology Services Limited Employee Group Gratuity Scheme

46 (1) (vi) Disclosure of related party transactions

Particulars	(₹ million)	
	31-03-20	31-03-19
Revenue from services :		
Holding Company	412	349
- Larsen & Toubro Limited	412	349
Fellow subsidiaries	1,075	733
- L&T Hydrocarbon Engineering Limited	40	22
- Larsen & Toubro Infotech Limited	1,032	707
- L&T Construction Equipment Limited	1	-
- L&T Valves Limited	-	2
- L&T Metro Rail (Hyderabad) Limited	2	2
Subsidiaries	945	829
- L&T Thales Technology Services Private Limited	643	553
- L&T Technology Services LLC	269	192
- Esencia Technologies Inc	1	84
- Graphene Semiconductor Services Private Limited	32	-
Purchase of services		
Holding Company	1	1
- Larsen & Toubro Limited	1	1
Fellow subsidiaries	1,150	822
- L&T Hydrocarbon Engineering Limited	81	280
- Larsen & Toubro Infotech Limited	1,046	440

Notes forming part of the Financial Statements

(₹ million)

Particulars	31-03-20	31-03-19
- Larsen & Toubro Infotech GMBH	22	99
- L&T-Sargent & Lundy Limited	1	3
Subsidiaries	662	460
- L&T Thales Technology Services Private Limited	24	40
- L&T Technology Services LLC	527	379
- Esencia Technologies Inc	44	34
- Graphene Semiconductor Services Private Limited	67	7
Rent paid		
Holding Company	234	192
- Larsen & Toubro Limited	234	192
Fellow subsidiaries	31	48
- Larsen & Toubro Infotech Limited	22	37
- Larsen & Toubro Infotech GMBH	8	8
- Larsen & Toubro Saudi Arabia LLC	-	3
- Larsen & Toubro (East Asia) Sdn. Bhd.	1	-
Subsidiaries	17	-
- Graphene Semiconductor Services Private Limited	4	-
- L&T Technology Services LLC	13	-
Commission paid		
Fellow subsidiaries	1	2
- Larsen & Toubro Infotech Limited	1	2
Interest receivable		
Holding Company	113	22
- Larsen & Toubro Limited	113	22
Subsidiaries	9	8
- L&T Thales Technology Services Private Limited	8	8
- Graphene Semiconductor Services Private Limited	1	-
Interest payable		
Subsidiaries	5	-
- Graphene Semiconductor Services Private Limited	5	-
Services availed by the Company		
Holding Company	257	326
- Larsen & Toubro Limited	257	326
Fellow subsidiaries	39	60
- Larsen & Toubro Infotech Limited	26	57
- Larsen & Toubro Infotech GmbH	-	3
- L&T Hydrocarbon Engineering Limited	1	-
- L&T Information Technology Services (Shanghai) Co. Ltd.	12	-
Subsidiaries	8	2
- L&T Thales Technology Services Private Limited	1	-
- L&T Technology Services LLC	6	1
- Esencia Technologies India Private Limited	-	1
- Graphene Semiconductor Services Private Limited	1	-
Services rendered by the Company		
Holding Company	1	9
- Larsen & Toubro Limited	1	9

Notes forming part of the Financial Statements

	(₹ million)	
Particulars	31-03-20	31-03-19
Fellow subsidiaries	7	3
- Larsen & Toubro Infotech Limited	4	-
- L&T Hydrocarbon Engineering Limited	1	-
- Servowatch Systems Limited	2	3
Subsidiaries	716	442
- L&T Thales Technology Services Private Limited	199	147
- L&T Technology Services LLC	499	259
- Esencia Technologies Inc	11	14
- Esencia Technologies India Private Limited	-	11
- Graphene Semiconductor Services Private Limited	6	11
- L&T Technology Services (Shanghai) Co. Ltd.	1	-
Trademark fees		
Holding Company	84	76
- Larsen & Toubro Limited	84	76
Inter corporate deposit to		
Subsidiaries	92	90
- L&T Thales Technology Services Private Limited	90	90
- Seastar Labs Private Limited	2	-
Inter corporate borrowing from		
Subsidiaries	239	-
- Graphene Semiconductor Services Private Limited	239	-
Trade receivable		
Holding Company	168	89
- Larsen & Toubro Limited	168	89
Fellow subsidiaries	356	179
- Larsen & Toubro Infotech Limited	342	177
- L&T Metro Rail (Hyderabad) Limited	2	2
- L&T Construction Equipment Limited	1	-
- L&T Hydrocarbon Engineering Limited	11	-
Subsidiaries	627	436
- L&T Thales Technology Services Private Limited	220	319
- L&T Technology Services LLC	277	117
- Graphene Semiconductor Services Private Limited	127	-
- Graphene Solutions Taiwan Limited	3	-
Trade payable		
Holding Company	152	142
- Larsen & Toubro Limited	152	142
Fellow subsidiaries	298	258
- Larsen & Toubro Infotech Limited	135	107
- L&T Hydrocarbon Engineering Limited	133	92
- L&T-Sargent & Lundy Limited	-	1
- Larsen & Toubro Infotech GmbH	2	47
- Larsen & Toubro Saudi Arabia LLC	28	10
Subsidiaries	89	15
- Esencia Technologies INC	19	14
- Esencia Technologies India Private Limited	-	1
- Graphene Semiconductor Services Private Limited	70	-

Notes forming part of the Financial Statements

(₹ million)

Particulars	31-03-20	31-03-19
Loans and advances recoverable		
Fellow subsidiaries	6	4
- Kesun Iron & Steel Company Private Limited	-	2
- Servowatch Systems Limited	-	2
- L&T Infotech Financial Services Technologies Inc.	1	-
- L&T Valves Limited	4	-
- Tamco Switchgear (Malaysia) SDN BHD	1	-
Subsidiaries	354	220
- L&T Thales Technology Services Private Limited	243	122
- L&T Technology Services LLC	99	96
- Graphene Semiconductor Services Private Limited	-	2
- L&T Technology Services (Shanghai) Co. Ltd.	12	-
Corporate guarantee outstanding as on respective balance sheet date		
Subsidiaries	1,309	1,196
- L&T Technology Services LLC	1,248	1,141
- Esencia Technologies INC	61	55
(Corporate bank guarantee of USD 16.5 million (previous year USD 16.5 million) issued to Bank of America for securing borrowings of L&T Technology Services LLC, USA and USD 0.8 million (previous year USD 0.8 million) issued to Bank of America for securing borrowings of Esencia Technologies INC, USA)		
Interim/final dividend paid - equity		
Holding Co.	1,638	1,630
- Larsen & Toubro Limited	1,638	1,630
Compensation to key managerial personnel		
Short-term employee benefits	124	137
Post-employment benefits	1	1
Share-based payment	143	-
Total compensation*	268	138
*Mr. Bhupendra Bhate (previous Chief Operating Officer & Whole Time Director) resigned on May 3, 2019, his proportionate compensation has been included in 2019-20. Mr. Abhishek (current Chief Operating Officer & Whole Time Director) joined LTTS on May 6, 2019 and appointed in Board on October 18, 2019, his proportionate compensation has been included in 2019-20.		
Compensation to non-executive directors		
Sitting fees	2	2
Commission	20	22
Total compensation	22	24
Transactions with trust managed employees provident fund		
Towards employer's contribution	263	222
Paid during the year	813	675
Due to trust (year end liability)	78	62
Transactions with approved gratuity fund		
Towards employer's contribution	173	130
Paid during the year	173	130
Due to trust (year end liability)	170	87

Notes forming part of the Financial Statements

47 Disclosure pursuant to Ind AS 115 "Revenue from contract with customers":

a) Disaggregation of revenue

The nature of contract impacts the method of revenue recognition and the contracts are classified as fixed-price contracts and time & material contracts.

i) Revenue by contract type

Particulars	(₹ million)	
	For year ended 31-03-2020	For year ended 31-03-2019
Fixed price contracts	20,989	19,370
Time and materials contracts	30,824	27,750
Total	51,813	47,120

ii) Refer note 40 for disaggregation of revenue by industry and geographical segments.

iii) The Company believes that this disaggregation best depicts how the nature, amount, timing of its revenues and cash flows are affected by industry, market and other economic factors.

b) Transaction price allocated to remaining performance obligation

i) The aggregate value of performance obligations that are completely or partially unsatisfied as of March 31, 2020, other than those meeting the exclusion criteria mentioned below in (ii), is ₹ 10,241 million. Out of this, the Company expects to recognize revenue of around 100% within the next one year. Remaining performance obligation estimates are subject to change and are affected by several factors, including changes in the scope of contracts, periodic revalidations, and adjustments for currency.

ii) The Company has applied practical expedient and has not disclosed information about remaining performance obligations in contracts where the entity has the right to consideration that corresponds directly with the value of entity's performance completed to date, typically those contracts where invoicing is on time and material basis.

c) Movement in contract balances

i) The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset for time and material jobs where right to consideration is unconditional upon passage of time. Unbilled revenue for fixed price contracts is classified as non financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

ii) Movement in contract asset and contract liability

Particulars	(₹ million)			
	For year ended March 31, 2020		For year ended March 31, 2019	
	Unbilled revenue	Unearned revenue	Unbilled revenue	Unearned revenue
Opening balance	2,191	224	2,002	313
Revenue recognised during period	51,592	(221)	46,807	(313)
Invoiced during period	(50,780)	464	(46,585)	224
ECL movement	(84)	-	(33)	-
Closing balance	2,919	467	2,191	224

Notes forming part of the Financial Statements

48 Estimation uncertainty relating to COVID-19

The Company has used the principles of prudence in applying judgments, estimates and assumptions including sensitivity analysis and based on current estimates, the Company expects to fully recover the carrying amount of trade receivables including unbilled receivables, intangible assets and investments. The Company has considered internal and certain external sources of information including reliable credit reports, economic forecasts and industry reports up to the date of approval of the financial statements in determining the impact on various elements of its financial statements. Management of the Company has also reviewed goodwill and is of the opinion that no impairment is required at present. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements.

49 The Company has amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006, [MSMED Act] as at March 31, 2020. The disclosure pursuant to the said act is as under:

(₹ million)

	As at 31-03-2020	As at 31-03-2019
Principal amount due to suppliers under MSMED Act, 2006	27	7
Interest accrued, due to suppliers under MSMED Act on the above amount, and unpaid	-	-
Payment made to suppliers (other than interest) beyond the appointed day during the year	-	-
Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
Interest paid to suppliers under MSMED Act (Section 16)	-	-
Interest due and payable towards suppliers under MSMED Act for payments already made	-	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	-	-
Amount of further interest remaining due and payable even in the succeeding years	-	-

50 There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at March 31, 2020 (previous year: ₹ Nil).

51 Previous year's figures have been regrouped / reclassified wherever necessary.

As per our report attached
SHARP & TANNAN
 Chartered Accountants
 Firm's registration no. 109982W

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

by the hand of

FIRDOSH D. BUCHIA
 Partner
 Membership No. 38332

P. RAMAKRISHNAN
 Chief Financial Officer

KAPIL BHALLA
 Company Secretary
 Membership No. F3485

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

AMIT CHADHA
 Deputy CEO &
 Whole-Time Director
 (DIN: 07076149)

Place: Mumbai
 Date: May 15, 2020

Place: Mumbai
 Date: May 15, 2020

Place: Mumbai
 Date: May 15, 2020

Place: New Jersey, USA
 Date: May 15, 2020

Place: Washington, USA
 Date: May 15, 2020

Independent Auditor's Report

To the Members of
L&T Technology Services Limited

Report on the audit of the consolidated financial statements

Opinion

We have audited the accompanying consolidated financial statements of L&T Technology Services Limited ("the Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), which comprise the balance sheet as at 31 March 2020, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information ("the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at 31 March 2020, the consolidated profit and consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ('the Act'). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How the matter was addressed in our audit
Revenue recognition	
The Group is primarily in the business of providing technology and engineering services to third parties.	Our revenue testing included both testing of the Company's controls as well as substantive audit procedures.
The Group is having two models for the purpose of recognition of revenue from contracts for services rendered, which are time and material contracts and fixed price contracts.	<p>Our procedures included:</p> <ul style="list-style-type: none"> <li data-bbox="776 1603 1409 1693">• We ensured that revenue recognition method applied was appropriate based on the terms of the agreement with the customer; <li data-bbox="776 1707 1409 1797">• We obtained an understanding of the processes and tested relevant controls, which impact the revenue recognition;

Key audit matter	How the matter was addressed in our audit
<p>For the year ended 31 March 2020, revenue from services amounts to ₹ 56,191 million (refer note 26 to the consolidated financial statements)</p>	<ul style="list-style-type: none"> • For time and material based contracts: <ol style="list-style-type: none"> i. We obtained appropriate evidence based on the circumstances to conclude whether the hours charged on projects were appropriate; ii. We obtained appropriate evidence based on the circumstances to conclude whether the rate charged per man hours on projects were appropriate; and iii. We verified the revenue based on the hours charged on the projects and approved per hour rate. • We considered the appropriateness of disclosures in relation to revenue recognition as detailed in note 26 and 44 to the consolidated financial statements. • For fixed price contracts: <ol style="list-style-type: none"> i. We agreed the total project revenue estimate with customer contracts agreements including amendments as appropriate; ii. We assessed the reliability of management’s estimates by comparing actual results of delivered projects to previous estimates; iii. We evaluated management’s estimates and assumptions in recognition of the revenue; iv. We verified the revenue based on the stage of completion of the projects; and v. We obtained appropriate evidence based on the circumstances to conclude whether the proportion of completion of projects was appropriate. <p>Based on the procedures performed we consider the amount of revenue recognised to be fairly stated in the consolidated financial statements.</p>
<p>Valuation of goodwill</p> <p>The Group accounted for goodwill at the time of acquisition of certain businesses in earlier years and in the current year. As required by the applicable Indian Accounting Standards, goodwill is not amortised but is tested for impairment by management on an annual basis. The impairment is tested using discounted cash flow models. As disclosed in notes 2(m)(ii) and 5 to the consolidated financial statements, there are a number of sensitive key judgements made in determining the inputs into these models which include:</p> <ul style="list-style-type: none"> • Revenue forecasts; • Operating margins; • Cash flow forecasts; and • The discount rate applied to the projected future cash flows. <p>In addition, the impact of Covid-19 is also considered in the current year. Accordingly, the impairment test of the goodwill is considered to be a key audit matter. As at 31 March 2020, goodwill amounts to ₹ 5,460 million (refer note 5 to the consolidated financial statements).</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> • We tested the methodology applied for impairment of goodwill; • We evaluated process by which the future cash flows were drawn up, including comparing them to the latest board approved targets and long-term plans; • We tested the key underlying assumptions for revenue growth, operating margins, cash flow forecasts, and the discount rate applied to the projected future cash flows; • We compared the current year actual results included in the impairment model to consider whether forecasts included assumptions that, with hindsight, had been appropriate; • We evaluated management’s assumptions on the impact of Covid-19 on the above matters; and • We considered the appropriateness of disclosures in relation to impairment assessment as detailed in note 2(m)(ii) and 5 to the consolidated financial statements. <p>Based on the procedures performed we consider the goodwill to be fairly stated in the consolidated financial statements.</p>

Key audit matter	How the matter was addressed in our audit
<p>Derivative financial instruments and hedge accounting</p> <p>Derivative financial instruments are used to manage and hedge foreign currency exchange risks and interest rate risks. These instruments are typically designated in a fair value or cash flow hedge relationship. Financial instruments that are not designated in a hedging relationship and where no hedge accounting is applied are measured at fair value through profit and loss.</p> <p>The fair value of the derivative financial instruments is based on valuation models using observable input data.</p> <p>We focused on this area on account of the number of contracts, the forecast by management of net foreign currency exposure in the future, their measurement, the complexity related to hedge accounting and the potential impact on the statement of profit and loss.</p> <p>In addition, the impact of Covid-19 is also considered for the current year.</p> <p>As at 31 March 2020, the Company has derivative financial assets at fair value of ₹ 641 million and derivative financial liabilities at fair value of ₹ 2,314 million (refer note nos. 8, 16, 20, 23, 35, 37(i) and 37(iii) to the consolidated financial statements).</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> • We obtained an understanding of the risk management policies and testing key controls for the use, the recognition and the measurement of derivative financial instruments; • We reconciled derivative financial instruments data with third party confirmations; • We compared input data used in the Group's valuation models with independent sources and externally available market data; • We compared valuation of derivative financial instruments with market data or results from alternative, independent valuation models; • We tested on a sample basis the applicability and accuracy of hedge accounting; • We evaluated management's assumptions on the impact of Covid-19 on the above matters; and • We considered the appropriateness of disclosures in relation to financial risk management, derivative financial instruments and hedge accounting to the consolidated financial statements. <p>Based on the procedures performed the derivative financial instruments and hedge accounting are fairly stated in the consolidated financial statements.</p>

Information other than the consolidated financial statements and auditor's report thereon

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the director's report including annexures thereto, management discussion and analysis and annual business responsibility report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's

report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the consolidated financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that

are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective board of directors of the companies included in the Group are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in the aggregate, make it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatement in the consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matters

We did not audit the financial statements of five subsidiaries whose financial statements reflect total assets of ₹ 4,221 million as at 31 March 2020, total revenues of ₹ 4,541 million and net cash outflows amounting to ₹ 32 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

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.

The consolidated financial statements includes the financial information of five subsidiaries which have not been audited by their auditors, whose financial information reflect total assets of ₹ 64 million as at 31 March 2020, total revenues of ₹ 47 million and net cash inflow of ₹ 33 million for the year ended on that date. The financial information of these subsidiaries, is unaudited and has been furnished to us by the management and our opinion on the consolidated financial statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on such unaudited financial information which is certified by the management. In our opinion and according to the information and explanations given to us by the management, the financial information of these subsidiaries are not material to the Group.

Our opinion on the consolidated financial statements, and our report on other legal and regulatory requirements below, 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 and the financial statement certified by the management.

Report on other legal and regulatory requirements

1 As required by section 143(3) of the Act, based on our audit we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books;
- (c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and the consolidated statement of cash flow dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under

section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;

- (e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors of the Company and its subsidiaries incorporated in India and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2020 from being appointed as a director in terms of section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A which is based on the auditor's report of the Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
- (g) With respect to the other matters to be included in the auditor's report in accordance with the requirements of section 197(16) of the Act (as amended), we report that in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and

(h) With respect to the other matters to be included in the auditor's report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

- i The Group has disclosed the impact of pending litigations on its consolidated financial position in its financial statements – refer note 34 to the consolidated financial statements;
- ii the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company– refer note 48 to the consolidated financial statements.

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

Firdosh D. Buchia
Partner

Membership no. 038332
UDIN: 20038332AAAAB5585

Mumbai, 15 May 2020

Annexure 'A'

to the Independent Auditor's Report

(Referred to in paragraph 2(f) of our report of even date)

Report on the internal financial controls under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of L&T Technology Services Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

The board of directors of the Company and its subsidiary companies, which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the guidance note on audit of internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' responsibility

Our responsibility is to express an opinion on the internal financial control over financial reporting of the Company and its subsidiary companies, which are incorporated in India, based on our audit. We conducted our audit in accordance with the guidance note on audit of internal financial controls over financial reporting and the standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of

internal financial controls, both applicable to an audit of internal financial controls and, both issued by the ICAI. Those standards and the guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company and its subsidiary companies, which are incorporated in India.

Meaning of internal financial controls over financial reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that

transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent limitations of internal financial controls over financial reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to explanations given to us, the Company and its subsidiary companies, which are incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the guidance note on audit of internal financial controls over financial reporting issued by the ICAI.

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

Firdosh D. Buchia

Partner

Membership no. 038332

UDIN: 20038332AAAAB5585

Mumbai, 15 May 2020

Consolidated Balance Sheet

as at March 31, 2020

	Note No.	As at 31-03-2020	(₹ million) As at 31-03-2019
ASSETS:			
I. Non-current assets			
(a) Property, plant and equipment	4	2,099	1,443
(b) Right-of-use assets	4	3,490	-
(c) Capital work-in-progress	4	87	-
(d) Goodwill	5	5,460	5,365
(e) Other intangible assets	5	686	992
(f) Financial assets			
(i) Investments	6	310	-
(ii) Trade receivables	7	-	-
(iii) Other financial assets	8	827	1,362
(g) Deferred tax assets (net)	9	311	126
(h) Other non current assets	10	661	635
Total non-current assets		13,931	9,923
II. Current assets			
(a) Financial assets			
(i) Investments	11	6,110	5,749
(ii) Trade receivables	12	13,807	10,643
(iii) Cash and cash equivalents	13	2,179	2,048
(iv) Other bank balances	14	260	3
(v) Loans	15	1	-
(vi) Other financial assets	16	1,730	1,541
(b) Other current assets	17	5,015	3,736
Total current assets		29,102	23,720
TOTAL ASSETS		43,033	33,643
EQUITY AND LIABILITIES			
I. Equity			
(a) Equity share capital	18	209	208
(b) Other equity	19	27,477	24,583
Equity attributable to equity holders of the Company		27,686	24,791
Non-controlling interest		69	31
Total equity		27,755	24,822
II. Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Lease liability	20	3,268	-
(ii) Other financial liabilities	20	1,622	60
(b) Deferred tax liabilities (net)	9	-	134
Total non-current liabilities		4,890	194
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	303	702
(ii) Trade payables			
Due to micro enterprises and small enterprises	22	28	7
Due to others	22	1,947	1,872
(iii) Lease liability	23	693	-
(iv) Other financial liabilities	23	3,059	2,750
(b) Other current liabilities	24	2,376	1,899
(c) Provisions	25	1,654	1,341
(d) Current tax liabilities (net)		328	56
Total current liabilities		10,388	8,627
Total liabilities		15,278	8,821
TOTAL EQUITY AND LIABILITIES		43,033	33,643
Notes forming part of the consolidated financial statements	1-49		

As per our report attached
SHARP & TANNAN
Chartered Accountants
Firm's registration no. 109982W
by the hand of

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

FIRDOSH D. BUCHIA
Partner
Membership No. 38332

P. RAMAKRISHNAN
Chief Financial Officer

KAPIL BHALLA
Company Secretary
Membership No. F3485

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

AMIT CHADHA
Deputy CEO &
Whole-Time Director
(DIN: 07076149)

Place: Mumbai
Date: May 15, 2020

Place: Mumbai
Date: May 15, 2020

Place: Mumbai
Date: May 15, 2020

Place: New Jersey, USA
Date: May 15, 2020

Place: Washington, USA
Date: May 15, 2020

Consolidated Statement of Profit and Loss

for the year ended March 31, 2020

(₹ million except stated otherwise)

	Note No.	Year ended 31-03-2020	Year ended 31-03-2019
Income:			
I. Revenue from operations	26	56,191	50,783
II. Other income (net)	27	2,091	2,228
III. Total income		58,282	53,011
IV. Expenses:			
(a) Employee benefits expenses	28	32,916	30,318
(b) Depreciation and amortisation expenses		1,829	1,042
(c) Other expenses	29	12,170	11,307
(d) Change in contingent consideration - acquisition		-	11
(e) Finance costs	30	365	19
Total expenses		47,280	42,697
V. Profit before tax (III - IV)		11,002	10,314
VI. Tax expense :			
(a) Current tax		2,269	2,517
(b) Deferred tax (net)		509	113
Total tax expense	31	2,778	2,630
VII. Profit for the year (V - VI)		8,224	7,684
VIII. Other comprehensive income			
A (i) Items that will not be reclassified to the statement of profit and loss			
(a) Remeasurements of the defined benefit plans (net)		(126)	(31)
(b) Income tax on remeasurements of the defined benefit plans		27	7
B (i) Items that will be reclassified subsequently to the statement of profit or loss			
(a) Effective portion of gains and losses on hedging instruments in a cash flow hedge		(3,231)	29
(b) Income tax on effective portion of gains and losses on hedging instruments in a cash flow hedge		728	(22)
(c) Exchange differences on the translation of foreign operation		123	62
Total other comprehensive income (net of tax)		(2,479)	45
IX. Total comprehensive income for the year		5,745	7,729
Profit for the year attributable to:			
- Owners of the Company		8,186	7,656
- Non-controlling interest		38	28
Other comprehensive income for the year attributable to :			
- Owners of the Company		(2,479)	45
- Non-controlling interest		-	-
Total comprehensive income for the year attributable to :			
- Owners of the Company		5,707	7,701
- Non-controlling interest		38	28
X. Earnings per equity share	32		
Equity share of face value of ₹ 2 each			
- Basic (₹)		78.56	74.06
- Diluted (₹)		77.70	72.91
XI. Notes forming part of the consolidated financial statements	1-49		

As per our report attached
SHARP & TANNAN
 Chartered Accountants
 Firm's registration no. 109982W
 by the hand of

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

FIRDOSH D. BUCHIA
 Partner
 Membership No. 38332

P. RAMAKRISHNAN
 Chief Financial Officer

KAPIL BHALLA
 Company Secretary
 Membership No. F3485

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

AMIT CHADHA
 Deputy CEO &
 Whole-Time Director
 (DIN: 07076149)

Place: Mumbai
 Date: May 15, 2020

Place: Mumbai
 Date: May 15, 2020

Place: Mumbai
 Date: May 15, 2020

Place: New Jersey, USA
 Date: May 15, 2020

Place: Washington, USA
 Date: May 15, 2020

Consolidated Statement of Cash Flows

for the year ended March 31, 2020

(₹ million)

	Year ended 31-03-2020	Year ended 31-03-2019
A. Cash flow from operating activities		
Profit/(loss) before tax (excluding exceptional and extraordinary items)	11,002	10,314
Adjustments for:		
Depreciation and amortisation	1,829	1,042
Interest income	(173)	(8)
Interest paid	365	19
(Profit)/Loss on sale of fixed assets	-	1
Employee stock option forming part of staff expenses	199	184
Allowances for bad and doubtful debts and ECL	326	197
Dividends received from current investments	(170)	(173)
Unrealised foreign exchange loss/(gain)	(591)	230
Operating profit before working capital changes	12,787	11,806
Changes in working capital		
(Increase)/decrease in trade and other receivables	(5,310)	(1,877)
Increase/(decrease) in trade and other payables	1,023	941
(Increase)/decrease in working capital	(4,287)	(936)
Cash generated from operations	8,500	10,870
Direct taxes paid	(2,119)	(2,808)
Net cash (used in)/from operating activities	6,381	8,062
B. Cash flow from investing activities		
Purchase of property, plant and equipment and intangibles	(1,527)	(901)
Sale of property, plant and equipment and intangibles	16	16
(Purchase)/ sales of current investments (net)	(350)	(3,541)
(Purchase)/ sales of Non-current investments (net)	-	-
Deposits/loans (given) - subsidiaries and third parties	(253)	-
Consideration paid on acquisition of subsidiaries	(436)	(934)
Cash and cash equivalents acquired pursuant to acquisition of subsidiaries	-	87
Income received from current investments	166	172
Interest received	162	8
Net cash (used in)/from investing activities	(2,222)	(5,093)
C. Cash flow from financing activities		
Equity share capital issued	1	3
Proceeds from/(repayment of) borrowings	(426)	2
Interest paid	(365)	(19)
Lease liability paid	(634)	-
Dividend paid	(2,186)	(2,024)
Dividend tax paid	(450)	(416)
Net cash (used in) / from financing activities	(4,060)	(2,454)
Net (decrease) / increase in cash and cash equivalents	99	515
Cash and cash equivalents at beginning of the period	2,034	1,519
Cash and cash equivalents at end of the period	2,133	2,034

Notes:

- 1 Statement of cash flows has been prepared under the indirect method as set out in the IndAS 7 "Statement of Cash Flows" as specified in the Companies (Indian Accounting Standards) Rules, 2015.
- 2 Purchase of fixed assets represents additions to property, plant and equipment and other intangible assets adjusted for movement of capital work-in-progress of (a) capital work-in-progress for property, plant and equipment and (b) intangible assets
- 3 Cash and cash equivalents included in statement of cash flows comprise the following :

	Year ended 31-03-2020	Year ended 31-03-2019
a) Cash and cash equivalents disclosed under current assets [Note 13]	2,179	2,048
b) Other bank balances disclosed under current assets [Note 14]	260	3
c) Cash and cash equivalents disclosed under non-current assets [Note 8]	5	5
Total cash and cash equivalents as per balance sheet	2,444	2,056
Add: (i) Unrealised exchange (gain)/loss on cash and cash equivalents [Note 13]	(46)	(14)
Less: (ii) Other bank balances disclosed under current assets [Note 14]	260	3
Less: (iii) Cash and cash equivalents disclosed under non-current assets [Note 8]	5	5
Total cash and cash equivalents as per cash flow statement	2,133	2,034

- 4 Previous year's figures have been regrouped/reclassified wherever applicable.

As per our report attached
SHARP & TANNAN
 Chartered Accountants
 Firm's registration no. 109982W
 by the hand of

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

FIRDOSH D. BUCHIA
 Partner
 Membership No. 38332

P. RAMAKRISHNAN
 Chief Financial Officer

KAPIL BHALLA
 Company Secretary
 Membership No. F3485

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

AMIT CHADHA
 Deputy CEO &
 Whole-Time Director
 (DIN: 07076149)

Place: Mumbai
 Date: May 15, 2020

Place: Mumbai
 Date: May 15, 2020

Place: Mumbai
 Date: May 15, 2020

Place: New Jersey, USA
 Date: May 15, 2020

Place: Washington, USA
 Date: May 15, 2020

Consolidated Statement of Changes in Equity

for the year ended March 31, 2020

A. Equity share capital

(₹ million except stated otherwise)

Particulars	01-04-19 to 31-03-2020		01-04-18 to 31-03-2019	
	Number of shares	₹ million	Number of shares	₹ million
Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year	104,013,325	208	102,456,047	205
Add: Shares issued on exercise of employee stock options during the period	498,233	1	1,557,278	3
Issued, subscribed and fully paid up equity shares outstanding at the end of the period	104,511,558	209	104,013,325	208

B. Other equity

(₹ million)

Particulars	<----- Reserves and surplus ----->			Items of other comprehensive income			Total other equity	Non-controlling interest	Total
	Securities premium account	Employee share options (net)	Retained earnings	Foreign currency translation reserve	Hedging reserve	Others			
Balance as at 01-04-2019	10,890	344	12,132	66	1,171	(20)	24,583	31	24,614
Impact of Ind AS 116	-	-	(345)	-	-	-	(345)	-	(345)
Profit for the year (a)	-	-	8,186	-	-	-	8,186	38	8,224
Other comprehensive income (net of taxes) (b)	-	-	-	123	(2,503)	(99)	(2,479)	-	(2,479)
Total comprehensive income for the year (a+b)	-	-	8,186	123	(2,503)	(99)	5,707	38	5,745
Deemed dividend - ESOP	-	-	(5)	-	-	-	(5)	-	(5)
Dividends	-	-	(2,186)	-	-	-	(2,186)	-	(2,186)
Dividend distribution tax	-	-	(450)	-	-	-	(450)	-	(450)
Employees shares options outstanding	-	32	-	-	-	-	32	-	32
Deferred employee compensation expense (net)	-	(22)	-	-	-	-	(22)	-	(22)
Addition/(deduction) during the year	153	-	12	-	-	(2)	163	-	163
Balance as at 31-03-2020	11,043	354	17,344	189	(1,332)	(121)	27,477	69	27,546
Balance as at 01-04-2018	10,502	538	6,947	4	1,164	4	19,159	3	19,162
Impact of Ind AS 115 and ECL on contract asset in opening reserve [refer note 46(d)]	-	-	(22)	-	-	-	(22)	-	(22)
Profit for the year (c)	-	-	7,656	-	-	-	7,656	28	7,684
Other comprehensive income (net of taxes) (d)	-	-	-	62	7	(24)	45	-	45
Total comprehensive income for the year (c+d)	-	-	7,656	62	7	(24)	7,701	28	7,729
Deemed dividend - ESOP	-	-	(9)	-	-	-	(9)	-	(9)
Dividends	-	-	(2,024)	-	-	-	(2,024)	-	(2,024)
Dividend distribution tax	-	-	(416)	-	-	-	(416)	-	(416)
Employees shares options outstanding	-	(216)	-	-	-	-	(216)	-	(216)
Deferred employee compensation expense	-	22	-	-	-	-	22	-	22
Addition/(deduction) during the year	388	-	(0)	-	-	-	388	-	388
Balance as at 31-03-2019	10,890	344	12,132	66	1,171	(20)	24,583	31	24,614

As per our report attached
SHARP & TANNAN
 Chartered Accountants
 Firm's registration no. 109982W
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For and on behalf of the Board of Directors of
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FIRDOSH D. BUCHIA
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Place: Mumbai
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Place: Mumbai
 Date: May 15, 2020

Place: New Jersey, USA
 Date: May 15, 2020

Place: Washington, USA
 Date: May 15, 2020

Notes forming part of the Consolidated Financial Statements

1 Corporate information

L&T Technology Services Limited (the "Company") along with its subsidiaries (the "Group"), is a leading global pure-play Engineering Research and Development (ER&D) services company. ER&D services are a set of services provided to manufacturing, technology and process engineering companies, to help them develop and build products, processes and infrastructure required to deliver products and services to their end customers.

The Company is a listed public company incorporated and domiciled in India and has its registered office at L&T House, N.M. Marg, Ballard Estate, Mumbai 400 001. As at March 31, 2020, Larsen & Toubro Limited, the holding company, owns 74.62% of the Company's equity share capital.

2 Significant accounting policies

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and amendments thereof issued by Ministry of Corporate Affairs under section 133 of the Companies Act, 2013. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations require a different treatment. These financial statements have been approved for issue by the Board of Directors at their meeting held on May 15, 2020.

b) Basis of accounting

These consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values or at amortised cost at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction

between market participants at the measurement date. Fair value measurements are categorised as below, based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

- (i) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at measurement date;
- (ii) Level 2 inputs are inputs, other than quoted prices included in level 1, that are observable for the asset or liability, either directly or indirectly; and
- (iii) Level 3 inputs are unobservable inputs for the valuation of assets or liabilities.

Above levels of fair value hierarchy are applied consistently and generally, there are no transfers between the levels of the fair value hierarchy unless the circumstances change warranting such transfer.

Accounting policies have been consistently applied except where a new accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

c) Presentation of consolidated financial statements

The consolidated balance sheet and the consolidated statement of profit and loss are prepared in the format prescribed in the schedule III to the Act. The consolidated statement of cash flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in consolidated balance sheet and consolidated statement of profit and loss, as prescribed in the schedule III to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the notified Ind AS and the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended.

Amounts in the consolidated financial statements are presented in Indian Rupees in million [1 million = 10 lakhs] rounded off to two decimal places as permitted by schedule III to the Companies Act, 2013. Per share data are presented in Indian Rupees to two decimals places.

Notes forming part of the Consolidated Financial Statements

d) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Parent Company and its subsidiaries on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. All intra-group assets, liabilities, income, expenses and unrealised profits/losses on intra-group transactions are eliminated on consolidation. The accounting policies of subsidiaries have been harmonised to ensure the consistency with the policies adopted by the Parent Company. The consolidated financial statements have been presented to the extent possible, in the same manner as Parent Company's standalone financial statements.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Parent Company and to the non-controlling interests and have been shown separately in the consolidated financial statements.

e) Business combination/Goodwill on consolidation

- i) The Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in the statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date.
- ii) Goodwill on consolidation as on the date of transition represents the excess of cost of acquisition at each point of time of making the investment in the subsidiary over the Group's share in the net worth of a subsidiary. For this purpose, the Group's share of net worth is determined on the basis of the latest financial statements, prior to the acquisition, after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition. Goodwill arising on consolidation is not amortised, however, it is tested for impairment. In the event of cessation of operations of a subsidiary, the unimpaired goodwill is written off fully.
- iii) Goodwill represents the excess of consideration paid over the net value of assets acquired. Goodwill is not amortised, but it is tested for impairment at regular intervals. Refer note I (ii) for accounting policy on impairment of asset

- iv) Non-controlling interest represents that part of the total comprehensive income and net assets of subsidiaries attributable to interests which are not owned, directly or indirectly, by the Parent Company.

f) Operating cycle for current and non-current classification

Operating cycle for the business activities of the Group covers the duration of the project/contract/service and extends up to the realization of receivables within the credit period normally applicable to the respective lines of business.

g) Revenue recognition

Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those services:

- a. Revenue from contracts which are on time and material basis are recognized when services are rendered, and related costs are incurred.
- b. Revenue from fixed-price contracts where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. The cost expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity.
- c. Revenues in excess of invoicing are classified as contract assets (unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (unearned revenue).
- d. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group presents revenue net of discounts, collection charges, indirect taxes and value-added taxes in its statement of profit and loss.

Notes forming part of the Consolidated Financial Statements

e. The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date as per contract.

h) Other income

- a) Interest income is accrued on a time proportion basis by reference to the principal outstanding and the effective interest rate.
- b) Dividend income is accounted in the period in which the right to receive the same is established.
- c) Other items of income are accounted as and when the right to receive arises and it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

i) Exceptional items

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Group is treated as an exceptional item and the same is disclosed in the notes to accounts.

j) Property, plant and equipment (PPE)

Property, plant and equipment is recognised when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Property, plant and equipment are stated at cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment loss, if any.

PPE not ready for intended use on the date of balance sheet are disclosed as "capital work-in-progress".

Depreciation is provided for property, plant and equipment so as to expense the cost over their estimated useful lives, based on evaluation, using straight-line method. The estimated useful lives and residual value are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

i) The estimated useful lives are as mentioned below:

Sr. No.	Asset class	Useful life (in years)
1	Plant and equipment *	12
2	Air-condition and refrigeration *	12
3	Canteen equipment *	8
4	Laboratory equipment *	8
5	Electrical installations *	10
6	Computers *	3 – 5
7	Office equipment *	>1 – 5
8	Furniture and fixtures *	7 – 10
9	Owned vehicles *	7
10	Leasehold improvements	Lease period

* The useful lives for these assets are different from the useful lives as prescribed under part C of schedule II of the Act. Based on technical evaluation, the management believes that the useful lives as given above best represents the period over which the management expects to use these assets.

ii) Estimated useful life of following assets is different than useful life as prescribed in schedule II of the Companies Act, 2013.

Sr. No.	Category of asset	Useful life as per schedule II (in years)	Useful life adopted (in years)
1	Plant and equipment	15	12
2	Air-condition and refrigeration	15	12
3	Canteen equipment	15	8
4	Laboratory equipment	10	8
5	Electrical installations	10	10
6	Computers	3 – 6	3 - 5
7	Office equipment	5	1 - 4
8	Furniture and fixtures	10	7 - 10
9	Owned vehicles	8	7

Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.

k) Right-of-use asset

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received,

Notes forming part of the Consolidated Financial Statements

plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling, if any. The right-of-use assets is subsequently measured at cost less any accumulated depreciation and accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the lease term life of right-of-use asset.

l) Intangible assets and amortisation

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the Group and the cost of the asset can be measured reliably.

Intangible assets purchased are measured at cost (net of tax/duty credits availed, if any) or fair value as of the date of acquisition, as applicable, less accumulated amortisation and cumulative impairment, if any.

Intangible assets consist of computer software and technical know-how which are amortised over the useful life, on a straight-line basis, as given below:

Asset class	Useful life (in years)
Specialised software*	3 – 6
Technical knowhow	4
Customer contracts and relationships	4
Tradename	1

m) Impairment of assets

i) Trade receivables

The Group uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward-looking estimates. In addition to the historical pattern of credit loss, the Group has considered the likelihood of increased credit risk and consequential default by customers. In making this assessment, the Group has considered current and anticipated future economic conditions relating to industries/business verticals that the Group deals with and the countries where it operates.

ii) Non-financial assets

Tangible and intangible assets

Property, plant and equipment and intangible assets (other than goodwill) are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss

Goodwill is tested for impairment annually and if events or changes in circumstances indicate that an impairment loss may have occurred. In the impairment test, the carrying amount of the cash generating unit, including goodwill, is compared with its fair value. When the carrying amount of the reporting unit exceeds its fair value, a goodwill impairment loss is recognised, up to a maximum amount of the goodwill related to the cash generating unit.

n) Employee benefits

i) Short term employee benefits

All employee benefits falling due wholly within twelve months of rendering the service are classified as short-term employee benefits. The benefits like salaries, wages, and short term compensated absences and performance incentives are recognized in the period in which the employee renders the related service.

ii) Post-employment benefits

a) Defined contribution plan:

The Group's superannuation fund and state governed provident fund scheme are classified as defined contribution plans. The contribution paid / payable under the schemes is recognised

Notes forming part of the Consolidated Financial Statements

in the statement of profit and loss in the period in which the employee renders the related service.

b) Defined benefit plans:

The provident fund scheme managed by board of trustees established by the Larsen & Toubro Limited, employee's gratuity fund scheme managed by LIC and post-retirement medical benefit scheme are the Group's defined benefit plans. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation, for eligible employees.

The obligation is measured at the present value of the estimated future cash-flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on government bonds, having maturity periods approximating to the terms of related obligations. In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognize the obligation on net basis.

Gains or losses on the curtailment or settlement of any defined benefit plan are recognized when the curtailment or settlement occurs. Past service cost is recognized as expense at the earlier of the plan amendment or curtailment and when the Group recognizes related restructuring costs or termination benefits.

Actuarial gains and losses are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Other changes in net defined benefit obligation like current service cost, past service cost, gains and losses on curtailment and net interest expense or income are recognized in the statement of profit and loss.

iii) Long term employee benefits:

The obligation for long term employee benefits like long term compensation absences is recognized in the similar manner as in the case of defined benefit plans as mentioned in (ii) (b) above and compensated absences generated for overseas employees is recognized as per entitlement.

(iv) Social security plans

Employer's contribution payable for overseas employees with respect to social security plans, which are defined contribution plans, is charged to the statement of profit and loss in the period in which employee renders the services.

o) Leases

The Ministry of Corporate Affairs notified Ind AS 116 "Leases" in respect of accounting periods commencing on or after April 1, 2019 superseding Ind AS 17 "Leases".

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective approach - Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application.

Group has followed Modified retrospective approach for accounting and accordingly comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. Consequently, the Group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset and the Group has not restated comparative figures and the cumulative effect of initially applying this Standard has been recognized as an adjustment to the opening balance of retained earnings as on April 1, 2019. The standard, however, does not

Notes forming part of the Consolidated Financial Statements

require an entity to recognize assets and liabilities for (a) short-term leases (for a period of twelve months or less) and (b) leases of low value assets.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Group has concluded that no changes are required to lease period relating to the existing lease contracts

The Group has elected not to apply the requirements of Ind AS 116 leases to short-term leases where lease term is 12 months or less and leases for which the underlying asset is of low value. The lease payments related to these leases are recognised as an expense.

p) Financial instruments

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially

measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

(i) Non-derivative financial assets:

a) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortised cost are represented by trade receivables, cash and cash equivalents, employee and other advances and eligible current and non-current assets.

b) Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

c. Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

(ii) Non-derivative financial liabilities:

Financial liabilities are initially recognised at fair value, and subsequently carried at amortised cost

Notes forming part of the Consolidated Financial Statements

using the effective interest method. For trade and other payables maturing within 1 year from balance sheet date, the carrying amount approximate fair value due to short maturity of these instruments.

(iii) Derivative financial instrument

Cash flow hedge

The Group designates foreign exchange forward & options contracts as hedge instruments in respect of foreign exchange risks. These hedges are accounted for as cash flow hedges.

The Group uses hedging instruments that are governed by the policies of the Group which are approved by the Board of Directors, which provide written principles on the use of such financial derivatives consistent with the risk management strategy of the Group.

The hedge instruments are designated and documented as hedges at the inception of the contract.

The effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at inception and on an ongoing basis. The ineffective portion of designated hedges are recognised immediately in the statement of profit and loss.

The effective portion of change in the fair value of the designated hedging instrument is recognised in the other comprehensive income and accumulated under the heading cash flow hedge reserve.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity till that time remains and is recognised in statement of profit and loss when the forecasted transaction ultimately affects the profit or loss. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss accumulated in equity is transferred to the statement of profit and loss.

(iv) De-recognition

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Group's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

q) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, balance with banks, deposits held at call with financial institutions, other short term highly liquid investments with original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

r) Securities premium account

(i) Securities premium includes:

- a) Any share issued for consideration over and above face value.
- b) The fair value of the stock options which are treated as expense, if any, in respect of shares allotted pursuant to the Company's stock options scheme.

(ii) The issue expenses of securities which qualify as equity instruments are written off against securities premium account.

s) Government grants

The Group recognizes government grant only when there is reasonable assurance that conditions attached to them shall be complied with and grants will be received.

Government grants receivable in the form of duty credit scripts is recognised as other income in the statement of profit and loss in the period in which application is made to the government authorities. Grants are disclosed after netting of all expenses which might not have been incurred by the Group if grant had not been available.

Notes forming part of the Consolidated Financial Statements

t) Borrowing costs

Borrowing costs include interest expense and exchange differences arising on foreign currency borrowings, to the extent they are regarded as an adjustment to interest costs.

All other borrowing costs are recognized in statement of profit or loss in the period in which they are incurred.

u) Company's stock option scheme

In respect of stock options granted pursuant to the Company's Stock Options Scheme, the excess of fair value of the option over the exercise price is treated as discount and accounted as employee compensation cost over the vesting period. The amount recognised as expense each year is arrived at based on the number of grants expected to vest. If a grant lapses after the vesting period, the cumulative discount recognised as expense in respect of such grant is transferred to general reserve.

v) Foreign currencies

i) The functional currency and presentation currency of the Group is Indian Rupee (₹). Functional currency of the Group and foreign operations has been determined based on the primary economic environment in which the Group and its foreign operations operate considering the currency in which funds are generated, spent and retained.

ii) Transactions in currencies other than the Group's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each Balance Sheet date, foreign currency monetary items are reported at the prevailing closing spot rate. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated. Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in the Statement of Profit and Loss in the period in which they arise.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

iii) Financial statements of foreign operations whose functional currency is different than Indian Rupees are translated into Indian Rupees as follows:

a) assets and liabilities for each Balance Sheet presented are translated at the closing rate at the date of that Balance Sheet;

b) income and expenses for each income statement are translated at average exchange rates; and

c) all resulting exchange differences are recognised in other comprehensive income and accumulated in equity as foreign currency translation reserve for subsequent reclassification to profit or loss on disposal of such foreign operations. The portion of foreign currency translation reserve attributed to non-controlling interest is reflected as part of non-controlling interest.

w) Income-tax

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current income taxes

The current income tax expense includes income taxes payable by the Group and its branches in India and overseas. The current tax payable by the Group in India is Indian income tax payable for their worldwide income after taking credit for tax relief available for export operations in Special Economic Zones (SEZs).

Current income tax payable by overseas branches of the Group is computed in accordance with the tax laws applicable in the jurisdiction in which the respective branch operates. The taxes paid are generally available for set off against the Indian income tax liability of the Group's worldwide income.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

Notes forming part of the Consolidated Financial Statements

Deferred income taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

For operations carried out in SEZs, deferred tax assets or liabilities, if any, have been established for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

The Group recognizes interest levied related to income tax assessments in interest expenses.

x) Provisions, contingent liabilities and contingent assets

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if

- i) The Group has a present obligation as a result of a past event;
- ii) A probable outflow of resources is expected to settle the obligation; and
- iii) The amount of the obligation can be reliably estimated

Contingent liability is disclosed in the case of

- i) A present obligation arising from a past event when it is not probable that an outflow of resources will be required to settle the obligation; or
- ii) A possible obligation unless the probability of outflow of resources is remote

Contingent assets are neither recognized nor disclosed.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

y) Commitments

Commitments are future liability for contractual expenditure. Commitment are classified and disclosed as follows:

- i) Estimated amount of contracts remaining to be executed on capital account and not provided for,
- ii) Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

z) Statement of Cash flows

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

Notes forming part of the Consolidated Financial Statements

aa) Use of estimates and judgements

The preparation of these consolidated financial statements in conformity with Ind AS requires that the management of the Group makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the consolidated financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates include useful lives of property, plant and equipment & intangible assets, allowance for doubtful debts/advances, future obligations in respect of retirement benefit plans, expected cost of completion of contracts, provision for rectification costs, future cash inflows (net) for hedging purpose, fair value measurement etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

bb) Earnings per equity share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average numbers of the equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

aa) The list of subsidiaries and step-down subsidiaries included in the consolidated financial statements is as under: -

	Name of the subsidiary company	Country of incorporation	Proportion of ownership as at March 31 (%)	
			2020	2019
1	L&T Technology Services LLC	USA	100	100
2	L&T Thales Technology Services Private Limited	India	74	74
3	Esencia Technologies, Inc. *	USA	100	100
4	Esencia Technology India Private Limited **	India	100	100
5	Graphene Semiconductor Services Private Limited##	India	100	Not applicable
6	Graphene Solutions Pte. Ltd.##	Singapore	100	Not applicable
7	Graphene Solution SDN. BHD.##	Malaysia	100	Not applicable
8	Graphene Solutions Taiwan Limited##	Taiwan	100	Not applicable
9	Seastar Labs Private Limited##	India	100	Not applicable
10	L&T Technology Services (Shanghai) Co. Limited^	China	100	Not applicable
11	L&T Technology Services (Canada) Limited^^	Canada	100	Not applicable

#The Company acquired 100% stake effective October 15, 2018 in Graphene Semiconductor Services Private Limited, a company incorporated in India and providing end-to-end solutions in semiconductor space.

The Company acquired 100% stake effective October 01, 2019 from Graphene Semiconductor Services Private Limited.

* On June 01, 2017 L&T Technology Services LLC, subsidiary of the Parent Company, acquired Esencia Technologies, Inc. ("Esencia") a corporation, incorporated in Nevada in 2006.

** The Company acquired 100% stake effective January 01, 2020 from Esencia Technologies, Inc.

^ The Company has been incorporated on August 06, 2019.

^^ The Company has been incorporated on August 22, 2019, which is 100% subsidiary of L&T Technology Services LLC.

Notes forming part of the Consolidated Financial Statements

cc) Accounting and reporting information for operating segments

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. The Group's operations predominantly relate to providing end-to-end business solutions to enable clients to enhance business performance. The Group evaluates performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along business segments. The accounting principles used in the preparation of the consolidated financial statements are consistently applied to record revenue and expenditure in individual segments and are as set out in the accounting policies.

Revenue and identifiable operating expenses in relation to segments are categorized based on items that are individually identifiable to that segment. Revenue for 'all other segments' represents revenue generated by the

Group. Allocated expenses of segments include expenses incurred for rendering services (offsite and onsite) Certain expenses such as depreciation, which form a significant component of total expenses, are not specifically allocable to specific segments as the underlying assets are used interchangeably. The management believes that it is not practical to provide segment disclosures relating to those costs and expenses, and accordingly these expenses are separately disclosed as "unallocated" and adjusted against the total income of the Group.

Assets and liabilities used in the Group's business are not identified to any of the reportable segments, as these are used interchangeably between segments and it is not practicable to provide segment disclosures relating to total assets and liabilities.

3 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from 1st April, 2020.

Notes forming part of the Consolidated Financial Statements

4 Property, plant and equipment

Particulars	Gross block			Depreciation/ amortisation			Net block as at	
	As at 01-04-2019	Additions	Foreign currency fluctuation	As at 31-03-2020	For the year	Foreign currency fluctuation	As at 31-03-2020	As at 31-03-2019
Leasehold improvements	322	86	-	408	48	-	167	241
Plant and equipment	75	-	5	70	11	-	61	9
Computers	1,197	714	3	1,904	372	2	931	973
Furniture and fixtures	205	70	-	268	31	-	138	130
Vehicles	237	112	29	320	44	-	59	261
Office equipments	244	100	1	338	176	-	214	124
Electrical installations	140	49	-	189	16	-	77	112
Aircondition and refrigeration	100	47	-	147	14	-	51	96
Laboratory equipments	135	91	-	226	25	-	75	151
Canteen equipments	1	2	-	3	1	-	1	2
Total	2,656	1,271	4	3,873	606	2	1,774	2,099
Previous year figures	2,020	730	1	2,656	521	1	1,213	1,443
Capital Work-in-progress							87	

Right-of-use assets

Particulars	Gross block			Depreciation/ amortisation			Net block as at	
	As at Pursuant to 01-04-2019	Ind AS 116	Foreign currency fluctuation	As at 31-03-2020	For the year	Foreign currency fluctuation	As at 31-03-2020	As at 31-03-2019
Right of use assets	-	3,332	940	8	-	3	2	-
Total	-	3,332	940	8	-	783	2	-

5 Goodwill and other intangible assets

Particulars	Gross block			Depreciation/ amortisation			Net block as at	
	As at 01-04-2019	Additions	Foreign currency fluctuation	As at 31-03-2020	For the year	Foreign currency fluctuation	As at 31-03-2020	As at 31-03-2019
Goodwill	4,156	-	95	4,251	-	-	-	4,156
Goodwill on consolidation	1,209	-	-	1,209	-	-	-	1,209
Goodwill subtotal (a)	5,365	-	95	5,460	-	-	-	5,365
Specialised softwares	1,514	113	1	1,628	202	1	1,353	364
Technical knowhow	143	-	-	143	-	-	143	-
Customer Contracts and relationships *	1,258	-	85	1,343	238	64	932	628
Tradename	106	-	-	106	-	-	106	-
Other intangibles subtotal (b)	3,021	113	86	3,220	440	65	2,534	992
Total (a+b)	8,386	113	181	8,680	440	65	2,534	6,357
Previous year figures	7,305	967	114	8,386	532	36	2,029	5,844

*Goodwill has been tested for impairment.

Notes forming part of the Consolidated Financial Statements

6 Non Current investment

(₹ million)

	As at 31-03-2020	As at 31-03-2019
Corporate Deposits		
Corporate Deposit with Bajaj Finance	131	-
Corporate Deposit with HDFC	80	-
Corporate Deposit with LIC Housing Finance	99	-
	310	-

7 Trade receivables - non current

(₹ million)

	As at 31-03-2020	As at 31-03-2019
Non current		
Increase in credit risk	69	23
Credit impaired	189	168
	258	191
Less: Allowance for bad and doubtful debt	(258)	(191)
	-	-

8 Other financial assets - non current

(₹ million)

	As at 31-03-2020	As at 31-03-2019
Security deposits	452	396
Fixed deposits*	5	5
Foreign currency forward and options contracts	370	961
	827	1,362

* Fixed deposits are placed as margin money deposits against bank guarantees.

9 Deferred tax assets (net)

(₹ million)

Description	DTL/(DTA) As at 01-04-2019	Ind AS 116 impact	Charge/ (credit) to P&L	Charge/ (credit) to OCI	Foreign currency translation reserve	DTL/(DTA) As at 31-03-2020
Deferred tax assets:						
Property, plant and equipment and other intangible assets	623	-	134	-	-	757
Branch profit tax	466	-	127	-	-	593
Net gain/(loss) on fair valuation of investments	-	-	(1)	-	-	(1)
Cash flow hedges	345	-	-	(728)	-	(383)
Provision for employee benefits	(229)	-	(61)	-	-	(290)
Allowances for doubtful debts	(62)	-	(76)	-	-	(138)
IND AS-116 impact	-	(101)	(27)	-	-	(128)

Notes forming part of the Consolidated Financial Statements

(₹ million)

Description	DTL/(DTA) As at 01-04-2019	Ind AS 116 impact	Charge/ (credit) to P&L	Charge/ (credit) to OCI	Foreign currency translation reserve	DTL/(DTA) As at 31-03-2020
Other items giving rise to timing differences	(156)	-	(156)	-	-	(312)
MAT credit entitlement	(1,113)	-	704	-	-	(409)
Net deferred tax assets	(126)	(101)	644	(728)	-	(311)
Deferred tax liabilities:						
Property, plant and equipment and other intangible assets	155	-	(134)	-	4	25
Provision for employee benefits	(18)	-	3	-	(2)	(17)
Allowances for doubtful debts	-	-	(1)	-	-	(1)
IND AS-116 impact	-	(1)	(2)	-	-	(3)
Other items giving rise to timing differences	(3)	-	(1)	-	-	(4)
Net deferred tax liabilities	134	(1)	(135)	-	2	-

10 Other non-current assets

(₹ million)

	As at 31-03-2020	As at 31-03-2019
Prepaid expenses	22	118
Income tax receivable (net)	639	517
	661	635

11 Investments

(₹ million)

Investments - current	As at 31-03-2020	As at 31-03-2019
a) Quoted mutual funds		
Investment carried at fair value through profit and loss		
Aditya Birla Sunlife Cash Plus Fund - Direct Plan - Daily Dividend Reinvestment	-	350
Aditya Birla SunLife Money Manager Fund - Direct Plan - Daily Dividend Reinvestment	318	202
Aditya Birla Sun Life Floating Rate Fund - Direct Plan - Daily Dividend Reinvestment	303	-
LIC MF Liquid Fund – Direct – Daily Dividend Reinvestment	300	-
Franklin India Savings Fund – Direct – Daily Dividend	352	-
Invesco India Money Fund - Direct Plan - Daily Dividend Reinvestment	101	90
Kotak Corporate Bond Fund - Direct Plan - Monthly Dividend Reinvestment	405	-
Kotak Liquid Fund - Direct - Daily Dividend Reinvestment	-	500
Sundaram Money Fund -Direct Daily Dividend Reinvestment	-	651
DSP BlackRock Liquidity Fund - Direct - Daily Dividend Reinvestment	250	552
ICICI Prudential Money Market Fund - Direct Plan - Daily Dividend Reinvestment	402	-
Franklin India Liquid Fund – Direct Plan - Daily Dividend Reinvestment	100	-
Nippon Money Market Fund - Daily Dividend Reinvestment	409	-
L&T Liquid Fund - Daily Dividend Reinvestment	472	71
HSBC Cash Fund - Direct - Daily Dividend Reinvestment	-	430
Reliance Liquid Fund Treasury Plan - Daily Dividend Reinvestment	-	581

Notes forming part of the Consolidated Financial Statements

		(₹ million)	
Investments - current	As at 31-03-2020	As at 31-03-2019	
Axis Liquid Fund - Direct - Daily Dividend Reinvestment	-	581	
Invesco India Liquid Fund - Direct Daily Dividend Reinvestment	-	490	
Invesco India Treasury Advantage Fund - Direct Plan - Daily Dividend Reinvestment	132	-	
Axis Treasury Advantage Fund - Daily Dividend Reinvestment	406	-	
HDFC Ultra Short Term Fund - Direct Plan - Daily Dividend Reinvestment	445	-	
Tata Liquid Fund - Direct - Daily Dividend Reinvestment	250	673	
UTI Liquid Fund - Cash Plan - Daily Dividend Reinvestment	-	578	
UTI Floater Fund - Direct - Quarterly Dividend Reinvestment	101	-	
UTI Money Fund - Direct Plan - Daily Dividend Reinvestment	458	-	
b) Corporate Deposits			
Corporate Deposit with Bajaj Finance	300	-	
Corporate Deposit with HDFC	307	-	
Corporate Deposit with LIC Housing Finance	299	-	
	6,110	5,749	
Aggregate amount of quoted investment at cost	6,106	5,748	
Aggregate amount of quoted investment at market value	6,110	5,749	

12 Trade receivable - current

		(₹ million)	
	As at 31-03-2020	As at 31-03-2019	
Unsecured, considered good	14,042	10,706	
	14,042	10,706	
Less: Allowance for bad and doubtful debts	(235)	(63)	
	13,807	10,643	

13 Cash and cash equivalents - current

		(₹ million)	
	As at 31-03-2020	As at 31-03-2019	
Balances with banks	2,086	1,390	
Cheques on hand	56	57	
Remittance in transit	37	601	
	2,179	2,048	

There are no repatriation restrictions with regard to cash and cash equivalents at the end of reporting period and prior period.

Notes forming part of the Consolidated Financial Statements

14 Other bank balance - current

(₹ million)

	As at 31-03-2020	As at 31-03-2019
Fixed deposits with banks		
Maturity more than 3 months but less than 12 months	258	2
Earmarked balances with banks - unclaimed dividend	2	1
	260	3

15 Loans - current

(₹ million)

	As at 31-03-2020	As at 31-03-2019
Unsecured, considered good		
Others	1	-
	1	-

16 Other financial assets - current

(₹ million)

	As at 31-03-2020	As at 31-03-2019
Advances to employees	245	273
Security deposits	22	23
Foreign currency forward and options contracts	271	489
Loans and advances to related parties	13	7
Other receivables	29	35
Unbilled revenue	1,181	723
Less: ECL on unbilled revenue	(31)	(9)
	1,150	714
	1,730	1,541

17 Other current assets

(₹ million)

	As at 31-03-2020	As at 31-03-2019
Unbilled revenue	2,448	1,731
Less: ECL on unbilled revenue	(88)	(25)
	2,360	1,706
Retention money not due	9	-
Advances to suppliers	233	99
Prepaid expenses	881	901
Service tax/GST recoverable	175	112
GST receivable	551	600
Other receivables	806	318
	2,646	2,030
	5,015	3,736

Notes forming part of the Consolidated Financial Statements

18 Equity share capital

(₹ million)

	As at 31-03-2020	As at 31-03-2019
18.1 Authorised :		
5,250,000,000 (previous year: 5,250,000,000) equity shares of ₹ 2 each	10,500	10,500
	10,500	10,500

(₹ million)

	As at 31-03-2020	As at 31-03-2019
18.2 Issued, subscribed and fully paid up		
Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year [10,40,13,325 (previous year: 102,456,047) equity shares of ₹ 2 each]	208	205
Add: shares issued on exercise of employee stock options during the year [498,233 (previous year: 15,57,278) equity shares of ₹ 2 each]	1	3
Issued, subscribed and fully paid up equity shares outstanding at the end of the year [10,45,11,558 (previous year: 10,40,13,325) equity shares of ₹ 2 each]	209	208

18.3 Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. They entitle the holder to participate in the dividends, and to share in the proceeds of the winding up the Company in proportion to the number of and amounts paid on the shares held. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.

18.4 Shareholders holding more than 5% of equity shares as at the end of the year

Equity shares	31-03-2020		31-03-2019	
	No. of shares	% Holding	No. of shares	% Holding
Larsen & Toubro Limited	77,986,899	74.62%	82,050,531	78.88%
	77,986,899		82,050,531	

18.5 Shares reserved for issue under options

Information relating to L&T Technology Services Limited Employee Option Plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in note 18.8

18.6 In the period of five years immediately preceding March 31, 2020:

Aggregate number and class of shares allotted as fully paid up pursuant to contract without payment being received in cash - Nil (previous year: Nil)

Aggregate number and class of shares allotted as fully paid up by way of bonus shares - Nil (previous year: Nil)

Aggregate number and class of shares bought back - Nil (previous year: Nil)

18.7 Capital management

The Company continues its policy of a conservative capital structure which has ensured that it retains the highest credit rating. Low gearing levels also equip the Company with the ability to navigate business stresses on one hand and raise growth capital on the other. This policy also provides flexibility of fund raising options for future, which is especially important in times of global economic volatility. The gross debt equity ratio is 0:1 (as at 31-3-2019: 0:1)

Notes forming part of the Consolidated Financial Statements

18.8 Share based payments

- i) The objective of the ESOP Scheme, 2016 is to reward those employees who contribute significantly to the Company's profitability and shareholder's value as well as encourage improvement in performance and retention of talent. The options are vested equally over a period of 5 years subject to the discretion of the management and fulfillment of certain conditions.
- ii) The exercise period for the options granted under the ESOP Scheme, 2016 would be seven years (84 months) from the date of grant of options or six years from the date of first vesting or three years (36 months) from the date of retirement/death, whichever is earlier, subject to any change as may be approved by the Board. The exercise price may be decided by the Board, in such manner, during such period, in one or more tranches and on such terms and conditions as it may deem fit, provided that the exercise price per option shall not be less than the par value of the equity share of our Company and shall not be more than the market price as defined in the SEBI (Share Based Employee Benefits) Regulations, 2014 and shall be subject to compliance with accounting policies under the said regulation. The number of shares to be allotted on exercise of options should not exceed the total number of unexercised vested options that may be exercised by the employee.
- iii) Details of grant under ESOP Scheme, 2016 is summarised below:

Series reference	ESOP scheme, 2016	
	2019-20	2018-19
Grant price -₹	2	2
Grant dates	28-07-2016 onwards	
Vesting commences on	28-07-2017 onwards	
Options granted and outstanding at the beginning of the year	1,738,667	3,224,945
Options lapsed during the year	84,000	164,000
Options granted during the year	166,000	235,000
Options exercised during the year	498,233	1,557,278
Options granted and outstanding at the end of the year-(a)	1,322,434	1,738,667
of (a) above - vested outstanding options	105,074	82,187
of (a) above - unvested outstanding options	1,217,360	1,656,480
Weighted average remaining contractual life of options (in years)	2.99	4.51

- iv) No options were granted to key managerial personnel during the current year (previous year - nil).
- v) The number and weighted average exercise price of stock options are as follows:

Particulars	2019-20		2018-19	
	No. of stock options	Weighted average exercise price (₹)	No. of stock options	Weighted average exercise price (₹)
Options granted and outstanding at the beginning of the year	1,738,667	2	3,224,945	2
Options granted during the year	166,000	2	235,000	2
Options allotted during the year	498,233	2	1,557,278	2
Options lapsed during the year	84,000	2	164,000	2
Options granted and outstanding at the end of the year -(a)	1,322,434	2	1,738,667	2
Options exercisable at the end of the year out of -(a) above	105,074	2	82,187	2

Notes forming part of the Consolidated Financial Statements

- vi) Weighted average share price at the date of exercise for stock options exercised during the year is ₹ 1619.53 per share. (previous year ₹ 1435.59 per share).
- vii) No options expired during the periods covered in the above table.
- viii) Expense on Employee stock option schemes debited to the statement of profit and loss during 2019-20 is ₹ 207 million (previous year: ₹ 184 million).
- ix) The fair value at grant date of options granted during the year ended 31-03-2020 was ₹ 1,588.88 & ₹ 1527.59 (previous year: ₹ 1,231.30). The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, term of option, share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. The model inputs for options granted during the year included:

Particulars	2019-20		2018-19
Weighted average exercise price (₹)	2	2	2
Grant date	19-Jul-19	18-Oct-19	23-Jul-18
Expiry date	18-Jul-26	17-Oct-26	22-Jul-25
Weighted average share price at grant date	₹ 1660.45 per option	₹ 1593.30 per option	₹ 1,281.80 per option
Weighted average expected price volatility of company's share	24.01%	23.21%	22.47%
Weighted average expected dividend yield over life of option	5.30%	5.08%	5.06%
Weighted average risk-free interest	6.22%	6.03%	7.67%
Method used to determine expected volatility	The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility based on publicly available information.		

18.9 Dividends

- (a) During the year ended March 31, 2020, the Company paid the final dividend of ₹ 13.50 per equity share for the year ended March 31, 2019.
- (b) On October 18, 2019, the Company paid an interim dividend of ₹ 7.50 per equity share for the year ended March 31, 2020.
- (c) On May 15, 2020, the Board of Directors of the Company have recommended the final dividend of ₹ 13.50 per equity share for the year ended March 31, 2020 subject to approval by the shareholders at the forthcoming annual general meeting. On approval, the total dividend payment based on number of shares outstanding as on March 31, 2020 is expected to be ₹ 1,411 million.

Notes forming part of the Consolidated Financial Statements

19 Other equity

(₹ million)

	As at 31-03-2020	As at 31-03-2019
Securities premium account [note 2(r)]	11,043	10,890
Share options outstanding account [note 2(u)]		
Employee share options outstanding	650	619
Deferred employee compensation expense	(296)	(275)
Retained earnings	17,344	12,132
Cash flow hedge reserve [note 2(p)(iii)]	(1,332)	1,171
Foreign currency translation reserve	189	66
Other items of other comprehensive income	(121)	(20)
	27,477	24,583

The components of other equity include the Group's share in the respective reserves of its subsidiaries. Reserves attributable to non-controlling interest is reported separately in the consolidated balance sheet. Retained earnings comprise Group's share in general reserve and balance of profit and loss.

20 Other financial liabilities - non-current

(₹ million)

	As at 31-03-2020	As at 31-03-2019
Lease liability	3,268	-
Liability towards employee compensation	47	-
Forward contract payable	1,575	60
	4,890	60

21 Borrowing - current

(₹ million)

	As at 31-03-2020	As at 31-03-2019
Unsecured:		
Short term unsecured loans from banks	303	276
Loans repayable on demand from banks	-	426
	303	702

22 Trade payable - current

(₹ million)

	As at 31-03-2020	As at 31-03-2019
Due to related parties*	469	451
Due to Micro and small enterprises	28	7
Due to others	1,478	1,421
	1,975	1,879

* Includes dues to subsidiaries and fellow subsidiaries (refer note 43)

Notes forming part of the Consolidated Financial Statements

23 Other financial liabilities - current

(₹ million)

	As at 31-03-2020	As at 31-03-2019
Unclaimed dividend	2	1
Due to others		
Lease liability	693	-
Liability towards employee compensation	2,267	2,325
Other payables	5	227
Forward contract payable	739	88
Suppliers ledger - capital goods/services	46	109
	3,752	2,750

24 Other current liabilities

(₹ million)

	As at 31-03-2020	As at 31-03-2019
Unearned revenue	512	242
Other payables	1,749	1,563
Liability - employee car/computer schemes	115	94
	2,376	1,899

25 Current liabilities : provisions

(₹ million)

	As at 31-03-2020	As at 31-03-2019
Provisions for employee benefits		
Leave encashment	1,583	1,273
Post retirement medical benefits/gratuity	71	68
	1,654	1,341

26 Revenue from operations

(₹ million)

	Year ended 31-03-2020	Year ended 31-03-2019
Engineering and technology services	56,191	50,783
	56,191	50,783

Notes forming part of the Consolidated Financial Statements

27 Other income

	(₹ million)	
	Year ended 31-03-2020	Year ended 31-03-2019
Export incentive	931	276
Foreign exchange gain ⁰	739	933
Profit/(loss) on sales of fixed asset	-	(1)
Dividend income and gain/(loss) from mutual fund	191	173
Interest received	173	8
Miscellaneous income	78	839
Net gain/(loss) on fair valuation of investment	(21)	-
	2,091	2,228

⁰The foreign exchange gain reported above includes loss of ₹ 58 million (previous year: gain of ₹ 704 million) being effective portion of the gain/loss on derivative instruments which are designated as cash flow hedges.

28 Employee benefits expenses

	(₹ million)	
	Year ended 31-03-2020	Year ended 31-03-2019
Salaries including overseas staff expenses	31,775	29,308
Contribution to and provision for:		
Contribution to provident and pension fund	464	377
Contribution to gratuity fund	106	114
Share based payments to employees	207	184
Staff welfare expenses	364	335
	32,916	30,318

29 Other expenses

	(₹ million)	
	Year ended 31-03-2020	Year ended 31-03-2019
Subcontracting and component charges	2,366	1,979
Engineering, professional, technical and consultancy fees	2,702	2,486
Cost of computer software	1,083	867
Travelling and conveyance	2,305	2,261
Rent and establishment expenses	189	927
Communication expenses	291	294
Legal and professional charges	541	372
Advertisement and sales promotion expenses	270	223
Recruitment expenses	342	216
Repairs to buildings and machineries	363	356
General repairs and maintenance	149	108
Power and fuel	166	147
Equipment hire charges	16	11
Insurance charges	82	81
Rates and taxes	258	124
Bad debts written off	1	29
Allowances for doubtful debts on trade receivable	239	155

Notes forming part of the Consolidated Financial Statements

(₹ million)

	Year ended 31-03-2020	Year ended 31-03-2019
ECL on unbilled revenue	86	13
Overheads charged by group companies	126	239
Trademark fees	84	76
Corporate social responsibility expenditure	327	101
Commission to Directors	12	29
Miscellaneous expenses	172	213
	12,170	11,307

30 Finance costs

(₹ million)

	Year ended 31-03-2020	Year ended 31-03-2019
Interest expense		
Interest expense	8	13
Interest on bill discounting	7	6
Interest on lease liability	350	
	365	19

31 Provision for taxation

(₹ million)

	Year ended 31-03-2020	Year ended 31-03-2019
Current tax		
Current tax on profits for the year	2,267	2,519
Tax expenses for prior periods	2	(2)
Deferred tax		
Decrease/(increase) in deferred tax assets	565	145
(Decrease)/increase in deferred tax liabilities	(56)	(32)
	2,778	2,630

32 Basic and diluted EPS

(₹ million except stated otherwise)

	Year ended 31-03-2020	Year ended 31-03-2019
Basic EPS		
Profit after tax	8,186	7,656
Profit attributable to equity shareholders	8,186	7,656
Weighted average no. of equity shares outstanding	104,198,134	103,376,513
Basic EPS (₹)	78.56	74.06
Diluted EPS		
Profit after tax	8,186	7,656
Profit attributable to equity shareholders	8,186	7,656
Weighted average no. of equity shares outstanding	104,198,134	103,376,513
Add - No. of potential equity shares	1,156,615	1,627,949
Weighted average no. of equity shares outstanding	105,354,749	105,004,462
Diluted EPS (₹)	77.70	72.91

Notes forming part of the Consolidated Financial Statements

33 Estimated amount of contracts remaining to be executed on capital account and not provided for: ₹ 288 million (previous year: ₹ 179 million).

34 Corporate guarantee

(₹ million)

	Year ended 31-03-2020	Year ended 31-03-2019
Corporate guarantee	1,309	1,196
	1,309	1,196

(Corporate bank guarantee of USD 16.5 million (previous year: USD 16.5 million) issued to Bank of America for securing borrowings of L&T Technology Services LLC, USA and USD 0.8 million (previous year: USD 0.8 million) issued to Bank of America for securing borrowings of Esencia Technologies Inc., USA.)

35 Other disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures":

i) Outstanding currency exchange rate hedge instruments:

Forward and options covers taken to hedge exchange rate risk and accounted as cash flow hedge:

(₹ million)

Particulars	As at March 31, 2020				As at March 31, 2019			
	Nominal amount	Average rate* (₹)	Within twelve months	After twelve months	Nominal amount	Average rate (₹)	Within twelve months	After twelve months
(a) Receivable hedges								
US Dollar	73,894	77.09	31,171	42,723	64,298	73.82	35,214	29,084
EURO	7,435		3,427	4,008	5,713		2,944	2,769
(b) Payable hedges								
US Dollar	9,081		5,479	3,602	12,475		9,706	2,769
EURO	2,906		1,317	1,589	2,537		1,334	1,203

*Average rate is attributable to forward contracts only.

ii) Carrying amounts of hedge instruments for which hedge accounting is followed:

(₹ million)

Cashflow hedge	As at March 31, 2020			As at March 31, 2019		
	Current	Non-current	Total	Current	Non-current	Total
Other financial assets	271	370	641	489	961	1,450
Other financial liabilities	(739)	(1,575)	(2,314)	(88)	(60)	(148)
Total	(468)	(1,205)	(1,673)	401	901	1,302

iii) Break up of hedging reserve

(₹ million)

Cash flow hedging reserve	As at 31-03-2020	As at 31-03-2019
Balance towards continuing hedge	(1,534)	1,096
Balance for which hedge accounting discontinued	202	75
Total	(1,332)	1,171

Notes forming part of the Consolidated Financial Statements

iv) Movement of hedging reserve

(₹ million)

Hedging reserve	2019-20	2018-19
Opening Balance	1,171	1,164
Changes in fair value of forward and options contracts designated as hedging instruments	(2,822)	676
Amount reclassified to statement of profit & loss where hedge item has become on-balance sheet	(409)	(691)
Tax impact on above	728	22
Closing Balance	(1,332)	1,171

36 Segment reporting

(a) Description of segments and principal activities

The Group's management examines the Group's performance both from industry and geographic perspective and has identified five reportable segments of its business:

- 1: Transportation:** The Group offers engineering services and solutions over the complete spectrum of the transportation industry, that includes OEM and Tier 1 suppliers in automotive, trucks and off-highway vehicles, aerospace and rail industries. The segment delivers end-to-end services from concept to detailed design through manufacturing, testing, after-market and sourcing support helping OEMs and Tier 1s develop products in a cost-effective manner. The Group also helps its clients develop cutting-edge transportation technologies such as autonomous driving, electric vehicle and drones.
- 2: Industrial products:** Industrial products practice helps original equipment manufacturer (OEM) customers across building automation, home and office products, energy, process control and machinery. The Group's expertise in engineering industrial products helps customers drive innovation and efficiency, and retain a competitive edge. The Group helps streamline the product development value chain, enabling customers spearhead business growth. This Industrial Products segment offers end-to-end product development counsel, leveraging expertise spanning software, electronics, connectivity, mechanical engineering, industrial networking protocols, user interface/user experience (UI/UX), test frameworks and enterprise control solutions.
- 3: Telecom & Hi-tech:** The Group's expertise in digital engineering such as the cloud, internet of things (IoT), artificial intelligence, data analytics and other areas in telecom domain enables its partners to leverage the right telecommunications strategy. With expertise in product variant development, 5G capabilities, simulations and automation, product and mid of life support, the Group is a one stop-solution for the clients. It also provides futuristic solutions and IP Cores that address some of the pressing needs of the semiconductor industry. The Group's narrow band IoT (nBloT) solution provides the complete IoT device management designed with low memory and low power footprint enabling easy integration to custom target platforms. The Group's experience in product development, digitalization, user experience engineering, and testing and certification enables the customers to expand to new markets, innovate newer and smarter products, and roll-out products faster and cheaper. The Group's designs for 3D cameras, speech recognition, smart glasses and connectivity programs involving wireless mesh networks are seeing increasing traction from the industry.
- 4: Plant engineering:** The plant engineering practice provides end to end engineering services for leading plant operators across the globe. The Group provides services in E/EPCM, engineering reapplication and global rollouts, plant sustenance and management, regulatory compliance engineering along with chemical, consumer packaged goods (FMCG) and energy and utility sector clients. The Company specializes in traditional engineering procurement construction management (EPCM) and operational maintenance projects, as well as contemporary digital engineering enterprises. The Group is advancing its engineering footprint to encompass

Notes forming part of the Consolidated Financial Statements

the digital sphere and working with customers on 'Smart Manufacturing' technologies such as automation, IoT, analytics, and augmented reality (AR).

- 5: Medical devices:** The Group's domain expertise, supported by its technological capabilities, helps medical device OEMs address industry challenges, accelerate time to market, and optimize costs. The Group focuses on delivering solutions in diagnostics, patient mobility services, musculoskeletal services, life sciences, surgical services, cardiovascular, home healthcare and general medical.

The management primarily uses a measure of earnings before interest, tax, depreciation and amortisation (EBITDA, see below) to assess the performance of the operating segments.

- (i) Primary segments are defined based on the industries from which revenues are derived and segmental results are as under:

(₹ million)						
Particulars	Transportation	Industrial Products	Telecom and Hi-tech	Plant Engineering	Medical Devices	Total
Revenue	19,863	10,863	11,253	9,099	5,113	56,191
% to Total	35.4%	19.3%	20.0%	16.2%	9.1%	100.0%
	<i>16,186</i>	<i>10,196</i>	<i>13,803</i>	<i>7,220</i>	<i>3,378</i>	<i>50,783</i>
% to Total	31.9%	20.1%	27.1%	14.2%	6.7%	100.0%
Segment operating profits	3,510	2,837	1,857	2,313	1,396	11,913
% to Revenue	17.7%	26.1%	16.5%	25.4%	27.3%	21.2%
	<i>2,702</i>	<i>2,542</i>	<i>2,150</i>	<i>1,642</i>	<i>839</i>	<i>9,875</i>
% to Total	16.7%	24.9%	15.6%	22.7%	24.8%	19.4%
Un-allocable expenses (net)						808
						728
Other income						2,091
						2,228
Operating profit						13,196
						11,375
Finance cost						365
						19
Depreciation						1,829
						1,042
Profit before extraordinary items and tax						11,002
						10,314

- (ii) Segmental reporting of revenues on the basis of the geographical location of the customers is as under:

(₹ million)					
Particulars	North America	Europe	India	Rest of World	Total
External revenue by location of customers	34,394	8,561	7,331	5,905	56,191
	<i>29,266</i>	<i>8,600</i>	<i>6,808</i>	<i>6,109</i>	<i>50,783</i>

Numbers in italics are for the previous year.

Fixed assets used and liabilities contracted for performing the Group's business have not been identified to any of the above reported segments as the fixed assets and services are used inter-changeably among segments.

- (iii) No single customer represents 10% or more of the Company's total revenue for the year ended 31st March 2020

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37 Financial risk management

i) Market risk management

The Group regularly reviews its foreign exchange forward and option positions, both on a standalone basis and in conjunction with its underlying foreign currency related exposures. The Group follows cash flow hedge accounting for highly probable forecasted exposures (HPFE) hence the movement in mark to market (MTM) of the hedge contracts undertaken for such exposures is likely to be offset by contra movements in the underlying exposures values. However, till the point of time that the HPFE becomes an on-balance sheet exposure, the changes in MTM of the hedge contracts will impact the balance sheet of the Group. The Group manages its exposures normally for a period of up to three years based on the estimated exposures over that period. As the period increases, the cash flows hedged as a percentage of the total expected cash flows diminish, as there is increased uncertainty of the total cash flows materializing over a longer period of time. The recognition of the gains and losses related to these instruments may not always coincide with the timing of gains and losses related to the underlying economic exposures and, therefore, may adversely affect the Group's financial condition and operating results. Hence, the Group monitors the potential risk arising out of the market factors like exchange rates, interest rates, price of traded investment products etc. on a regular basis. For on balance sheet exposures, the Group monitors the risks on net un-hedged exposures.

ii) Price risk

The Group's investment policy and strategy are focused on preservation of capital and supporting the Group's liquidity requirements. The Group uses a combination of internal and external management to execute its investment strategy and achieve its investment objectives. The Group typically invests in money market funds, under a limits framework which governs the credit exposure to any one issuer as defined in its investment policy. To provide a meaningful assessment of the price risk associated with the Group's investment portfolio, the Group performed a sensitivity analysis to determine the impact of change in prices of the securities that would have on the value of the investment portfolio assuming a 0.25% move in debt funds and debt securities. Based on the investment position a hypothetical 0.25% change in the fair market value of debt securities would result in a value change of +/- ₹ 8 million as of March 31, 2020, and +/- ₹ 9 million as of March 31, 2019. The investments in money market funds are for the purpose of liquidity management only and are held only overnight and hence not subject to any material price risk.

iii) Foreign currency risk

In general, the Group is a net receiver of foreign currency. Accordingly, changes in exchange rates, and in particular a strengthening of the Indian Rupee, will negatively affect the Group's net sales and gross margins as expressed in Indian Rupees.

The Group may enter into foreign currency forward contracts with financial institutions to protect against foreign exchange risks associated with certain existing assets and liabilities, certain firmly committed transactions, forecasted future cash flows and net investments in foreign subsidiaries. The Group's practice is to hedge a portion of its material net foreign exchange exposures with tenors in line with the projected exposure based on future business growth. However, the Group may choose not to hedge certain foreign exchange exposures for a variety of reasons, including but not limited to accounting considerations and the prohibitive economic cost of hedging particular exposures. The Group may also not hedge 100% given the uncertainty with business projections and hence the exposure gets hedged progressively in lower amounts.

To provide a meaningful assessment of the foreign currency risk associated with the Group's foreign currency derivative positions against off balance sheet exposures and unhedged portion of on-balance sheet exposures, the Group uses a multi-currency correlated value-at-risk ("VAR") model. The VAR model uses a Monte Carlo simulation to generate

Notes forming part of the Consolidated Financial Statements

thousands of random market price paths for foreign currencies against Indian rupee taking into account the correlations between them. The VAR is the expected loss in value of the exposures due to overnight movement in spot exchange rates, at 95% confidence interval. The VAR model is not intended to represent actual losses but is used as a risk estimation tool. The model assumes normal market conditions and is a historical best fit model. The overnight VAR for the Group at 95% confidence level is ₹ 196 million as of March 31, 2020 and ₹ 258 million as of March 31, 2019.

Actual future gains and losses associated with the Group's investment portfolio and derivative positions may differ materially from the sensitivity analyses performed as of March 31, 2020 due to the inherent limitations associated with predicting the timing and amount of changes in foreign currency exchanges rates and the Group's actual exposures and position.

iv) Credit/counter-party risk

The principal credit risk that the Group is exposed to is non-collection of trade receivables and late collection of receivables leading to credit loss. The risk is mitigated by reviewing creditworthiness of the prospective customers prior to entering into contract and post contracting, through continuous monitoring of collections by a dedicated team.

The Group reviews trade receivables on periodic basis and makes provision for doubtful debts if collection is doubtful. The Group also calculates the expected credit loss (ECL) for non-collection and for delay in collection of receivables. The Group makes additional provision if the ECL amount is higher than the provision made for doubtful debts. In case the ECL amount is lower than the provision made for doubtful debts, the Group retains the provision made for doubtful debts without any adjustment.

The provision for doubtful debts including ECL allowances for non-collection of receivables and delay in collection, on a combined basis, was ₹ 493 million as at March 31, 2020 and ₹ 254 million as at March 31, 2019. The movement in allowances for doubtful accounts comprising provision for both non-collection of receivables and delay in collection is as follows:

	(₹ million)	
	2019-20	2018-19
Opening balance of allowances for doubtful accounts	254	99
Allowances recognized (reversed)	239	155
Closing balance of allowances for doubtful accounts	493	254

The percentage of revenue from its top five customers is 19.18% for 2019-20 (26.41% for 2018-19).

The counter-party risk that the Group is exposed to is principally for financial instruments taken to hedge its foreign currency risks. The counter-parties are mainly banks and the Group has entered into contracts with the counterparties for all its hedge instruments.

The Group invests its surplus funds in liquid investments and mitigates the risk of counter-party failure by investing with institutions having good credit rating.

Notes forming part of the Consolidated Financial Statements

v) Liquidity risk

The Group manages liquidity risk by maintaining sufficient cash and marketable securities and by having access to funding through an adequate amount of committed credit lines.

Management regularly monitors the position of cash and cash equivalents vis-à-vis projections. Assessment of maturity profiles of financial assets and liabilities including debt financing plans and maintenance of balance sheet liquidity ratios are considered while reviewing the liquidity position.

The contractual maturities of financial assets and financial liabilities is as follows:

(₹ million)			
Financial asset	Less than 1 year	More than 1 year	Total
Investments	6,110	310	6,420
Trade receivables	13,807	-	13,807
Loans	1	-	1
Other financial assets	1,459	452	1,911
Total	21,377	762	22,139

(₹ million)			
Financial liabilities	Less than 1 year	More than 1 year	Total
Borrowings	303	-	303
Trade payables	1,975	-	1,975
Lease liabilities	693	3,268	3,961
Other financial liabilities	2,320	47	2,367
Total	5,291	3,315	8,606

38 Fair value measurements

Financial instruments by category

(₹ million)

	As at 31-03-2020			As at 31-03-2019		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial assets						
Investments						
- Mutual funds	5,204			5,749		
- Bank fixed deposits			5			5
- Corporate deposits			1,216			
Loans			1			
Trade receivables			13,807			10,643
Cash and cash equivalents			2,179			2,048
Other bank balances			260			3
Derivative financial instruments		641			1,450	
Security deposits			474			419
Loans - related parties			13			7
Advances - to employees			245			273
Other receivables			1,179			749
Total financial assets	5,204	641	19,379	5,749	1,450	14,147

Notes forming part of the Consolidated Financial Statements

(₹ million)

	As at 31-03-2020			As at 31-03-2019		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial liabilities						
Short-term borrowings			303			702
Trade payables			1,975			1,879
Derivative financial instruments		2,314		9	139	
Lease liability			3,961			
Supplier ledger - capital goods/services			46			109
Liability towards employee compensation			2,314			2,325
Unclaimed dividend			2			1
Other payables			5			227
Total financial liabilities	-	2,314	8,606	9	139	5,243

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

(₹ million)

Financial assets and liabilities measured at fair value - recurring fair value measurements	As at 31-03-2020				As at 31-03-2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Financial investment at FVPL								
Mutual funds	5,204			5,204	5,749			5,749
Financial investment at FVOCI								
Derivative financial instruments		641		641		1,450		1,450
Total financial assets	5,204	641	-	5,845	5,749	1,450	-	7,199
Financial liabilities								
Derivative financial instruments		2,314		2,314		148		148
Total financial liabilities	-	2,314	-	2,314	-	148	-	148

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

There were no transfers between the levels during the year.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

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(ii) Valuation technique used to determine fair value

Specific valuation technique used to value financial instruments include :

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of forward foreign exchange contracts and principal swap is determined using forward exchange rates at the balance sheet date.

(iii) Valuation processes

The finance department of the Group includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. The fair valuation of level 1 and level 2 classified assets and liabilities are readily available from the quoted prices in the open market and rates available in secondary market respectively. The valuation method applied for various financial assets and liabilities are as follows -

- Quoted price in the primary market (net asset value) considered for the fair valuation of the current investment i.e Mutual fund. Gain/(loss) on fair valuation is recognised in statement of profit and loss.
- The carrying amounts of trade receivable, unbilled revenue trade payable, cash and bank balances, short term loans and advances, statutory dues/receivable, short term borrowing, employee dues are considered to be the same as their fair value owing to their short-term nature.
- The fair value of premium receivable on financial guarantee contract is derived by discounting premium receivable over the period of contract. Thereafter, the same is carried at the amount initially recognised less the cumulative amortisation of income over the period of the contract.
- The fair value of non-current security deposits are calculated by discounting future cash inflows.

(iv) Fair value of financial assets and financial liabilities measured at amortised cost:

The carrying amounts of all financial assets and financial liabilities are considered to be the same as their fair values owing to their short term nature.

39 Tax reconciliation statement

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

Sr. no.	Particulars	Year ended 31 March,	
		2020	2019
(a)	Profit before tax	11,002	10,314
(b)	Corporate tax rate as per Income-tax Act, 1961	34.94%	34.94%
(c)	Tax on accounting profit (c)=(a)*(b)	3,844	3,604
(d)	(i) Tax effect of exempt non-operating income	(69)	(60)
	(ii) Tax effect due to non-taxable income for Indian tax purposes	(1,433)	(1,144)
	(iii) Effect of non-deductible expenses	61	70
	(iv) Overseas taxes	292	408
	(v) Tax effect on various other items	83	(247)
	Total effect of tax adjustments [(i) to (v)]	1,066	(974)
(e)	Tax expense recognised during the year (e)=(c)-(d)	2,778	2,630
(f)	Effective tax rate (f)=(e)/(a)	25.25%	25.50%

The applicable Indian statutory tax rate for fiscal 2020 and fiscal 2019 is 34.94%

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Overseas taxes are on account of income taxes payable overseas, principally in the United States of America. In India, the Company has benefited from certain tax incentives that the Government of India has provided to the export of software for the units registered under the Special Economic Zones Act, 2005(SEZ). SEZ units which commenced operations on or after April 1, 2005 are eligible for a deduction of 100 percent of profits or gains derived from the export of services for the first five years from the financial year in which the unit commenced the provision of services and 50 percent of such profits or gains for further five years. Upto 50% of such profits or gains is also available for a further five years subject to creation of a Special Economic Zone re-Investment Reserve out of the profit of the eligible SEZ units and utilization of such reserve by the Company for acquiring new plant and machinery for the purpose of its business as per the provisions of the Income tax Act, 1961.

40 Disclosure pursuant to Ind AS 19 "Employee benefits"

a) The amounts recognised in Balance Sheet are as follows:

(₹ million)

	Gratuity plan		Post retirement medical benefit plan		Provident Fund trust managed by the holding company	
	As at 31-03-2020	As at 31-03-2019	As at 31-03-2020	As at 31-03-2019	As at 31-03-2020	As at 31-03-2019
A. Present value of defined benefit obligation						
Wholly funded	861	627	-	-	4,618	4,138
Wholly unfunded	5	13	71	59	-	-
Total (a)	866	640	71	59	4,618	4,138
Less: Fair value of plan assets (b)	691	540	-	-	4,894	4,164
Amount to be recognised as liability or (asset) (a-b)	175	100	71	59	(276)	(26)
B. Amounts reflected in the balance sheet						
Liabilities	175	100	71	59	78	62
Assets						
Net liability / (asset)	175	100	71	59	78	62

b) The amounts recognised in Statement of Profit and Loss are as follows :

(₹ million)

	Gratuity plan		Post retirement medical benefit plan		Provident Fund trust managed by the holding company	
	As at 31-03-2020	As at 31-03-2019	As at 31-03-2020	As at 31-03-2019	As at 31-03-2020	As at 31-03-2019
1 Current service cost	104	104	24	20	270	224
2 Interest cost	3	8	4	4	355	306
3 Expected return on plan assets	-	-	-	-	(355)	(306)
4 Actuarial losses / (gains)	-	-	-	-	(284)	(34)
5 Past service cost	-	-	-	-	-	-
6 Actuarial Gain/loss not recognized in books	-	-	-	-	284	34
Total expense for the year included in staff cost	107	112	28	24	270	224

Notes forming part of the Consolidated Financial Statements

c) Amount recorded in other comprehensive income :

(₹ million)

	Gratuity plan		Post retirement medical benefit plan	
	As at 31-03-2020	As at 31-03-2019	As at 31-03-2020	As at 31-03-2019
Opening amount Recognized in OCI Profit and Loss Account	88	42	(63)	(49)
Remeasurement during the period due to	-	-	-	-
a Changes in financial assumptions	43	16	11	5
b Changes in demographic assumptions	-	-	-	3
c Experience adjustments	105	19	(28)	(22)
d Actual return on plan assets less interest on plan assets	(6)	11	-	-
e Adjustment to recognize the effect of asset ceiling	-	-	-	-
Closing amount recognized in OCI outside profit and loss account	230	88	(80)	(63)

d) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

(₹ million)

	Gratuity plan		Post retirement medical benefit plan		Provident Fund trust managed by the holding company	
	As at 31-03-2020	As at 31-03-2019	As at 31-03-2020	As at 31-03-2019	As at 31-03-2020	As at 31-03-2019
Opening balance of the present value of defined benefit obligation	640	584	59	49	4,138	3,292
Transfer in/(Out)	-	-	-	-	191	231
Current service cost	104	105	24	20	270	224
Past service cost	-	-	-	-	-	-
Interest on defined benefit obligation	41	40	4	4	355	306
Remeasurements due to :	-	-	-	-	-	-
Actuarial loss/(gain) arising from change in financial assumptions	43	16	11	5	-	-
Actuarial loss/(gain) arising from change in demographic assumptions	-	-	-	3	-	-
Actuarial loss/(gain) arising on account of experience changes	106	19	(28)	(22)	-	-
Contribution by Plan Participants	-	-	-	-	577	484
Benefits paid	(68)	(66)	-	-	(912)	(401)
Due to Members Unclaimed	-	-	-	-	(2)	2
Liabilities assumed / (settled)	-0	(57)	-	-	-	-
Business combination/acquisition	-	-	-	-	-	-
Liabilities extinguished on settlements	-	-	-	-	-	-
Closing balance of the present value of defined benefit obligation	866	640	70	59	4,617	4,138

The Company expects to contribute ₹ 100 million towards its gratuity plan in FY 2020-21 (₹ 100 million in FY 2019-20)

Notes forming part of the Consolidated Financial Statements

e) Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows:

(₹ million)

	Gratuity plan		Provident Fund trust managed by the holding company	
	As at 31-03-2020	As at 31-03-2019	As at 31-03-2020	As at 31-03-2019
Opening balance of the fair value of the plan assets	540	453	4,164	3,320
Expected return on plan assets	-	-	355	306
Add / (less) : transfer in/(out)	-	-	191	231
Add/(less) : actuarial gains/(losses)	-	-	284	34
Employer contributions	175	132	263	219
Contributions by plan participants	-	-	549	455
Interest on plan assets	38	33	-	-
Remeasurements due to :				
Actual return on plan assets less interest on plan assets	6	(11)	-	-
Benefits paid	(68)	(66)	(912)	(401)
Liabilities assumed / (settled)	-	-	-	-
Closing balance of the plan assets	691	540	4,894	4,164

f) Sensitivity analysis :

(₹ million)

	Gratuity plan		Post retirement medical benefit plan	
	As at 31-03-2020	As at 31-03-2019	As at 31-03-2020	As at 31-03-2019
Impact of increase in 100 bps on defined benefit obligation				
Discount rate	-5.49% to -8.22%	-5.27% to -10.19%		
Salary escalation rate	6.12% to 9.43%	5.8% to 13.02%		
Impact of decrease in 100 bps on defined benefit obligation				
Discount rate	6.11% to 9.49%	5.84% to 12.14%		
Salary escalation rate	-5.60% to -8.31%	-5.34% to -11.05%		
Discount rate				
Impact of increase in 100 bps on defined benefit obligation			-17.54%	-17.72%

Notes forming part of the Consolidated Financial Statements

(₹ million)

	Gratuity plan		Post retirement medical benefit plan	
	As at 31-03-2020	As at 31-03-2019	As at 31-03-2020	As at 31-03-2019
Impact of decrease in 100 bps on defined benefit obligation Healthcare costs rate			23.44%	23.30%
Impact of increase in 100 bps on defined benefit obligation			15.14%	19.61%
Impact of decrease in 100 bps on defined benefit obligation Life expectancy			-12.15%	-15.46%
Impact of increase in 1 year on defined benefit obligation			0.97%	0.44%
Impact of decrease by 1 year on defined benefit obligation			-1.01%	-0.47%

- i. The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated.
- ii. The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

g) The major categories of plan assets as a percentage of total plan assets are as follows:

	Gratuity plan		Provident Fund trust managed by the holding company	
	As at 31-03-2020	As at 31-03-2019	As at 31-03-2020	As at 31-03-2019
Government of India securities	Scheme with LIC	Scheme with LIC	21.53%	23.64%
State government securities			25.41%	24.00%
Corporate bonds			28.88%	20.91%
Fixed deposits under Special Deposit Scheme framed by central government for provident funds			5.04%	5.33%
Public sector bonds			16.07%	22.00%
Mutual Funds			3.07%	4.12%

h) Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	As at 31-03-2020	As at 31-03-2019
1 Discount rate:		
(a) Gratuity plan	6.15% to 6.35%	7.05% to 7.7%
(b) Post retirement medical benefit plan	6.15%	7.05%
2 Annual increase in healthcare costs	5.00%	5.00%
3 Salary growth rate	5% to 6%	4% to 6%
4 Attrition rate	1% to 25% for various age groups	1% to 25% for various age groups

Notes forming part of the Consolidated Financial Statements

Risk exposure

i. Gratuity

The Company operates gratuity plan through a trust wherein every employee is entitled to the benefit equivalent to fifteen days last salary drawn for each completed year of service. The same is payable on termination of service or retirement whichever is earlier. The benefit vests after five years of continuous service. The trustees of the plan have outsourced the investment management of the fund to an insurance company. The insurance company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations.

ii. Post retirement medical benefits plan

The Post-retirement medical care plan provides for reimbursement of health care costs to certain categories of employees post their retirement. The reimbursement is subject to an overall ceiling sanctioned based on cadre of the employee at the time of retirement. The plan is unfunded. Employees do not contribute to the plan.

i) The amounts pertaining to defined benefit plans for the current year are as follows:

(₹ million)

	As at 31-03-2020	As at 31-03-2019
Gratuity plan (wholly funded/ unfunded)		
1 Defined benefit obligation	866	640
2 Plan assets	691	540
3 (Surplus) / deficit	175	100
Post retirement medical benefit plan (wholly unfunded)		
1 Defined benefit obligation	71	59
Self - managed provident fund plan (wholly funded)		
1 Defined benefit obligation	4,618	4,138
2 Plan assets	4,894	4,164
3 (Surplus) / deficit	(276)	(26)

General descriptions of defined benefit plans:

a Gratuity plan

The Company makes contributions to the employees' group gratuity-cum-life assurance scheme of the Life Insurance Corporation of India, a funded defined benefit plan for qualifying employees. The scheme provides for lump sum payment to employees at retirement, death while in employment or termination of employment of an amount equivalent to 15 days salary for every completed year of service or part thereof in excess of six months, provided the employee has completed five years in service.

b Post-retirement medical benefit plan

The post-retirement medical benefit plan provides for reimbursement of health care costs to certain categories of employees post their retirement. The reimbursement is subject to an overall ceiling limit sanctioned at the time of retirement. The ceiling limits are based on cadre of the employee at the time of retirement.

Notes forming part of the Consolidated Financial Statements

c Provident Fund trust managed by the holding company

The Company's provident fund plan is managed by its holding company through a trust permitted under The Employees' Provident Funds and Miscellaneous Provisions Act, 1952. The plan envisages contribution by employer and employees and guarantees interest at the rate notified by the Provident Fund Authority. The contribution by employer and employee together with interest are payable at the time of separation from service or retirement whichever is earlier. The benefit under this plan vests immediately on rendering of service.

Employee benefit plan

In January 2018, the Company established the L&T Technology Services 401k Plan (the "Plan") for the benefit of its employees in USA. As allowed under section 401(k) of the Internal Revenue Code, the Plan provides for tax-deferred salary contributions for eligible employees of L&T Technology Services Limited, L&T Technology Services LLC and Esencia Technologies Inc. The Plan allows the employee and Company's contributions to vest 100% immediately. During the year ended March 31, 2020, the Company contributed ₹ 50 million towards the Plan (Previous year: ₹ 48 million)

41 Lease liability

(₹ million)

1	Reconciliation of IND AS 17 lease commitments with lease liability as on 1st April 2019	
	Total Operating Lease commitments disclosed as at 31st Mar 2019	6,364
	Less: Recognition exemptions	-
	Low value leases	-
	Short term leases	(164)
	Less: Impact of discounting under Ind AS 116	(1,612)
	Add: Extension and termination options reasonably certain to be exercised	(914)
	Lease liability as on 1st April 2019	3,674
2	Impact of change in accounting policy /adoption of IND AS 116	
	Decrease in Fixed assets	
	Increase lease liability	3,674
	Increase Right-of-use	3,333
	Increase / decrease in deferred tax assets	(100)
	Increase in finance cost	350
	Increase in depreciation	783
3	Classwise right of use assets (in our case it will be only office premise)	
	Balance as on 1st April 2019	3,332
	Addition during the year (net of deletion)	934
	Depreciation during the year	(783)
	FCTR impact	7
	Closing balance as on 31st March 2020	3,490
4	Lease liability movement	
	Balance as on 1st April 2019	3,674
	Addition during the year	908
	Repayment during the year (lease payment towards lease liability net of finance cost)	(629)
	FCTR impact	8
	Closing balance as on 31st March 2020	3,961

Notes forming part of the Consolidated Financial Statements

(₹ million)

5	Maturity analysis of lease liability (undiscounted)	
	Less than 1 year	1,014
	1 to 5 years	2,997
	More than 5 years	1,554
	Total	5,565
	Closing balance as on 31st March 2020	
	Current liability	693
	Non-current liability	3,268
		3,961
6	Amount recognised in P&L account	
	Interest on lease liability	350
	Rent expense - short term lease	106
	Rent expense - low value lease agreements	-
7	Lease commitment	
	Leases not yet commenced as on 31 March 2020 to which the Company is committed is ₹ 180 million for period more than 5 years.	

42 ADDITIONAL INFORMATION REQUIRED BY SCHEDULE III

Additional disclosure pursuant to schedule III to the Companies Act, 2013 as at 31-03-2020

(₹ million)

Name of the entity	Net assets i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ million)	As % of consolidated profit or loss	Amount (₹ million)	As % of consolidated profit or loss	Amount (₹ million)	As % of consolidated profit or loss	Amount (₹ million)
A – Parent								
L&T Technology Services Limited	92.22%	26,200	95.16%	7,900	105.00%	(2,603)	90.97%	5,297
B - Subsidiaries								
(i) Indian subsidiaries								
L&T Thales Technology Services Private Limited	0.89%	254	1.76%	146	-0.04%	1	2.53%	147
Graphene Semiconductor Services Private Limited	0.99%	281	0.84%	69	-	-	1.19%	69
Esencia Technologies India Private Limited	0.02%	6	-0.01%	(1)	-	-	-0.01%	(1)
Seastar Lab Private Limited	-0.01%	(3)	-	-	-	-	-	-
(ii) Foreign subsidiary								
L&T Technology Services LLC (Consolidated)	5.75%	1,635	2.61%	216	-4.83%	120	5.77%	336
Graphene Solutions PTE Ltd.	0.03%	10	-0.07%	(6)	-	-	-0.09%	(5)

Notes forming part of the Consolidated Financial Statements

(₹ million)

Name of the entity	Net assets i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ million)	As % of consolidated profit or loss	Amount (₹ million)	As % of consolidated profit or loss	Amount (₹ million)	As % of consolidated profit or loss	Amount (₹ million)
Graphene Solutions SDN. BHD	0.01%	2	-	-	-	-	-	-
Graphene Solutions Taiwan Limited	0.02%	7	-0.09%	(7)	-0.04%	1	-0.10%	(6)
L&T Technology Services (Shanghai) Co. Ltd	0.07%	19	-0.18%	(15)	-0.06%	1	-0.24%	(14)
Subtotal (A+B)	100%	28,411	100%	8,302	100%	(2,479)	100%	5,823
a. Adjustments arising out of consolidation		(794)		(78)		-		(78)
b. Non-controlling interests in all subsidiaries		69		(38)		-		(38)
Total owners's share		27,686		8,186		(2,479)		5,707

Additional disclosure pursuant to schedule III to the Companies Act, 2013 as at 31-03-2019

(₹ million)

Name of the entity	Net assets i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (Rupees)	As % of consolidated profit or loss	Amount (Rupees)	As % of consolidated profit or loss	Amount (Rupees)	As % of consolidated profit or loss	Amount (Rupees)
A – Parent								
L&T Technology Services Limited	93.68%	24,359	90.55%	7,001	-48.15%	(21)	89.76%	6,980
B - Subsidiaries								
(i) Indian subsidiary								
L&T Thales Technology Services Private Limited	0.41%	106	1.38%	107	4.75%	2	1.40%	109
Graphene Semiconductor Services Private Limited (Consolidated)	0.87%	227	0.67%	51	-1.31%	(1)	0.65%	51
(ii) Foreign subsidiary								
L&T Technology Services LLC (Consolidated)	5.04%	1,309	7.40%	572	144.70%	63	8.18%	636
Subtotal (A+B)	100.00%	26,002	100.00%	7,731	100.00%	45	100.00%	7,776
a. Adjustments arising out of consolidation		(1,241)		(47)		-		(47)
b. Non-controlling interests in all subsidiaries		31		(28)		-		(28)
Total owners's share		24,792		7,656		45		7,701

Notes forming part of the Consolidated Financial Statements

43 Related party disclosures

43 (1) (i) List of related parties over which control exists/exercised:

Name	Relationship
L&T Technology Services LLC	Wholly owned subsidiary
L&T Thales Technology Services Private Limited	Subsidiary
Esencia Technologies Inc	Wholly owned subsidiary of L&T Technology Services LLC
Esencia Technologies India Private Limited	Wholly owned subsidiary
Graphene Semiconductor Services Private Limited	Wholly owned subsidiary
Graphene Solutions Pte. Ltd.	Wholly owned subsidiary*
Graphene Solution SDN. BHD.	Wholly owned subsidiary*
Graphene Solutions Taiwan Limited	Wholly owned subsidiary*
Seastar Labs Private Limited	Wholly owned subsidiary*
L&T Technology Services (Shanghai) Co. Ltd.	Wholly owned subsidiary
L&T Technology Services (Canada) Ltd.	Wholly owned subsidiary of L&T Technology Services LLC

* Wholly owned subsidiary w.e.f 1st October, 2019. Earlier wholly owned by Graphene Semiconductor Services Private Limited

43 (1) (ii) List of related parties which can exercise control:

Name	Relationship
Larsen and Toubro Limited	Holding company

43 (1) (iii) Key management personnel :

Executive director	Status
Dr. Keshab Panda	Chief Executive Officer & Managing Director
Mr. Amit Chadha	Deputy Chief Executive Officer and Whole Time Director
Mr. Abhishek	Chief Operating Officer & Whole Time Director
Mr. P. Ramakrishnan	Chief Financial Officer
Mr. Kapil Bhalla	Company Secretary

Non-executive directors

Mr. Anilkumar Manibhai Naik
Mr. Sekharipuram Narayanan Subrahmanyam

Notes forming part of the Consolidated Financial Statements

43 (1) (iv) List of related parties with whom there were transactions during the year:

Name	Relationship
Larsen & Toubro Limited	Holding company
Larsen & Toubro Infotech Limited	Fellow subsidiary
Larsen & Toubro Infotech Canada Limited	Fellow subsidiary
Larsen & Toubro Infotech GmbH	Fellow subsidiary
L&T Information Technology Services (Shanghai) Co. Ltd	Fellow subsidiary
L&T Infotech Financial Services Technologies INC	Fellow subsidiary
Larsen Toubro Arabia LLC	Fellow subsidiary
Larsen &Toubro (East Asia) SDN.BHD	Fellow subsidiary
L&T Metro Rail (Hyderabad) Limited	Fellow subsidiary
L&T Hydrocarbon Engineering Limited	Fellow subsidiary
L&T Construction Equipment Limited	Fellow subsidiary
Servowatch Systems Limited	Fellow subsidiary
L&T Valves Limited	Fellow subsidiary
Kesun Iron & Steel Company Private Limited	Fellow subsidiary
L&T Overseas Projects Nigeria Limited	Fellow subsidiary
Tamco Switchgear (Malaysia) SDN BHD	Fellow subsidiary
L&T-Sargent & Lundy Limited	Joint Venture

43 (1) (v) Name of post-employment benefit plans with whom transactions were carried out during the year:

- Larsen & Toubro Officers & Supervisory Staff Provident Fund
- L&T Technology Services Limited Employee Group Gratuity Scheme

43 (1) (vi) Disclosure of related party transactions

Particulars	31-03-20	31-03-19
Revenue from services :		
Holding company	412	349
- Larsen & Toubro Limited	412	349
Fellow subsidiaries	1,075	734
- L&T Hydrocarbon Engineering Limited	40	22
- Larsen & Toubro Infotech Limited	1,032	708
- L&T Metro Rail (Hyderabad) Limited	2	2
- L&T Valves Limited	-	2
- L&T Construction Equipment Limited	1	-
Purchase of services :		
Holding company	1	1
- Larsen & Toubro Limited	1	1
Fellow subsidiaries	1,176	856
- L&T Hydrocarbon Engineering Limited	82	280
- Larsen & Toubro Infotech Limited	1,071	474
- Larsen & Toubro Infotech GMBH	22	99
- L&T-Sargent & Lundy Limited	1	3

Notes forming part of the Consolidated Financial Statements

Particulars	31-03-20	31-03-19
Rent paid :		
Holding company	234	192
- Larsen & Toubro Limited	234	192
Fellow subsidiaries	31	48
- Larsen & Toubro Infotech Limited	22	37
- Larsen & Toubro Infotech GMBH	8	8
- Larsen & Toubro Saudi Arabia LLC	-	3
- Larsen & Toubro (East Asia) Sdn. Bhd.	1	-
Commission paid :		
Fellow subsidiaries	1	2
- Larsen & Toubro Infotech Limited	1	2
Interest receivable :		
Holding company	113	22
- Larsen & Toubro Limited	113	22
Services availed by the Company :		
Holding company	260	338
- Larsen & Toubro Limited	260	338
Fellow subsidiaries	42	67
- Larsen & Toubro Infotech Limited	29	59
- L&T Infocity Limited	-	5
- Larsen & Toubro Infotech GmbH	-	3
- L&T Hydrocarbon Engineering Limited	1	-
- L&T Information Technology Services (Shanghai) Co. Ltd.	12	-
Services rendered by the Company :		
Holding company	1	9
- Larsen & Toubro Limited	1	9
Fellow subsidiaries	9	8
- Larsen & Toubro Infotech Limited	6	5
- L&T Hydrocarbon Engineering Limited	1	-
- Servowatch Systems Limited	2	3
Trademark fees :		
Holding company	84	76
- Larsen & Toubro Limited	84	76
Trade receivable :		
Holding company	168	89
- Larsen & Toubro Limited	168	89

Notes forming part of the Consolidated Financial Statements

Particulars	31-03-20	31-03-19
Fellow subsidiaries	356	179
- Larsen & Toubro Infotech Limited	342	177
- L&T Metro Rail (Hyderabad) Limited	2	2
- L&T Construction Equipment Limited	1	-
- L&T Hydrocarbon Engineering Limited	11	-
Trade payable :		
Holding company	156	145
- Larsen & Toubro Limited	156	145
Fellow subsidiaries	315	268
- Larsen & Toubro Infotech Limited	152	117
- L&T Hydrocarbon Engineering Limited	134	93
- L&T-Sargent & Lundy Limited	-	1
- Larsen & Toubro Infotech GmbH	2	47
- Larsen & Toubro Saudi Arabia LLC	27	10
Loans and advances recoverable :		
Holding company	-	1
- Larsen & Toubro Limited	-	1
Fellow subsidiaries	6	4
- Kesun Iron & Steel Company Private Limited	-	2
- Servowatch Systems Limited	-	2
- L&T Infotech Financial Services Technologies Inc.	1	-
- L&T Valves Limited	4	-
- Tamco Switchgear (Malaysia) SDN BHD	1	-
Interim/final dividend paid - Equity :		
Holding company	1,638	1,630
- Larsen & Toubro Limited	1,638	1,630
Compensation to key managerial personnel		
Short-term employee benefits	124	137
Post-employment benefits	1	1
Employee share-based payment	143	-
Total compensation	268	138

*Mr. Bhupendra Bhate (previous Chief Operating Officer & Whole Time Director) resigned on 3rd May, 2019, his proportionate compensation has been included in 2019-20. Mr. Abhishek (current Chief Operating Officer & Whole Time Director) joined LTTTS on 6th May 2019 and appointed in Board on 18th October 2019, his proportionate compensation has been included in 2019-20."

Notes forming part of the Consolidated Financial Statements

Particulars	31-03-20	31-03-19
Compensation to non-executive directors		
Sitting fees	2	2
Commission	20	22
Total compensation	22	24
Transactions with trust managed employees provident fund		
Towards employer's contribution	263	222
Paid during the year	813	675
Due to trust (year end liability)	78	62
Transactions with approved gratuity fund		
Towards employer's contribution	173	130
Paid during the year	173	130
Due to trust (year end liability)	170	87

44 Disclosure pursuant to Ind AS 115 "Revenue from contract with customers":

a) Disaggregation of revenue

The nature of contract impacts the method of revenue recognition and the contracts are classified as fixed-price contracts and time & material contracts.

i) Revenue by contract type

Particulars	(₹ million)	
	For year ended March 31, 2020	For year ended March 31, 2019
Fixed price contracts	23,295	21,430
Time and materials contracts	32,896	29,353
Total	56,191	50,783

i) Refer note 36 for disaggregation of revenue by industry and geographical segments.

ii) The Group believes that this disaggregation best depicts how the nature, amount, timing of its revenues and cash flows are affected by industry, market and other economic factors.

b) Transaction price allocated to remaining performance obligation

i) The aggregate value of performance obligations that are completely or partially unsatisfied as of March 31, 2020, other than those meeting the exclusion criteria mentioned below in (ii), is ₹ 10,398 million (for previous year ₹ 10,118 million). Out of this, the Group expects to recognize revenue of around 100% within the next one year. Remaining performance obligation estimates are subject to change and are affected by several factors, including changes in the scope of contracts, periodic revaluations, and adjustments for currency.

ii) The Group has applied practical expedient and has not disclosed information about remaining performance obligations in contracts where the entity has the right to consideration that corresponds directly with the value of entity's performance completed to date, typically those contracts where invoicing is on time and material basis.

Notes forming part of the Consolidated Financial Statements

c) Movement in contract balances

i) The Group classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset for time and material jobs where right to consideration is unconditional upon passage of time. Unbilled revenue for fixed price contracts is classified as non financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

ii) Movement in contract asset and contract liability

(₹ million)

Particulars	For year ended March 31, 2020		For year ended March 31, 2019	
	Unbilled revenue	Unearned revenue	Unbilled revenue	Unearned revenue
Opening balance	2,421	242	2,154	315
Revenue recognised during period	55,952	(239)	51,759	(315)
Invoiced during period	(54,774)	509	(51,510)	242
ECL movement	(86)	-	(34)	-
Translation Gain/loss	(3)	-	2	-
Due to business combination	-	-	50	-
Closing balance	3,510	512	2,421	242

45 Estimation uncertainty relating to COVID-19

The Group has used the principles of prudence in applying judgments, estimates and assumptions including sensitivity analysis and based on current estimates, the Group expects to fully recover the carrying amount of trade receivables including unbilled receivables, intangible assets and investments. The Group has considered internal and certain external sources of information including reliable credit reports, economic forecasts and industry reports up to the date of approval of the financial statements in determining the impact on various elements of its financial statements. Management of the Group has also reviewed goodwill and is of the opinion that no impairment is required at present. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements.

46 Release, waiver and intellectual property assignment and license agreement

On January 16, 2018, Esencia Technologies Inc (Esencia), a wholly owned subsidiary of L&T Technology Services LLC, entered into a Release, Waiver and Intellectual Property Assignment and License Agreement ("the Agreement") with an existing customer. Under the terms of the Agreement, the Company agreed to release certain employees along with assignment and license of certain intellectual property for a total consideration of \$17 million. Esencia had received an initial consideration of \$3.5 million and another consideration of \$ 12 million in March 2018 and April 2018 respectively and the same is recorded as other income in the consolidated statement of profit and loss.

Holdback consideration of \$ 1.5 million has been received by Esencia in month of April 2019 on fulfillment of certain conditions and the same is recorded as other income in the consolidated statement of profit and loss.

Notes forming part of the Consolidated Financial Statements

47 The Group has amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006, [MSMED Act] as at March 31, 2020. The disclosure pursuant to the said act is as under:

(₹ million)

	As at 31-03-2020	As at 31-03-2019
Principal amount due to suppliers under MSMED Act, 2006	28	7
Interest accrued, due to suppliers under MSMED Act on the above amount, and unpaid	-	-
Payment made to suppliers (other than interest) beyond the appointed day during the year	-	-
Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
Interest paid to suppliers under MSMED Act (Section 16)	-	-
Interest due and payable towards suppliers under MSMED Act for payments already made	-	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	-	-
Amount of further interest remaining due and payable even in the succeeding years	-	-

Dues to Micro and Small Enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006, have been determined to the extent such parties have been identified on the basis of information collected by the Management.

48 There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at March 31, 2020.

49 Previous year's figures have been regrouped / reclassified wherever necessary.

As per our report attached
SHARP & TANNAN
 Chartered Accountants
 Firm's registration no. 109982W
 by the hand of

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

FIRDOSH D. BUCHIA
 Partner
 Membership No. 38332

P. RAMAKRISHNAN
 Chief Financial Officer

KAPIL BHALLA
 Company Secretary
 Membership No. F3485

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

AMIT CHADHA
 Deputy CEO &
 Whole-Time Director
 (DIN: 07076149)

Place: Mumbai
 Date: May 15, 2020

Place: Mumbai
 Date: May 15, 2020

Place: Mumbai
 Date: May 15, 2020

Place: New Jersey, USA
 Date: May 15, 2020

Place: Washington, USA
 Date: May 15, 2020

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES/ASSOCIATE COMPANIES/JOINT VENTURES

Sr no	Particulars	L&T Thales Technology Services Private Limited	L&T Technology Services LLC	Esencia Technologies Inc.	Esencia Technologies India Private Limited	Graphene Semiconductor Services Private Limited	Graphene Solutions Pte. Ltd	Graphene Solution SDN. BHD	Graphene Solutions Taiwan Limited	Seastar Labs Private Limited	L&T Technology Services (Shanghai) Co. Ltd
	The date since when subsidiary was acquired	February 15, 2014	June 27, 2014	May 3, 2017	May 3, 2017	October 15, 2018	October 15, 2018	October 15, 2018	October 15, 2018	October 15, 2018	August 06, 2019
	Financial year ending on	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
	Relationship	Subsidiary of L&T Technology Services Limited	Wholly owned subsidiary of L&T Technology Services LLC	Wholly owned subsidiary of L&T Technology Services Limited	Wholly owned subsidiary of L&T Technology Services Limited	Wholly owned subsidiary of L&T Technology Services Limited	Wholly owned subsidiary of L&T Technology Services Limited	Wholly owned subsidiary of L&T Technology Services Limited	Wholly owned subsidiary of L&T Technology Services Limited	Wholly owned subsidiary of L&T Technology Services Limited	Wholly owned subsidiary of L&T Technology Services Limited
	Currency	INR	US\$	US\$	INR	INR	SGD	MYR	NTD	INR	CNY
	Exchange rate on the last day of financial year	1.00	75.67	75.67	1.00	1.00	53.03	17.52	2.39	1.00	10.26
1	Share capital	21	970	367	0	14	3	2	12	1	33
2	Reserves	233	875	(85)	6	267	7	-	2	(3)	-
3	Non-current liabilities	-	60	-	-	-	-	-	-	14	-
4	Current liabilities	742	1,545	121	0	62	4	-	2	7	-
5	Total equity and liabilities (1+2+3+4)	996	3,450	403	6	343	14	2	16	19	33
6	Non-current assets	47	1,901	4	0	70	-	-	-	16	-
7	Current assets	949	1,549	399	6	273	14	2	16	3	33
8	Total assets (6+7)	996	3,450	403	6	343	14	2	16	19	33
9	Investments included in current assets (6 above)	33	1,374	-	-	-	-	-	-	-	-
10	Revenue from operations	1,428	3,191	887	-	463	39	-	13	-	-
11	Profit before taxation	207	249	194	(1)	90	(6)	-	2	-	-
12	Provision for taxation	61	(108)	55	-	21	-	-	1	-	-
13	Profit after taxation	146	357	139	(1)	69	(6)	-	2	-	-
14	Interim dividend - equity	-	-	-	-	-	-	-	-	-	-
15	Proposed dividend - equity	-	-	-	-	180	-	-	-	-	-
16	% of share holding	74%	100%	100%	100%	100%	100%	100%	100%	100%	100%

L&T Technology Services (Canada) Limited has been incorporated on August 22, 2019 but operations are yet to be commenced

Glossary

3D	Three Dimensional
5G	The 5th generation cellular network technology
“ACT” or “The Act”	The Companies Act, 2013
AD	Autonomous Drive
ADAS	Advanced Driver Assistance System
AGM	Annual General Meeting
AI	Artificial Intelligence
AR	Augmented Reality
ASEAN	Association of Southeast Asian Nations
BPM	Business Process Management
BRR	Business Responsibility Reporting
BSE	Bombay Stock Exchange
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
COVID-19	Coronavirus disease
CoE	Centre of Excellence
Current Ratio	Ratio of Current Assets by Current Liabilities
CrossPoll!Innovation	Enabling the design and development of innovative products by leveraging multi-vertical, cross industrial expertise
CII	Confederation of Indian Industry
CapEx	Capital Expenditure
CGU	Cash Generating Unit
CPG	Consumer Packaged Goods
CSAT	Customer Satisfaction
CSR	Corporate Social Responsibility
DAP	Digital Advisory Practice is a providing consultation and building a digital roadmap for enterprises to be future-ready
Days Sales Outstanding	Days Sales Outstanding is the Ratio of Trade Receivable to the Revenue, multiplied by 365
Debt Equity Ratio	Ratio of Total Debt to Shareholder Equity
DevOps	A set of practices combining software development (Dev) and IT operations (Ops)
Digital Engineering	Digital Engineering enables development of smart and connected products that can create enhanced experiences and optimized functionalities for its end users
Digital Twin	Digital replica or representation of physical objects or systems
DMS	Digital Manufacturing Services
EBIT	Earnings Before Interest and Taxes
EBITDA	Earnings Before Interest Tax Depreciation Amortization
ECL	Expected Credit Loss
EPC	Engineering, Procurement and Construction
EPCM	Engineering, Procurement and Construction Management
EPS	Earnings Per Share
ePowertrain	Electronic Powertrain
ER&D	Engineering Research & Development

ESOP Scheme, 2016	L&T Technology Services Limited Employee Stock Option Scheme 2016
EV	Electrical Vehicles
FICCI	Federation of Indian Chambers of Commerce & Industry
FIFO	FIFO or First In, First Out is an asset-management and valuation method
FMCG	Fast-Moving Consumer Goods
GEA	Global Engineering Academy
GEC	Global Engineering Centre
Geriatric Care	Caring for the elderly or anyone with mental disability to meet their long-term needs
GITA	Global Innovation & Technology Alliance
HUF	Hindu Undivided Family
HVAC	Heating, ventilation, and air conditioning
IACC	Indo-American Chamber of Commerce
i-BEMS	Intelligent Building Energy Management System is LTTTS' IoT-based smart building framework
IC	Integrated Circuit
IFCCI	Indo-French Chamber of Commerce and Industry
IND AS	Indian Accounting Standards
Industry 4.0	Transformation in manufacturing technologies leveraging automation, data analytics, IoT, cloud computing and cognitive computing
Interest Coverage Ratio	Ratio of Operating Profit to Interest Expense
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
IoT	Internet of Things
IP	Internet Protocol
IPO	Initial Public Offering
ISO	International Organization for Standardization
ISV	Independent Software Vendor
IVD	In Vitro Diagnostics are medical devices used to perform tests on samples derived from the human body
LATAM	Latin America
LODR	Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015
LTE	Long-Term Evolution
"LTTTS", "our company" or "The Company"	L&T Technology Services Limited
MCA	Ministry of Corporate Affairs
ML	Machine Learning
MSME	Ministry of Micro, Small and Medium Enterprises
MSMDE Act	The Micro, Small and Medium Enterprises Development Act, 2006
M2M	Machine to Machine
NASSCOM	National Association of Software and Services Companies
nBIoT	Narrow band IoT
Net Profit Margin	Ratio of Net Profit to Revenue
NFV	Network Function Virtualization
NGO	Non-Governmental Organization
NRC	Nomination and Remuneration Committee
NRI	Non-Resident Indian

NSDL	National Securities Depository Limited
NSE	National Stock Exchange
NVG	National Voluntary Guidelines
NVG-SEE	National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of the Business
OAVM	Other Audio Visual Means
OCI	Other Comprehensive Income
OEM	Original Equipment Manufacturer
OPM	Operating Profit Margin
OTT	Over the Top
PAT	Profit After Tax
PLM	Product Lifecycle Management
PM CARES	Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund
RDK	Reference Design Kit
Return on Net Worth	Ratio of Net Profit to Average Shareholder equity
Return on Equity	Ratio of Net Profit to Average Shareholder equity
RTA	Registrar and Transfer Agents
R&D	Research and Development
SDN	Software Defined Networking
SBEB Regulations	Securities & Exchange Board of India (Share Based Employee Benefit) Regulations, 2014
SEZ	Special Economic Zone
SME	Small and Medium Enterprises
SOCLEEN	Society for Clean Environment
SRC	Stakeholders' Relationship Committee
STB	Set-top Box
STPI	Software Technology Parks of India
SVYM	Swamy Vivekananda Youth Movement
Time-to-market	Duration of time taken from conceiving a product to making it available for sale
UI/UX	User Interface/User Experience
USP	Unique selling point
USP	a distinguishing features of something to make it more appealing
VC	Video Conferencing
VLSI	Very Large-Scale Integration
VPN	Virtual Private Network
VR	Virtual Reality
VRF Systems	Variable Refrigerant Flow Systems
WHO	World Health Organization

L&T Technology Services Limited

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For Additional Information About
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