LTI/SE/STAT/2020-21/25

June 23, 2020

National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (E), Mumbai 400 051
NSE Symbol: LTI

The BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai 400 001
BSE Scrip Code: 540005

Dear Sirs,

Sub: e-Copy of Notice of 24th Annual General Meeting ~ Z ' D [v v µ FY 2019-20

Please refer to our letter no. LTI/SE/STAT/2021/23 dated June 19, 2020 intimating about the upcoming 24th AGM of the Company which is scheduled on Saturday, July 18, 2020 at 4:30 p.m. (IST) through Video Conference (VC) or other Audio Visual Means (OAVM).

Pursuant to Regulation 34(1) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, we enclose herewith the Notice of the 24th AGM and the Annual Report FY 2019-20 of the Company, which is being sent today to the shareholders through electronic mode, whose email IDs are registered with the Company/Depositories. The 24th AGM Notice and the Annual Report FY 2019-20 are also made available on š Z } u ‰ v Ç [•, www.Lntinfotech.com/investors

Details and instructions to attend, vote and view the proceedings of the 24th AGM has been provided in the 24th AGM Notice.

Kindly take the above intimation on records and acknowledge the receipt of the same.

Thanking You,

Yours sincerely,
For Larsen & Toubro Infotech Limited

MANOJ KOUL

Digitally signed by MANOJ KOUL
DN: c=IN, o=Personal, postalCode=411014, st=Maharashtra, 2.5.4.20=fd0fbc438dc087302479b9f0c03ff13db34ce4feec4201fd7b44e99ae2311576, serialNumber=304d3a459759d31c13fcc9b1848c624590e81da232f1d54394030b9a893caa50, cn=MANOJ KOUL
Date: 2020.06.23 11:59:39 +05'30'

Manoj Koul
Company Secretary & Compliance Officer
Membership No.: ACS 16902

LARSEN & TOUBRO INFOTECH LIMITED
CIN: L72900MH1996PLC104693
Registered Office: L&T House, Ballard Estate, Mumbai 400 001.
Tel: +91 22 6776 6776; **Fax:** +91 22 2858 1130
E-mail: Investor@Lntinfotech.com; **Website:** www.Lntinfotech.com

Notice

NOTICE IS HEREBY GIVEN THAT the Twenty Fourth (24th) Annual General Meeting ('AGM') of the Members of **Larsen & Toubro Infotech Limited** will be held on **Saturday, July 18, 2020 at 4:30 p.m. (IST) through Video Conference (VC) or Other Audio Visual Means (OAVM),** to transact the businesses as mentioned below. The venue of the meeting shall be deemed to be the Registered Office of the Company at L&T House, Ballard Estate, Mumbai-400001.

Ordinary Business

1. ADOPTION OF AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020, TOGETHER WITH THE REPORTS OF THE BOARD OF DIRECTORS AND THE AUDITORS THEREON AND THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020, TOGETHER WITH THE REPORT OF THE AUDITORS THEREON

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

   "**RESOLVED THAT** the audited financial statements of the Company comprising of the Balance Sheet as at March 31, 2020, the Statement of Profit & Loss and the Cash Flow Statement for the year ended on that date together with the Notes forming part thereof and Annexures thereto alongwith the Report of the Board of Directors and Auditor's thereon as placed before the Members, be and is hereby approved and adopted.

   RESOLVED FURTHER THAT

   a final dividend of ₹ 15.50/- per equity share of face value of ₹ 1 each be and is hereby approved for the financial year 2019-2020, to the Members who are entitled as on Saturday, July 11, 2020."

3. RE-APPOINTMENT OF MR. A.M. NAIK (DIN: 00001514), DIRECTOR LIABLE TO RETIRE BY ROTATION

   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 152 of the Companies Act, 2013 ('Act') read with rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. A.M. Naik (DIN: 00001514), who retires by rotation at this Annual General Meeting and being eligible for such re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

4. RE-APPOINTMENT OF MR. R SHANKAR RAMAN (DIN: 00019798), DIRECTOR LIABLE TO RETIRE BY ROTATION

   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 152 of the Companies Act, 2013 ('Act') read with rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. R Shankar Raman (DIN: 00019798), who retires by rotation at this Annual General Meeting and being eligible for such re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

Special Business

5. APPOINTMENT OF MS. ARUNA SUNDARARAJAN (DIN: 03523267) AS A WOMAN 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 Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ('Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, Mrs. Aruna Sundararajan (DIN: 03523267), who was appointed as an Additional Director of the Company effective from May 19, 2020 to hold the office of Independent Director up to the date of the ensuing Annual General Meeting of the Company, and who has submitted a declaration that she meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who is eligible for appointment, and in respect of whom the Company has received a notice in writing from a Member under the provisions of Section 160 of the Act, signifying his intention to propose Ms. Sundararajan candidature for the office of Director, be and is hereby appointed as a Woman Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years commencing from May 19, 2020 including and upto May 18, 2025.

RESOLVED FURTHER THAT the Board of Directors (including its committee thereof) and/or Company Secretary of the Company be and are hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

6. RE-APPOINTMENT OF MR. SANJAY JALONA (DIN: 07256786) AS CHIEF EXECUTIVE OFFICER & MANAGING 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 Sections 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Articles of Association of the Company, consent and approval of the Members, subject to the approval of Central Government, be and is hereby accorded for re-appointment of Mr. Sanjay Jalona (DIN: 07256786) as Chief Executive Officer and Managing Director of the Company for a period of five years effective from August 10, 2020 till August 9, 2025, not liable to retire by rotation, on the terms and conditions including the payment of remuneration as set out in the Explanatory Statement forming part of the Notice convening this AGM.

RESOLVED FURTHER THAT subject to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company be and are hereby authorised to alter and vary the terms and conditions of re-appointment including revision in the remuneration of Mr. Sanjay Jalona, from time to time, to the extent the Board of Directors may deem appropriate, during his tenure as Chief Executive Officer and Managing Director of the Company, provided that such revision in remuneration does not exceed the limits approved by the Members and as prescribed under Section 197 read with Schedule V of the Act or any other statutory modification(s) or re-enactment(s) thereof.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the tenure of Mr. Sanjay Jalona as Chief Executive Officer and Managing Director, the remuneration as provided in the Explanatory Statement forming part of this Notice or the revised remuneration as approved by the Board of Directors, from time to time, to be paid to Mr. Jalona be considered as minimum remuneration, subject to such approvals as may be necessary and the limits prescribed under Section 197 read with Schedule V of the Act.

RESOLVED FURTHER THAT the Board of Directors and/or Company Secretary of the Company be and are hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

For **Larsen & Toubro Infotech Limited**
By Order of the Board of Directors

Manoj Koul
Company Secretary and Compliance Officer
Membership No. ACS 16902

Mumbai
May 19, 2020

Notes:

a) **Explanatory Statement:** An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('Act') with respect to Special Businesses under Item Nos. 5 & 6 as set out above is annexed hereto. The Board of Directors have considered and decided to include the Item Nos. 5 & 6 as Special Business, as they are unavoidable in nature. Further, disclosures as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India ('SS-2') with respect to details of Directors who are proposed to be re-appointed under Item Nos. 3, 4 and 6 and appointed under Item No. 5, are provided in **Annexure-1** to this Notice.

b) **Procedure for Attending the AGM Through Video Conference (VC) or Other Audio Visual Means (OAVM):** In view of the outbreak of COVID-19 pandemic and the continuing restrictions on the movement of people alongwith the guidelines to follow on social distancing and pursuant to the General Circular No. 20/2020 dated May 5, 2020 read with General Circular No. 14/2020 dated April 8, 2020 and General Circular No. 17/2020 dated April 13, 2020, issued by the Ministry of Corporate Affairs (hereinafter these circulars collectively referred to as 'MCA Circulars') and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by SEBI ('SEBI Circular') and in compliance with the provisions of the Act and SEBI Listing Regulations, the Company will conduct its 24th AGM on **Saturday, July 18, 2020 at 4:30 p.m.** by providing two-way teleconferencing facility ('VC facility') to its Members through National Securities Depositories Limited ('NSDL') e-voting platform the details of which are provided below.

(i) Members are requested to follow the instructions given below to attend and view the live proceedings of 24th AGM:

- Log in on the NSDL website at https://www.evoting.nsdl.com using your remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. For detailed procedure, kindly refer **Annexure-2** to this Notice. The same is also available on the Company's website, https://www.lntinfotech.com/investors/.
- VC facility will be available on **Saturday, July 18, 2020 from 4:00 p.m.** onwards **on first-come-first-served basis and will close after 15 minutes** of the conclusion of the AGM.
- 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 instructions provided under **Annexure-2** to this Notice. Further, Members can also use the OTP based login for logging into the e-voting platform of NSDL.
- Members are encouraged to join the Meeting through Laptop/ desktop for better experience and use Internet with a good speed to avoid any disturbance during the AGM. Participants connecting from Mobile Devices or Tablets or through Laptop connecting 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.

(ii) Members may note that the VC facility allows atleast first 1000 members to attend and participate at the 24th AGM on first-come-first-served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. can attend this AGM without any restriction on account of first-come-first-served principle.

(iii) Members may note that since the meeting is being held through VC facility, attendance slip is not annexed to the Notice convening the 24th AGM.

(iv) Members attending the AGM through VC facility shall be counted for quorum under Section 103 of the Act.

(v) The transcript of the meeting will be made available on the Company's website https://www.lntinfotech.com/investors/ as soon as it is available.

c) **Appointment of Proxy:** Section 105 of the Act read with Rule 19 of the Companies (Management and Administration) Rules, 2014 provides for appointment of proxy to attend and vote at a general meeting on behalf of the member who is not able to physically attend the AGM. Members may kindly note that the 24th AGM is being held through VC facility and in accordance with the MCA Circulars the physical attendance of Members has been dispensed with, hence the facility for appointment of proxies will not be available to the Members for attending the 24th AGM. Accordingly, the proxy form is not annexed to the Notice to 24th AGM.

d) **Corporate Representation:** Corporate shareholders/Institutional shareholders intending to send their authorised representative(s) to attend and vote at the 24th AGM to be held through VC facility, are requested to send scanned copy of the relevant Board Resolution/ Authority Letter together with attested specimen signature of the duly authorised representative(s), at alwyn.co@gmail.com with a copy to evoting@nsdl.co.in, from the registered email address.

e) **Book Closure:** The Register of Members and Share Transfer Books of the Company will remain closed from **Monday, July 13, 2020 to Saturday, July 18, 2020 (both days inclusive)**.

f) **Dividend:**

(i) Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of shareholders with effective from April 1, 2020, hence the Final Dividend, as recommended by the Board of Directors of the Company and if approved at the AGM, shall be paid after deducting tax at source ('TDS') in accordance with the provisions of the Income Tax Act, 1961 at the prescribed rates, within 30 days from the date of declaration;

- to all the shareholders in respect of equity shares held in physical form whose names appear as Members in the Company's Register of Members, after giving effect to valid share transmission or transposition request lodged with the Company, on or before close of business hours on **Saturday, July 11, 2020**; and
- to all Beneficial Owners in respect of equity shares held in dematerialized form whose names appear in the statement of beneficial ownership furnished by Depository Participant(s), National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL'), before close of business hours on **Saturday, July 11, 2020**.

(ii) Members holding shares in physical form are therefore requested to kindly update their Permanent Account Number (PAN) with Link Intime India Private Limited, Company's Registrar and Share Transfer Agent **('Company's RTA')** at rnt.helpdesk@linkintime.co.in while members holding shares in demat form are requested to update PAN with their Depository Participant(s).

(iii) For withholding of TDS at applicable tax rates, please refer **Annexure-4** to this Notice on "TDS Instructions on Dividend Distribution".

(iv) For shareholders whose bank details are not updated before the close of business hours on **Saturday, July 11, 2020** or if, the Company is unable to pay the dividend to any member directly in his bank account through electronic clearing services, the Company shall upon normalization of the postal services, dispatch the dividend demand draft/cheques to such shareholders by post.

g) **Unclaimed Dividend:** Members who wish to claim dividends, which have remained unclaimed from FY2015-16 to FY2019-20, may send a written request to Corporate Secretarial Department at Investor@Lntinfotech.com or the Company's RTA at rnt.helpdesk@linkintime.co.in or address at C-101, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai-400 083, Maharashtra, India, for revalidation and encash them before the due dates. Details of unclaimed dividends are available on the Company's website, https://www.lntinfotech.com/investors/

h) **Dematerialization Request:** Members may kindly note that pursuant to SEBI Listing Regulations any request for transfer of shares (except in case of transmission or transposition of securities) shall be processed only if such shares are held in dematerialized form. Therefore, shareholders who are still holding share certificate(s) in physical form are advised to dematerialize their shareholding to facilitate transfers and avail other benefits of dematerialization, which include easy liquidity, electronic transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries. Members may refer the Investor FAQs available on the Company's website, https://www.lntinfotech.com/investors/, for procedure on dematerialization of shares.

i) **Members' Record Updation:** Members holding equity shares in physical form and who intend to intimate changes or update their bank details, e-mail ID, change of address, etc. may do so by filling up the 'Form to update Shareholder Information' annexed as **Annexure-3** to this Notice and also available on the Company's website https://www.lntinfotech.com/investors/ and send the same to Company's RTA at rnt.helpdesk@linkintime.co.in **on or before Saturday, July 11, 2020**. In respect of Members holding equity shares in demat form and would like to intimate changes or update the records shall send their request to their Depository Participant(s) at the earliest, since the details as would be furnished by the Depository Participant(s) as on **Saturday, July 11, 2020** will be considered by the Company.

j) **Nomination:** Members holding equity shares in physical form and who have not yet registered their nomination are requested to register the same with the Company's RTA at rnt.helpdesk@linkintime.co.in and Members holding equity shares in demat form are requested to send their nomination to their Depository Participant(s). Nomination Form can be downloaded from the Company's website, https://www.lntinfotech.com/investors/

k) **Electronic Dissemination of Notice & Annual Report:** Electronic copy of the Annual Report for FY2019-20 and Notice of 24th AGM are being sent to all the Members whose e-mail IDs are registered with the Company/Depository Participant(s) for communication purposes. Members

who have not registered their e-mail IDs may get the same registered by following the instruction mentioned at (i) above. In accordance with the MCA Circulars and relaxation granted by SEBI Circular, hard copy of the Annual Report for FY2019-20 and Notice of 24th AGM will neither be posted nor made available through courier delivery. Members may also note that the Annual Report for FY2019-20 and Notice of 24th AGM of the Company are available on the Company's website, https://www.lntinfotech.com/investors/

l) **Inspection of Documents:** Electronic copy of all the documents referred in the Notice of the 24th AGM and the Explanatory Statement thereto, shall be made available for inspection to members upon login at NSDL e-voting platform at https://www.evoting.nsdl.com, during the remote e-voting period upto the date of the 24th AGM.

Scan copy of the 'Register of Directors and Key Managerial Personnel and their Shareholding' maintained under Section 170 of the Act and the 'Register of Contract and Arrangements' in which Directors of the Company are interested under Section 189 of the Act, shall be accessible to members during 24th AGM upon login at NSDL e-voting platform at https://www.evoting.nsdl.com

m) **Member Queries with Respect to Annual Report or Businesses as Stated in the Notice of 24th AGM**

(i) For smooth conduct of AGM proceedings, Members who wish to receive information with respect to Company's Annual Report for FY2019-20 or have questions with regard to the financial statements and the matters to be placed at the 24th AGM, can send their request by providing their name, demat account number/folio number from their registered e-mail ID to Investor@Lntinfotech.com at least 48 hours in advance before the start of meeting i.e. by **Thursday July 16, 2020 before 4:30 p.m. (IST)**.

(ii) Members who wish to ask questions or express their views at the AGM may register themselves as a **'Speaker'** by registering themselves with the Company by sending their request by providing their name, demat account number/folio number and mobile number from their registered e-mail ID to Investor@Lntinfotech.com at least 48 hours in advance before the start of meeting i.e. by **Thursday July 16, 2020 before 4:30 p.m. (IST)** or can **register online between 4:00 p.m. (IST) to 4:30 p.m. (IST) on Saturday, July 18, 2020**, as under:

- Log in to the NSDL website at https://www.evoting.nsdl.com using your remote e-voting credentials and join the meeting by following the instructions given in **Annexure-2** to the Notice.
- Once you are logged in and see the screen for 24th AGM of the Company, click on 'Chat' option appearing on the meeting window. You need to send your request by providing your name and DPID/Client ID/Folio Number and Mobile Number to the 'Host' through chat box and register yourself as a Speaker.

(iii) Incase of any query during the meeting, Members may utilize the 'Q&A' option available in the meeting room, and post questions along with their details (DPID/Client ID/ Folio No), registered e-mail ID and mobile number, to enable the Company to respond to their queries either at the meeting, if time permits, or subsequent to the meeting.

Members may note that the Company reserves the right to restrict the number of questions and number of speakers during the AGM, depending upon availability of time and for conducting the proceedings of the meeting smoothly.

n) **Route Map:** Route map for the venue of the 24th AGM is not available since the meeting is being held through VC facility.

o) **E-voting:**

- In accordance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, SS-2 and Regulation 44 of the SEBI Listing Regulations, the Company has provided the facility of voting through electronic means including 'Remote e-voting' (e-voting other than at the AGM). Necessary arrangements have been made by the Company with NSDL to facilitate Remote e-voting as well as e-voting in the AGM to be held through VC facility. Shareholders shall have an option to vote either through Remote e-voting or voting through electronic means in the AGM. The Company has appointed Mr. Alwyn D'souza (Membership No. FCS 5559 and Certificate of Practise No. 5137) as the Scrutinizer for scrutinizing the Remote e-voting process as well as voting in the AGM in a fair and transparent manner.
- Voting rights shall be reckoned on the paid-up value of equity shares registered in the name of the shareholder/ Beneficial Owner as on the **'cut-off date' i.e. Saturday, July 11, 2020**.
- A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depository Participant(s) as on the cut-off date only shall be entitled to avail the facility of Remote e-voting or voting at the AGM.
- Any person who becomes a shareholder of the Company after sending of the Notice and Annual Report FY20 and holds equity shares as on the cut-off date shall also follow the same procedure as is mentioned in point (p) of this Notice. A person who is not a shareholder as on the cut-off date should treat this Notice for information purpose only.

- The procedure for e-voting on the day of the AGM is same as the remote e-voting instructions provided under **Annexure-2** to this Notice.
- Members present at the 24th AGM through VC facility and who have not casted their vote on resolutions set out in the 24th AGM Notice through remote e-voting, and who are not otherwise barred from doing so, shall be allowed to vote through e-voting facility during the 24th AGM. However, the Members who have exercised their right to vote by Remote e-voting may attend the AGM but shall not be entitled to cast their vote again.
- A shareholder can opt for only one mode of voting i.e. either through Remote e-voting or voting at the AGM. If a shareholder casts votes by both modes, then voting done through Remote e-voting shall prevail.
- In case of jointholders attending the AGM through VC Facility, only such jointholder who is higher in the order of names will be entitled to vote.

p) **E-Voting Instructions:** Shareholders are requested to follow the instructions as mentioned in **Annexure-2** to this Notice, to cast their vote through e-voting.

q) **Declaration of Voting Results:** The Scrutinizer after the conclusion of AGM will submit his report of the total votes cast in favour or against and invalid votes, if any, to the Chairman of the Company or the person authorized by him in writing, who shall countersign the same and declare the result of the voting within 48 hours of the conclusion of the AGM to the Stock Exchanges as required under Regulation 44(3) of the SEBI Listing Regulations.

The results declared along with the Scrutinizer's report, will be posted on the Company's website, https://www.lntinfotech.com/investors/ and on the website of NSDL, https://www.evoting.nsdl.com/ and will also 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 and simultaneously will be forwarded to National Stock Exchange of India Limited and BSE Limited.

Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013

The Following Statement Sets Out the Material Facts Relating to Special Businesses Under Item Nos. 5 & 6 of the Accompanying Notice

Item No. 5

On the recommendation of the Nomination and Remuneration Committee ('NRC'), the Board of Directors of the Company at its meeting held on May 19, 2020, approved appointment of Mrs. Aruna Sundararajan (DIN: 03523267) as an Additional Director of the Company with effect from May 19, 2020, to hold office upto the date of the ensuing Annual General Meeting of the Company. In terms of Section 160 of the Companies Act, 2013 ('the Act'), the Company has received a notice in writing from a Member signifying his intention to propose the candidature of Ms. Aruna Sundararajan for the office of Director of the Company.

Further, in terms of the provisions of Section 149 read with Schedule IV of the Act and upon recommendation of NRC, the Board has also approved appointment of Mrs. Aruna Sundararajan as a Woman Independent Director of the Company for a term of five years with effect from May 19, 2020 upto May 18, 2025, not liable to retire by rotation, subject to approval of the Members of the Company.

Brief Profile

Mrs. Aruna Sundararajan is a 1982 batch Kerala Cadre officer of the Indian Administrative Service ('IAS'). She has over three decades of experience in a variety of leadership roles in the Central and State Governments, especially IT/Telecom Domains.

Mrs. Sundararajan superannuated on July 31, 2019 as Chairman of the Digital Communications Commission and the Secretary (Telecom), Government of India. As Secretary DOT, she was the chief architect of the National Digital Communications Policy 2018 which aims to propel India as a global leader in Digital Communications. Key achievements during her tenure were the launch of the country's 5G roadmap, establishment of indigenous Test Bed, launch of the National Frequency Allocation Plan-2018, and completion of the first phase of BharatNet. Additionally, her tenure saw the biggest wave of consolidations and mergers in the telecom industry including the largest M&A in India, a virtual tripling of telecom infrastructure, massive expansion in the activities of the USOF to cover the uncovered areas and promotional initiatives for start-ups in the telecom sector.

Prior to her tenure in DOT, Mrs. Sundararajan served as the Secretary, Ministry of Electronics and Information Technology (MeitY), where she drove the Digital India initiatives, particularly during the post-demonetization phase. During her tenure in MeitY, she was instrumental in establishing India as a major hub for electronics, particularly mobile manufacturing; launch of the BHIM app and the campaign for digital payments, use of Aadhaar for DBT (Direct Benefit Transfer), enhancing India's role in internet governance and establishing the National Cyber Control Centre i.e. NCCC for cyber security. Mrs. Sundararajan was instrumental in establishing the IT department of Kerala way back in 1998.

Mrs. Sundararajan was honoured as one of the Top Professional Women Achievers by India Today in 2009, Top Professional Women Achievers by Forbes Business Magazine in August 2012, The USIBC Transformative Leadership Award 2017 and Business Todays 10 Most Powerful Women for 2018. In November 2018, Intel felicitated her with the Technology Visionary Award. In January 2019, she was bestowed the Digital Woman of the Year by IAMAI, at the 9th India Digital Awards, and was unanimously selected as the Telecom Person of the Year by Voice and Data in February 2019.

In terms of Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and Secretarial Standard 2, other details of Mrs. Aruna Sundararajan is annexed to this Notice. Mrs. Aruna Sundararajan is not related to any Director of the Company.

Mrs. Aruna Sundararajan has given a declaration to the Board that she meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI Listing Regulations. The Company has also received the following declarations from Mrs. Aruna Sundararajan:

(i) Consent in writing to act as a Director;

(ii) Intimation that she is not disqualified under section 164(2) of the Act;

(iii) A declaration to the effect that she is not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India (SEBI)/ Ministry of Corporate Affairs or any such statutory authority and that she is not put on the restrictive list published by Reserve Bank of India.

In the opinion of the Board of Directors of the Company, Mrs. Aruna Sundararajan fulfills the conditions of appointment as an Independent Director as prescribed under the Act and SEBI Listing Regulations.

A copy of the draft letter of appointment of Mrs. Aruna Sundararajan as an Independent Director setting out the terms and conditions of appointment will be available for inspection upto the date of AGM. Kindly refer point (l) of the notes to the 24th AGM Notice i.e. instructions to access the same.

The Board considers that Mrs. Aruna Sundararajan's appointment is independent of the management of the Company and her association would be of immense benefit to the Company. Hence, the Board recommends the ordinary resolution set out at Item No. 5 of this Notice for approval of the Members of the Company.

Except Mrs. Aruna Sundararajan who is an appointee under this resolution, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of this Notice.

Item No. 6

The Members of the Company at the Extraordinary General Meeting held on September 14, 2015, had approved appointment including payment of remuneration of Mr. Sanjay Jalona as Chief Executive Officer and Managing Director of the Company for a period of five years, with effect from August 10, 2015 upto and including August 9, 2020.

Based on the skill, experience, knowledge and leadership qualities demonstrated by Mr. Sanjay Jalona and upon recommendation of Nomination and Remuneration Committee ('NRC'), the Board of Directors of the Company at its meeting held on May 19, 2020, subject to approval of the Members of the Company and Central Government, approved re-appointment of Mr. Sanjay Jalona as Chief Executive Officer and Managing Director of the Company for a further period of five years with effect from August 10, 2020 till August 9, 2025 on the following terms and conditions:

A) Remuneration

Particulars	Existing Remuneration till August 9, 2020 Amount (per annum)	Proposed Remuneration w.e.f. August 10, 2020 Amount (per annum)
Base Pay[1]	USD 8,11,725	USD 8,11,725
Variable compensation[1&2]	Upto USD 1,80,000	Upto USD 2,00,000
Commission on Profit	0.2% of the standalone profit after tax, calculated as per the Companies Act, 2013.	0.2% of the standalone profit after tax, calculated as per the Companies Act, 2013.

Notes:

1. The remuneration including base pay and variable compensation mentioned above payable to Mr. Sanjay Jalona, is subject to an annual increment upto 4% (four percent), as may be decided by the Board of Directors, upon recommendation of the Nomination and Remuneration Committee, from time to time.

2. Variable Compensation will be based on the achievement of the milestones/goals, laid out in the variable compensation plan as may be set out annually.

3. The Board of Directors may in its sole discretion grant additional stock options in favour of Mr. Sanjay Jalona provided the total remuneration including base pay, variable compensation, commission on profits and value of additional stock options for that financial year shall not exceed the limits prescribed under Section 197 read with Schedule V of the Companies Act, 2013, without further approval of the shareholders.

4. Since Mr. Sanjay Jalona is based in United States (US), hence the remuneration is denominated in US dollars.

5. The definition of profit for the purpose of Commission will be the operating net profits after tax (PAT), for and from the financial year 2020-21 and excluding extraordinary/ exceptional profits or losses arising from sale of business/ assets, sale of shares in Subsidiary & Associate Companies/ Special Purpose Vehicles/ Joint Ventures and also from sale of strategic investments/ adjustment in valuation of strategic investments. Commission on PAT, for such computations will be as on day when that accounts are approved for the pertinent financial year, as per the Companies Act, 2013. Currency conversion rate between USD and INR will also be as on that date.

B) Additional Benefits Not Included in Total Remuneration:

1. Will be eligible for medical benefits and health insurance in accordance with the Company's medical scheme for self and family. Additionally, the Company will bear upto 50% of the actual cost of the health insurance premium for his father, subject to reasonable limits.

2. Will be eligible to participate in all employee benefit programs which are generally applicable as per benefit plans, programs, policies and/ or practices of the Company.

3. Will be eligible for Leave encashment as per Company's leave policy, applicable in India & US.

4. Will be reimbursed for travel, conveyance, mobile or other expenses incurred in furtherance of or in connection with the performance of duties, in accordance with the Company's reimbursement policy.

The draft agreement, to be entered into between the Company and Mr. Sanjay Jalona post shareholders' approval, with respect to his re-appointment as Chief Executive Officer and Managing Director of the Company and containing terms and conditions of his re-appointment, will be available for inspection upto the date of AGM. Kindly refer point (l) of the notes to the 24th AGM Notice i.e. instructions to access the same.

Brief Profile

Mr. Sanjay Jalona, joined the Company in 2015 as Chief Executive Officer and Managing Director of the Company, and has since then led a rapid and comprehensive transformation of the Company into a leading technology consulting and digital solutions Company, partnering with some of the most prestigious global enterprises.

Mr. Jalona has guided the Company through one of the sector's most successful IPOs in a decade and a rebranding effort that positioned the Company as a leader in the convergence of digital and physical world. Under Mr. Jalona's leadership, the Company surpassed USD 1 billion revenue earmark and has built a resilient portfolio with consistent growth and profitability. Key acquisitions under his leadership include – Lymbyc Solutions, a specialist AI, machine learning, and advanced analytics company, Powerupcloud, a fast-growing cloud consulting company, Ruletronics, a pure-play Pega® consulting and implementation company; NIELSEN+PARTNER (N+P), an independent Temenos WealthSuite specialist and Syncordis S.A., a leading core banking implementation services provider. Mr. Jalona's 25-year career has been marked with effective leadership, and implementation of change strategies that accelerate growth and transform large businesses.

For his accomplishments, BITS Pilani in 2019 honoured him as a distinguished alumnus with the Corporate Leadership Award. Institutional Investor magazine ranked Mr. Jalona among the best CEOs in the technology category in its 2018 All-Asia Executive Team list, and Businessworld magazine selected him as the exemplary CEO of the Year in 2017. He is also a member of the Wall Street Journal CEO Council.

Mr. Jalona, being Non-Resident Indian does not fulfill the condition of being a 'Resident in India' as prescribed under part I of Schedule V of the Act. Accordingly, approval of Central Government will also be required for re-appointment of Mr. Sanjay Jalona as Chief Executive Officer and Managing Director of the Company, upon receiving approval of the shareholders.

Mr. Jalona has provided declaration that he is not disqualified from being appointed as a Director in terms of Section 164 of the Act.

The Board considers that re-appointment of Mr. Sanjay Jalona as Chief Executive Officer and Managing Director of the Company would be of immense benefit to the Company and hence, it recommends the ordinary resolution set out at Item No. 6 of this Notice for approval of the Members of the Company.

Except for Mr. Sanjay Jalona who is an appointee under this resolution, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of this Notice.

For **Larsen & Toubro Infotech Limited**
By Order of the Board of Directors

Manoj Koul
Company Secretary and Compliance Officer
Membership No. ACS 16902

Mumbai
May 19, 2020

Annexure-1 to AGM Notice

Details of Directors Seeking Appointment/Re-Appointment at the 24th Annual General Meeting

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings]

Name of the Director	Mr. A. M. Naik	Mr. R Shankar Raman	Mrs. Aruna Sundararajan	Mr. Sanjay Jalona
Item No. in the Notice	**3**	**4**	**5**	**6**
Date of Birth	June 9, 1942	December 20, 1958	July 12, 1959	March 11, 1969
Date of first appointment on the Board	December 23, 1996	October 28, 2015	May 19, 2020	August 10, 2015
Qualifications	B.E. (Mech.)	Chartered Accountant and a Graduate of the Institute of Cost & Works Accountants of India	Indian Administrative Service	Master of Science (Technology) in computer science
Expertise	Diverse and vast experience in general management, technology and engineering & construction	Over 35 years of experience in the field of finance	Over three decades of experience in a variety of leadership roles in the Central and State Governments, especially in IT/Telecom Domains	Over 25 years of Experience in IT Industry
Directorships held in other public companies (excluding foreign and private companies)	1. Larsen and Toubro Limited 2. L&T Construction Equipment Limited 3. L&T Technology Services Limited 4. Landt Welfare Company Limited 5. Mindtree Limited	1. Larsen and Toubro Limited 2. L&T Finance Holdings Limited 3. L&T Hydrocarbon Engineering Limited 4. L&T Seawoods Limited 5. L&T Metro Rail (Hyderabad) Limited 6. L&T Investment Management Limited 7. L&T Infrastructure Development Projects Limited 8. L&T Construction Equipment Limited 9. Mindtree Limited	1. HT Media Limited	NIL
Memberships/ Chairmanships of Committees* in other public Companies	Nil	Membership in Audit Committee: 1. L&T Finance Holdings Limited 2. L&T Infrastructure Development Projects Limited 3. L&T Metro Rail (Hyderabad) Limited 4. Mindtree Limited Membership in Stakeholders' Relationship Committee: 1. L&T Finance Holdings Limited	NIL	NIL
Number of Board Meetings attended during the financial year	4 of 4	4 of 4	NA	4 of 4
Details of Remuneration	Details of remuneration is provided in Annexure H to Directors Report forming part of Annual Report FY2019-20.			
Shareholding	2,100,000 Equity Shares	60,000 Equity Shares	NIL	1,38,520 Equity Shares
Relationships between directors inter-se	NIL	NIL	NIL	NIL

*Includes Membership/Chairmanship of Audit Committee and Stakeholders' Relationship Committee only.

Annexure-2 to AGM Notice

Remote E-Voting Instructions and Procedure for Attending the AGM Through VC Facility

Shareholders are requested to follow the instructions given below to cast their votes through e-voting:

A) The Remote e-voting period begins on **Wednesday, July 15, 2020 at 9:00 a.m. (IST) and ends on Friday, July 17, 2020 at 5:00 p.m. (IST)**. During this period, shareholders' holding shares either in physical form or in dematerialized form, as on the **'Cut-off date' i.e. Saturday, July 11, 2020** may cast their vote electronically by logging to NSDL website at https://www.evoting.nsdl.com/

The e-voting module shall be disabled by NSDL for voting thereafter.

B) Refer below for the detailed steps on the process and manner for remote e-voting/e-voting at the AGM and to access the VC facility at the AGM.

Step 1: How to Login to NSDL Website

1. Click on icon 'Login' available under Shareholders / Members section

2. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.

3. Shareholders shall enter the User ID details in following manner:

Members holding shares in	Your User ID is:
a) Demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) Demat account with CDSL	16 Digit Beneficiary ID For example if your Beneficiary ID is 12********** then your user ID is 12**********
c) Physical Form	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

4. Then enter your password as under:

   - If you are already registered for e-voting, then you can use your existing password to login and cast your vote;
   - If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password;
   - How to retrieve your 'initial password':

     a) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a pdf file. The password to open the pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The pdf file contains your 'User ID' and your 'initial password'.

     b) If your email ID is not registered, then please follow steps mentioned in point **(C)** below for procuring User ID and password for e-voting for the resolutions set-out in the AGM Notice.

- If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

  a) Click on "**Forgot User Details/Password**?" option (If you are holding shares in your demat account with NSDL or CDSL) available on www.evoting.nsdl.com.

  b) Click on **"Physical User Reset Password**?" option (If you are holding shares in physical mode) available on www.evoting.nsdl.com

  c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in through your registered e-mail id mentioning your demat account number/folio number, your PAN and your name.

  d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.

5. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

6. After you click on the "Login" button, Home page of e-voting will open.

Step 2: How to cast your vote electronically on NSDL e-voting system

1. After you have successfully logged in to NSDL e-voting system you will see the home page of e-voting. Click on e-voting and then on Active Voting Cycles.

2. After you click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

3. Select "**EVEN" 112998** of 'Larsen & Toubro Infotech Limited' to cast your vote.

4. Now you are ready for e-voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

Step 3: How to access the VC/OAVM facility at the AGM:

1. After you have successfully logged in to NSDL e-voting system you will see the home page of e-voting. Click on Company's EVEN number and then on ***'Video streaming facility'***.

2. You will then see the homepage of webex meeting. Enter your first name, last name and email address (of your choice) and click on **'Join Event'**. If you are not able to join the meeting and are getting an error that password is incorrect, please clear your browsing cache or cookies and try again.

3. You will be prompted to join through browser or join through the 'Cisco Webex Meetings application' ('Webex application').

4. For better experiencing the proceedings of the 24th AGM of the Company, Members are requested to download the Webex application.

5. For downloading the Webex application on desktops/laptops click on https://www.webex.com/downloads.html/ while the application can be downloaded on smartphones by visiting the 'Google play store' for android users and 'App Store' for iOS users.

6. If you have not installed the Webex application, a new tab will open wherein you will need to select either 'add Webex to Chrome' or 'Run a temporary application'. Click on 'Run a temporary application' an exe file will be downloaded. Click on this file which will run the application and join the meeting by clicking on 'Join event'.

C) Procedure for procuring User ID and password for shareholders who have not registered their email ID:

1. In case shares are held in physical form, please provide your name, Folio No., scanned copy of the share certificate (front and back), PAN (self-attested scanned copy), AADHAR (self-attested scanned copy) by email to Investor@Lntinfotech.com or rnt.helpdesk@linkintime.co.in, on or before **Saturday, July 11, 2020**.

2. In case shares are held in demat form, please provide your name, DPID/ClientID (16 digit DPID + ClientID or 16 digit beneficiary ID), client master or copy of Consolidated Account statement, PAN (self-attested scanned copy), AADHAR (self-attested scanned copy) to Investor@Lntinfotech.com, on or before **Saturday, July 11, 2020**.

D) Members having any queries with respect to NSDL Login or joining through webex before or during the meeting, may kindly contact below mentioned helpline numbers:

(a) Queries related to NSDL login/evoting/joining VC facility: Dial on toll free no.: 1800-222-990 or send an email at evoting@nsdl.co.in or contact Ms. Pallavi Mhatre, Manager and Mr. Anubhav Saxena, Assistant Manager at 022-49142500.

(b) Queries related to technical issues w.rt. Webex: Kindly call on +91 9821478581 or +91 8655560949 or send an email to Webexadmin@lntinfotech.com

E) General Guidelines for shareholders:

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
- In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send an email at evoting@nsdl.co.in

Annexure-3 to AGM Notice

To,
Link Intime India Private Limited
C 101, 247 Park,
L B S Marg, Vikhroli West,
Mumbai 400 083

Form for Updation of Shareholder Information

I/We request you to record the following information against my/ our Folio No.:

General Information:

Name of the Company	**Larsen & Toubro Infotech Limited**
Folio No.:	
Name of the First Named Shareholder:	
Moblie No./ Phone No.:	
E-mail ID:	
PAN No*:	

**Self-attested scanned copy of PAN is enclosed*

I/We request you to record the following information against my/ our Folio No.:

Bank Details:

IFSC Code (11 digit):
MICR (9 digit):
Bank A/c Type:
Bank A/c No.: *
Name of the Bank:
Bank Branch Address:

**A blank cancelled cheque is enclosed to enable verification of bank details.*

I/We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I/We would not hold the Company/ Registrar and Share Transfer Agent (RTA) responsible. I/We undertake to inform any subsequent changes in the above particulars as and when the changes take place.

I/We desire to receive all communications in electronic form.

I/We understand that the above details shall be maintained till I/we hold the securities under the above mentioned/beneficiary account.

Place:
Date:

Signature of Sole / First holder

Instructions:

Members are requested to update **Bank details, E-mail ID and Contact Number** as mentioned below:

Particulars	**Benefits/ Advantages**
Updation of Bank Details, E-mail ID and Contact Number with respective Depository Participant (DP) for Equity Shares held in Dematerialised mode and in case of Equity Shares held in Physical mode, with the Registrar and Transfer Agent in this Annexure.	1. Updation of E-mail ID and Contact Number will facilitate the Company to send all communications and documents promptly, efficiently and seamlessly from time to time. 2. Elimination of possibility of loss of Dividend Cheques in transit and minimization of risk of misappropriation.

Please note that in respect of Shares held in Dematerialised form, you are requested not only to update the Bank account details with the Depository Participant (DP) but also the E-mail ID and Contact Number so that information relating to your investments can be disseminated to you seamlessly.

Annexure-4 to AGM Notice

TDS Instructions on Dividend Distribution

Title	Description		
Applicability	In Compliance with the Finance Act, 2020, for any dividend distribution to shareholders on or after April 1, 2020 tax will be deducted at source ('TDS') by the Company. No TDS will be deducted for the exempted category of shareholders, provided they furnish the requisite documents with the Company's Share Registrar & Transfer Agent (RTA) on or before 'Cut-off date'.		
Cut-off Date	12 Mid-Night July 11, 2020[i]		
Exempted Category	a) LIC/GIC/The New India Assurance Company Ltd / United India Insurance Company Ltd / The Oriental Insurance Company Limited / National Insurance Company Ltd and Other Insurance Companies in respect of any shares owned by it or in which it has full beneficial interest;		
	b) Government; Reserve Bank of India; a corporation established by or under a Central Act which is, under any law for the time being in force, exempt from income-tax on its income; mutual funds;		
	c) Any person for, or on behalf of, the New Pension System Trust referred to in section 10(44); Alternative Investment Fund (Category I&II) or any other exempted entity;		
	d) *Resident shareholders*, furnishing valid Form 15G & Form 15H;		
	e) *In case of non-resident shareholders*, no TDS shall be deducted subject to furnishing of valid self-attested documentary evidence like copy of registration, order or notification issued by the Indian Income Tax Authority.		
Lower TDS / Withholding tax rates	a) *In case of Resident shareholders:* TDS shall be deducted at the rate prescribed in the Lower Tax Withholding Certificate issued by competent tax authority, if same is submitted with RTA before the cut-off date.		
	b) *In case of non-resident shareholders (excluding FII/FPI):* TDS as per Income Tax Act or Tax Treaty rate, whichever is beneficial shall be applied provided the non-resident shareholder submits the following specified documents;		
	i) Self-attested copy of PAN;		
	ii) Self- attested copy of TRC for FY 2020-21, issued by the tax authority of the country of which shareholder is resident;		
	iii) Self-declaration in Form 10F; and		
	iv) Self-declaration on 'No-Permanent Establishment in India', in the format enclosed with this ***Annexure***.		
TDS Rates for FY 2020-21	**Resident Shareholders[ii]**		**Non-Resident Shareholders**
	With PAN	Without PAN/Invalid PAN	
	7.5%	20%	20% (Plus applicable Surcharge & Cess) [iii]

i Please note that no communication with respect to document submission shall be accepted after the cut-off date.

ii No TDS shall be deducted, if aggregate dividend distributed or paid or likely to be distributed or paid during the financial year to resident individual shareholder does not exceed ₹ 5,000.

iii In case of non-resident shareholders, for whom tax is withheld as per Income Tax Act, the applicable Surcharge & cess for FY2020-21 shall be as tabulated under;

Dividend Income	Individual, AOP, BOI, HUF, Trust, AJP	Registered Co-op. Society or Firm/FII registered as LLP	Foreign Company/ FII registered as Foreign Company	FII / FPI characterized as AOP
Upto ₹ 50 Lakhs	NIL	NIL	Nil	NIL
Exceeding ₹ 50 Lakhs but less than ₹ 1 crore	10%	NIL	NIL	10%
Exceeding ₹ 1 Crore	15%	12%	2%	15%
Exceeding ₹ 1 Crore but less than ₹ 2 Crores				
Exceeding ₹ 2 Crore but less than ₹ 5 Crores				25%
Exceeding ₹ 5 Crore				37%
Exceeding ₹ 10 Crores			5%	

In addition to the surcharge rates as mentioned above, 'Health & Education Cess' of 4% shall be applicable for the financial year 2020-21 for non-resident shareholders.

General Notes:

I) Tax rates that are applicable to shareholders depend upon their residential status and classification. All shareholders are thereby requested to update the residential status and category in their respective Demat accounts if the shareholding is in demat form or with Company's RTA, if the shareholding is held in physical form, as may be applicable before the **Cut-off date**.

II) Application of any exemption from TDS/ lower / beneficial rate of tax is subject to submission of the requisite & valid documents with RTA before the cut-off date and also verification of the submitted documents by the Company. If the documents submitted by the shareholder are found incomplete or ambiguous, exemption/lower/beneficial rate of tax shall not be applied. Shareholders have option to claim refund of excess tax deducted from their respective Tax Authorities, in case the Company had deducted tax at source at higher rate due to non-submission / incomplete submission of documents with the RTA. *No claim shall lie against the Company for such taxes deducted.*

III) In case the requisite documents are submitted by the shareholders through his/her registered email, the company has full right to demand for the original documents and the shareholders undertakes to abide by such request. *Documents received by Registered Post or from registered email ID will only be accepted.*

IV) TDS certificates will be emailed to the shareholder's registered email ID in due course. Shareholders can also view the credit of TDS in their respective Form 26AS.

V) In case dividend income is assessible in the hands of a person other than the registered shareholder as on the cut-off date, the registered shareholder shall furnish a declaration, to the satisfaction of RTA / Company, containing the name, address and PAN of the person to whom the tax credit is to be given.

VI) In case of joint shareholders, the shareholder named first in the Register of Members shall furnish the requisite documents for claiming any beneficial tax rate applicability.

VII) The referred documents can be submitted with Company's RTA before the cut-off date at https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html or at the following address or through email from your registered email ID;
M/s. Link Intime India Private Limited
Kind Attention: Mr. Jayprakash VP
C-101, 247 Park, L.B.S. Marg,
Vikhroli West,
Mumbai-400 083,
Maharashtra, India
Email ID: rnt.helpdesk@linkintime.co.in

VIII) Shareholders can contact Company for any query related to dividend on Investor@Lntinfotech.com

Format of Declaration for No-Permanent Establishment in India

Date:

To,
Larsen & Toubro Infotech Limited
Technology Tower 1, Gate No.5,
Saki Vihar Road, Powai, Mumbai-400072, India
E-mail:- Investor@Lntinfotech.com

Subject: Self-declaration for Indian Financial Year (FY) 2020-21 with respect to availment of tax treaty benefits in relation to receipt of dividend income from Larsen & Toubro Infotech Limited

With reference to the captioned subject and in relation to the appropriate deduction of taxes on the dividend payable to me / us by Larsen & Toubro Infotech Limited ("the Company"), I / We hereby declare as under:

- I / We, _____ (*full name of the shareholder*),having Permanent Account Number (PAN) under the Indian Income tax Act, 1961 ('the Act') _____ (*mention PAN*), and holding _____(*mention number of shares held*) number of shares of the Company as on the record date. I / We am / are a tax resident of _____ (*country name*). A copy of the valid tax residency certificate for the period April 1, 2020 to March 31, 2021, is attached herewith.
- I / We am / are tax resident of the _____ (*country name*

Annual Report
2019-20

LTI
Let's Solve

Unlocking Grit

A Larsen & Toubro company

Read On...

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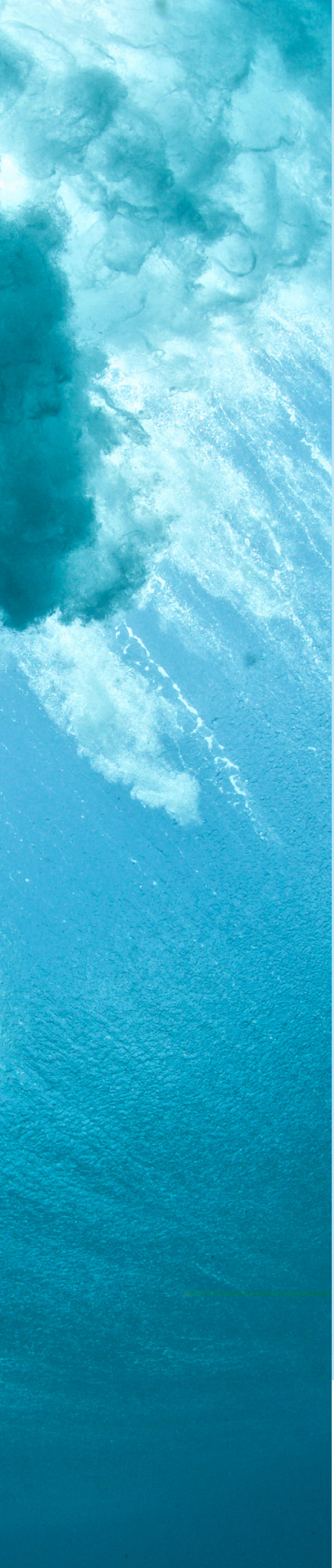


Unlocking Grit

These are unprecedented times. It is a new reality, a defining moment that will make or break enterprises and entities by challenging their innermost strengths.

To quote German aviator and leader Dieter F. Uchtdorf, "It's your reaction to adversity, not adversity itself that determines how your life's story will develop." The world today stands at the cusp of such a historic moment, where individual and collective responses will determine the future of our shared survival and future growth.

Amid this new world order, we, at LTI, have chosen to dig into the core of our resilience. We are leveraging the combined power of our passion, pride, courage, perseverance, determination and obsession, in the spirit of collaboration where individual initiatives transcend the 'Me' to 'We'.

In this new normal, we are relentlessly focused on **'Unlocking Grit'**, to unleash a new wave of growth on the other side of the curve.

Chairman's Message

Dear Shareholders,

We are living through extraordinary times – times that are difficult alike for businesses, economies and communities. Continuity of operations along with health and safety of our employees have remained our top priorities as we navigate through this crisis. We are closely supporting the Government initiatives to flatten the curve of COVID-19 across the globe.

While the pandemic impacted our business in the last quarter of the year, the complete FY2020 has been yet another year of industry-leading performance for LTI. You will be happy to know that your Company has reported its fourth consecutive year of double-digit growth.

I would like to take this opportunity to step back and reflect – retrace our journey and take pride in our many accomplishments and landmarks. What began 20 years ago as the IT arm of L&T - more as an initiative to retain its IT talent - has today grown into a 30,000+ strong IT major, the sixth largest in the country. Your Company's aggressive growth, rapid expansion of capabilities and establishment of a business presence in new geographies have been yielding good results. Over the last two decades, LTI has been an agile, innovative, and adaptive enterprise and also the one with a conscience.

During the calendar year 2019, your Company made four strategic acquisitions and expanded the partner network to further strengthen areas of expertise. With consolidated partner ecosystem and proven ability to deliver transformational industry-specific solutions, your Company is strengthening its capabilities as a leading expert of exponential technologies. LTI Mosaic and Leni, our offerings for the entire data-to-decisions cycle, are better equipped with automation and Artificial Intelligence capabilities to address the needs of breakaway enterprises.

A recent accomplishment I take special pride in, is LTI's inclusion in the coveted Nifty Next 50 Index. This has been achieved by consistently strong business fundamentals, a steady growth, diversified service offerings and rapidly growing share of digital revenues. These are also the reasons that make the long-term prospects of your Company very attractive.

You will be proud to know that Digital today comprises more than 40% of your Company's revenue, augmenting its strategic goal to be the preferred partner for new-age enterprises. Your Company enables digital transformations for clients across the spectrum of size, vertical and location, using the newest technologies, helping them to be future-proof and resilient.

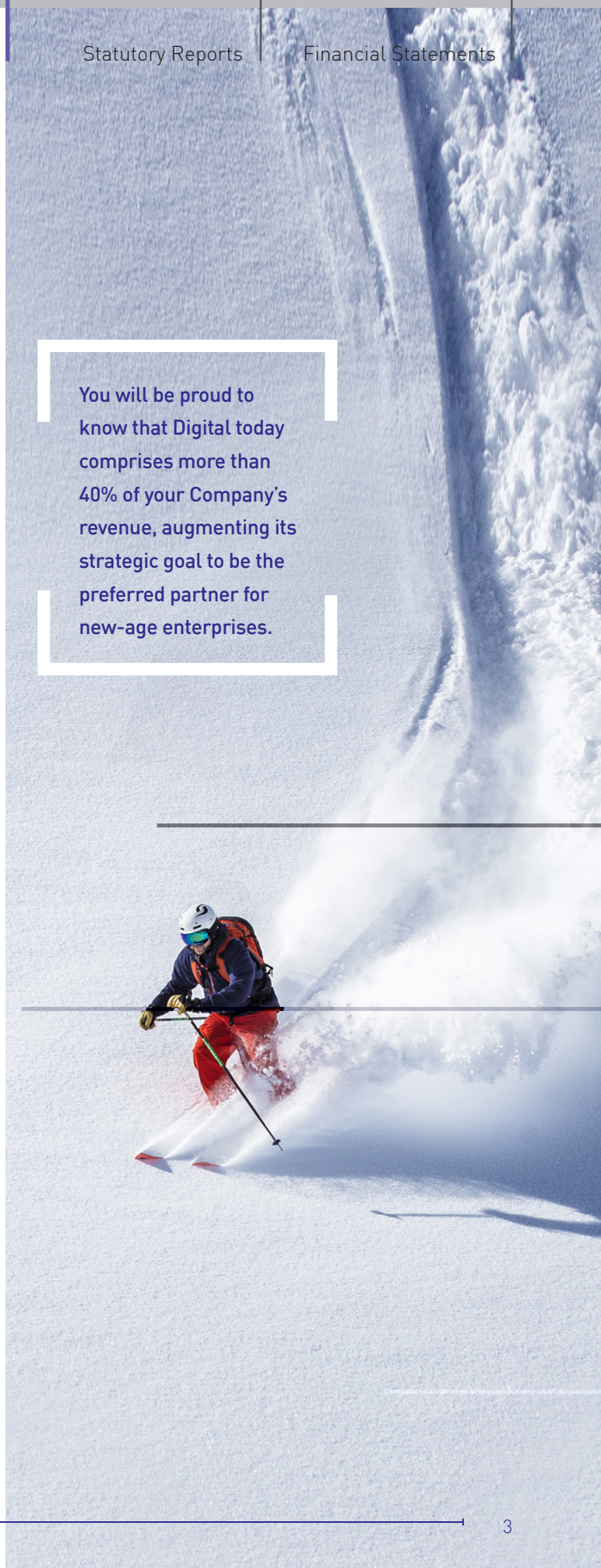
Greater the adversity, bigger the opportunity. Given the nature of this pandemic, opportunities are immense. We are better prepared than ever to leverage our strengths and go the distance for our clients and for the communities that we are part of. Responding to the crisis, LTIites everywhere have risen to their community responsibility to serve fellow citizens through our 1Step program.

As we proceed further in the next year, I congratulate Sanjay and LTI's entire leadership team on their performance so far and wish them the best to continue steering the Company with experience, intuition and foresight. I'm sure we will weather this unprecedented crisis together and emerge stronger.

I wish everyone great health.

A. M. Naik
Founder Chairman

You will be proud to know that Digital today comprises more than 40% of your Company's revenue, augmenting its strategic goal to be the preferred partner for new-age enterprises.



CEO & MD's Message

Dear Shareholders,

I learned early on in life that some of the greatest challenges that test our endurance, also prepare us for the extraordinary. World today is navigating through an unprecedented crisis that is redefining every chapter of our lives. Who could have predicted even few months ago that the world would be united in such a way, fighting a pandemic that has disrupted life and business as never before. But here we are – united and battling. Standing strong in the face of this adversity, with passion, with resilience, with Grit!

Words cannot capture the immense pride and gratitude I have for LTItes who have ensured 'business as usual' during these unusual times. To me that is Grit-in-action. I am inspired by their resilience and optimism. A crisis depicts the true character of an organization, and I'm proud to share with you that LTI came out with flying colors during these testing times.

You will be happy to know that FY 2019-20 was yet another landmark year for us. We grew consistently and faster than the industry, for the fourth successive year. Customer focus and innovation remain our operating directives. We are continuously rethinking and reinventing our business processes, and encouraging ownership at every level, to drive results at scale and speed. The impact is visible across every dimension of business, and is being presented to you through this report.

During the calendar year 2019, LTI acquired four great companies, each expanding our expertise in our chosen areas of growth. Powerupcloud Technologies enhances our cloud consulting capabilities, Nielsen+Partner boosts our Temenos footprint, Ruletronics makes our Pega consulting & implementation capabilities robust, and Lymbyc enhances our analytical capabilities with its virtual analyst, Leni. These capabilities with our Mosaic platform, strengthen us to be the chosen partner for breakaway enterprise.

This year also marked two other significant milestones in our journey. As we reach fourth anniversary of our public listing, LTI has been included in NSE's coveted Nifty Next 50 Index. Drawing strength and support from the L&T Group, LTI has always asserted its position as a fast-growing and trustworthy company, creating immense value for its shareholders and investors. Also, brand LTI secured a place amongst India's most valuable and strongest brands. Your Company now features among the top 5 IT brands of India in the Brand Finance's 'India 100 2020' report.

During the year, your Company continued to invest and build sophisticated capabilities across exponential technologies like AI/ML, Intelligent Automation, IIoT and Advanced Analytics. LTI's achievements validate our strategy and represent consistent ability to outperform across domains and services. LTI's strong focus on building IP, a credible partner ecosystem, and a highly skilled talent pool enabled it to win the 2020 SAP® Pinnacle Award as the Industry Innovation Partner of the Year.

I am confident and optimistic about the road ahead. Both new and age-old companies are adopting digital ways of working and that unlocks a world of opportunities for us. At LTI, we remain committed to lead with our expertise and create a niche for ourselves as a leading global organization that is powering the breakaway enterprise across industries. This year will see us focus and invest further on building these capabilities. We will continue to build a more diverse and inclusive global organization – the one that is agile and responsive to disruption and evolving market needs.

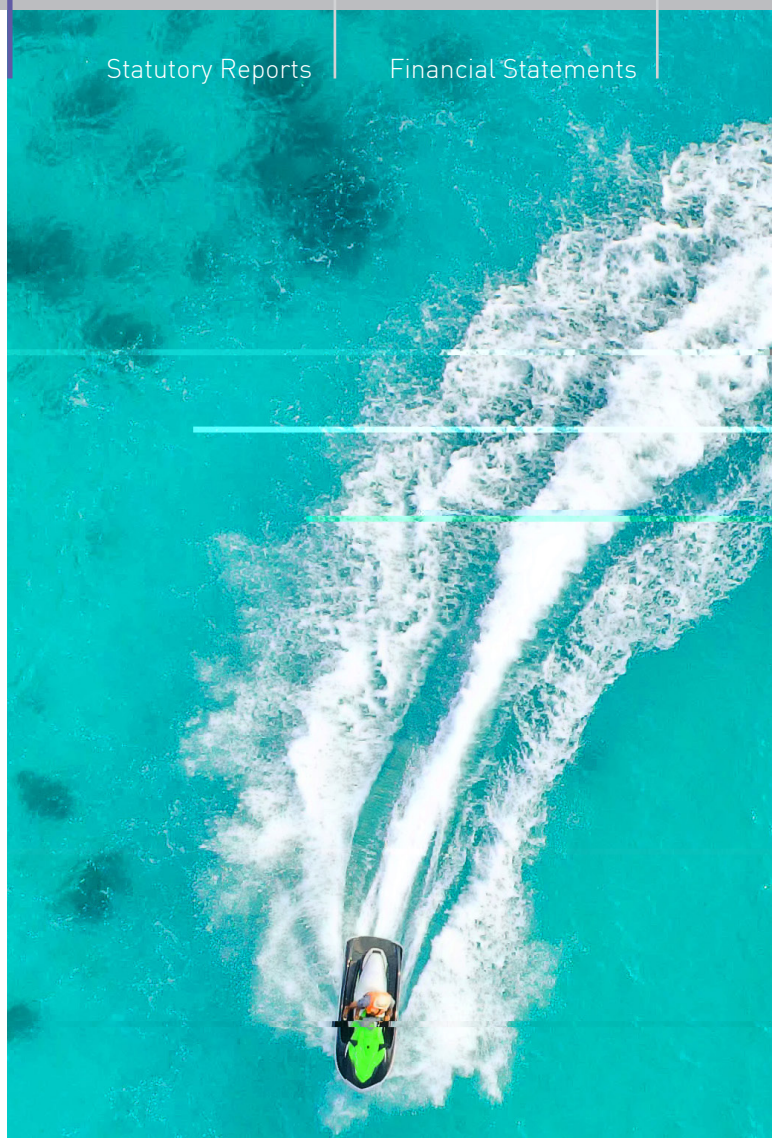
We recognize the role our industry plays in the world is more essential now than ever and are pulling several technology levers to help clients across industries navigate this situation. A large share of my own time and thinking is now focused on how LTI can best play its role to help clients and their end-customers, emerge stronger. I want you to know we will continue to do our part and will continue to explore opportunities to create scenarios of growth and prosperity globally.

As I close, our thoughts remain with those that are affected and we show our gratitude to those who are at the frontline of this battle providing essential services to communities, and helping governments and health organizations toward flattening the COVID-19 curve. Keeping its community responsibility in mind, your Company will continue to also solve for society, across the globe.

I thank you once again for your trust and confidence in LTI, and wish you good health and safe passage through these trying times.

Let's Solve.

Sanjay Jalona
CEO & Managing Director



At LTI, we remain committed to lead with our expertise and create a niche for ourselves as a leading global organization that is powering the breakaway enterprises across industries.

Board of Directors

A. M. Naik
Founder Chairman

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Samir Desai
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M. M. Chitale
Independent Director

Arjun Gupta
Independent Director

Sanjeev Aga
Independent Director

Sudip Banerjee
Independent Director

Aruna Sundararajan
Independent Director

Corporate and Vertical Heads

Unlock.ockSZgsF

Leveraging Grit to Emerge Stronger

1 The **Resilient** Enterprise

It is our constant endeavor to help enterprises cut cost and improve their cash flows.

2 The **Empathetic** Enterprise

We are supporting our clients grow the trust of their end-customers.

With the new set of never-before challenges, Grit has emerged as the most powerful and effective trait of a resilient character. It is a robust link between the traditionally familiar way of doing business and the new unchartered territory that we all find ourselves in.

To meet the demands of our clients, we have pillared our approach around the Grit framework. The framework is designed to drive resilience, empathy and employee engagement, along with speed & agility, to transform their business systems and processes to address new imperatives.

3 The **Engaged** Enterprise

We are helping enhance employee productivity in these challenging times.

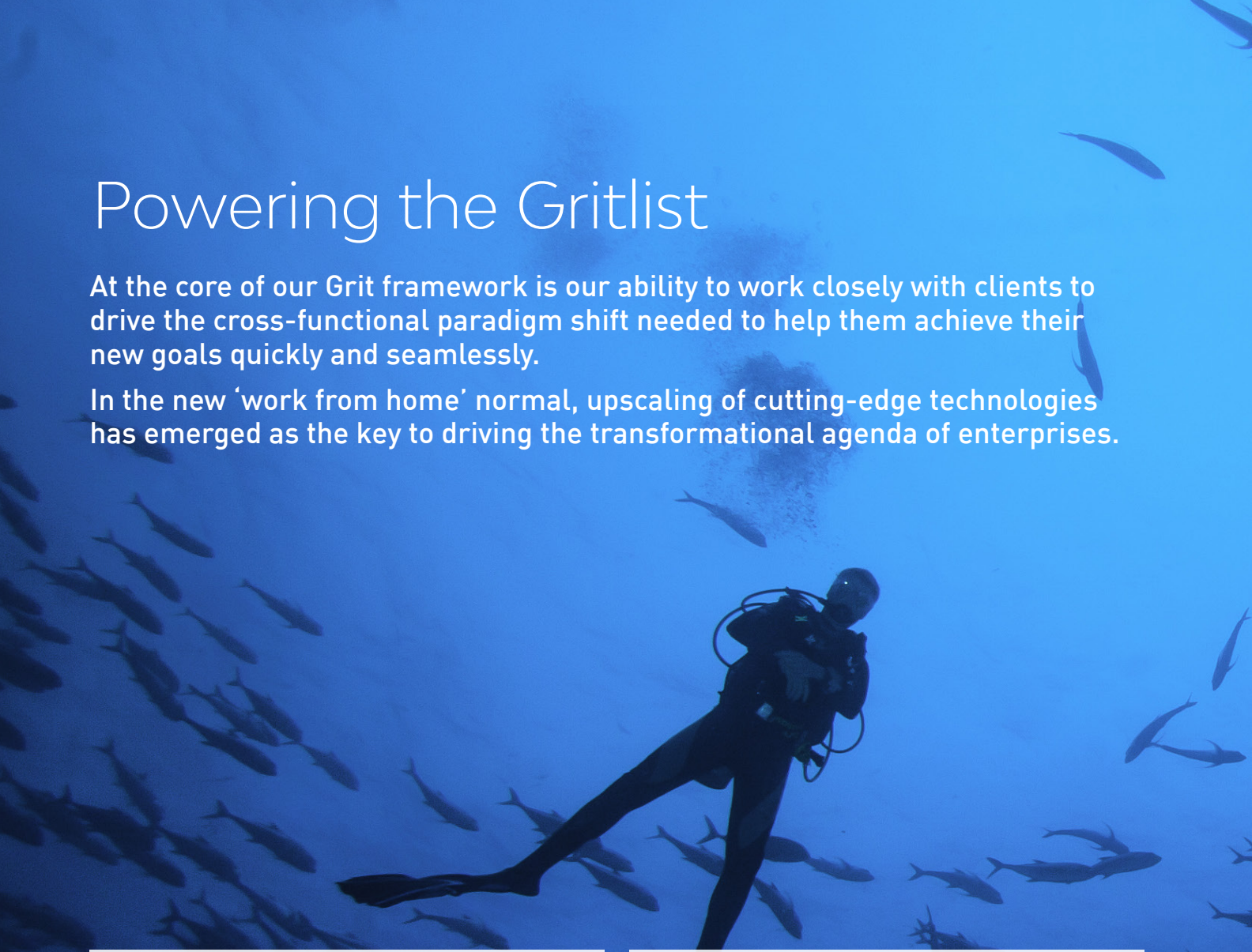
4 The **Agile** Enterprise

We are helping clients gain the much-needed speed and agility.

Powering the Gritlist

At the core of our Grit framework is our ability to work closely with clients to drive the cross-functional paradigm shift needed to help them achieve their new goals quickly and seamlessly.

In the new 'work from home' normal, upscaling of cutting-edge technologies has emerged as the key to driving the transformational agenda of enterprises.



The Resilient Enterprise

We have invested in a bouquet of new, disruptive technologies to facilitate immediate interventions needed by enterprises to boost cash flows and cut down on expenditure.

Ask Leni – Leni, our virtual assistant, supports the Working Capital Management needs of clients through solutions designed to help in Spend Analytics and Inventory Mapping.

Cloud Cost Optimization – Crafted to steer enterprise-wide migration, this solution enables transformation within just 90 days, across the stack & value chain.

More from Core – Helping clients with reduction in tech debt, rationalization of apps, and higher return on investment for enterprises.

Intelligent Automation – Our 'Intelligent Automation' is accelerating the adoption of Robotic Process Automation (RPA), as well as AI/ML, in both backoffice and core processes.

For sustaining and reinforcing customer trust, we have enhanced our focus on understanding the end-customer challenges and moving proactively to

The Engaged Enterprise

Unlocking Grit is as much about promoting people perseverance as it is about ensuring business perseverance in challenging times. We have leveraged our strengths and the power of technology to effectively address this challenge for our globally diversified clients.

Ask Leni – Helping organizations gauge employee sentiment, analyze attrition trends, and take corrective measures to ensure employee satisfaction and retention.

Botzer.AI – This fully developed powerful tool augments employee enablement and empowerment. Its effectiveness lies in its versatility to be deployed across social, web, email, voice or mobile channels.

Integrated Emergency Workforce Management – Business continuity situation requires employees to be informed and well connected. This system is based on ServiceNow's Emergency Response Management application of emergency outreach, self-reporting and exposure management.

xFH (Everything from Home) – Our five-layered xFH model is designed to enable employees to progress from being merely operational at home, to becoming secure, engaged and productive, thus eventually enabling their growth.

The Agile Enterprise

In this transforming landscape, we are leveraging geographies and rationalizing technologies for driving cost consolidation. With our partner eco-system, IP and domain expertise across industries, we are enabling enterprises to sustain efficiencies and innovate quickly with exceptional speed and agility.

Ask Leni – Helping enterprises boost Supply Chain visibility, augment R&D thrust, speed up Clinical Trials, and facilitate Returns Management speedily and effectively.

Supply Chain Resilience – Digital Intelligence is helping enterprises move quickly to restore operations and build resilience through automation and real-time scenario-based simulations.

Operate to Transform (O2T) – We have strengthened our 4D model (Do Fast, Do Less, Do More, Do Better), to power breakaway enterprises by scaling up their ability to weave operational data into business insights with agility.

Intelligent Automation – With sudden and fast-paced changes not just in operations at the customers end but also in the back-office and core processes, enterprises are being benefited through acceleration of the RPA/AI/ML systems implementation.

Grit-in-Action

Collective challenges inspire collective action. Amid this never-before global COVID-19 experience, where everyone may not be in the same boat but is definitely facing the same storm, being apart together is critical to survival. Led by our commitment to the ethos of client-centricity, we, are working continually to solve and deliver impeccably on client expectations. Effectively steering this commitment is our dedicated workforce, with every LTI employee and partner rising to the occasion.

The Gritty LTItes

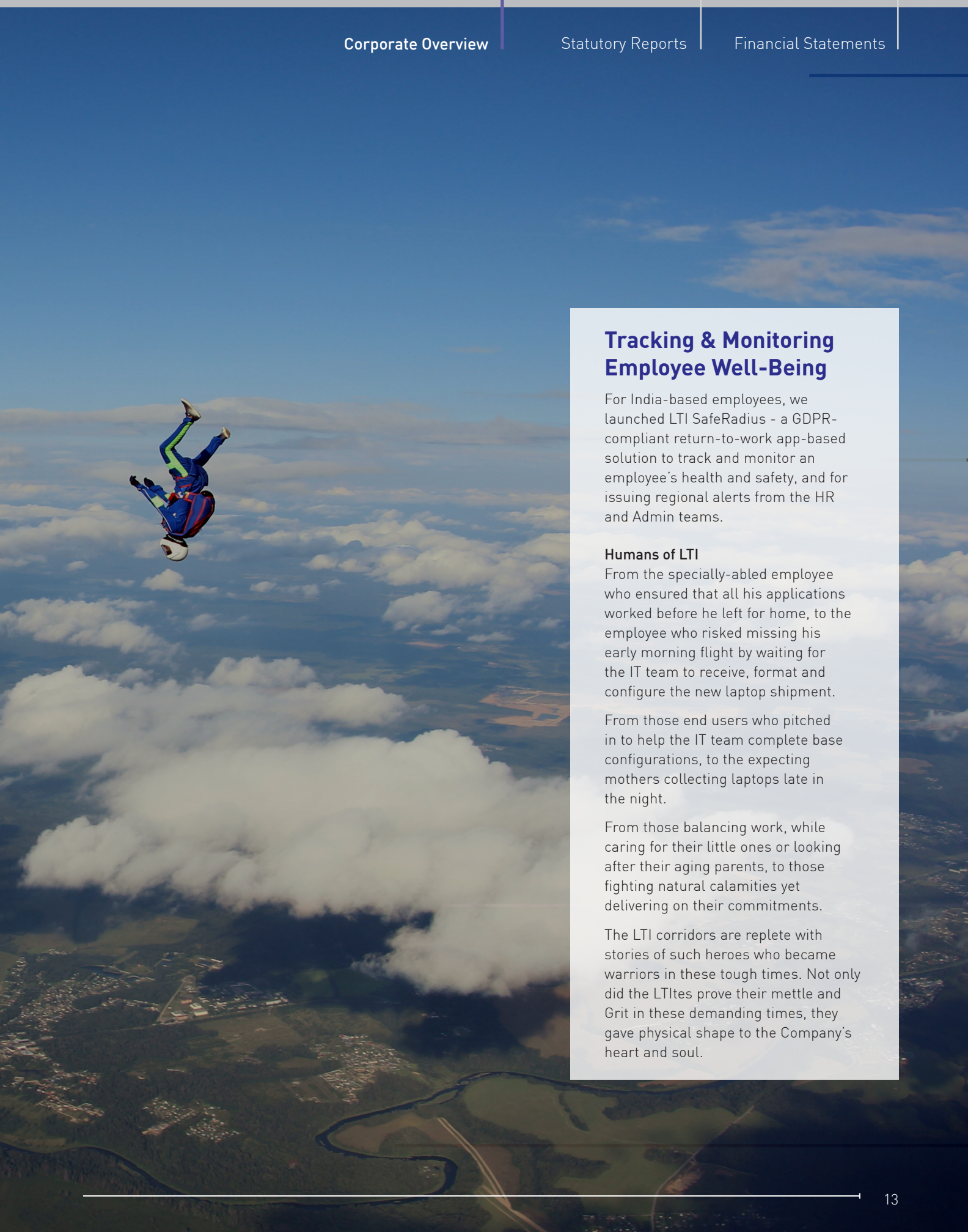
Adapting quickly to the new normal, the LTItes took ownership of their roles and lived up to the spirit of Grit with grace, even going beyond the call of duty to ensure not just business as usual, but safe and secure operations during these trying times.

Working Remotely

Working on war-footing, our on-ground teams made remote working possible for most of our employee base in just 3-4 days. They worked 24X7 to buy, set up and move thousands of laptops, desktops and thin clients across our locations, with allocations stretching from as early as 5 am to as late as midnight.

Safety First

Safeguarding the employees was an uncompromisable imperative in this new environment. Adherence to social distancing norms, along with frequent cleaning, fumigation and sanitization at the workplace, was ensured by our teams. Employee concerns were addressed through regular email advisories, a dedicated intranet, a rapid-action task force, a COVID-19 dedicated email ID and helpline number for prompt response.



Tracking & Monitoring Employee Well-Being

For India-based employees, we launched LTI SafeRadius - a GDPR-compliant return-to-work app-based solution to track and monitor an employee's health and safety, and for issuing regional alerts from the HR and Admin teams.

Humans of LTI

From the specially-abled employee who ensured that all his applications worked before he left for home, to the employee who risked missing his early morning flight by waiting for the IT team to receive, format and configure the new laptop shipment.

From those end users who pitched in to help the IT team complete base configurations, to the expecting mothers collecting laptops late in the night.

From those balancing work, while caring for their little ones or looking after their aging parents, to those fighting natural calamities yet delivering on their commitments.

The LTI corridors are replete with stories of such heroes who became warriors in these tough times. Not only did the LTItes prove their mettle and Grit in these demanding times, they gave physical shape to the Company's heart and soul.

Solving for Society

Technology has always been an enabler at LTI, more so across the societal fabric and our CSR outreach spans communities. Leveraging technology, we have created multitude of opportunities for growth and prosperity around the world.

Our 1Step Corporate Social Responsibility (CSR) program is focused on Education, Empowerment and Environment, to solve for the society.

Relief and Response

We launched a series of support measures in response to the need of communities for urgent relief:

LTI contributed to PM-CARES Fund in India and United Way Worldwide's COVID-19 Relief Fund in the USA.

Young innovators from LTI's 'Experiential Learning' program developed low-cost, high impact face shields for COVID-19 first responders - the frontline workers.

Awareness sessions on hygiene and care in times of COVID-19 were conducted for the 'differently abled', benefiting over 250 of our trainees and alumni.

Valuable information on COVID-19 was made available as a video in sign language for widespread sensitization.

Building Resilience

Resilience, a key component of our Gritlist, also emerged as a critical bolt of our CSR framework during the COVID-19 times. While LTI-backed start-ups rose to the occasion with unique innovations, we also contributed to promoting financial independence of women artisans.

Innovations by start-ups like Airpix Geoinformatics (developed an AI-powered solution for temperature screening) and FarmChain Services (deployed technology to improve the farm-to-fork supply chain) further boosted our efforts.

We partnered with UNDP to revive Warli art and upskill women artisans in the rural areas, to support their financial independence. We took the initiative online so that these artefacts could be pre-ordered to ensure regular income to these families during COVID-19.

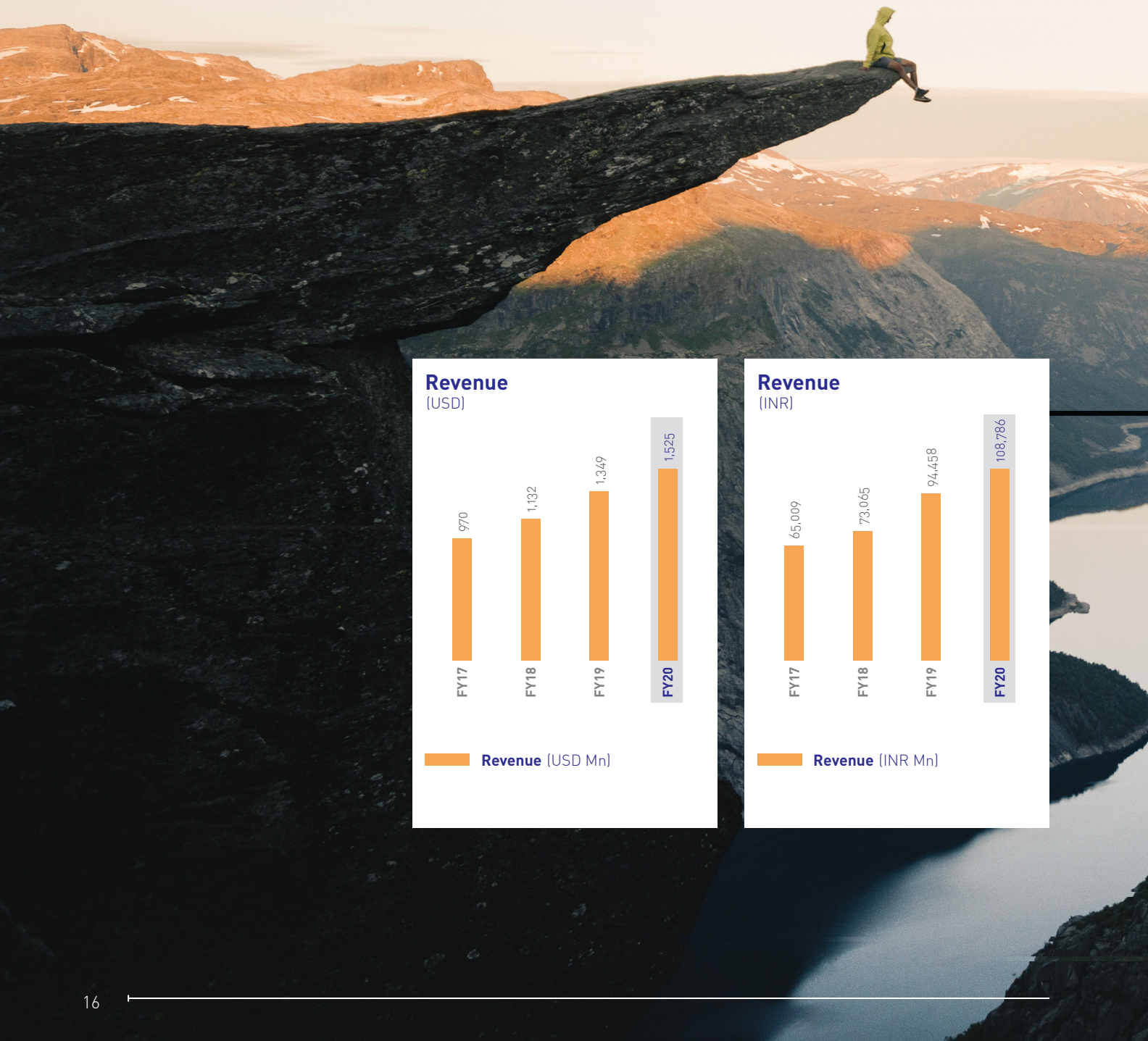
Virtual Volunteering

With social distancing emerging as an inviolable protocol of the new normal, virtual education, engagement and learning has assumed a vital role in the COVID-19 era.

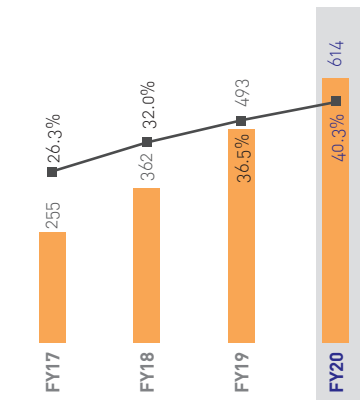
LTI has set up the 'Learn from Home' model to enable children in rural India to continue with their education virtually. As a pilot, we initiated this model in five schools reaching over 600 students, with the ultimate aim of impacting over 20,000 children.

Our Digital Sakshar program, in partnership with Pratham Infotech Foundation, was extended virtually to enhance the digital skills of underprivileged youth. The program benefited over 3,500 youth during the lockdown period.

Key Highlights



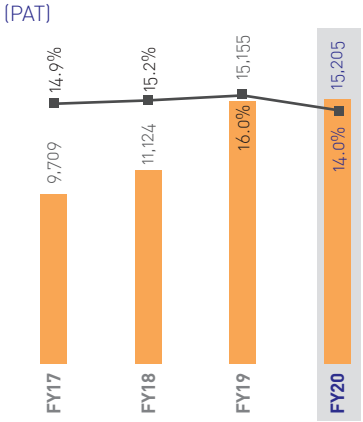
Digital Revenue



Digital Revenue (USD Mn)
Digital Revenue (% of Total Revenue)

Profit After Tax

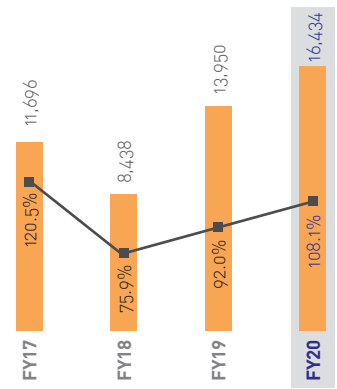
(PAT)



PAT (INR Mn)
PAT Margin (%)

Operating Cash Flow

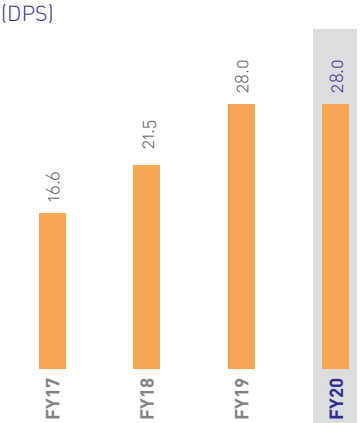
(OCF)



OCF (INR Mn)
OCF as % to PAT

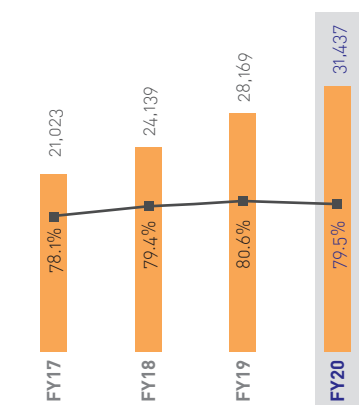
Dividend Per Share

(DPS)



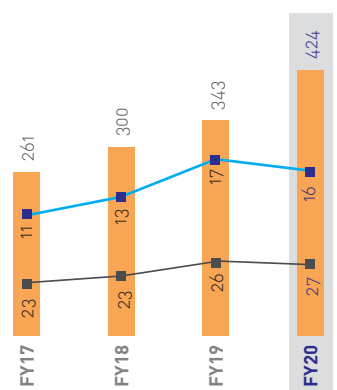
DPS (INR/share)

Employee Metrics



Headcount
Utilization (Including Trainees)

Client Metrics



Total Customers
USD 20 Mn+ Customers
USD 10 Mn+ Customers

Corporate Information

Board of Directors

A. M. Naik
Founder Chairman

S. N. Subrahmanyan
Non-Executive Vice Chairman

Sanjay Jalona
Chief Executive Officer and Managing Director

R. Shankar Raman
Non-Executive Director

Sudhir Chaturvedi
President Sales & Whole-time Director

Nachiket Deshpande
Chief Operating Officer & Whole-time Director

Samir Desai
Independent Director

M. M. Chitale
Independent Director

Arjun Gupta
Independent Director

Sanjeev Aga
Independent Director

Sudip Banerjee
Independent Director

Aruna Sundararajan
Independent Director

Statutory Auditors

B. K. Khare & Co.

Registrar & Share Transfer Agent

Link Intime India Private Limited

Committee Positions

Audit Committee

M. M. Chitale
Chairperson

Samir Desai
R. Shankar Raman
Aruna Sundararajan

Nomination and Remuneration Committee

Samir Desai
Chairperson

A. M. Naik
Arjun Gupta

Stakeholders' Relationship Committee

Aruna Sundararajan
Chairperson

Sanjay Jalona
Sudhir Chaturvedi

Corporate Social Responsibility Committee

Sanjay Jalona
Chairperson

Arjun Gupta
Sudhir Chaturvedi
Sudip Banerjee

Risk Management Committee

S. N. Subrahmanyan
Chairperson

Sanjay Jalona
Nachiket Deshpande
Ashok Kumar Sonthalia

Strategic Investment Committee

A. M. Naik
Chairperson

S. N. Subrahmanyan
R. Shankar Raman
Sanjay Jalona

Registered Office

L&T House, Ballard Estate
Mumbai 400 001

Corporate Office

Technology Tower 1, Gate No. 5
Saki Vihar Road, Powai
Mumbai 400 072

Bankers

Citibank N.A.

Standard Chartered Bank

Barclays Bank PLC

ICICI Bank Limited

HSBC

Note: Information updated as on May 19, 2020.

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Management Discussion & Analysis

I. Global Economic Scenario

Our world is witnessing an unprecedented pandemic that has virtually spread to every country in the world. This has resulted in loss of precious human lives and lockdown measures put in place to contain it are curtailing economic activity, driving up unemployment, and depressing international trade.

IMF in its baseline scenarios is projecting the global economy to contract sharply by –3 percent in CY20, much worse than during the 2008–09 financial crisis. Growth in the advanced economy group—where several economies are experiencing widespread outbreaks and deploying containment measures—is projected at –6.1 percent in 2020. Most economies in the group are forecast to contract this year, including the United States (–5.9 percent). Among emerging market and developing economies, all countries face a health crisis, severe external demand shock, dramatic tightening in global financial conditions, and a plunge in commodity prices, which will have a severe impact on economic activity in commodity exporters.

The risks to baseline macroeconomic forecast is contingent on the virology of the pandemic, duration of the lockdowns, and disruptions to the supply chain. The global business confidence could be severely affected, leading to weaker investment and growth than projected in the baseline.

Source: International Monetary Fund. 2020. World Economic Outlook: The Great Lockdown. Washington, DC, April.

II. Industry Overview

The strong digital foundation that Indian Technology Service Providers have built over the last decade underpinned the remarkable agility and resilience in responding to the COVID-19 crisis; ensuring business continuity for all global clients while prioritizing safety of its professionals.

The Global IT-BPM market excluding hardware and ER&D grew 5.6% over last year and stood at USD 1.5 trillion in CY19. Indian IT-BPM industry revenues including hardware and ER&D spend stood at USD 191 billion in FY20. The industry added ~USD 14 billion in incremental revenues last year, representing year-on-year growth of ~ 7.7% in USD terms. IT-BPM export revenues for the industry for FY20 are expected to reach USD 147 billion, growth of 8.1% over the past year.

Share of Digital in industry revenues has jumped from ~20% last year to now in the range of 26%-28%. Nine digital technology areas will emerge as fastest-growing and highest-impacting, with the combined potential to deliver one-third of the USD 100 trillion. The nine areas include three foundational technologies – Big Data and Analytics, Cloud. Computing, and Cyber security – and six advanced technologies – Artificial Intelligence, Internet of Things, 3D Printing, Robotics, Blockchain, and Immersive Media.

Source: NASSCOM IT-BPM Strategic Review 2020

III. Our Business

LTI (NSE: LTI) is a global technology consulting and digital solutions Company helping more than 420 clients succeed in a converging world. With operations in 32 countries, we go the extra mile for our clients and accelerate their digital transformation with LTI's Mosaic platform enabling their mobile, social, analytics, IoT and cloud journeys. Founded in 1997 as a subsidiary of Larsen & Toubro Limited, our unique heritage gives us unrivaled real-world expertise to solve the most complex challenges of enterprises across all industries. Each day, our team of more than 30,000 LTItes enable our clients to improve the effectiveness of their business and technology operations and deliver value to their customers, employees and shareholders.

1. Strategy

Advent of newer and efficient technologies is driving extraordinary changes across different industry verticals all over the world. During these tumultuous shifts, there are early signs of winners who would outgrow their competitors and establish themselves as Breakaway Enterprises. The common thread across these companies is they are fast adopters of technology and are reshaping their organisation at a pace and agility that has not been witnessed in the past.

At LTI, we believe enterprises need to master four essential plays to be a breakaway leader. Our go-to-market strategy that we believe shall help enterprises to be a breakaway leader continue to be the same as we had shared with you last year:

- Operate to transform - leveraging automation in everyday operations and solving for the unstated needs
- Data driven Organization - harnessing the power of analytics
- Experience Transformation for their customers and employees
- Digitize the Core by leveraging our real world know how of the client's industry domain

We are continuously working towards strengthening the solve along these four plays by investing in people and sharpening our capabilities. Our programmatic capability building focuses on hiring and re-skilling

employees in digital technologies, developing vertical centric platforms, augmenting key partnerships and acquiring unique capabilities.

Partnerships:

In FY20, LTI further strengthened its partnership and alliances ecosystem. LTI received the AWS SAP Competency partner certification, positioning LTI in an exclusive list of AWS global partners. Elevation of LTI to "Gold" partnership with Pega and "Premier" partnership with MuleSoft showcase our resolve to remain relevant to our clients.

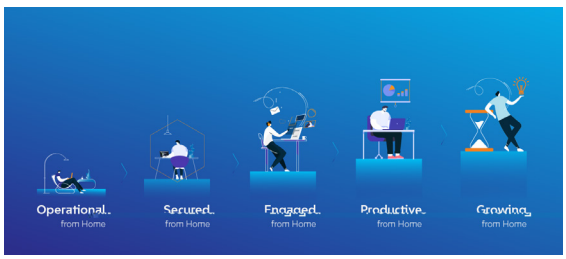
Acquisitions:

To further augment it's digital capabilities, LTI announced two acquisitions in FY20. In July 2019, it acquired Lymbyc, a specialist in AI, machine learning and advanced analytics. The Lymbyc acquisition adds to LTI's Mosaic platform offering. In October 2019, it acquired Powerup, a born-in-cloud company, with cloud consulting capabilities across all three leading cloud platforms – AWS, Microsoft Azure and Google Cloud. In addition to cloud consulting capabilities, Powerup also adds 2 AI products to LTI's powerful suite of offerings.

xFH – LTI Design for Thriving in the WFH Future

For the foreseeable future, WFH is the new global norm. As with any competitive landscape, some organizations will find ways to adapt and thrive under a fully distributed model, while others will unfortunately flounder.

That's what the xFH model is all about: helping organizations make sense of their own WFH model, understand the layers that comprise it, then drive meaningful and impactful interventions at each of those layers—and across all layers to ensure optimal business outcomes.



At LTI, we broke down WFH in five layers, each with a specific set of interventions, tools, governance & outcomes – these layers traverse foundational needs to team & individual needs.

Layer 1: Operational from Home (OFH)

The OFH layer encompasses all that goes into giving each employee the devices and equipment they need to work from home in a safe, healthy, and productive way. Enabling employees at the OFH layer will ask questions of both your IT infrastructure, as well as your business continuity planning (BCP).

Layer 2: Secured from Home (SFH)

At LTI, ensuring people have the right connectivity is hygiene. But this has gone beyond providing secure infrastructure for business email, intra-corporate chat, video conferencing capabilities, and WiFi support for connected devices. We've had to assess our broader security posture to make sure that the connectivity solution we first implemented in response to COVID-19 is hardened to ensure enterprise security in the long-term "new normal"—to ensure that security awareness and acceptable use policy is a well-established baseline for all our WFH employees.

Layer 3: Engaged from Home (EFH)

How do we design toward the active engagement of a remote workforce, one that's sitting in thousands of different locations at once—people who haven't met with each other in person for a month or longer?

At LTI, this is what we focused on the most right after initial enablement. Along with technology enablers like Microsoft Teams and Workplace, it needed us to adopt new practices on how we interact with our teams and colleagues. Different teams at LTI came up with innovative ideas – daily standups, virtual coffee or drink sessions, 'We care' moments, 5X5X5 initiative – connecting with 5 new team members at 5 pm, 5 days a week. These have now become integral part of LTI's Ways of Working.

Layer 4: Productive from Home (PFH)

LTI teams kept majority of our contractual commitments and they kept important go-live dates on track and executed flawlessly, working entirely remotely. In the past month, we have numerous examples where we have witnessed higher productivity working from home.

We have not only managed our contractual commitments, kept important go-live dates on track and executed flawlessly in our ongoing projects. Even so, our teams have also evolved our platforms and methodologies to carry out upstream processes like solutioning, requirements workshops, service transitions completely remotely, with very little loss in productivity.

Layer 5: Growing from Home (GFH)

Finally, it's at the Growing from home (GFH) layer that our teams find the opportunities for professional development and, where appropriate, turn those opportunities into growth for the organization. This layer is about personal growth, about finding ways to continue the journey of professional

transformation. At LTI, sales, marketing, support, services, and other teams are all engaged at the GFH layer.

In summary, we have demonstrated agility and nimbleness to adapt to the challenges posed by COVID-19. This combined with our strategy to help our customers become a Breakaway Enterprise is making us standout in the marketplace.

2. Opportunities

a) Banking and Financial Services: LTI delivered 6.1% year-on-year revenue growth in this vertical. We see faster adoption of advanced data analytics and AI based strategies in Banking industry as customer data segmentation and enhanced decision support become key priorities. Covid-19 has the potential to change the way people bank forever marking a clear shift towards digital and cloud. We believe majority of routine operations would move to cloud as cloud-native technologies can enhance customer experience while reducing costs at the same time.

b) Insurance: LTI has achieved 12.2% year-on-year growth in this sector. Cost optimization and legacy systems modernization continue to be the key drivers of growth. Many insurers are shifting from product-centric to customer-centric business model, so they are open to form partnerships with InsurTechs which will help them cut costs and improve business process efficiencies along with providing better customer experience.

c) Manufacturing: LTI delivered 20.0% year-on-year growth in this vertical. This sector includes Industrial Manufacturing & Automotive. The automotive industry has been facing an unprecedented technology and business model transformation mainly driven by Connected, Autonomous, Shared and Electric mobility (CASE). These trends will continue to drive the industry evolution going forward. The industrial manufacturing sector is witnessing the importance of Digital Twin in maintaining operations within the manufacturing ecosystem, and the emerging & expanding role of Collaborative Robots, Remote Work and the 'Virtual Shift' in manufacturing sectors.

d) Energy and Utilities: LTI has seen strong growth in this sector with 20.3% year-on-year growth. The pandemic outbreak has driven Oil & Gas companies to extensively focus on cost reduction measures due to lower consumer demand. Digital transformation coupled with cloud based strategy has emerged as the key focus area to combat the business pressure from pandemic crisis and its after effects. Cloud migration has helped companies leverage solutions for automated adaptive planning and scheduling of production, logistics and service processes, which in turn will enhance operational efficiency by reducing human interventions.

e) CPG, Retail and Pharma: With year-on-year revenue growth of 25.3% in FY20, there was a steady growth momentum in this sector. Competition from Direct-to-consumer companies is changing business models for CPG players. Companies are investing in customer-centric digital technologies like Virtual Shelves, Digital Kiosks, Self-Checkout, Digital reality etc. As pharma companies generate huge amount of health data, linking them to new technologies for building digital platforms is the way forward to transform their businesses. Emerging technologies like mHealth, Robotic Surgeries, 3D Printings among others are paving their way in the life sciences industry.

f) Hi-Tech, Media and Entertainment: Our strong pedigree in data and analytics offerings continue to help us win new logos in this segment. Direct to Consumer is a strong theme emerging from the necessity to understand customer preferences and behavior. In Media and Entertainment, content creation and prediction, along with personalization is the key to providing seamless user experience. In Hi-Tech, 5G technology is slated to drive the market for the next several years and also open opportunities in OTT and E-commerce. LTI has achieved 9.8% year-on-year revenue growth in this vertical.

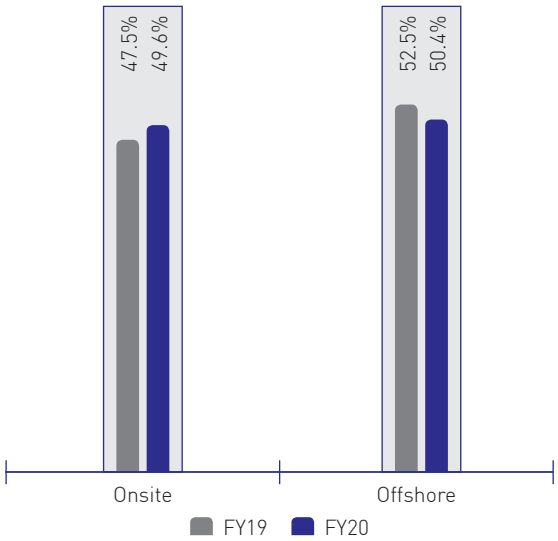
3. Human Capital

LTI crossed the 30,000-employee mark in FY20. Our unwavering focus on engaging, developing and retaining such talent is part of every people decision we make. The culture of LTI is one of inclusivity and transparency. A gender-inclusive workforce is a natural result of this outlook which is deeply woven into our ways of working. As of March 31, 2020, 31% of our workforce is comprised of women. Our unique recruitment program 'Revive with LTI' provides return to work opportunities to experienced women professionals, who are currently on sabbatical. They will receive on the job training, mentorship from senior leaders and opportunity to work on trending technologies in LTI.

The charter of LTI's Mission Ubuntu – launched in FY19 - says 'I am who I am, because of those around me'. Continuing our journey of HR transformation through policy intervention and process improvement, we've launched projects that will influence all aspects of human capital management from hiring to upskilling and attrition control.

from our onsite and offshore service revenue on a consolidated basis for the year ended March 31, 2020 as compared to the year ended March 31, 2019.

Revenue Mix



Employees and Employee Costs

In order to compete effectively, our ability to attract and retain qualified employees is critical.

Our total headcount increased to 31,437 as of March 31, 2020 from 28,169 as of March 31, 2019. Our attrition rate for FY20 was 16.5% as against 17.5% in FY19.

Employee benefits expenses constituted 58.1% and 56.1% of our total income in the year ended March 31, 2020 and March 31, 2019 respectively. Wage costs in India, including in the IT services industry, have historically been more competitive than wage costs in the United States, Europe and other developed economies. In addition, we continue to invest in the recruitment and retention of sales and administration staff in line with our growth and expand our markets.

Foreign Currency Fluctuations

Since majority of our revenue is foreign currency denominated, we carry foreign exchange risks on transactions as well as translation. Although our foreign currency expenses partly provide a natural hedge, we are exposed to foreign exchange rate risk in respect of revenue or expenses entered into in a currency where corresponding expenses or revenue are denominated in different currencies. Major currencies in which we have exposures are US Dollars, Euro, Canadian Dollars, Swedish Krone, Australian Dollar, South African Rand and British Pound Sterling. We have put in place an active foreign exchange hedging policy to mitigate the risks arising out of foreign exchange fluctuations.

In addition, the overall competitiveness of the Indian IT industry in the global market is also significantly dependent on favorable exchange rates.

Tax Benefits for Indian IT companies

We have historically benefited from the direct and indirect tax benefits given by the Government for the export of IT services from SEZs. As a result, considerable portion of our profits is exempt from income tax leading to a lower overall effective tax rate than that which we would have otherwise been subjected to if we were doing business outside SEZs. During the year, additional SEZ exemptions resulting from capacity and business expansion was offset by lower SEZ exemptions for certain units on completion of first five years of SEZ where we get 100% exemption from Income tax as opposed to 50% in next five years. The timeline for companies to set up new SEZ units and get Income tax benefits was March 31, 2020 and any new unit set up after this date will not be eligible for these benefits.

Moreover, the Government had announced reduction of Corporate Tax Rates during the year with condition of foregoing tax benefits. Decision to move to this new tax regime in appropriate year may have bearing on the financials of the company.

Until March 31, 2011, direct and indirect tax benefits were also available to us for the export of IT services from software development centers registered under the STPI Scheme. From April 1, 2011 onwards, only indirect tax benefits are available for our business through software development centers registered under the STPI Scheme.

V. Financial Conditions Consolidated

Assets

1. Acquisitions During the Year Ended March 31, 2020

Lymbyc

During the year, the group acquired 100% shares in Lymbyc Solutions Private Limited, along-with its identified subsidiary (collectively hereinafter referred as 'Lymbyc') for an enterprise value of ₹ 380 Million which includes upfront consideration and performance based earn-outs. Lymbyc is a specialist AI, machine learning, and advanced analytics company with their proprietary product 'Leni'. The platform has a combination of natural language processing, data visualization and predictive analytics capabilities. The Company has used cut-off date of August 1, 2019 as the acquisition date being date of acquiring effective control. The financial results for the year ended March 31, 2020 include revenue of ₹ 63 Million and profit after tax of ₹ 11 Million pertaining to this acquisition.

Powerupcloud

During the year, the group acquired 100% shares in Powerupcloud Technologies Private Limited (hereinafter referred as 'Powerupcloud') for an enterprise value of

USD 15 million which includes upfront consideration and performance based earn-outs. Powerupcloud is an AWS premier Consulting Partner with capabilities in Cloud consulting, migration, cloud native application development and managed services and also specializes in Azure and GCP Cloud Platforms. The Company has used cut-off date of October 1, 2019 as the acquisition date being date of acquiring effective control. The financial results for the year ended March 31, 2020 include revenue of ₹ 161 Million and loss after tax of ₹ 16 Million pertaining to this acquisition.

2. Tangible and Intangible Assets:

(₹ Million)

	As at March 31, 2020	As at March 31, 2019
Property, Plant and equipment	4,031	3,052
Right of Use Assets	7,692	-
Capital work-in-progress	382	32
Goodwill	6,368	4,947
Other Intangible assets	1,106	1,300
Intangible assets under development	210	83
Total	**19,789**	**9,414**

Property, Plant and Equipment:

LTI continued to invest in expansion of development centers in India as well as overseas and related IT assets and infrastructure facilities to meet business growth. Plant, property and equipment has increased to ₹ 4,031 Million as at March 31, 2020 from ₹ 3,052 Million as at March 31, 2019 since the net additions are higher than depreciation during the year. Increase in Capital work in progress is due to initial expenses incurred on construction of proposed development centre.

Right of Use Assets:

Right of Use assets have been recognized at ₹ 7,692 Million as on March 31, 2020 after implementation of IND AS 116 'Leases" effective April 1, 2019.These assets are primarily related to Office premises occupied by the group across locations in India and overseas.

Goodwill and Other Intangible Assets:

Increase in Goodwill is primarily due to goodwill arising from acquisition of Lymbyc and Powerupcloud. The net decrease in Other Intangible assets during the year is mainly on account of amortization and end of useful lives of certain assets. Intangible assets under development represent efforts spent on assets which are under development.

3. Other Non-Current and Current Assets

(₹ Million)

	As at March 31, 2020			As at March 31, 2019		
	Non-current	Current	Total	Non-current	Current	Total
Non-Current Assets - Financial						
Investments	2	-	2	1	-	1
Loans	560	-	560	473	-	473
Other Financial Assets	118	-	118	1,606	-	1,606
	680	**-**	**680**	**2,080**	**-**	**2,080**
Other Non-current Assets						
Tax assets	817	-	817	841	-	841
Other Assets	1,451	-	1,451	1,111	-	1,111
	2,268	**-**	**2,268**	**1,952**	**-**	**1,952**
Current Assets						
Loans	-	129	129	-	71	71
Other Financial Assets	-	1,613	1,613	-	1,703	1,703
Tax Assets	-	7	7	-	37	37
Other Current Assets	-	6,562	6,562	-	4,493	4,493
Total	**2,948**	**8,311**	**11,259**	**4,032**	**6,304**	**10,336**

Total Other Non-Current and Current assets stood at ₹ 11,259 Million as of March 31, 2020 as compared to ₹ 10,336 Million as of March 31, 2019.

The decrease in non-current other financial assets is mainly attributable to decrease in marked to market gains of outstanding hedges due to rupee depreciation against USD. The decrease in current other financial assets related to marked to market gains on outstanding hedges was offset by increase in deposit placed with banks related to Credit Support Agreements. As required under Ind AS 115 "Revenue from Contracts with Customers", unbilled revenue for fixed price contracts where the contractual right to consideration is dependent on completion of contractual milestones and not unconditional upon passage of time is classified as a non-financial asset. The increase in other current assets is primarily related to such unbilled revenue for fixed price contracts of ₹ 4,342 Million included in other current assets as of March 31, 2020 as compared to ₹ 3,096 Million as of March 31, 2019.

4. Trade Receivables

Trade receivables amounted to ₹ 23,121 Million (net of provision for doubtful debts amounting to ₹ 630 Million) as at March 31, 2020, compared to ₹ 18,263 Million (net of provision for doubtful debts amounting to ₹ 521 Million) as at March 31, 2019.

Days of Sales outstanding of Trade Receivables as on March 31, 2020 is 77 days as against 70 days as on March 31, 2019.

5. Unbilled Revenue

Unbilled revenue represents value of services performed for customers not yet billed. Unbilled revenue stood at ₹ 4,420 Million as at March 31, 2020 as against ₹ 5,582 Million at March 31, 2019.

Days of Sales outstanding of unbilled revenue (including that classified as non-financial assets) has improved to 29 days as on March 31, 2020 as compared to 33 days as on March 31, 2019.

6. Funds Invested

(₹ Million)

	As at March 31, 2020	As at March 31, 2019
Investments	22,186	17,402
Cash and Cash equivalents	4,853	3,499
Other Bank Balances	399	651
Fund invested	**27,438**	**21,552**

The investments in Mutual funds are primarily in Debt mutual funds and in equity arbitrage funds having investments in sound rated instruments & in schemes with large assets under management, thus mitigating counterparty risk. Further, during the year, the Company invested in Corporate Deposits amounting to ₹ 1,022 Million. Put together, investments stood at ₹ 22,186 Million as at March 31, 2020 as against ₹ 17,402 Million as at March 31, 2019.

Cash and cash equivalents include both rupee accounts and foreign currency accounts and deposits with banks. The bank balances in overseas accounts are maintained to meet the expenditure of the overseas operations.

Other Bank Balances are earmarked funds and term deposits, in rupee as well as foreign currency, having maturity of more than 3 months.

7. Share Capital

(₹ Million)

	As at March 31, 2020	As at March 31, 2019
Authorized:		
260,000,000 equity shares of ₹ 1 each (Previous year 260,000,000 of ₹ 1 each)	260	260
Issued, paid up and subscribed		
174,126,769 equity shares for ₹ 1 each (Previous year 173,510,084 of ₹ 1 each)	174	174
Equity Share Capital	**174**	**174**

The Issued, paid up and subscribed share capital increased on account of shares allotted on exercise of employee stock options during the year ended March 31, 2020.

8. Other Equity

(₹ Million)

	As at March 31, 2020	As at March 31, 2019
Other reserves	6,336	10,105
Retained earnings	47,530	38,659
Share application money pending allotment	-	0
Non-Controlling interest	11	8
Other Equity	**53,877**	**48,772**

Other equity at the end of March 31, 2020 stood at ₹ 53,877 Million as against ₹ 48,772 Million at the end of at March 31, 2019. The decrease in other reserves from ₹ 10,105 Million at the end of March 31, 2019 to ₹ 6,336 Million at the end of March 31, 2020 is primarily due to decrease in hedging reserve on account of marked to market losses on outstanding hedges on account of rupee depreciation against US Dollar. The increase in retained earnings from ₹ 38,659 Million at the end of March 31, 2019 to ₹ 47,530 Million at the end of March 31, 2020 is on account of Net Profit for the year, reduced by dividend paid, offset by adjustment of ₹ 640 Million on transition to IND AS 116 'Leases'.

9. Deferred Tax Assets / Liabilities

(₹ Million)

	As at March 31, 2020	As at March 31, 2019
Deferred tax assets	2,222	1,545
Deferred tax liabilities	101	56

Deferred tax assets and liabilities are recognized for temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted as on the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Other deferred tax assets are recognized and carried forward to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax assets have increased to ₹ 2,222 Million as at March 31, 2020 from ₹ 1,545 Million as at March 31, 2019 mainly due to creation of deferred tax asset on hedging reserve during the year ended March 31, 2020, offset by utilisation of MAT credit during the year.

10. Other Non-Current and Current liabilities

(₹ Million)

	As at March 31, 2020			As at March 31, 2019		
	Non-current	Current	Total	Non-current	Current	Total
Non-Current liabilities						
Financial Liabilities	2,884	-	2,884	936	-	936
Lease liabilities	7,571	-	7,571	-	-	-
Provisions	330	-	330	291	-	291
Current liabilities						
Trade Payables	-	6,950	6,950	-	4,669	4,669
Other Financial Liabilities	-	8,011	8,011	-	6,730	6,730
Lease liabilities	-	1,228	1,228	-	-	-
Other Liabilities	-	4,134	4,134	-	2,582	2,582
Provisions	-	2,588	2,588	-	2,108	2,108
Current income tax liabilities (Net)	-	81	81	-	374	374
Total	**10,785**	**22,992**	**33,777**	**1,227**	**16,463**	**17,690**

Total Other Non-Current and Current liabilities stood at ₹ 33,777 Million as of March 31, 2020 as compared to ₹ 17,690 Million as of March 31, 2019.

Non-current Financial Liabilities and Current Other financial liabilities as of March 31, 2020 include contingent consideration payable for acquisitions, marked to market losses on outstanding hedges and employee liabilities towards annual incentives.

Other current liabilities comprise of unearned & deferred revenue and statutory dues. Provisions comprise of provisions for employee benefits on account of compensated absences and post-retirement medical benefits.

Due to implementation of IND AS 116 'Leases' effective April 1, 2019, non-current Lease liabilities of ₹ 7,571 Million and current Lease liabilities of ₹ 1,228 Million have been recognized as on March 31, 2020.

VI. Results of Our Consolidated Operations

Financial Year 2019-20 Compared to Financial Year 2018-19

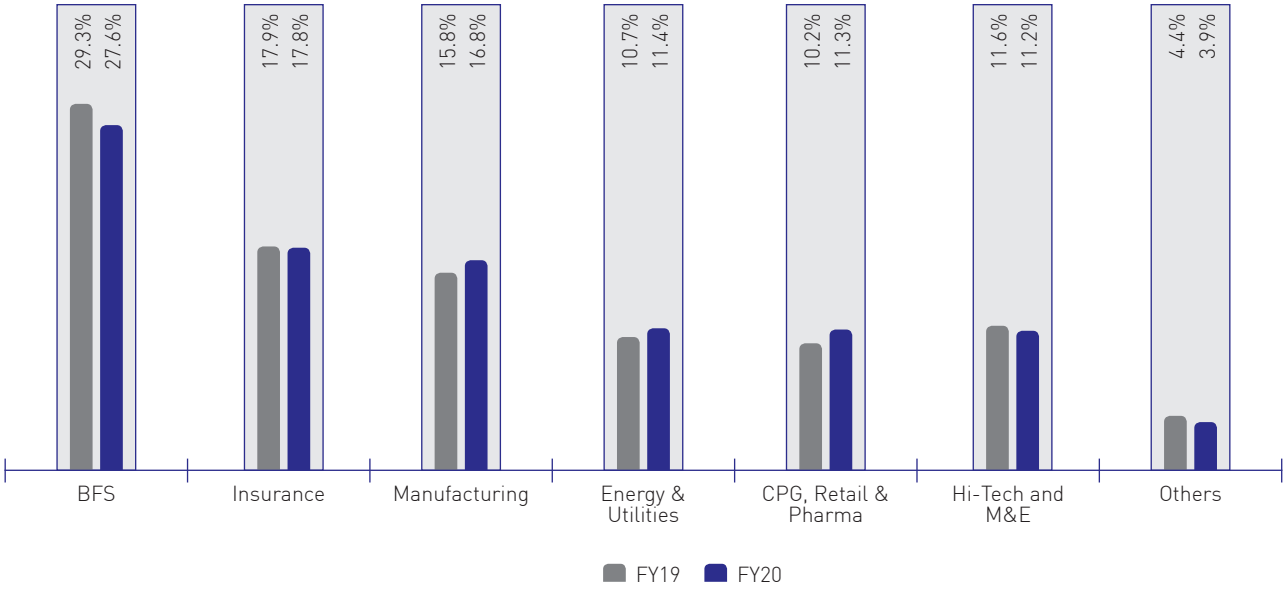
1. Income

Our total income comprises of revenue from operations and other income.

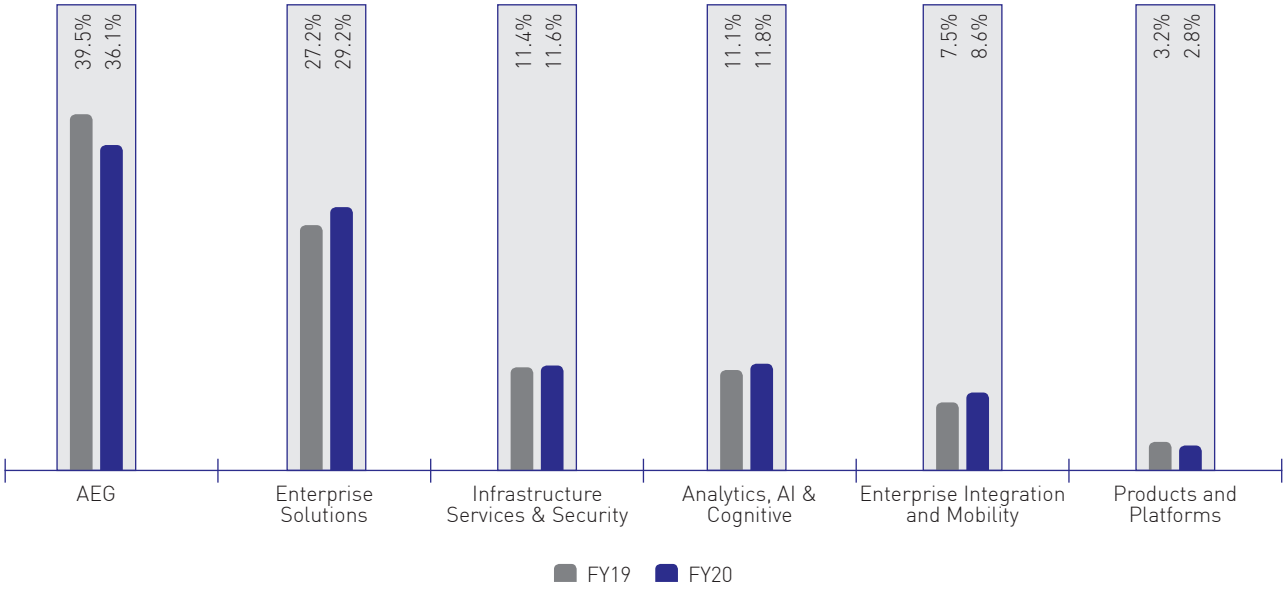
Our total income increased by 15.0% to ₹ 112,078 Million for the year ended March 31, 2020 from ₹ 97,481 Million for the year ended March 31, 2019.

Revenue from Operations

Revenue Mix by Verticals



Revenue Mix by Services



Our revenue increased by 15.2% to ₹ 108,786 Million for the year ended March 31, 2020 from ₹ 94,458 Million for the year ended March 31, 2019, due to growth in CPG, Retail & Pharma (growth of 27.4%), Energy & Utilities (growth of 22.6%), Manufacturing (growth of 22.3%), Insurance (growth of 14.1%), Hi-Tech, Media & Entertainment (growth of 11.7%), Banking and Financial services (growth of 8.4%) and other verticals (growth of 1.6%).

Our service revenue increased due to growth in Enterprise Integration & Mobility (growth of 31.0%); Enterprise Solutions (growth of 23.4%); Analytics, AI & Cognitive (growth of 21.8%), Infrastructure Services & Security (growth of 16.8%); AEG (growth of 5.2%) and Products & Platforms (growth of 1.9%).

2. Other Income

Other income primarily consists of income from foreign exchange gains (or losses), investments in mutual funds, interest received and miscellaneous income. Other income for the year ended March 31, 2020 was ₹ 3,292 Million as against ₹ 3,023 Million for the year ended March 31, 2019.

Income from Investments

Income from investments increased to ₹ 1,217 Million in the year ended March 31, 2020 compared to ₹ 990 Million for the year ended March 31, 2019 as a result of increase in investible surplus along with active portfolio management which cushioned fall in returns due to sharp rate cuts & drastic fall in rates this year.

Foreign Exchange Gains / (Losses)

In order to mitigate our foreign exchange risk, we have a long-term hedging policy. We hedge exposures in major currencies such as the US dollar and the Euro. Our hedging policy runs on a net exposure basis, typically for a period of up to three years. These hedges provide for payments by banks to us in the situations where the spot exchange rate on maturity is lower than the rate at which hedges were entered and payment by us to the banks in situations where the spot exchange rate on maturity is higher than the rate at which the hedges were entered. Our foreign exchange gain was higher at ₹ 1,889 Million for the year ended March 31, 2020 as against ₹ 1,785 Million for the year ended March 31, 2019.

3. Expenses

Our expenses include employee benefit expenses, operating expenses, finance costs, depreciation and amortization and other expenses. Our total expenses increased by 19.2% to ₹ 92,049 Million for the year ended March 31, 2020 from ₹ 77,203 Million for the year ended March 31, 2019.

Employee Benefit Expenses

Employee benefit expenses comprise of salaries (including overseas staff expenses); staff welfare; contributions to provident and other funds; contributions to superannuation funds and contributions to gratuity funds.

Our employee benefit expenses increased by 19.2% to ₹ 65,166 Million for the year ended March 31, 2020 from ₹ 54,668 Million for the year ended March 31, 2019. The increase in the salaries was majorly due to increase in employee count in line with business growth, changes to employee mix and increments. This has also resulted in higher contribution to the provident fund, social security and payroll taxes.

Operating Expenses

Operating expenses comprise of consultancy charges, cost of equipment, hardware and software packages, travelling and conveyance expenses, repair and maintenance expenses etc.

Our operating expenses increased by 9.9% to ₹ 21,506 Million for the year ended March 31, 2019 from ₹ 19,573 Million for the year ended March 31, 2019 in line with business growth.

Finance Costs

Finance costs primarily comprise of interest on lease liabilities recognized on adoption of IND AS 116 'Leases', interest on contingent consideration payable with respect to acquisitions and interest on deposit received under Credit Support Agreements entered with banks to limit our counter party risk in relation to our hedges.

Our finance costs increased to ₹ 826 Million for the year ended March 31, 2020 from ₹ 106 Million for the year ended March 31, 2019 primarily due to increase in interest on lease liabilities.

Depreciation and Amortization

Tangible and intangible assets including Right of Use Assets are amortized over periods corresponding to their estimated useful lives.

Our depreciation and amortization expense increase by 85.5% to ₹ 2,730 Million for the year ended March 31, 2020 from ₹ 1,472 Million for the year ended March 31, 2020, primarily due to amortization of Right to Use Asset recognized on adoption of IND AS 116 'Leases'.

Other Expenses

Other expenses increased by 31.5% to ₹ 1,821 Million for the year ended March 31, 2020 from ₹ 1,384 Million for the year ended March 31, 2019. CSR expenses increased to ₹ 460 Million for the year ended March 31, 2020 from ₹ 224 Million for the year ended March 31, 2019, which includes contribution made by the Company of around ₹ 180 Million to PM CARES Fund for COVID-19 relief measures. The contribution towards PM CARES Fund is exceeding CSR obligation for the year ending March 31, 2020 and accordingly, will be offset as part of CSR obligation arising in subsequent years. Legal & professional fees increased to ₹ 1,196 Million for the year ended March 31, 2020 from ₹ 921 Million for the year ended March 31, 2019.

4. Profit Before Tax

Our profit before tax decreased by 1.2% to ₹ 20,029 Million for the year ended March 31, 2020 from ₹ 20,278 Million for the year ended March 31, 2019.

5. Tax Expense

Income Tax expense comprises of current tax and deferred tax. Current tax is the amount expected to be paid to the tax authorities in accordance with the applicable tax laws in relevant jurisdictions. Deferred tax assets and liabilities reflect the impact of temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements as well as other deferred tax assets recognized and carried forward to the extent there is a reasonable certainty that sufficient future taxable income will be available.

Current tax expense has decreased by 19.7% to ₹ 3,913 Million for the year ended March 31, 2020 from ₹ 4,875 Million for the year ended March 31, 2019 mainly on account of reduction in MAT rate in India from 18.5% to 15%.

Deferred tax expense increased to ₹ 911 Million for the year ended March 31, 2020 as against ₹ 248 Million for the year ended March 31, 2019 primarily due to utilization of MAT asset during the year.

Due to above, our total tax expense has reduced by 5.8% to ₹ 4,824 Million for the year ended March 31, 2020 from ₹ 5,123 Million for the year ended March 31, 2019.

6. Net Profit After Tax

As a result of the foregoing factors, our net profit increased by 0.3% to ₹ 15,205 Million for the year ended March 31, 2020 from ₹ 15,155 Million for the year ended March 31, 2019.

7. Earnings Per Share (EPS)

Our Basic EPS has decreased by 0.25% to ₹ 87.45 per share for the year ended March 31, 2020 from ₹ 87.67 per share for the year ended March 31, 2019. Our Diluted EPS has increased by 0.2% to ₹ 86.61 per share for the year ended March 31, 2020 from ₹ 86.43 per share in the year ended March 31, 2019.

Segment Results

We have identified Banking, Financial Services & Insurance (BFSI), Manufacturing (MFG), Energy & Utilities (E&U), High–Tech, Media & Entertainment (HIME) and CPG, Retail, Pharma & Others (CRP & Others) as our business segments and accordingly presented its segment results as summarized below.

	2019-20		2018-19	
	(₹ Million)	% of revenue	(₹ Million)	% of revenue
Revenue from Operations				
Banking, Financial Services & Insurance	49,365	45.4%	44,645	47.3%
Manufacturing	18,275	16.8%	14,963	15.8%
Energy & Utilities	12,396	11.4%	10,112	10.7%
High-Tech, Media & Entertainment	12,166	11.2%	10,921	11.6%
CPG, Retail, Pharma & Others	16,584	15.2%	13,817	14.6%
Total revenue from operations	**108,786**	**100.0%**	**94,458**	**100.0%**

	2019-20		2018-19	
	(₹ Million)	% of revenue	(₹ Million)	% of revenue
Segmental Results				
Banking, Financial Services & Insurance	10,423	21.1%	11,021	24.7%
Manufacturing	3,449	18.9%	2,696	18.0%
Energy & Utilities	2,187	17.6%	1,897	18.8%
High-Tech, Media & Entertainment	1,462	12.0%	1,290	11.8%
CPG, Retail, Pharma & Others	3,321	20.0%	2,243	16.2%
Total Segment Results	**20,842**	**19.2%**	**19,147**	**20.3%**

The following tables provides breakup of our revenue on the basis of the geographic location of our clients.

	2019-20		2018-19	
	(₹ Million)	% of revenue	(₹ Million)	% of revenue
North America	75,044	69.0%	63,060	66.8%
Europe	17,038	15.7%	16,058	17.0%
India	7,765	7.1%	6,823	7.2%
Asia Pacific	3,044	2.8%	2,577	2.7%
Rest of the world	5,895	5.4%	5,939	6.3%
Total Revenue	**108,786**	**100.0%**	**94,458**	**100.0%**

VII. Liquidity

LTI has improved its overall cash flow position during the year ended March 31, 2020 and continued to manage liquidity through internal accruals. LTI has financed its business growth as well as acquisition of Lymbyc and Powerupcloud through healthy cash generated from operations during the year.

The table below summarizes our consolidated cash flows:

(₹ Million)

	2019-20	2018-19
Net cash generated from operating activities	16,435	13,951
Net cash (used) in Investing activities	(6,520)	(7,438)
Net cash (used) in financing activities	(8,900)	(5,943)
Net increase / (decrease) in cash and cash equivalents	**1,015**	**570**
Cash and cash equivalents at the beginning of the period	4,150	3,633
Effect of exchange differences on translation of Foreign currency cash and cash equivalents	87	(53)
Cash and cash equivalents at the end of the period	**5,252**	**4,150**

The company's long-term rating has been upgraded by CRISIL to AAA/Stable from AA+/Positive during the year.

The group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues, goodwill, right of use assets and intangible assets. In estimating the possible future uncertainties in the global economic conditions because of this pandemic, the group, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts and consensus estimates from market sources on the expected performance of the Company. The group has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered.

The effect of COVID-19 has not been material on the financials of the group since the situation especially in India worsened only in last two weeks of March'20, and we were able to activate BCP action quickly.

VIII. Key Financial Ratios

Ratios	2019-20	2018-19	% Change in Ratio
DSO (Billed)	77	70	9.9%
Current Ratio	1.8	2.1	-15.4%
Operating Profit Margin (%)	16.1%	18.4%	* -12.2%
Net Profit Margin (%)	14.0%	16.0%	* -12.9%
Return on Net Worth	29.5%	34.6%	** -14.7%

*Higher wage costs due to onsite localization & acquiring niche skill talent has led to drop in Operating & Net Profit Margin for the year ended March 31, 2020.

**Lower margins explained above along with normal cash generation during the year dragged the Return on Net Worth for the year ended March 31, 2020.

Since LTI is debt-free, debt-equity ratio and interest-coverage ratio are not applicable.

IX. Internal Controls

LTI has established a framework for Internal Controls, commensurate with the size and nature of its operations. Process has been set up for periodically apprising the senior management and the Audit Committee of the Board about internal audit observations of the Company with respect to Internal Controls and status of statutory compliances.

Business Heads and Support Function Heads are responsible for establishing effective internal controls within their respective functions. Standard operating procedures and internal control manuals are defined and continuously updated.

The Company has laid down Internal Financial Controls as detailed in the Companies Act, 2013. These have been established across the levels and are designed to ensure compliance to internal control requirements, regulatory compliance and appropriate recording of financial and operational information.

Internal Audit team periodically conducts audits across the Company, which include review of operating effectiveness of internal controls. The Company wherever necessary engages third party consultants for specific audits or reviews. The Audit Committee oversees internal audit function.

X. Outlook, Risks and Concerns

This section lists forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these statements as a result of certain factors. LTI does not undertake to update any forward-looking statement that may be made from time to time by us or on our behalf.

Covid-19: Response by LTI to Sustain Business Operations Seamlessly

The public health crisis resulting from COVID-19 outbreak has impacted lives and businesses world-wide. At LTI, our goal has been to ensure safety and well-being of our employees, while also maintaining continuity of operations across LTI offices and client locations.

Our comprehensive Business Continuity Policy and Crisis Management Standard were activated across all locations world-wide, which guided our efforts in the situation. LTI could ensure minimal disruption of services to its customers which was well appreciated by its clientele.

A cross-functional taskforce with representatives from Business Continuity & Resilience, HR, IT, Facilities, Travel, and Communications teams closely monitored the situation and worked in accordance with the information and guidelines provided by global agencies like the WHO, CDC, NHS, Ministry of Health & Family Welfare of Government of India, as well as advisories from other national, state and local health authorities.

Our Facilities Management Team made sure that all our premises were safe by implementing adequate measures like regular cleaning and sanitization, putting in place screening mechanisms, ensuring first responders are equipped with personal protective equipment, getting our medical centers ready to support emergency situations and so on.

Our Delivery Teams ensured that the Business Continuity Plans were up-to-date and tested. Most of our employees, across the globe, were enabled to work from home within a short span of time. In doing so, LTI took adequate measures to ensure all appropriate security and confidentiality arrangements were in place. Investments in enterprise collaboration technologies like WebEx, MS Teams, Workplace and others helped maintain effective communications. The IT teams were available 24x7 to ensure support for effective work from home.

Regular communication with Clients and Partners was maintained to update them on our preparedness and response.

Our HR Teams constantly engaged with employees, to help them with emotional support and health guidance as needed.

Multiple channels of communication were created to ensure employee outreach. A global helpline as well as email channel was setup to answer queries and concerns around COVID-19. Awareness was spread through a dedicated Intranet page which was created to share latest updates, information and FAQs. An In-house built Crisis Notification System was used to send bulk SMS and email notifications to employees. Workplace Facebook was extensively used to post regular updates and key messages from the Senior Leaders.

Detailed business resumption plans were chalked out and implemented in a phased manner post the lockdown period, as per the guidelines issued by National, State and Local Authorities. LTI adopted suitable prevention and protection measures before our employees could return to office, keeping in mind their well-being. Also, a custom mobile app iCare, was created in-house, for tracking employee safety. Some of the distinct features of the App were as follows:

- It allowed users to fill a Health survey and report any health condition for Self, Family or people staying with them
- The Reporting Managers could view the status of current employees in the team along with the risk they pertain and advise employees to work from home or allow to come to office basis risk analysis
- The interaction feature allowed Contact Tracing for employees in office and helped in taking quick response decisions
- It provided employees with the latest official updates from LTI on COVID-19 situation
- It also covered local news related to COVID-19, hotspot areas, etc.

All the controls put together ensured a seamless recommencement of our Operations from offices.

In these unprecedented times, the Senior Leadership team led the way and ensured that the morale of employees remained high throughout, by providing all possible support and encouragement.

Organization Level Risks and Mitigation Approach

Risk	Description	Mitigation Approach
Attrition to Key Talent: Technical and Leadership	Experienced employees are in high demand and have vast employment opportunities with the competition. Attrition of experienced and talented employee impacts organizational knowledge and relationship	▪ 'Attrition Control Council' defined for oversight on attrition ▪ 'Mission Ubuntu' launched to drive employee engagement ▪ Performance Management System framework designed to reward High potential employees ▪ Several initiatives to help employees learn and grow at LTI
Client Concentration	Exposure to limited number of clients create risk of a major revenue loss in the event a major client exit	Focused efforts to expand existing business and add new logos: ▪ Focused strategies on winning new clients with large IT spends ▪ Innovations and value-added deliverables to become trusted partner to clients ▪ Expand business in Europe, Middle East and South Africa
Data Privacy, GDPR	Non-Compliance to GDPR requirements and similar other regulations attract huge penalty	▪ Formed GDPR compliance team and steering committee ▪ Experts to perform current state assessment, and resolutions of gaps
Post M&A Integration	Post M&A, organization runs the risk from factors like Synergy, Structure, People etc. which can impact envisaged business goal	▪ Management of M&A integration - HR, Sales, Delivery, IT, F&A etc. ▪ Organization structure redefinition ▪ Governance mechanism to realize stipulated performance targets
International Localization	Non- compliance to Local vs expats ratio in various countries where LTI is doing business	▪ All hiring/deputations in various counties to be cleared by People Supply Chain Head wherever a local vs expat ratio is to be maintained ▪ Create a process for localization of resources in various countries
International Mobility	Misrepresentation in relevant documentation may lead to investigation by the adjudicating agencies leading to loss of business or account	▪ Enhanced system to enable account managers to upload the documents ▪ Zero tolerance on misuse or non-accountability of usage
Digital Disruption	Rapid change in digital market needs fast realignment to new technologies, failure to which may impact business growth	▪ Technology Architecture group created to ensure continuous alignment of skill development efforts with market needs ▪ Creation of practices to serve end-to-end Digital needs
Geo-Political Risk	▪ Change in political conditions can affect business in that country ▪ Geo-political Risk in starting business in new Geography	▪ Diversify presence across geographies ▪ Target varied sections of business ▪ Establish a process to evaluate risks of starting a business in new country ▪ Regular monitoring of risks in countries where LTI has current business portfolio

Risk	Description	Mitigation Approach
Execution	Non-compliance to comprehensive governance may lead to delivery issues	▪ Institutionalize Escalation Risk reviews process at Account / Delivery Unit / Organization Level ▪ Define framework to capture Stakeholder mapping & Quarterly Business Reviews
Transformation	Non availability of transformation framework for accounts may lead to unstructured transformation assignments	▪ Define Transformation playbook to enable structured account transformation ▪ 6 Pilot accounts identified with transformation needs
Litigation Risks	Litigation risk can arise from commercial disputes, perceived violation of intellectual property rights, mergers and acquisitions, immigration and employment matters etc. This risk is inherent to doing business across various countries. Litigation can be lengthy, expensive, disruptive and can attract negative media attention. Litigation could also have a negative impact on the Company's ability to pursue strategic projects, joint ventures and other forms of cooperation. Litigation leading to adverse ruling could result in monetary damages or injunctive reliefs that could affect the business, in addition to reputation loss.	▪ The Company has a robust framework for dealing with litigation matters appropriately. The in-house Legal Function reviews critical legal positions of the Company. Services of external global law firms, taxation and compliance experts are sought wherever required. ▪ The Company continues to strengthen internal processes and controls to ensure adequate compliance with all regulatory matters, contractual obligations, information security and protection of intellectual property. ▪ Where possible, legal risks are limited by using standardized general contracts. The in-house legal team support the business operations and thereby help limit risks. ▪ A group-wide D&O Liability insurance policy as well as entity level D&O policy are in place that covers among others, the business management bodies of the Company and its subsidiaries across globe. Besides, the contracts with customers are appropriately insured to counter any adverse exposure on account of litigation

During the year the U.S. Department of Justice and U.S. Immigration and Customs Enforcement have initiated an investigation of the Company related to its use of U.S. non-immigrant visas for its employees. There is no formal charge filed in the matter as on date. The Company has conveyed to the Department its willingness to cooperate in the matter.

Enterprises today are facing an expanding base of demanding born-digital consumers, disruptive new entrants and intensified competition from digital-savvy competitors. LTI has made proactive investments in digital technologies, bringing our in-house expertise together under the MOSAIC platform and enhancing these offerings through alliances and acquisitions.

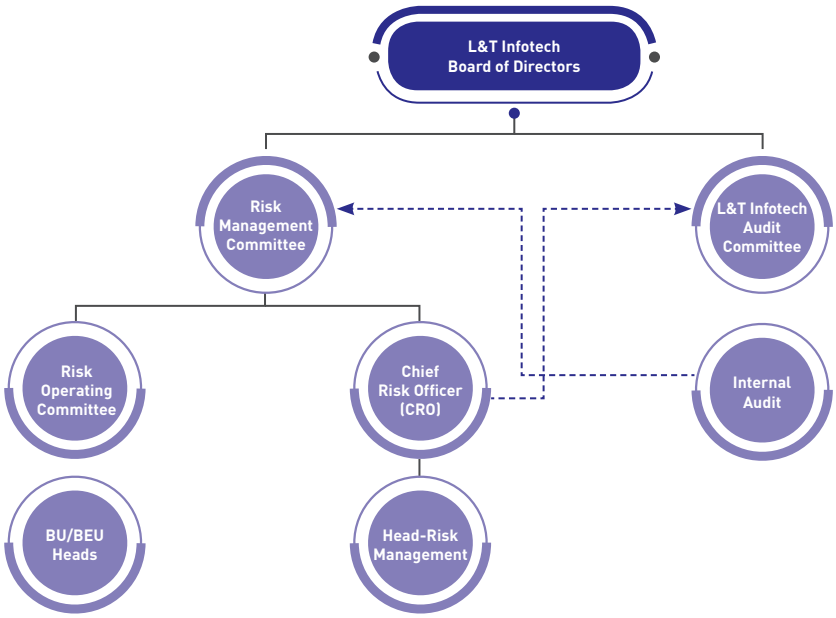
FY2020 marks the fourth consecutive year of industry leading double digit growth from LTI in constant currency terms. The risks emanating from global pandemic continue to evolve. Even so, our sustained investments in capabilities has helped us pro-grammatically build a resilient and sustainable business model. Based on the strength of our client relationships, value propositions to our customers and our ability to innovate we expect to continue delivering industry leading growth performance in times to come.

Enterprise Risk Management

Objective

LTI's Risk Management Framework has robust policy and processes that ensure proactive identification of risks to business objectives and its timely assessment and effective mitigation.

ERM - Governance Structure



The key roles and responsibilities for Risk Governance bodies are described below.

Board of Directors

- Ensure Risk Management Framework and Policy is in place
- Monitor the implementation of Enterprise Risk Management (ERM) Framework

Risk Management Committee (RMC): Review effectiveness of Risk Management Policy and ERM Framework. Review Strategic, Macro-economic and Sectoral Risks for the organization

Risk Operating Committee (ROC): ROC comprises of organization leadership and is chaired by the Chief Operating Officer. Key responsibilities of ROC include:

- Guide and mitigate issues faced by respective business / functions pertaining to risks they face
- Develop proactive and sustainable Risk Management culture

Chief Risk Officer (CRO): CRO heads the Risk Management function and co-ordinates with organization leadership. Key Responsibilities include:

- Design and Deploy ERM Plan in co-ordination with ROC
- Convene RMC meeting providing updates on ERM deployment
- Provide ERM updates to Audit Committee

Head – Risk Management: CRO appoints the Head – Risk Management of the Company. The Head- Risk Management shall:

- Act as Nodal point for coordinating risk management activities for the organization
- Ensures execution of Risk Management Policy for the organization

Risk Champion: Each Function/Unit shall identify a Risk Champion. Key responsibilities include:

- Champion the required ERM activities within the respective function/unit in coordination with central ERM team
- Works closely with the Unit Head / Leadership to identify risks and its mitigation for the respective Unit
- Ensure reviews and monitoring happens at regular intervals for the risks for the respective Unit

Risk Management Assurance:

- Internal Audit Services of LTI reviews adherence to the Policy and Processes as part of Risk Management Assurance (RMA). The Audit Committee and Risk Management Committee is updated on RMA.

Risk Management Framework

Risk Management Framework at LTI is depicted in the diagram below:

Multiple Lines of Defense		
1st Line	**2nd Line**	**3rd Line**
Project	Security	Internal Audit
Account	Quality	External Audit
DU / PU	Compliance	External Consultants
BEU	Risk Management	
Management Controls		
Internal Control Measures		

Risk Assurance Level		
Risk Assurance	**Stakeholders**	**Areas of Risk Managment**
Organization	CEO, COO, CFO President Sales CHRO, CIO CRO	M&A, Client Concentration, Sustainability, Service portfolio, Competition, Attrition, Geopolitical, Branding
BEU	BEU Head Risk Champion Location Heads	Compliance, Internal Controls, Client Satisfaction, Timely Facilitation, Multiple stakeholders, Co-ordination, Mobility
DU / PU	DU/PU Head Sales Head Risk Champion	Business Growth, Competition, Sustainability, Profit Margins, Employee Satisfaction, Fulfillment, Niche skills
Account	KAM KDM	Account growth, Client Satisfaction, Rate revision, Timely invoicing, Receivables, Contract Commitment
Project	PM, DM	Estimation, Technology, Requirements stability, Quality Deliverables, Knowledge management, Business continuity

A. Risk Management through Multiple Lines of Defense

1. First Line of Defense: It is the self-risk assessment by teams performing the job. This is the risk assessment by employees at ground. As the actual risk would be best known to the person who perform the tasks, first line of defense is very crucial for the organization.

2. Second Line of Defense: These are the checks and defense conducted by various compliance teams internal to the organization. Teams like Internal Audit, Delivery Excellence, IT Security etc. performs internal checks ensuring required internal controls are in place.

3. Third Line of Defense: These are the checks performed by various external teams. Various external consultants and auditors are leveraged to receive best practices and industry benchmarks. These best practices are implemented in the organization to improve the operations with effective controls to ultimately minimize the associated risks.

B. Risk Management at Various Levels

The risks are identified at various levels of the organization namely Project, Account, Unit and Organization level. The perspective of risks varies with the stakeholders who identifies the risk. Hence it becomes imperative to identify risks at various levels of organization.

1. Organization Level Risks: Organization level risks are identified and mitigated by the Senior Management of the organization. These risks have an oversight by CXO's and Risk Management Committee at regular intervals.

2. Business Enabling Unit Risks: These are the risks posed to the functions that enable the business of the organization. These risks are identified and mitigated by the respective Business Enabling Unit Head, Respective Risk Champion and Senior Management of the function. These have a governance and oversight on a monthly basis.

3. Business Unit Risks: These risks are posed to the Business Units and are identified by respective Business Unit Head in co-ordination with Risk Champion and Senior Management of the Unit. They have a monthly Governance and oversight by respective Unit Head.

4. Account Level Risks: Account level risk are identified by Key Account Manager and Key Delivery Manger for respective accounts. They are monitored on regular frequency and have an oversight by respective Unit Head in Senior Management Review meetings.

5. Project Level Risks: Project level risks are identified by Project Managers, Delivery Managers and Account Managers of respective projects. They are reviewed in regular governance forums. Projects that are high on risks and needs immediate attention of senior management are discussed in 'Escalation Risk Review' meetings. Depending on the severity of risks, these risks get escalated to Account / Delivery Unit / Organization level Escalation Risk Review meetings. They also are audited by Organization Delivery Excellence team.

Risk Management Process

Risk Management process in LTI comprises of Risk Identification, Analysis, Mitigation and Monitoring. Risk Severity is derived based on probability of occurrence and impact, on a scale of 'High', 'Medium' and 'Low'. Regular reviews focus on monitoring effectiveness of risk mitigation and to identify new risks, if any.

Directors' Report

To the Members of

LARSEN & TOUBRO INFOTECH LIMITED

Your Directors have pleasure in presenting the Annual Report along with the Audited Financial Statements of Larsen & Toubro Infotech Limited ('LTI' or 'Company') for the year ended March 31, 2020 ('FY2020').

1. Financial Results

(₹ Million)

Particulars	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Revenue from operations	101,842	89,072	108,786	94,458
Other Income	4,217	3,290	3,292	3,023
Total Income	**106,059**	**92,362**	**112,078**	**97,481**
Less: Operating Expenditure	83,185	71,841	88,493	75,625
Less: Finance Cost	720	43	826	106
Less: Depreciation and amortization	2,084	881	2,730	1,472
Profit Before Tax (PBT)	**20,070**	**19,597**	**20,029**	**20,278**
Less: Provision for Tax	4,546	4,846	4,824	5,123
Profit for the year (PAT)	**15,524**	**14,751**	**15,205**	**15,155**
Less: Non-Controlling Interests	-	-	4	(4)
Add: Balance brought forward from previous year	38,359	28,973	38,659	28,865
Less: Transition impact of IND AS 116	629	-	640	-
Balance available for disposal which Directors appropriate as follows:	**53,254**	**43,724**	**53,220**	**44,024**
Less: Dividend (excluding tax)	4,875	4,523	4,875	4,523
Less: Tax on Dividends	815	842	815	842
Balance to be carried forward	**47,564**	**38,359**	**47,530**	**38,659**

2. Performance of the Company

On standalone basis, revenue from operations and other income for the financial year under review were ₹ 106,059 Million as against ₹ 92,362 Million for the previous financial year registering an increase of 14.8%. The profit before tax was ₹ 20,070 Million and the profit after tax was ₹ 15,524 Million for the financial year under review as against ₹ 19,597 Million and ₹ 14,751 Million, respectively for the previous financial year.

On consolidated basis, revenue from operations and other income for the financial year under review were ₹ 112,078 Million as against ₹ 97,481 Million for the previous financial year registering an increase of 14.9%. The profit before tax was ₹ 20,029 Million and the profit after tax was ₹ 15,205 Million for the financial year under review as against ₹ 20,278 Million and ₹ 15,155 Million, respectively for the previous financial year.

3. Capital Expenditure

On standalone basis, as at March 31, 2020, the gross fixed and intangible assets stood at ₹ 9,728 Million (previous year ₹ 7,782 Million) out of which assets amounting to ₹ 2,092 Million (previous year ₹ 1,342 Million) were added during the year and the net fixed and intangible assets stood at ₹ 4,563 Million (previous year ₹ 3,229 Million).

On consolidated basis, as at March 31, 2020, the gross fixed and intangible assets stood at ₹ 22,190 Million (previous year ₹ 18,313 Million) out of which assets amounting to ₹ 3,558 Million (previous year ₹ 4,009 Million) were added during the year and the net fixed and intangible assets stood at ₹ 12,097 Million (previous year ₹ 9,414 Million).

4. Material Changes and Commitments Affecting the Financial Position of the Company, Between the End of the Financial Year and the Date of This Report

There have been no material changes and commitments affecting the financial position of the Company, between the end of the financial year and the date of this report.

However due to outbreak of COVID-19 pandemic globally and consequent lockdown imposed by the Government of India from March 25, 2020 to curb its wide spread, a massive economic

disruption and social distress has been witnessed in India. The Company's proactive implementation of *Business Continuity Plan and Emergency Preparedness Plan* at the enterprise level ensured not only the safety of its work force worldwide but also smooth, uninterrupted and secure business and service continuity. Though there was no significant impact on the business of the Company for FY2020 but considering the wide spread and varying degree of intensity of pandemic across the countries where LTI operates, the economic impact during FY2021 seems evident across the industry. The management is meticulously analyzing the situation and getting adequately prepared to emerge stronger in the longer term.

5. Changes in Share Capital

During FY2020, the Company allotted 616,685 equity shares of Re.1 each on exercise of the vested options by the eligible employees under various Employees Stock Option Schemes of the Company. Accordingly, the paid-up equity share capital of the Company increased from ₹ 173.51 Million to ₹ 174.13 Million.

After March 31, 2020, the Company has further allotted 55,960 equity shares of Re.1 each on May 19, 2020 on exercise of vested options by the eligible employees under the Employee Stock Option Scheme 2015 of the Company. The equity shares allotted under the Employee Stock Option Schemes rank pari-passu with the existing shares of the Company. Consequent to the same, as on the date of this report, the paid-up equity share capital of the Company is ₹ 174.18 Million.

6. Dividend and Dividend Distribution Policy

The Directors are pleased to recommend final dividend of ₹ 15.50/- per equity share of face value of ₹ 1/- each. During the financial year ended March 31, 2020, the Company paid an interim dividend of ₹ 12.50/- per equity share. The total dividend for FY2020, including the final dividend, if approved by shareholders, would amount to ₹ 28.00/- per equity share.

The final dividend if approved by the shareholders would be paid/ payable to those shareholders whose names appear in the Register of Members as on the book closure date mentioned in the Notice convening the 24th Annual General Meeting ('AGM') of the Company.

The Dividend is based upon the parameters mentioned in the Dividend Distribution Policy which is available on the Company's website at www.Lntinfotech.com/Investors

Standalone Revenue

14.8% increase

On standalone basis, revenue from operations and other income for the financial year under review were ₹ 106,059 Million as against ₹ 92,362 Million for the previous financial year

7. Human Resource Development

LTI believes that its employees are its biggest assets in the journey towards becoming the best employer in the industry. Mission 'Ubuntu'(I am, because we are) launched in FY2019 at LTI, with the aim for a meritocratic organization where fearlessness, fairness and humility are highly regarded, introduced programs in FY2020 to solidify the foundation of the Company's people ambitions. This is based on the belief in a universal bond of sharing that connects entire humanity, and in our case, 31,000+ LTItes, across the globe. Below are the key leadership and behavioural interventions.

ATLNext: ATLNext is an exquisite platform that is designed to cater to the organization's leadership skills & behavioural learning needs. With over 8000+ learning programs and 130+ competency based courses, ATLNext offers a huge array of learning options across levels within the organizations. Its AI & Machine learning allow users to create & maintain a dedicated learning path tracking individuals unique search & learning patterns. Users get to choose from aspirational and guided learning programs making the tool 'User-Friendly' in true sense. Its available both in the form of a website and an app making seamless learning possible for everyone at LTI.

iLead series: The iLead Series was launched with an objective of enabling first time leads and managers to boost their readiness to take on enterprise level roles as leaders. It empowers them to practice leadership skills that will help them become an engaging leader thereby achieving the objective of making an organization into a cohesive whole aimed at realizing its short and long-term objectives. The 'iLead' and 'iLeadPlus' leadership programs underwent a revamp in terms of the framework redesign in consultation with the key stakeholders of the business. In FY2020, four batches of iLead & three batches of iLead Plus were launched successfully. With the revamp, the program majorly focused on leadership topics like value driven self-leadership, making impactful decision, developing consultative approach, creating & leading high impact teams for the first time leads, while managers focused more on leading across borders & cultures, leading multiple generations in the workplace, establishing & sustaining relationships. The series is driven digitally with platforms like Workplace and ATLNext.

iVision: With a view to provide continuous feedback and opportunities for development, the iVision program kicked off in FY2020 with a 360 degree feedback assessments for the leadership at LTI. This exercise's results were supplemented by a comprehensive assessment centre that targeted competencies

valued at LTI. The output of the process was formalized into an individual development plan for each participant.

Besides these focused interventions, LTI is equipped with tools like 'SPIRE' to improve speed to revenue by contextualizing skilling with focus on digital. By doing demand-based and proactive reskilling, there are significant improvements to be harnessed in terms of speed, efficiency of resource management and employees' growth

innovative workspaces, we are gradually upgrading our older facilities into "Agile" spaces to meet business requirements. During these upgradations, LTI has added 616 Seats without compromising on comfort or compliances. As on March 31, 2020 the total seating capacity for Indian Centres stands at 28,324.

11. Quality Initiatives

Client Centricity is the core of the Company Quality Policy. It strives to be the most client centric partner by delivering rich and meaningful experiences not only to its clients but also to its client's customers. It endeavours to continuously improve its services and solutions, with focus on agility and creativity by nurturing an environment that promotes learning and growth.

The Company continues its focus on client feedback. The project level CSI is received through its internal tools and CXO level client satisfaction via a third-party to ensure objectivity. This two-pronged strategy ensures an insight into every level of client engagement and at the same time provides a comparison with the industry trends. Feedback received is systematically analysed to design and deploy action plans for each client. Various organization level and practice level initiatives are also implemented during the year to ensure client satisfaction is taken to newer heights.

The Company added new proprietary delivery frameworks in the fields of Agile, IIOT, SAP (Agile, Fiori), Oracle (SAAS), Large Scale Account Transition Management & Account Transformation and technology stack recommendations to its already existing vast repertoire. Enhanced digitized role-based trainings were deployed to further enhance the capability of its workforce. These have ensured start green status for many of our recent large and complex assignments.

To ensure a positive client experience at every stage during the engagement, the Company deployed the new Escalation Risk Review (ERR) framework with escalation path right up to the Chief Operating Officer (COO). ERR supported with enhanced Leadership Dashboards was very effective in getting timely attention at the appropriate Top Management level thus arresting possible client escalations and complaints.

Continued focus on "Extreme Automation" has helped to further optimize our delivery execution, improve productivity and reduce costs for us and for our clients. "Design Driven Delivery" suitably supported by Agile and DevOps methodologies, has helped the Company to design and deliver client focused services and solutions.

Company's proprietary Capability Maturity Framework (CMF) has evolved from last year, broadening the scope to all layers of the delivery organization thus multiplying its benefits multi-fold. Sixteen new innovations in delivery which will be differentiators for the Company, more than 100 high maturity enabled projects, new high maturity models and new methodologies/frameworks for IIOT, SAP (Agile) etc and far-reaching culture of continuous improvement have been some of its gains.

The Company also participated actively in Industry forums. Pallavi Choudhary, from the Delivery Excellence group presented a paper on "Maintaining Quality Excellence – Standardization Across All Channels" at the Quality Management Summit 2019 organized by UBS Forums. She was also a part of the panel discussion on "Meeting the Expectations of Top Management".

"Delivery Transformation at LTI" a paper based on LTI-CMF received a Special Commendation Award at the Watts Humphrey Conference organized by SPIN Chennai.

The Company through its ISO 9001, ISO 20000, ISO 27001, ISO 14001 and ISO 45001 certification accreditations by Bureau Veritas, continues to demonstrate its ability to effectively and efficiently drive its Quality, Information Security, Environmental, Health and Security commitments. This year, LTI extended the scope of ISO 27001 to its Hyderabad (India) and Tampa (US) centres. Hyderabad Centre was also certified for ISO 9001.

The Company has also sustained the compliance to ISAE 3402 requirements for projects in the Insurance domain and for client specific engagements in the other domains across all Delivery Units.

The Company continues to retain its Level 5 status on CMMI V1.3 Model for the CMMI DEV (development, maintenance & ERP implementation projects) and CMMI SVC (application and infrastructure support projects) constellations proving its commitment to a culture of continuous improvement – a culture which provides a stable platform for practicing our belief's to 'Be Agile' & 'Push Frontiers of Innovation'.

12. Transfer to Reserves

The Directors do not propose to transfer any amount to reserves.

13. Deposits

During the year ended March 31, 2020, the Company has not accepted any public deposits and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the Balance Sheet.

14. Directors' Responsibility Statement

The Board of Directors hereby confirm that:

(i) in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure;

(ii) 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 as on March 31, 2020 and of the profit of the Company for the year ended March 31, 2020;

(iii) 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;

(iv) the Directors have prepared the annual accounts on a going concern basis;

(v) the Directors have laid down an adequate system of internal financial controls to be followed by the Company and such internal financial controls are adequate and operating efficiently; and

(vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

15. Directors & Key Managerial Personnel

Following were the changes in the Board and Key Managerial Personnel:

a. During FY2020, Mrs. Vedika Bhandarkar ceased to be an Independent Director of the Company with effect from March 15, 2020, on account of completion of her term of office and opting not to seek re-appointment for the 2nd term as an Independent Director due to her personal commitments. The Board places on record its appreciation for the services rendered by Mrs. Vedika Bhandarkar during her tenure as an Independent Director of the Company.

b. Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors in it's meeting held on May 19, 2020, subject to shareholders approval have appointed Mrs. Aruna Sundararajan as an Independent Director of the Company for a period of 5 years with effect from May 19, 2020.

The Notice convening the 24th AGM includes appointment of Ms. Aruna Sundararajan as an Independent Director of the Company and also re-appointment of following Directors:

a. Mr. Anilkumar Manibhai Naik & Mr. R. Shankar Raman, Non-Executive Directors of the Company, who retire by rotation and being eligible, have offered themselves for re-appointment.

b. Mr. Sanjay Jalona, Chief Executive Officer and Managing Director of the Company, whose term of office is ending on August 9, 2020, has been re-appointed by the Board in it's meeting held on May 19, 2020 for another term of 5 years w.e.f. August 10, 2020.

Shareholders are requested to refer the 24th AGM Notice for the necessary disclosures required under the Companies Act, 2013 and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2 on General Meetings issued by the Institute of Company Secretaries of India.

16. Corporate Governance Report

A report on Corporate Governance is annexed as **Annexure A** to this Report.

17. Number of Meetings of the Board of Directors

The Board of Directors met 4 (four) times during FY2020. The details of the Board meetings and their attendance is provided in **Annexure A** to this Report.

Board meeting dates are finalized in consultation with all Directors and agenda is backedup with comprehensive notes and detailed background information, which are circulated well in advance before the date of Board meeting thereby enabling the Board to take informed decisions. Detailed business and regulatory presentations are also made to apprise the Board on the important developments.

18. Declaration by Independent Directors

The Company has received declaration of independence from the Independent Directors as stipulated under Section 149(7) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, confirming that they meet the criteria of independence which has been duly assessed by the Board as part of performance evaluation of Independent Directors. Further, all the Independent Directors have confirmed that they have registered/ applied for the registration for inclusion of their name in the Independent Directors data bank maintained by the Indian Institute of Corporate Affairs. Also, Independent Directors have confirmed that, if applicable, they shall undergo the proficiency test in accordance with Rule 6(4) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Companies Act, 2013.

19. Independent Directors Meeting

As per Schedule IV of the Companies Act, 2013, Secretarial Standards-1 on Board Meetings ('SS-1') and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, during FY2020, one meeting of the Independent Directors was held on May 2, 2019, to discuss inter-alia the performance evaluation of the Board, its Committees, Chairman and the individual Directors.

20. Performance Evaluation of the Board

This year to maintain high level of confidentiality of the process, the performance evaluation process was carried out with the help of an external agency in compliance with the provisions of the Companies Act, 2013 and Regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. An online annual evaluation of Board, Board Committees, Chairman and individual Directors was carried out. The performance of the

Board was evaluated after seeking inputs from all the Directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.It also covered specific criteria and the grounds on which all Directors in their individual capacity were evaluated including fulfillment of the independence criteria for Independent Directors as laid in the the Companies Act, 2013 and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

The above criteria are based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India.

The performance evaluation of the Board, its Committees, Chairman and Directors was also reviewed by the Nomination and Remuneration Committee and the Board of Directors, in their respective meetings held on May 19, 2020, which showcased the strengths of the Board and areas of improvement from current evaluation in comparison to the evaluation findings of FY2019. The observations made during FY2019 were acted upon appropriately. Overall the Board expressed its satisfaction on the performance evaluation process as well as performance of all Directors, Committees and Board as a whole.

Further during the financial year under review, each individual members of the Board was evaluated and assessed against the list of core skills/ expertise/ competences identified and approved by the Board of Directors, as are required in the context of Company's business which inter-alia included competence/ expertise in areas viz. a) strategy and planning, b) governance risk and compliance, c) finance, accounts and audit, d) information technology, e) stakeholders engagement, f) client engagement, g) contributor and collaborator etc.The evaluation report revealed that the Board of Directors of the Company have optimal mix of skills / expertise to function effectively. The mapping of board skills/ expertise vis-à-vis individual Directors is provided in the Corporate Governance Report, **Annexure A** to this Report.

21. Board Committees

In terms of the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has constituted Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee, Corporate Social Responsibility ('CSR') Committee and Risk Management Committee. Additionally, the Board has also constituted a Strategic Investment Committee. The details of each of the Committees comprising their composition, charter & details of meetings held during the year are provided in the Corporate Governance Report, **Annexure A** to this Report.

22. Corporate Social Responsibility ('CSR')

The disclosures required to be given under Section 135 of the Companies Act, 2013 read with Rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 are given in **Annexure D** to this report.

The CSR Policy of the Company is available on the Company's website, www.Lntinfotech.com/social-responsibility

23. Business Responsibility Report ('BRR')

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 'Business Responsibility Report' forms part of this Annual Report as **Annexure I**, which describes the initiatives taken by the Company from an environmental, social and governance perspective.

24. Corporate Sustainability

LTI draws the core elements of its sustainability philosophy from its parent company – Larsen & Toubro Limited. We believe in conducting business sustainably through sound practices which are socially responsible and environment friendly. Our sustainability framework underscores these key tenets, which are further enumerated through a set of specific objectives and commitments through our sustainability roadmap. The commitments identified are not only business-centric but also people and environment-centric. It is our firm belief that achieving these objectives will enhance our contribution to the achievement of the Sustainable Development Goals.

Efforts and performance in sustainability initiatives is being provided in Business Responsibility Report of the Company and the Sustainability reports available on the Company's website www.Lntinfotech.com/social-responsibility

25. Auditors

A. Statutory Auditor

M/s. B. K. Khare & Co. [ICAI Registration No. 105102W] were appointed as Statutory Auditors of the Company by the Shareholders at the AGM held in 2017 for a period of 5 years from the conclusion of 21st AGM till the conclusion of 26th AGM of the Company, subject to ratification by the shareholders at every AGM. The requirement of ratification by the shareholders at every AGM has been dispensed with by the Companies (Amendment) Act, 2017, hence no resolution is being proposed for ratification of appointment of Statutory Auditors.

The Auditors' Report to the shareholders' on the audited standalone and consolidated financial statements of the

Sustainability Philosophy

LTI draws the core elements of its sustainability philosophy from its parent company – Larsen & Toubro Limited.

Company for the year ended March 31, 2020 does not contain any qualification, observation or comment or remark(s) which has/have an adverse effect on the functioning of the Company and therefore does not call for any comments from Directors. Further the Statutory Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013.

The Auditors have confirmed that they have subjected themselves to the peer review process of Institute of Chartered Accountants of India ('ICAI') and hold 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.

Please refer to the Notes to accounts, for the total fees paid by the Company to Statutory Auditors for the financial year 2019-20, on a consolidated basis. Further, the Statutory Auditor is not providing any other service to any other group entity of the Company.

B. Secretarial Auditor

The Secretarial Audit Report issued by Ms. Naina Desai, Practicing Company Secretary is annexed as **Annexure C** to this Report. The Secretarial Auditors' Report to the shareholders does not contain any qualification or reservation which has any material adverse effect on the functioning of the Company, except a comment on certain related party transactions entered into by the Company in Q4FY2019 which exceeded the estimated amount approved by the Audit Committee for FY2019. Although the said related party transactions were entered into by the Company in the ordinary course of business and at arm's length, however same were subsequently ratified and approved by the Audit Committee in its meeting held on May 2, 2019.

26. Consolidated Financial Statements

The Consolidated Financial Statements pursuant to Section 129(3) of the Companies Act, 2013, prepared in accordance with the Accounting Standards prescribed by the Institute of Chartered Accountants of India, forms part of this Annual Report.

27. 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 Companies Act, 2013. 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. Further, 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 the effect of such gaps would have a material effect on the Company's operations.

28. Risk Management

The Company has formulated a risk management policy and has in place a mechanism to inform the Board Members about risk assessment and minimization procedures and periodical review to ensure that executive management controls risk by means of a properly designed framework. A detailed note on risk management along with the measures taken by the Company under the current COVID-19 global pandemic is given in Management Discussion & Analysis forming part of this Annual Report.

29. Whistle Blower Mechanism

The Whistle Blower Policy of the Company meets the requirement of the Vigil Mechanism framework prescribed under the Companies Act, 2013 ('Act'). The Whistle Blower Policy encourages and facilitates the employees to report concerns about unethical behavior, actual/suspected frauds and any wrongdoings or unethical or improper practice. A Whistle Blower can send complaint/concern of suspected improper activity directly to the Chairperson of Audit Committee or Whistle Blowing Investigation Committee ('WBIC'). Further, to strengthen the Vigil Mechanism framework of the Company and to ensure timely and efficient redressal of complaints, 'Guidelines on Vigil Mechanism' are put in place laying out procedures and process flow for investigations to be conducted under Vigil Mechanism. The Policy also provides for adequate safeguards against victimisation of a Whistle Blower who complains under the mechanism. During the year, no personnel was denied access to the Audit Committee under Vigil Mechanism. The Audit Committee of the Company quarterly reviews complaints received under the Vigil Mechanism. Whistle-Blower Policy and Guidelines on Vigil Mechanism are available on the Company's website, www.Lntinfotech.com/Investors

Whistle Blower Policy

LTI Whistle Blower Policy encourages employees to report concerns about unethical behavior, actual/ suspected frauds and any wrongdoings or improper practices

30. Related Party Transactions

The Audit Committee and the Board of Directors have approved the Related Party Transactions Policy including clear threshold

limits and the same is available on the Company's website, www.Lntinfotech.com/Investors

During FY2020, all the related party transactions were in the ordinary course of business and at arm's length and were approved and duly reviewed by the Audit Committee as required under the provisions of Section 177 of the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Further, related party transactions during FY2020 in compliance with the Companies Act, 2013 and Accounting Standard, are disclosed in notes forming part of the financial statements. There were no material related party transactions during FY2020.

31. Subsidiary/ Associate/ Joint Venture Companies

As on March 31, 2020, the Company has 26 subsidiaries. There has been no material change in the nature of the business of subsidiaries except Syncordis Support Services S.A, Luxembourg where the object has been amended to include services towards financial sector and the name of the subsidiary has also been changed to Syncordis PSF S.A.

During the year under review:

a. The Company acquired 100% shareholding of Lymbyc Solutions Private Limited ('Lymbyc India') on August 29, 2019. Post-acquisition, Lymbyc Solutions Inc., USA, wholly-owned subsidiary of Lymbyc India has become step-down subsidiary of the Company with effect from August 29, 2019.

b. The Company acquired 100% shareholding of Powerupcloud Technologies Private Limited ('Powerupcloud') on October 25, 2019.

c. Larsen & Toubro Infotech Austria GmbH, wholly owned subsidiary of the Company was liquidated effective from August 20, 2019.

The Company has formulated a policy on the identification of material subsidiaries in line with Regulation 16(c) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and the same is available on the Company's website, www.Lntinfotech.com/Investors. There are no material subsidiaries of the Company as on March 31, 2020.

A statement containing the salient features of the financial statement of subsidiaries/ associate/ joint venture companies as per form AOC-1 is annexed as **Annexure F** to this Report. Further, pursuant to the provisions of Section 136 of the Act, the standalone financial statements and consolidated financial statements of the Company along with relevant documents & separate audited financial statements in respect of subsidiaries are available on the Company's website, www.Lntinfotech.com/Investors

32. Particulars of Loans Given, Investments Made, Guarantees Given or Security Provided

Details of loans given, investments made or guarantees given or security provided, if any, covered under the provisions of Section 186 of the Companies Act, 2013 and Regulation 34(3) read with Schedule V of the 'SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015' are given in the notes forming part of the financial statements provided in this Annual Report.

33. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

Information as per Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 relating to conservation of energy, technology absorption, foreign exchange earnings and outgo is given in **Annexure G** to this Report.

34. Compliance with Secretarial Standards on Board Meetings 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.

35. Compliance Monitoring System

At LTI, ensuring regulatory compliance and adherence to standards is of utmost importance. The Company ensures that appropriate business processes and adequate tools are in place for adherence with all the statutory obligations. Regulatory Compliances which are applicable to LTI-globally, are monitored/tracked through a web-based tool. Audit Committee on quarterly basis reviews status of compliances and quarterly, a certificate is presented to the Board of Directors at its meetings confirming status of compliances along with remediation plan for non-conformities, if any. Any amendments to the laws are also reviewed, updated in the system and monitored by the Company. The Company also engages external consultants to review and update the compliance requirements for new geographies and also update the existing list of compliances applicable globally to LTI. Audit assurance on the Compliance Management is sought on regular basis through Company's Internal Audit team.

Further, the Company has put in place a framework on "Global Corporate Compliances" which outlines the company's philosophy towards compliance culture, understanding compliances, coverage, approach, responsibilities, reporting matrix and trainings. The framework focuses on taking up compliance as an integral element for conducting business and create corporate culture characterized with integrity and law-abiding behavior. Under this framework, identified key stakeholders across business units, corporate functions and geography heads, ensure and confirm compliance with the provisions of all applicable laws on a continuous basis.

36. Prevention of Sexual Harassment at Workplace

LTI is committed to provide a safe environment for all its employees free from discrimination on any ground and from harassment at work including Sexual Harassment. The Policy for Prevention of Sexual Harassment at Workplace (POSH), reinforces the Company's commitment to foster and create a Workplace which is safe and free from any act of Sexual Harassment. This policy is in line with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. As Company treats all its employees and candidates equally, the policy has been made gender neutral. The Policy is available on the website of the Company at www.Lntinfotech.com/investors

The policy provides procedures for resolution and redressal of complaints of Sexual Harassment. 'Honor Knights' have been identified at each location, to inform and assist the employees of the Company. They report all matters concerning Sexual Harassment to the Internal Complaints Committee, which ensures that the redressal procedure provided in the Policy is implemented in letter and spirit.

A mandatory online training program was conducted across the Company to sensitize employees to uphold the dignity of their colleagues at workplace specially with respect to prevention of sexual harassment. Around 98% of employees have gone through the mandatory training program during the year.

During FY2020, the Company received ten complaints on sexual harassment. All such complaints have been resolved with appropriate action taken by the Internal Complaints Committee, with no complaints pending as at the end of FY2020.

37. Company Policy on Director Appointment and Remuneration

Nomination & Remuneration Committee ('NRC') has formulated a Nomination and Remuneration Policy laying out role of NRC, policy on director's appointment and remuneration including recommendation of remuneration of the key managerial personnel and other employees and the criteria for determining qualifications, positive attributes and independence of a Director.

In line with the amendment made in SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, NRC Policy was amended during FY2020 to include within terms of reference of the NRC, the recommendation for the remuneration, in whatever form, payable to senior management. The updated NRC policy is available on the Company's website, www.Lntinfotech.com/Investors

Some of the salient features of which are as follows:

1. To regulate the appointment and remuneration of Directors, key managerial personnel and the senior management personnel;

2. To identify persons who are qualified to become Directors as per the criteria/ Board skill matrix identified by the Board;

3. To ensure proper composition of Board of Directors and Board diversity;

4. To ensure that level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, key managerial personnel and senior management and their remuneration involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to Company's working and its goals.

Additionally, during FY2020, the Board has on the recommendation of NRC, approved the list of core skills/expertise/competencies required from the Directors in the context of Company's business and sector for it to function effectively.

38. Disclosure of Remuneration

The details of remuneration as required under Section 197(12) of the Companies Act, 2013 ('Act') and Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time, is provided in **Annexure E** to this Report.

The details of employees receiving remuneration as mentioned in Rule 5(2) & 5(3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time is provided in **Annexure J** to this 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 send an email to the Company Secretary and Compliance Officer at investor@Lntinfotech.com. None of the employees listed in the said Annexure are related to any Director of the Company.

39. Extract of Annual Return

The extract of annual return is annexed as **Annexure H** to this Report.

40. Employee Stock Option Schemes

There has been no material change in the Employee Stock Option Schemes ('ESOP Schemes') during the financial year under review.

The Employee Stock Ownership Scheme 2000 and the Employee Stock Ownership Scheme 2006 U.S. Stock Option Sub-Plan have ceased to be in operation due to expiry of the exercising period under these schemes.

Further, the Employee Stock Option Scheme 2015 is in compliance with the Companies Act, 2013 and SEBI (Share Based Employee Benefits) Regulations, 2014 and the disclosures relating to the ESOP Schemes of the Company including details on vesting, exercise and outstanding as required under SEBI (Share Based Employee Benefits) Regulations, 2014 are available on the Company's website, www.Lntinfotech.com/Investors

A Certificate obtained from the Statutory Auditors, confirming compliance with the Companies Act 2013 and SEBI (Share Based Employee Benefits) Regulations, 2014 is given in **Annexure B** to this Report.

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

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

42. Green Initiative

Electronic copy of the Annual Report for FY2020 and the Notice of the ensuing AGM is being sent to all shareholders whose email addresses are available in demat account and registered with Company's Registrar and Share Transfer Agent. As per the General Circular No. 20/2020 of Ministry of Corporate Affairs dated May 5, 2020, shareholders holding shares in demat form are requested to update their email addresses with their Depository Participant(s) and for shareholders holding shares in physical form, should get their email registered with Link Intime India Private Limited, Company's Registrar and Share Transfer Agent.

43. Acknowledgements

The Directors thank the Company's customers, vendors, banks, financial and academic institutions, employees, regulatory authorities, stock exchanges & all other stakeholders for their continued co-operation & support. The Directors also acknowledge the support and co-operation from the Government of India and overseas, its agencies and other regulatory authorities. The Directors also wish to place on record their appreciation towards employees of the Company and its Group for their commendable efforts, teamwork and professionalism.

For and on behalf of the Board

Sanjay Jalona
Chief Executive Officer &
Managing Director
(DIN: 07256786)
Place: USA

Nachiket Deshpande
Chief Operating Officer &
Whole-time Director
(DIN: 08385028)
Place: Pune

Date: May 19, 2020

Annexure A

Corporate Governance Report

1. Corporate Governance

1.1 Company's Philosophy on Corporate Governance

Strong leadership, effective corporate governance practices and rich legacy of values from L&T, parent company has been the Company's hallmark of its best corporate governance practices which are reflected in Company's culture, business strategies, fair and transparent policies, processes, commitment to values and ethical business conduct and relationship with its stakeholders. Company's corporate governance practices are further guided by Company's five beliefs "Go the Extra Mile, Be Agile, Push frontiers of Innovation, Keep Learning and Solve for Society" which is articulated in the Company's business philosophy, policies and practices.

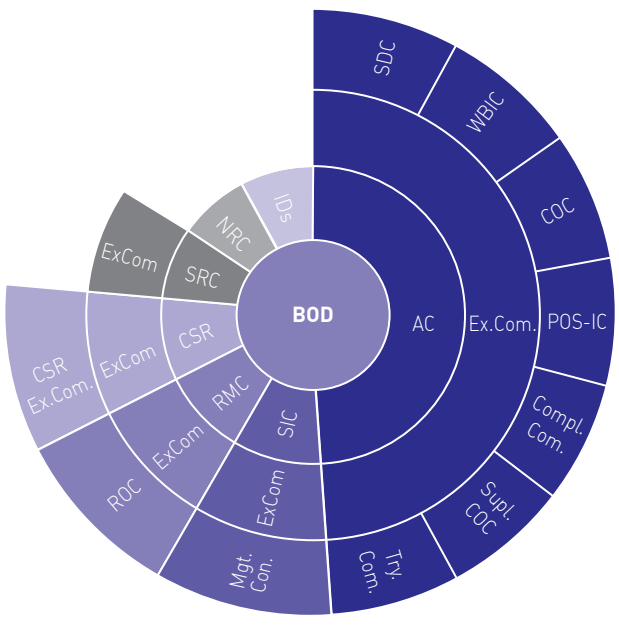
Company's Corporate Governance Philosophy is further strengthened by its adoption of Code of Conduct for the Board members and senior management, Code of Conduct for LTI's group employees and any person representing LTI, Suppliers Code of Conduct, Policy and Guidelines on Vigil Mechanism, Policy for Prevention of Sexual Harassment at Workplace, Anti-Harrasment Policy, Global Corporate Compliance Framework, Anti-Bribery and Anti-Corruption Policy, Policy on Prevention of Insider Trading in LTI's Securities and Code for Fair Disclosure.

1.2 Governance Structure

While the Board is accountable for oversight of the governance process, the Executive Management is responsible for implementing the policies and procedures through which governance is imbibed within the organization. However, the Management believes that governance is a continuous work in progress as a result of the evolving changes happening in the business environment internally and externally. With an objective to have greater involvement of Executive Management and more oversight of the Board and its Committees, the governance structure at LTI comprises of following 4-tiers;

1) Board of Directors
2) Board Committees
3) Executive Committee
4) Management Sub-Committees

LTI - Governance Structure



Acronyms:

Tier 1: **BOD:** Board of Directors

Tier 2: **AC:** Audit Committee, **SIC:** Strategic Investment Committee, **RMC:** Risk Management Committee,

CSR: Corporate Social Responsibility Committee, **SRC:** Stakeholders' Relationship Committee,

NRC: Nomination and Remuneration Committee, **IDs:** Committee of Independent Directors

Tier 3: **ExCom:** Executive Management Committee

Tier 4: **SDC:** Securities Dealing Committee, **WBIC:** Whistle Blowing Investigation Committee, **COC:** Code of Conduct Committee, **POSH IC:** Internal Committee on Prevention of Sexual Harassment at Workplace, **Compl.Com.:** Compliance Committee, **Supl.COC:** Committee on Supplier Code of Conduct, **Try.Com.:** Treasury Committee, **Mgt.Con.:** Management Council, **ROC:** Risk Operating Committee, **CSR Ex.Com.:** Corporate Social Responsibility Executive Committee.

2. Board of Directors

A. Board Composition & Board details

The Company has a balanced and diverse Board of Directors, which primarily takes care of the business needs and stakeholder's interests. During FY2020, the composition of the Board was in compliance with the criterion stipulated under Regulation 17 & 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') read with Section 149 of the Companies Act, 2013 ('Act'). On March 15, 2020, Mrs. Vedika Bhandarkar, Woman Independent Director, ceased to be director of the Company on completion of her term of office. Pursuant to Regulation 25 of the SEBI Listing Regulations and the Rule 3 & 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014, the Board of Directors of the Company in their meeting held on May 19, 2020, appointed Mrs. Aruna Sundararajan as a Woman Independent Director for a period of five years effective from May 19, 2020 till May 18, 2025, subject to approval of the shareholders at the ensuing Annual General Meeting of the Company.

Details on the composition of the Board of Directors, their attendance at the Board Meetings and last Annual General Meeting held during FY2020, number of other Directorships, Memberships/ Chairpersonships held by them as on March 31, 2020, are as follows:

Name of Director	Meetings held during the year vis-à-vis Directors Tenure	Attendance at Board Meetings	Attendance at Last AGM	Directorships in other Companies[1]	No. of Committee Membership[2]	No. of Committee Chairpersonship[2]
Mr. A. M. Naik (Non-Executive Founder Chairman)	4	4	Y	5	0	0
Mr. S. N. Subrahmanyan (Non-Executive Vice Chairman)	4	4	Y	5	1	0
Mr. R. Shankar Raman (Non-Executive Director)	4	4	Y	9	6	0
Mr. Sanjay Jalona (Chief Executive Officer & Managing Director)	4	4	Y	0	1	0
Mr. Sudhir Chaturvedi (Whole-time Director & President-Sales)	4	4	Y	0	1	0
Mr. Nachiket Deshpande[3] (Whole-time Director & Chief Operating Officer)	4	4	Y	0	0	0
Mr. Samir T. Desai (Independent Director)	4	4	Y	1	2	0
Mr. M. M. Chitale (Independent Director)	4	4	Y	6	7	4
Ms. Vedika Bhandarkar[4] (Independent Director)	4	4	Y	N.A.	N.A.	N.A.
Mr. Arjun Gupta (Independent Director)	4	4	Y	1	0	0
Mr. Sanjeev Aga (Independent Director)	4	4	Y	4	5	2
Mr. Sudip Banerjee (Independent Director)	4	4	Y	3	3	0

Notes:

1. Includes Directorships of all public limited companies whether listed or not and excludes private limited companies, foreign companies and Section 8 companies.
2. Includes memberships/chairpersonships of Audit Committee and Stakeholders' Relationship Committee as per Regulation 26 of SEBI Listing Regulations including memberships/ chairpersonships in the Company. No. of Committee membership includes Committee chairpersonships.
3. Mr. Nachiket Deshpande, Chief Operating Officer was appointed as a Whole-time Director of the Company w.e.f. May 2, 2019.
4. Mrs. Vedika Bhandarkar, ceased to be Independent Director of the Company w.e.f. March 15, 2020.

- None of the Directors of the Company hold Directorship in more than 10 public companies and none of Independent Directors are serving as Independent Directors in more than seven listed companies. Necessary disclosures regarding Committee positions in other Indian public companies as at March 31, 2020 have been made by the Directors.
- For details of equity shares held by the Directors of the Company, refer MGT-9 annexed as *Annexure H* to the Directors Report of the Company.
- None of the Directors of the Company are *inter-se* related to each other.

Further, the details of Directorships held by Directors as on March 31, 2020 in other Listed entities (excludes Directorship in Larsen & Toubro Infotech Limited) are as follows:

Name of LTI Director	Name of Other Listed Entity	Category of Directorship
Mr. A. M. Naik	Larsen & Toubro Limited	Group Chairman
	L&T Technology Services Limited	Non-Executive Chairman
	Mindtree Limited	Non-Executive Chairman
Mr. S. N. Subrahmanyan	Larsen & Toubro Limited	Chief Executive Officer and Managing Director
	L&T Technology Services Limited	Non-Executive Vice Chairman
	L&T Metro Rail (Hyderabad) Limited	Non-Executive Chairman
	Mindtree Limited	Non-Executive Vice Chairman
Mr. R. Shankar Raman	Larsen & Toubro Limited	Executive Director
	L&T Metro Rail (Hyderabad) Limited	Non-Executive Director
	L&T Finance Holdings Limited	Non-Executive Director
	L&T Infrastructure Development Projects Limited	Non-Executive Director
	Mindtree Limited	Non-Executive Director
Mr. Sanjay Jalona	None	Not Applicable
Mr. Sudhir Chaturvedi	None	Not Applicable
Mr. Nachiket Deshpande	None	Not Applicable
Mr. Samir T. Desai	L&T Technology Services Limited	Independent Director
Mr. M. M. Chitale	Larsen & Toubro Limited	Independent Director
	Atul Limited	Independent Director
	Macrotech Developers Limited	Independent Director
	Bhageria Industries Limited	Independent Director
Mr. Arjun Gupta	L&T Technology Services Limited	Independent Director
Mr. Sudip Banerjee	L&T Technology Services Limited	Independent Director
	IFB Industries Limited	Non-Executive Director
	Kesoram Industries Limited	Independent Director
Mr. Sanjeev Aga	Larsen & Toubro Limited	Independent Director
	UFO Moviez India Limited	Independent Director
	Pidilite Industries Limited	Independent Director
	Mahindra Holidays & Resorts India Limited	Independent Director

B. Board Meetings

Board Meetings are convened at appropriate intervals with a maximum time gap not exceeding 120 days between two consecutive meetings by giving advance notice along with agenda papers to the Directors. The Company adheres to the Secretarial Standards on the Board and Committee Meetings as prescribed by the Institute of Company Secretaries of India. Company Secretary in consultation with the Head of business units and Executive Management prepare the draft agenda and post receipt of confirmation from respective Chairman of the Board and its Committees, finalize the agenda for the meetings. The yearly calendar of meetings is finalized before the beginning of the year to enable the Directors to make themselves available for the meetings. The Directors are also given an option of attending the meetings through video conferencing. The Board has complete access to any information within the Company. In case of exigencies or urgency of matters, resolutions are passed by circulation, for such matters as permitted by law and taken on record in the immediately following meeting.

As a green initiative, the Agenda of the Board and Committee meetings are circulated to the Directors through a secured web-based application viz. iboard, which is accessed through IPADs. All important decisions taken at the Board / Committee meetings are promptly communicated to the concerned departments. In compliance with the Secretarial Standards, draft and signed minutes of the Board & Committee Meetings are circulated amongst the Board/Committee Members within the prescribed time.

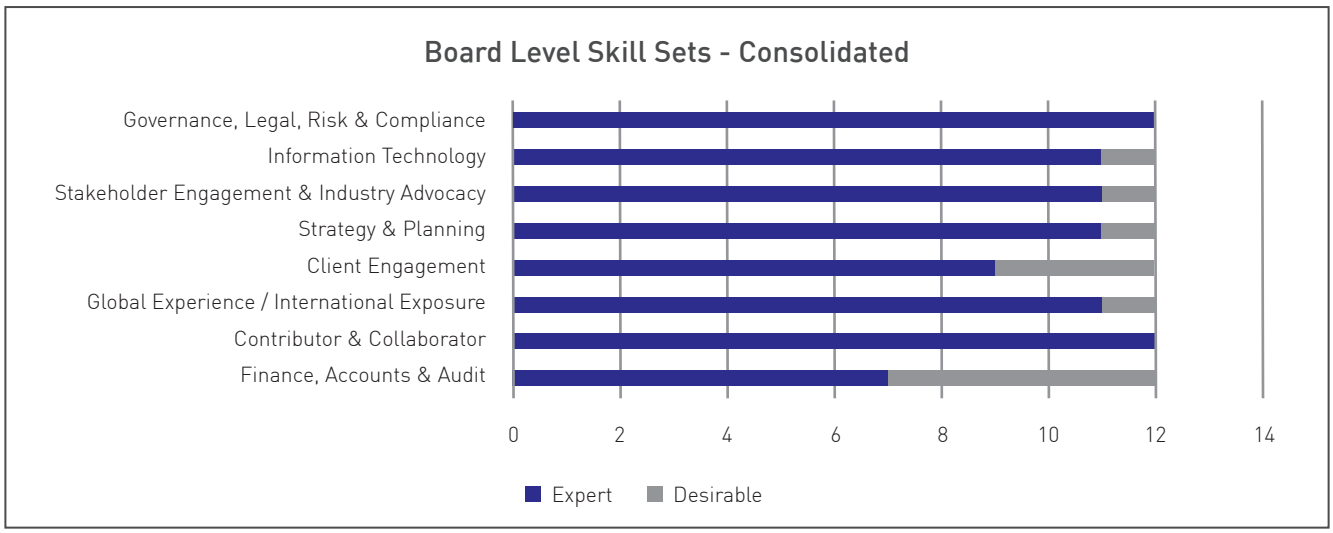
During the year under review, four Board Meetings were held on May 2, 2019, July 18, 2019, October 17, 2019 and January 15, 2020, and information as mentioned in Part A of Schedule II as per Regulation 17 (7) of SEBI Listing Regulations was placed before the board for its consideration. Necessary quorum was present in all the meetings.

C. Matrix of Skill/Expertise/Competencies of the Board of Directors:

In terms of the requirements of the SEBI Listing Regulations, the Board has identified and approved the list of core skills/ expertise/ competencies as required in the context of Company's business(es) and sector(s) for it to function effectively. Broadly, the essential skill sets identified by the Board are categorised as under:

a. Strategy & Planning
b. Governance, Legal, Risk & Compliance
c. Finance, Accounts & Audit
d. Global Experience / International Exposure
e. Contributor & Collaborator
f. Information Technology
g. Client Engagement
h. Stakeholders Engagement & Industry Advocacy
i. Leadership

As part of performance evaluation of the Board/Directors for FY2020, an individual mapping and gap analysis of the skills, experience and expertise currently available with the Board of Directors was carried out, which revealed that Board of Directors of the Company possess right and optimal skill sets fundamental for the effective functioning of the Company. The results of the analysis are presented below:



Number of Directors during the year

Skill Mapping at Individual Director Level

Sr. No.	Name of the Director	Strategy & Planning	Governance, Legal, Risk & Compliance	Finance, Accounts & Audit	Global Experience/ International Exposure	Information Technology	Client Engagement	Stakeholder Engagement & Industry Advocacy	Contributor & Collaborator
		1	2	3	4	5	6	7	8
1	Mr. A.M. Naik	Expert	Expert	Expert	Expert	Expert	Expert	Expert	Expert
2	Mr. S.N. Subrahmanyan	Expert	Expert	Expert	Expert	Expert	Expert	Expert	Expert
3	Mr. R. Shankar Raman	Expert	Expert	Expert	Expert	Expert	Expert	Expert	Expert
4	Mr. Sanjay Jalona	Expert	Expert	Expert	Expert	Expert	Expert	Expert	Expert
5	Mr. Sudhir Chaturvedi	Expert	Expert	Proficient	Expert	Expert	Expert	Expert	Expert
6	Mr. Nachiket Deshpande	Expert	Expert	Proficient	Expert	Expert	Expert	Expert	Expert
7	Mr. M.M. Chitale	Proficient	Expert	Expert	Proficient	Proficient	Proficient	Expert	Expert
8	Mr. Sanjeev Aga	Expert	Expert	Expert	Expert	Expert	Proficient	Expert	Expert
9	Mr. Samir Desai	Expert	Expert	Proficient	Expert	Expert	Expert	Proficient	Expert
10	Mr. Arjun Gupta	Expert	Expert	Proficient	Expert	Expert	Expert	Expert	Expert
11	Mr. Sudip Banerjee	Expert	Expert	Proficient	Expert	Expert	Expert	Expert	Expert
12	Mrs. Vedika Bhandarkar	Expert	Expert	Expert	Expert	Expert	Proficient	Expert	Expert

The identified skills / competences are broad-based and marking of 'Proficient' against a particular member does not necessarily mean the member does not possess the corresponding skills / competences.

3. Board Committees

The Committees of the Board play a vital role in the governance and act in accordance with the delegated authorities. Each Committee is guided by its Charter or Terms of Reference, which stipulates the composition, scope, power, duties and responsibilities. Based on the recommendation, suggestions and observations of the Committee, the Board of Directors take an informed decision. The Chairman of respective Committees update the Board on the deliberations that takes place at the Committee Meetings. As on March 31, 2020, the Board has seven Committees: (a) Audit Committee (b) Nomination and Remuneration Committee (c) Corporate Social Responsibility Committee (d) Stakeholders' Relationship Committee (e) Strategic Investment Committee (f) Risk Management Committee and (g) Committee of Independent Directors.

The terms of reference and composition of the Committees and the number of meetings held during FY2020 and attendance therein are provided below:

A. Audit Committee

The Audit Committee of the Board of Directors meets the criteria laid down under Section 177 of the Act and Regulation 18 of the SEBI Listing Regulations. As on March 31, 2020, the Audit Committee comprised of two Independent Directors and one Non-Executive Director. On May 19, 2020, Board of Directors inducted Mrs. Aruna Sundararajan as member of the Audit Committee. Accordingly, Audit Committee comprises of three Independent Directors and one Non-Executive Director.

During the year under review, four meetings with a gap not exceeding 120 days between two consecutive Audit Committee Meetings were held on May 2, 2019, July 18, 2019, October 17, 2019 and January 14, 2020, attendance for which is given as follows:

Name of Director	Category	Position in the Committee	No. of Meetings held during the year vis-à- vis Members Tenure	No. of Meetings Attended
Mr. M. M. Chitale	Independent Director	Chairman	4	4
Mr. S. N. Subrahmanyan[1]	Non-Executive Director	Member	1	1
Mr. Samir T. Desai	Independent Director	Member	4	4
Mrs. Vedika Bhandarkar[2]	Independent Director	Member	4	2
Mr. R. Shankar Raman[1]	Non-Executive Director	Member	3	1

Notes:

1. Mr. R. Shankar Raman was appointed as a Member of Audit Committee in place of Mr. S. N. Subrahmanyan w.e.f May 2, 2019.
2. Mrs. Vedika Bhandarkar ceased to be a Member of Audit Committee w.e.f. March 15, 2020, due to completion of her term of office of Independent Director.
3. **Invitees / Participants:** Chief Executive Officer and Managing Director, President Sales & Whole-time Director, Chief Operating Officer & Whole-time Director, Chief Financial Officer, Head Finance Function, the Partner / Representative of the Statutory Auditors and the Internal Auditors are invitees of the Audit Committee Meeting. General Counsel, Risk Head along with Corporate Officers make periodic presentations to Audit Committee. The Company Secretary of the Company acts as the secretary to the Committee.

Extract of Terms of Reference

Pursuant to Regulation 34 (3) read with Schedule V of the SEBI Listing Regulations, brief description of terms of reference of the Audit Committee, *inter-alia* includes the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company and review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Reviewing, with the management, the quarterly & annual financial statements before submission to the Board for approval along with the draft audit report;
- Reviewing utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding prescribed limits and also review the financial statements, in particular, the investments made by the unlisted subsidiaries of the Company.
- Approval or any subsequent modification of transactions of the Company with related parties;
- Recommendation to the Board, related party transactions not covered under Section 188, if not approved by the Audit Committee;
- Ratifying transaction involving an amount not exceeding ₹ 1 Crore entered into by a Director or officer of the Company;
- Evaluation of internal financial controls and risk management systems;
- Reviewing Compliance with listing and other legal requirements relating to financial statements;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Establishing & reviewing functioning of the Whistle Blower Mechanism;
- Reviewing compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 and verify that the systems for internal control are adequate and are operating effectively.

B. Nomination and Remuneration Committee

The Nomination and Remuneration Committee ('NRC') of the Board of Directors meets the criteria laid down under Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations. As on March 31, 2020, NRC comprised of two Independent Directors and two Non-Executive Directors. On May 19, 2020, due to pre-occupation, Mr. S. N. Subrahmanyan stepped down from the Nomination Remuneration Committee Membership. Accordingly, NRC comprises of two Independent Directors and one Non-Executive Director.

During the year under review, four meetings of NRC were held on May 2, 2019, July 18, 2019, October 17, 2019 and January 15, 2020, attendance for which is given as follows:

Name of Director	Category	Position in the Committee	No. of Meetings held during the year vis-à- vis Members Tenure	No. of Meetings Attended
Mr. Samir T. Desai	Independent Director	Chairman	4	4
Mr. A. M. Naik	Non-Executive Director	Member	4	4
Mr. S. N. Subrahmanyan[1]	Non-Executive Director	Member	4	4
Mr. Arjun Gupta	Independent Director	Member	4	4

Note:

1. Mr. S. N. Subrahmanyan ceased to be a member w.e.f. May 19, 2020

Terms of Reference

Pursuant to Regulation 34(3) read with Schedule V of the SEBI Listing Regulations, brief description of terms of reference of NRC *inter-alia* includes the following:

- To identify, review, assess and recommend to the Board the appointment of Executive and Non-Executive Directors & Senior Management Personnel;
- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board of Directors;
- To consider and approve Employee Stock Option Schemes and to administer and supervise the same;
- Devising a policy on diversity of Board of Directors;
- Recommend to the Board, all remuneration, in whatever form, payable to Senior Management.

Board Membership Criteria

NRC identifies and recommends to the Board, suitable candidates for the position of a Director on the Board of Directors, based on the skills, competences, attributes and criteria laid/ Board Skill Matrix identified by the Board. Besides the same, NRC also considers attendance, participation, contribution and involvement in Company's strategic matters by a Director during the Board/ Committee Meetings while recommending re-appointment of the Directors.

NRC ensures that the Board of Directors of the Company has an optimum composition of Directors with diversity of thought, knowledge, perspective, age, gender, expertise and skill, which will help the Company in attainment of its objectives.

Additionally, for the appointment or reappointment of Independent Director, NRC while making its recommendations to the Board ensures that such Director fulfills the criteria of independence as prescribed under the Act and SEBI Listing Regulations including their independence from the Management.

Performance Evaluation Criteria for Independent Directors (IDs)

An indicative list of factors on which independent Directors evaluation was carried out included participation and contribution to the Board decision making, understanding of company strategy and business model, updation on business & industry, effective communication of knowledge and expertise on Board discussions and maintenance of independence and disclosure of conflict of interest.

During the year, in terms of the requirement of the Act and SEBI Listing Regulations, an annual performance evaluation of the Board, its Committees, Chairman and other Individual Directors was conducted, details of which have been provided in the Directors' Report section, of this Annual Report.

Remuneration of Directors

Remuneration to Directors is based on various factors like Company's size, global presence, economic and financial position, Directors' participation in Board and Committee Meetings and after benchmarking with peer companies. Based on the same and performance evaluation of the concerned director, NRC recommends to the Board, remuneration payable to the Directors.

The remuneration paid to Whole-time Directors includes base salary, stock options and variable compensation which is based on variable compensation plan as per Company's policy and achievement of the milestones/ goals laid out in the said policy, while remuneration to Independent Directors is based on the various factors like committee position, chairmanship, attendance, participation and performance evaluation. The Independent Directors are entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board/Committee meetings and commission.

Non-Executive Directors are paid commission upto maximum of 1% of the net profits of the Company for each financial year, in accordance with the approval of the Shareholders of the Company granted at the Annual General Meeting held on May 31, 2016. Further, in terms of Regulation 46 of the SEBI Listing Regulations, the criteria for payment to Non-Executive Directors is made available on the investor section of the Company's website, www.Lntinfotech.com/Investors

For details of remuneration paid/payable to Directors for the year ended March 31, 2020, refer Form No. MGT-9 annexed as **Annexure H** to the Directors Report of the Company.

Details of Service Contracts

a. Notice Period

In case of termination of appointment of Executive Directors: Three months' notice, on either side, or right to basic pay in lieu thereof on the terms and conditions as stated in their Employment Contract, except in the case of summary termination of employment as stated in the Agreement executed with them.

b. Stock Options: During the year no stock options were granted to Executive Directors.

During the year under review, there was no material pecuniary relationship or transactions between the Company and any of its Non-Executive/ Independent Directors apart from payment towards commission, sitting fees & reimbursement of expenses.

C. Corporate Social Responsibility Committee

The Corporate Social Responsibility ('CSR') Committee of the Board of Directors meets the criteria laid down under Section 135 of the Act. As on March 31, 2020, CSR Committee comprises of two Independent Directors and two Executive Directors.

During the year under review, two meetings of CSR Committee were held on May 2, 2019 and October 17, 2019, attendance for which is given as follows:

Name of Director	Category	Position in the Committee	No. of Meetings held during the year vis-à- vis Members Tenure	No. of Meetings Attended
Mr. Sanjay Jalona	Chief Executive Officer & Managing Director	Chairman	2	2
Mr. Arjun Gupta	Independent Director	Member	2	2
Mr. Sudhir Chaturvedi	Whole-time Director	Member	2	2
Mr. Sudip Banerjee[1]	Independent Director	Member	NA	NA

Note:

1. Mr. Sudip Banerjee was appointed as Member of CSR Committee w.e.f January 15, 2020.

Terms of Reference

Pursuant to Regulation 34(3) read with Schedule V of the SEBI Listing Regulations, brief description of terms of reference of CSR Committee *inter-alia* includes the following:

- 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;
- To recommend the amount of expenditure to be incurred on the activities referred above;
- 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.

For details on Company's CSR Policy, CSR Activities and CSR spent, refer **Annexure D**, Annual Report on CSR.

D. Stakeholders' Relationship Committee ('SRC')

During FY2020, the composition of SRC was in compliance with the criterion stipulated under Regulation 20 of SEBI Listing Regulations read with section 178 of the Act till March 15, 2020, the date of cessation of term of office of Mrs. Vedika Bhandarkar. In her place, the Board of Directors in their meeting held on May 19, 2020, appointed Mrs. Aruna Sundararajan as Chairperson of SRC.

During the year under review, two SRC meetings were held on May 2, 2019 and October 17, 2019, attendance for which is given as follows:

Name of Director	Category	Position in the Committee	No. of Meetings held during the year	No. of Meetings Attended
Mrs. Vedika Bhandarkar[1]	Independent Director	Chairperson	2	2
Mr. Sanjay Jalona	Chief Executive Officer & Managing Director	Member	2	2
Mr. Sudhir Chaturvedi	Whole-time Director	Member	2	2

Note:

1. Mrs. Vedika Bhandarkar ceased to be a Member of SRC w.e.f. March 15, 2020, due to completion of her term of office of Independent Director.

F. Risk Management Committee

As on March 31, 2020, Risk Management Committee ('RMC') comprises of one Non-Executive Director, two Executive Directors and Chief Financial Officer. During the year under review, one RMC meeting was held on December 17, 2019, attendance for which is given as follows:

Name of Director	Category	Position in the Committee	No. of Meetings held during the year vis-à- vis Members Tenure	No. of Meetings Attended
Mr. S. N. Subrahmanyan	Non-Executive Director	Chairman	1	1
Mr. Sanjay Jalona	Chief Executive Officer & Managing Director	Member	1	0
Mr. Nachiket Deshpande[1]	Whole-time Director and Chief Operating Officer	Member	1	1
Mr. Ashok Kumar Sonthalia	Chief Financial Officer	Member	1	1

Note:

1. Mr. Nachiket Deshpande was appointed as Member of RMC w.e.f May 2, 2019.

Terms of Reference

Pursuant to Regulation 34(3) read with Schedule V of the SEBI Listing Regulations, brief description of terms of reference of RMC *inter-alia* includes the following:

- Framing, implementing, reviewing and monitoring the risk management plan for the Company;
- Laying down risk assessment and minimization procedures and the procedures to inform Board of the same;
- Oversight of the risk management policy/ enterprise risk management framework (identification, impact assessment, monitoring, mitigation & reporting);
- Review key strategic risks at domestic/international, macro-economic & sectoral level including market, competition, political & reputational issues and cyber security;
- Review significant operational risks; and
- Any other terms of reference as may be delegated by the Board or specified/ provided under the Companies Act, 2013 or Listing Regulations or statutorily prescribed under any other law or by any other regulatory authority.

G. Committee of Independent Directors

Although this is not a mandatory Committee and Board has no statutory obligation to constitute such Committee, the name given to the group of Independent Directors of the Company here in this report, is for the sake of brevity. As per the Code for Independent Directors prescribed under Schedule IV of the Companies Act, 2013, the Independent Directors of the Company are required to meet at least once in a financial year without the attendance of non-Independent Directors and the members of the management. During the year, one meeting of Independent Directors was held on May 2, 2019 to discuss inter-alia the performance evaluation of the Board, its Committees, the individual Directors and the Chairman for FY2019.

The brief description of the terms of reference of Committee of Independent Directors inter-alia includes the following;

- review the performance of non-Independent Directors and the Board as a whole;
- review the performance of the Chairperson of the company, taking into account the views of executive Directors and non-executive Directors;
- assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

4. Other Information

A. General Body Meetings

Details of last three Annual General Meetings ('AGM') of the Company along with summary of Special Resolutions that were passed by the Shareholders of the Company therein are as under:

Financial Year	Venue of AGM	Date and Time	Special Resolutions
2018-19	Birla Matushri Sabhagar, 19, Marine Lines, Mumbai - 400 020	July 20, 2019 at 11:00 a.m.	Nil
2017-18	Yashwantrao Chavan Pratishthan Auditorium, General Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Nariman Point, Mumbai – 400 021	August 22, 2018 at 3:30 p.m.	1. Continuation of Directorship of Mr. A. M. Naik (DIN: 00001514), as a Non-Executive Director.
2016-17	St. Andrew's Auditorium, inside Andrew's College Premises, St. Dominic Rd, St. Sebastian Colony, Bandra West, Mumbai - 400050	August 24, 2017 at 3:00 p.m.	1. Re-appointment of Mr. Samir Desai (DIN: 01182256) as an Independent Director. 2. Re-appointment of Mr. M. M. Chitale (DIN: 00101004) as an Independent Director

B. Approval of Members through Postal Ballot

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

C. Means of Communication

Through established procedures, your Company makes prompt, continuous and efficient communication to all its stakeholders through multiple channels of communication such as financial results announcements, annual report, media releases, updating the information on Company's website, etc.

- **Financial Results Announcement:** The quarterly, half-yearly and annual financial results of the Company (both standalone and consolidated) are submitted to National Stock Exchange of India Limited and BSE Limited through their respective designated web portals "NEAPS" and "BSE Listing Center" within the prescribed timelines and simultaneously published in prominent national newspapers which include The Financial Express, The Business Standard and local newspaper Loksatta. Simultaneously, the results are also made available on the Company's website: www.Lntinfotech.com/Investors
- **News Releases:** Official news releases are filed electronically on "NEAPS" and "BSE Listing Centre". The same are also made available on the Company's website: www.Lntinfotech.com/Investors
- **Website:** The Company's website contains a separate dedicated section "Investors" where shareholder related information is available. Besides mandatory documents required to be uploaded on the Company's website under SEBI Listing Regulations, details of earnings call, presentations, press releases, factsheets & quarterly reports of the Company are made available on the website: www.Lntinfotech.com/Investors
- **Presentation Made to Institutional Investors and Analysts:** The schedule of analyst/ institutional investors meetings/Analyst day and presentations made therein are filed with the National Stock Exchange of India Ltd. and BSE Ltd, where the shares of the Company are listed. The same is also made available on the Company's website: www.Lntinfotech.com/Investors

5. General Shareholders' Information

A. Annual General Meeting

Date	Time	Venue
Saturday, July 18, 2020	4:30 p.m.	Through Video Conference as per MCA General Circular No. 20/2020 dated May 5, 2020

B. Financial Year and Tentative Calendar of the Company for the Financial Year 2019-20

The Company follows April to March as the financial year.

Tentative calendar of Board meetings for consideration of financial results for financial year ending March 31, 2021 is as under:

First Quarter Results	On/before August 14, 2020
Second Quarter Results	On/before November 15, 2020
Third Quarter Results	On/before February 15, 2021
Last Quarter Results and Annual Audited Results	On/before May 30, 2021

C. Final Dividend

The Board of Directors of the Company have recommended a final dividend of ₹ 15.50 per equity share of face value of ₹ 1 each. The final dividend, if approved, by the shareholders at the 24th AGM would be paid/ dispatched within 30 days from the date of the AGM. Further, pursuant to the changes introduced by the Finance Act 2020, w.e.f. April 1, 2020, the Company would be required to withhold taxes at the prescribed rates on the dividend paid to its shareholders. For more details, members are requested to refer to the 'TDS Instructions on Dividend Distribution' appended as Annexure-4 to the Notice convening 24th AGM of the Company.

As on March 31, 2020, there is no dividend which is unclaimed/unpaid for a consecutive period of seven years from the date of transfer to unpaid dividend account of the Company, hence, no amount is liable to be transferred to the Investor Education and Protection Fund.

D. Listing of Equity Shares on Stock Exchanges

The Equity shares of the Company have been listed on the following Stock Exchanges:

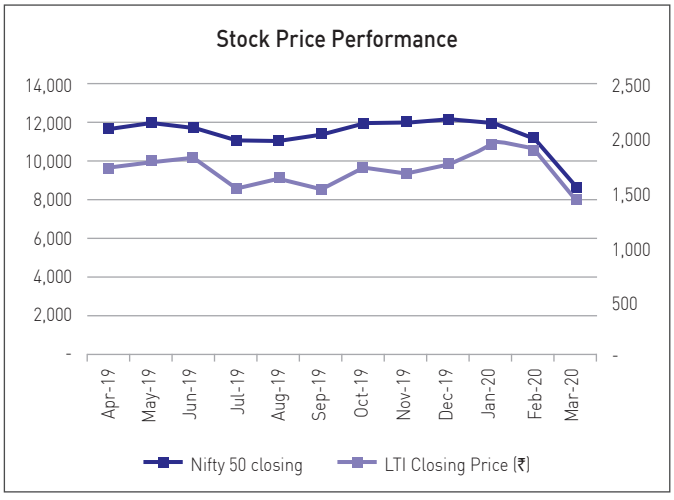
Name of Stock Exchanges	Address of Stock Exchanges	Stock Code/ Symbol
National Stock Exchange of India Ltd	Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051	LTI
BSE Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001	540005
ISIN		INE214T01019

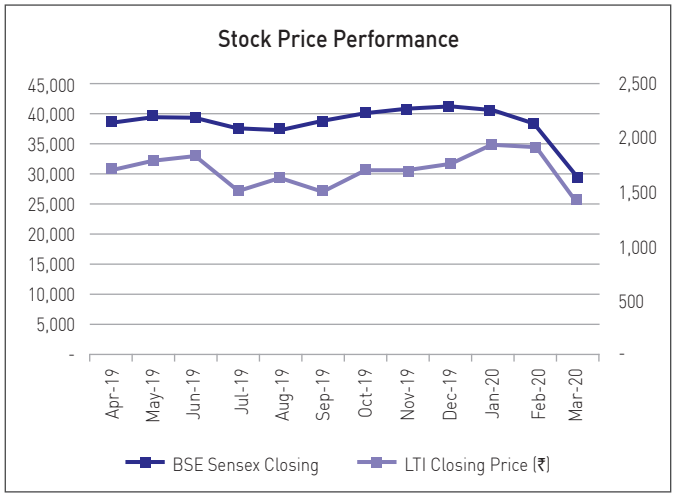
The Company has paid listing fees for FY202 to the above Stock Exchanges.

E. Stock Market Data for the Year 2019-2020

The monthly high and low prices and volume of shares of the Company traded at BSE Limited (BSE) and the National Stock Exchange of

Performance of the Share Price of the Company with the Nifty 50 and the BSE Sensex.





F. Distribution of Shareholding as on March 31, 2020

Share Range	Shareholders		Shares	
	Number	%	Number	%
Upto 500	135,772	98.69	4,356,275	2.50
501-1000	656	0.48	496,837	0.29
1001-2000	325	0.25	478,038	0.27
2001-3000	132	0.10	334,210	0.19
3001-4000	86	0.06	306,843	0.18
4001-5000	63	0.04	290,920	0.17
5001-10000	164	0.12	1,186,517	0.68
10001 & Above	368	0.27	166,677,129	95.72
Total	**137,566**	**100.00**	**174,126,769**	**100.00**

G. Categories of Shareholders as on March 31, 2020

Sr. No.	Category	No. of shares	%
1	Corporate Bodies (Promoter Co)	129,784,034	74.53
2	Public	9,623,423	5.53
3	Mutual Funds	9,226,408	5.30
4	Alternate Investment Funds	685,215	0.39
5	Foreign Portfolio Investors (Corporate)	16,476,211	9.46
6	Financial Institutions	15,249	0.01
7	Insurance Companies	2,453,851	1.41
8	Foreign Nationals	31,053	0.02
9	Non-Resident Indians	1,800,579	1.03
10	Non-Resident (Non Repatriable)	590,422	0.34
11	Nationalised Banks	140,511	0.08
12	Non Nationalised Banks	4,150	0.00
13	Other Bodies Corporate	458,184	0.26
14	Hindu Undivided Family	231,184	0.13
15	Directors	2,526,038	1.45
16	Clearing Members	77,959	0.04
17	Trusts	2,298	0.00
	Total	**174,126,769**	**100.00**

H. Dematerialization of Shares & Liquidity

The Company has dematerialised its equity shares with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). ISIN allotted to the Company is INE214T01019.

As on March 31, 2020, 99.79% of the Company's total paid-up capital was held in the dematerialised form with NSDL and CDSL. The number of shares held in dematerialised and physical mode is as under:

Particulars	Number of shares	% of Total Capital issued
Held in Dematerialised form in NSDL	170,260,102	97.78
Held in Dematerialised form in CDSL	3,494,608	2.01
Physical	372,059	0.21
Total	**174,126,769**	**100.00**

Members are requested to convert their physical holdings into electronic holdings which will negate risks associated with physical certificates. Further, pursuant to amendment to SEBI Listing Regulations effective from April 1, 2019, any request for transfer of shares, shall be processed for shares held in dematerialised form only. Therefore, shareholders who are still holding share certificate(s) in physical form are advised to dematerialise their shareholding to facilitate transfers and avail other benefits of dematerialisation, which include easy liquidity, electronic transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries.

Members holding shares in dematerialised form are requested to intimate changes, if any, viz. pertaining to change of address, change in e-mail id, bank details etc. to their Depository Participants while members holding shares in physical form are requested to intimate such changes to Link Intime India Private Limited, Company's Registrar and Share Transfer Agent.

I. Outstanding GDRS/ ADRS/ Warrants or Any Convertible Instruments, Conversion Date and Likely Impact on Equity

There are no outstanding GDRs/ ADRs/ Warrants/ Convertible Instruments of the Company and hence, the same is not applicable to the Company.

J. Share Transfer System

Transfer of shares in electronic form are processed and approved in the electronic form by NSDL /CDSL through their Depository Participant without the involvement of the Company.

The Board has constituted a 'Share Transfer Committee' comprising of Chief Executive Officer and Managing Director, the Chief Financial Officer and the Company Secretary to approve transfers, transmissions or transposition of securities of the Company.

K. Address for Correspondence

Registrar and Share Transfer Agent	Compliance Officer
Link Intime India Private Limited C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400083, Maharashtra, India Tel: +91 22 4918 6270 Fax: +91 22 4918 6060 E-mail: rnt.helpdesk@linkintime.co.in Website : www.linkintime.co.in	Manoj Koul, Company Secretary & Compliance Officer Larsen & Toubro Infotech Limited L&T Technology Center Gate No.5, Saki Vihar Road, Powai, Mumbai 400072, Maharashtra, India Tel: +91 22 6776 6776 Fax: +91 22 6776 6004 E-mail: investor@Lntinfotech.com

6. Familiarisation Programme for Independent Directors

To enable the Directors to fulfil their governance role, Directors are updated on continuous basis on any significant changes/ developments in the Company/ business strategies, business models, risk minimization procedures, new initiatives by the Company, changes in domestic/ overseas legislation impacting the Company and the IT Industry overall.

Further, on induction, Independent Directors are provided insights on the operation of the Company and its subsidiaries, business, industry and environment in which the Company functions.

An Induction-cum-Familiarization kit for Independent Directors has been developed to acquaint the incoming Board Members with Company's businesses, its operations, governance practices, policies and procedures.

For more details refer Company's website: www.Lntinfotech.com/Investors

7. Prevention of Insider Trading

The Company has adopted the Securities Dealing Code ('the Code' or 'SDC') in compliance with the SEBI (Prohibition of Insider Trading) Regulations 2015 ('Regulations') to regulate, monitor and report trading by its Designated Person(s)/ and other connected person(s). Further, for effective implementation of the Code, the Company has put in place the Penalty Framework and the Internal Guidelines on Special Closed Period under the Code.

During the financial year 2019-20, following measures were taken by the Company as part of strengthening control mechanism under the Code:

a. Awareness Session: Various circulars, notifications were issued to the designated persons and insiders, sensitizing them about the importance of the Securities Dealing Code. Further, mandatory on-line training module for designated persons was also released capturing the important aspects of the Securities Dealing Code i.e. window closure periods, pre-clearances, required disclosures and penalties on non-compliance/ violation of SDC, irrespective of reporting to SEBI in the format prescribed vide SEBI Circular No.: SEBI/HO/ISD/ISD/CIR/P/2019/82 dated July 19, 2019.

b. An online facility has been enabled to apply for necessary approvals, submission of disclosures thereby ensuring compliance under the Code and the Regulations and providing necessary controls in line with the Regulations.

Mr. Manoj Koul, Company Secretary is designated as the Compliance Officer while Mr. Ashok Kumar Sonthalia, Chief Financial Officer is appointed as the Chief Investor Relation Officer of the Company.

The Company's Code of practices and procedures for fair disclosure of unpublished price sensitive information is available on the Company's website: www.Lntinfotech.com/Investors

8. Fee Payment to Statutory Auditors

Details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part, are provided in the Notes to accounts forming part of this Annual Report.

9. Plant Locations

The Company being in IT industry does not require manufacturing plants and has development centers/ offices in India and overseas. The addresses of development centers/ offices of the Company are available on the Company's website under Global Footprint section: www.Lntinfotech.com/Investors

10. Disclosures

A. Disclosure of Materially Significant Related Party Transactions & Policy on Dealing with Related Party Transactions

During the year under review, there were no material significant related party transactions which have been entered into by the Company with its related parties having potential conflict with the interests of the Company at large. All the related party transactions entered during the financial year were in the ordinary course of business and at arms' length and approved by the Audit Committee. The Board has approved a Policy for related party transactions which is available on the Company's website: www.Lntinfotech.com/Investors

B. Details of Non-Compliance by the Company, Penalties, and Strictures Imposed on the Company by Stock Exchanges or SEBI or Any Statutory Authority, on Any Matter Related to Capital Markets, During the Last Three Years

There have been no instances of non-compliance by the Company or penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets, during the last three years.

There is no non-compliance of any requirements of Corporate Governance Report as prescribed under sub-paras (2) to (10) of Part C of Schedule V of SEBI Listing Regulations.

C. Whistle Blower Policy & Vigil Mechanism

The Company has formulated a Whistle Blower Policy and has established a Vigil Mechanism for Directors and employees to report concerns about unethical behavior, actual or suspected fraud and any wrong-doing or unethical or improper practice. In this regard, Whistle Blowing Investigation Committee has been constituted to address the concerns reported under this policy. The Company affirms that no personnel has been denied access to the Audit Committee under Vigil Mechanism. Details of Whistle Blower Policy are provided in the Directors' Report section of this Annual Report and also made available on the Company's website: www.Lntinfotech.com/Investors

D. Disclosures in Relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has formulated a Policy for Prevention of Sexual Harassment at Workplace to ensure prevention, prohibition and protection against sexual harassment. The policy provides the guidelines for reporting of such harassment and the procedure for resolution & redressal of the complaints of such nature.

Details of such complaints are as follows:

Particulars	Details
a. Number of complaints filed during the financial year	10
b. Number of complaints disposed of during the financial year	10

K. Other Disclosures

The Company has complied with the compliance requirements specified under Regulations 17 to 27 and clause (b) to (i) of sub- regulation (2) of Regulation 46 of the SEBI Listing Regulations as detailed hereunder:

Particulars	Regulation	Compliance Status (Yes/No/NA)	Details
Board of Directors[1]	17	Yes	Board Composition, Meeting of Board of Directors, Review of Compliance Reports, Plan for orderly succession for appointments, Code of Conduct, Fees/compensation paid to NEDs, Minimum information to be placed before Board, CEO & CFO compliance certificate on Financial Results, Risk Assessment & Management, Performance Evaluation
Audit Committee	18	Yes	Composition and role of Audit Committee, Meeting of Audit Committee
Nomination and Remuneration Committee	19	Yes	Composition and role of Nomination and Remuneration Committee
Stakeholders Relationship Committee[1]	20	Yes	Composition and role of Stakeholders Relationship Committee
Risk Management Committee	21	Yes	Composition and role of Risk Management Committee
Vigil Mechanism	22	Yes	Formulation of vigil mechanism
Related Party Transactions	23	Yes	Policy for Related Party Transactions (RPTs), Prior or Omnibus approval of Audit Committee for all RPTs, approval for material RPTs
Corporate Governance Requirements with respect to Subsidiary of Listed Entity	24	NA	Composition of Board of Directors of unlisted material subsidiary, other corporate governance requirements with respect to subsidiary of listed entity
Obligations with respect to Independent Directors	25	Yes	Maximum Directorship & Tenure, Meeting of Independent Directors, Familiarisation of Independent Directors
Obligations with respect to Employees including Senior Management, Key Managerial Persons, Directors & Promoters	26	Yes	Memberships/ Chairpersonships in Committees, Affirmation with compliance to code of conduct from members of Board of Directors and Senior Management, Disclosure of shareholding by Non- Executive Directors, Policy with respect to obligations of Directors and Senior Management
Other Corporate Governance Requirements	27	Yes	Compliance with discretionary requirements, Quarterly compliance report on Corporate governance
Website	46(2)(b-i)	Yes	Dissemination of information on website – terms and conditions of appointment of Independent Directors, Composition of various committees of the Board, Code of Conduct of Board of Directors & Senior Management, details of vigil mechanism, criteria of making payments to Non-Executive Director, policy on related party transactions, determining material subsidiaries, details of familiarisation programmes to Independent Directors.

Note:

1. During FY2020, the composition of the Board & Stakeholders' Relationship Committee was in compliance with the SEBI Listing Regulations. On March 15, 2020, Mrs. Vedika Bhandarkar ceased to be the Woman Independent Director due to completion of her term of office and the Company has appointed Mrs. Aruna Sundararajan as the Woman Independent Director w.e.f. May 19, 2020 in compliance with regulation 25(6) of the SEBI Listing Regulations.

11. Discretionary Requirements as Prescribed in Part E of Schedule II of the SEBI Listing Regulations

Among the discretionary requirements as specified in Part E of Schedule II of SEBI Listing Regulations, the Company has complied with the following:

- The auditors' report on standalone and consolidated financial statements of the Company are unqualified.
- Mr. A. M. Naik is the Chairman of the Company and Mr. Sanjay Jalona is the Chief Executive Officer and Managing Director of the Company.
- The Head of Internal Audit of the Company reports directly to the Audit Committee.

To
The Board of Directors
Larsen & Toubro Infotech Limited

Dear Sirs/ Madam,

Sub: CEO/ CFO Certificate
[Issued in accordance with the provisions of Regulation 17(8) of
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We have reviewed financial statements, read with the cash flow statement of Larsen and Toubro Infotech 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 the 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 Audit Committee, deficiencies, if any, in the design or operation of such internal controls of which we are aware of and steps have been taken or proposed to be taken for rectifying these deficiencies.

d. We have indicated to the Auditors and Audit Committee that:

i. there were no significant changes in internal control over financial reporting during the aforesaid period;

ii. there were no significant changes in accounting policies during the aforesaid period; and

iii. there were no instances of significant fraud of which we have become aware.

Yours sincerely,

	Sanjay Jalona	**Ashok Kumar Sonthalia**
Date: May 19, 2020	Chief Executive Officer & Managing Director	Chief Financial Officer
	Place: USA	Place: Mumbai

Board Confirmation

Based on the assessment carried out by the Board of Directors of the Company ('Board') and the declarations of independence submitted by the Independent Directors, this is to confirm that in the opinion of the Board, the Independent Directors fulfill the conditions specified in these regulations and are independent of the management.

Sanjay Jalona
Chief Executive Officer &
Managing Director

Place: USA
Date: May 19, 2020

Annexure

Declaration Pursuant to Schedule V of the Securities and Exchange Board of India
(Listing Obligations and Disclosure Requirements) Regulations, 2015

I hereby confirm that all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct as adopted by the Board of Directors.

Sanjay Jalona
Chief Executive Officer &
Managing Director

Place: USA
Date: May 19, 2020

Annexure to Corporate Governance Report
Corporate Governance Compliance Certificate

To:

The Members of Larsen & Toubro Infotech Limited

I have examined the relevant records of Larsen & Toubro Infotech 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. 1351
Certificate of Practice No.13365
UDIN : F001351B000245573

Place: Mumbai
Date: May 15, 2020

Independent Auditors' Certificate on Corporate Governance

To the Members of Larsen & Toubro Infotech Limited

We, B. K. Khare & Co. Chartered Accountants, the Statutory Auditors of Larsen & Toubro Infotech Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2020, as stipulated in regulation 17 to 27 and clause (b) to (i) of regulation 46(2) and paragraphs C and D and of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

Management's Responsibility

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

Our responsibility is limited to examining 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.

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.

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 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.

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

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 regulation 17 to 27, clause (b) to (i) of regulation 46(2) and paragraphs C and D of Schedule V of the SEBI Listing Regulations, as applicable during the year ended March 31, 2020. Mrs. Vedika Bhandarkar ceased to be the Woman Independent Director w.e.f. March 15, 2020 due to completion of her term of office and the Company has appointed Mrs. Aruna Sundararajan as the Woman Independent Director w.e.f. May 19, 2020 in compliance with regulation 25(6) of the SEBI Listing Regulations.

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

This certificate is issued at the request of the management of the Company, solely for the purpose of complying with the aforesaid SEBI Listing Regulations and should not be used by any other person or for any other purpose.

B. K. Khare & Co.,
Chartered Accountants
Firm Registration No. 105102W

Padmini Khare Kaicker
Partner
Membership No.044784
UDIN: 20044784AAAAAX3295

Place: Mumbai
Date: May 19, 2020

Annexure B

Auditors' Certificate on Employee Stock Option Schemes

To
The Board of Directors
Larsen & Toubro Infotech Limited

1. We have examined the Employee Stock Ownership Scheme 2000 (referred to as the "ESOS-2000"), Employees Stock Ownership Scheme 2006, US Stock Option Sub-Plan (referred to as "ESOS-2006") and Employee Stock Option Scheme 2015 (referred to as the "ESOS-2015") of Larsen & Toubro Infotech Limited ("the Company") having its registered office at L&T House, Ballard Estate, Mumbai-400001.

   For the purpose of examination, we have relied on the audited financial statements, books of account and other records of the Company for the period of twelve months from April 1, 2019 to March 31, 2020.

2. We conducted our examination in accordance with Guidance Note on Audit Reports and Certificates for Special Purpose, issued by the Institute of Chartered Accountants of India.

3. Based on our examination, as above, and the information and explanation given to us by the management of the Company, we certify that:
   (i) the ESOS-2000 have been implemented in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (as amended) from time to time in terms of the special resolution passed in the General Meeting of the Company held on March 13, 2000 and December 16, 2005.

   (ii) the ESOS-2006 have been approved in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (as amended) from time to time as per the special resolution passed in General Meeting held on December 7, 2006.

   (iii) the ESOS-2000 & the ESOS-2006 have ceased to be in operation due to expiry of the exercising period under these schemes w.e.f. September 28, 2019.

   (iv) the ESOS-2015 have been approved in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (as amended) from time to time as per the special resolution passed in General Meeting held on September 14, 2015.

4. This certificate is issued at the request of the management of the Company solely for the purpose of the submission to the shareholders of the Company at the Annual General Meeting, and should not be used by any other person or for any other purpose.

B. K. Khare & Co.,
Chartered Accountants
Firm Registration No. 105102W

Padmini Khare Kaicker
Partner
Membership No.044784
UDIN: 20044784AAAAAY6657

Place: Mumbai
Date: May 19, 2020

Annexure C

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,
LARSEN & TOUBRO INFOTECH LIMITED

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by LARSEN & TOUBRO INFOTECH 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 and the Information Technology (Amendment) Act, 2008 and Rules for 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 and Patent Rules 2003**
- **The Trade Marks Act, 1999.**
- **The Trade Marks Rules, 2001.**
- **Designs Act, 2000**
- **Designs Rules, 2001**
- **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:

i. Secretarial Standards issued by The Institute of Company Secretaries of India;

ii. **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), applicable as follows:

- **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 or Committees thereof 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. **Certain transactions with the related parties during Q4 of the Financial Year 2018-19 (FY19) which exceeded the estimated amounts approved by the Audit Committee for FY19, were ratified by the Audit Committee in its subsequent meeting held on May 2, 2019.**

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 -

(i) Public/Right/Preferential issue of shares/debentures/sweat equity, etc. - **NIL**.

(ii) Redemption / buy-back of securities- **NIL**.

(iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013. – **NIL**.

(iv) Merger / amalgamation / reconstruction, etc.– **NIL**.

(v) Foreign technical collaborations – **NIL**.

(vi) Other Events –

(i) **Acquisition of 100% shareholding of Lymbyc Solutions Private Limited on August 29, 2019;**

(ii) **Acquisition of 100% shareholding of Powerupcloud Technologies Private Limited on October 25, 2019.**

Naina R Desai
Practising Company Secretary
Membership No. 1351
Certificate of Practice No.13365
Peer Review Certificate No.590/2019
UDIN F001351B000245496

Place: Mumbai
Date: May 15, 2020

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.

'Annexure A'

To,
The Members,
LARSEN & TOUBRO INFOTECH 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. 1351
Certificate of Practice No.13365
Peer Review Certificate No.590/2019
UDIN F001351B000245496

Place: Mumbai
Date: May 15, 2020

Annexure D

Annual Report on Corporate Social Responsibility ('CSR') Activities for FY2020

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

The Company has framed the Corporate Social Responsibility ('CSR') Policy in compliance with the provisions of the Companies Act, 2013 and the same is available on the website of the Company www.lntinfotech.com/social-responsibility. The Policy provides for the themes on which the Company will focus, the governance mechanism of the CSR Team, monitoring of the CSR activities at the location as well as the CSR Committee Level.

1Step, the Company's community engagement platform, is the demonstration of our commitment to the Sustainable Development Goals of poverty alleviation and climate action. Focusing on 3E's: Education, Empowerment and Environment, the Company is committed to solving for society and thereby promoting inclusivity and creating opportunities for growth among marginalized communities.

Education

The Company is working towards providing access to technology through its programs through supplementary education in government and government-aided schools. These initiatives not only offer the infrastructure but also provide the technical know-how and follow a handholding approach for students who come from low income households. Our experiential learning programs enable the students to understand technical concepts making science, mathematics and english subjects more productive and engaging. Mid-day meals have been provided through Akshaya Patra Foundation.

During FY2020, we have reached out to 97,308 school children through these programs.

Empowerment

The Company's CSR efforts are centered around making youth, women and people with special abilities competent, employable as well as supporting an inclusive and equal culture. To equip youth with the skills to participate in an increasingly digital world, we invest in making digital literacy and soft skills available to enable their overall development. We empower women from marginalized communities by providing training in the traditional art of Warli which enables them to sell products in the market while also ensuring the revival of this tribal art. Specially abled youth are given training in a BPO like set up to be able to learn and earn at the same time.

During FY2020, 25,077 youth and women including the specially-abled have been trained through such programs.

Environment

Through 1Step, LTI has focused on the key issues of environment conservation and climate action by restoring biodiversity of regions, increasing the green cover, planting more trees and implementing rainwater harvesting to enable farmers to irrigate more land. Global campaigns were conducted during the year to spread awareness on responsible lifestyles among our associates. We initiated installation of rooftop solar panels as a source of clean energy for the schools where we operate and which were experiencing frequent power outages.

During the year, over 1.7 lac trees were planted in various locations, solar installations of 56.7 KW capacity have been set up in schools and nearly 200 acres of land has been irrigated through our water conservation programs.

During FY2020, 6,491 LTItes were a part of the 1Step initiatives that contributed 17,200 volunteering hours.

Contribution Towards Fight Against COVID-19

As part of our community responsibility and in support of L&T's commitment and to support the nation's fight against the COVID-19 pandemic, LTI has contributed to the Prime Ministers' Citizen Assistance and Relief in Emergency Situation PM-CARES Fund, around INR 180 Million.

Achievements

The Company was awarded for its CSR and Sustainability programs as follows:

1. ACEF Award for Overall Excellence in Social Responsibility
2. Zee Business Award for Innovations in CSR Practices

2. The Composition of the CSR Committee:

i. Mr. Sanjay Jalona - Chairman

ii. Mr. Sudhir Chaturvedi - Member

iii. Mr. Arjun Gupta - Member

iv. Mr. Sudip Banerjee - Member (appointed as a Member w.e.f. January 15, 2020)

3. Average net profit for the last three years: INR 13,608 Million

4. Prescribed CSR expenditure (Two percent of the amount as in item 3 above): INR 272.17 Million

5. Details of CSR Spent During the Financial Year:

i. Total amount spent for FY2020: INR 460.6 Million (This includes INR 180 Million contribution made to PM-CARES Fund towards relief measures against COVID-19, which is exceeding the current year's CSR obligation and will be offset as part of CSR obligation arising in subsequent years).

ii. Amount unspent, if any: Nil

iii. Manner in which the amount was spent during FY2020: enclosed

6. In case the Company has failed to spend 2% of the average net profit of the last three financial years or any part thereof, the Company shall provide 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 mechanisms are in compliance with its CSR objectives and CSR policy & its framework:

The CSR Committee hereby affirms that:

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

Sanjay Jalona
Chief Executive Officer &
Managing Director
& Chairman – CSR Committee
(DIN: 07256786)

Sudhir Chaturvedi
President – Sales &
Whole-time Director
(DIN: 07180115)

5 (iii). Manner in Which the Amount Spent During FY2020 is Detailed Below:

(₹ Million)

S. N.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs 1) Local area or other 2) Specify the State and District where project was undertaken	Amount Outlay (Budget) project or programs wise	Direct expenses	Overheads	Cumulative Expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1	Providing computer education to school children from marginalized communities. Providing experiential learning by setting up science and basic technology labs in schools, providing mid-day meals & better infrastructure to school children.	Education	Mumbai, Navi Mumbai, Thane, Pune, Ahmednagar Gadchiroli, Maharashtra; Bengaluru, Dharwad, Koppal, Chitradurga, Mysuru, Karnataka; Chittoor, AP; Hyderabad, Telangana; Chennai, Thiruvanamalai, Kanchipuram, Tamil Nadu	138	139	4.30	143.3	Direct and through implementation partners
2	Providing vocational and digital skills and setting up necessary infrastructure for employability among underprivileged youth, women and people with special abilities.	Empowerment	Mumbai, Navi Mumbai, Thane, Pune, Ahmednagar, Wai, Maharashtra; Sonari, UP; Nainital, Uttarakhand; Chennai, Tamil Nadu	90	86.2	2.6	88.8	Direct and through implementation partners
3	Rainwater harvesting in drought prone regions and tree plantation to increase green cover.	Environment	Hubli, Bengaluru, Karnataka; Maharashtra and Tamil Nadu	44	47	1.5	48.5	Direct and through implementation partners
4	Contribution to Prime Ministers' Citizen Assistance and Relief in Emergency Situation (PM-CARES) Fund- for COVID-19 pandemic	PM-CARES Fund	-	-	-	-	180	Direct
	Total			**272**	**272.2**	**8.4**	**460.6**	

Annexure E

Statement of Disclosure of Remuneration Under Section 197 of the Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Mangerial Personnel) Rules, 2014

A. Ratio of the remuneration of each director to the median remuneration of the employees of the Company for FY2020, the percentage increase in remuneration of each Director & Key Managerial Personnel ('KMP') during FY2020:

S.N.	Name of the Director/ KMP	Designation	Ratio of remuneration of Director to the median remuneration[1]	% Increase in Remuneration
1	Mr. A. M. Naik	Non-Executive Founder Chairman	10.03	5.66
2	Mr. S. N. Subrahmanyan	Non-Executive Vice Chairman	NA	NA
3	Mr. Sanjay Jalona	Chief Executive Officer & Managing Director	85.89	(12.52)
4	Mr. R. Shankar Raman	Non-Executive Director	NA	NA
5	Mr. Sudhir Chaturvedi	President-Sales & Whole-time Director	53.37	(13.21)
6	Mr. Nachiket Deshpande	Chief Operating Officer & Whole-time Director	17.32	NA
7	Mr. Samir Desai	Independent Director	4.71	(5.73)
8	Mr. M. M. Chitale	Independent Director	1.84	-
9	Ms. Vedika Bhandarkar	Independent Director	1.37	67.50
10	Mr. Arjun Gupta	Independent Director	3.22	(15.47)
11	Mr. Sanjeev Aga	Independent Director	1.13	-
12	Mr. Sudip Banerjee	Independent Director	0.94	(16.36)
13	Mr. Ashok Kumar Sonthalia	Chief Financial Officer	13.72	5.36
14	Mr. Manoj Koul	Company Secretary & Compliance Officer	8.02	7.95

Notes:

1. Ratio of remuneration of director to the median remuneration is calculated on pro-rata basis for those Directors who served for only part of FY2020.
2. Mr. Sanjay Jalona and Mr. Sudhir Chaturvedi have been paid remuneration in USD and GBP respectively.
3. Mr. Nachiket Deshpande was appointed as a Whole-time Director w.e.f. May 2, 2019. Hence, the percentage increase in remuneration will not be applicable.
4. The percentage increase in remuneration excludes the perquisite value of stock options exercised and value of the leave encashment.

B. Average percentile increase already made in the salaries of 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 the managerial remuneration:

The average annual increase for employees was around 7% in India and 2% outside India. The managerial remuneration of FY2020 is lower than FY2019 as the Director's have consented for lower remuneration to support conservation of resources in view of unprecedented COVID-19 pandemic. The stock options exercised by the Directors has not been considered for the managerial remuneration comparison.

C. The percentage increase in the median remuneration of employees in FY2020: 4.8%.

D. Number of permanent employees on the rolls of company as on March 31, 2020: 28,928.

E Affirmation that the remuneration is as per the remuneration policy of the Company:

The Company affirms that the remuneration is as per the remuneration policy of the Company.

Form AOC-I

(Pursuant to First Proviso to Sub-section (3) of Section 129 Read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement Containing Salient Features of the Financial Statement of Subsidiary Companies

(₹ Million)

1	Sl. No.	1	2	3	4	5	6	7	8	9	10	11	12	13
2	Name of Subsidiary	Larsen & Toubro Infotech GmbH[2]	Larsen & Toubro Infotech Canada Limited[3]	Larsen & Toubro Infotech LLC	L&T Infotech Financial Services Technologies Inc.[1]	Larsen And Toubro Infotech South Africa (Pty) Limited	L&T Information Technology Services (Shanghai) Co. Ltd.	L&T Information Technology Spain SL	L&T Infotech S.de. RL. De. C.V	Syncordis Software Services India Private Limited	Syncordis S.A.	Syncordis PSF S.A.	Syncordis Limited	Syncordis SARL
	Country	Germany	Canada	USA	Canada	South Africa	China	Spain	Mexico	India	Luxembourg	Luxembourg	UK	France
3	Date of becoming subsidiary	June 14, 1999	October 14, 2005	July 21, 2009	January 1, 2011	July 25, 2012	June 28, 2013	February 1, 2016	March 01, 2017	December 11, 2017	December 15, 2017	December 15, 2017	December 15, 2017	December 15, 2017
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31-03-20	31-03-20	31-03-20	31-03-20	31-03-20	31-12-19	31-03-20	31-12-19	31-03-20	31-12-19	31-12-19	31-12-19	31-12-19
5	Reporting currency	EUR	CAD	USD	CAD	ZAR	CNY	EUR	MXN	INR	EUR	EUR	GBP	EUR
	Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	82.77	53.08	75.67	53.08	4.23	10.25	82.77	3.76	1.00	80.09	80.09	94.18	80.09
6	Share capital	9	0	-	1,680	3	11	4	0.00	5	3	32	0	1
7	Reserves & surplus	3,320	243	40	808	38	(25)	13	3	22	180	2		

Notes:

1. L&T Infotech Financial Services Technologies Inc. has paid dividend amounting to ₹ 736 Million.
2. Larsen & Toubro Infotech GmbH has paid dividend amounting to ₹ 126 Million.
3. Larsen & Toubro Infotech Canada Limited has paid dividend amounting to ₹ 53 Million.
4. Indian rupee equivalents of the figures in foreign currencies in the accounts of the subsidiary companies, are based on the exchange rates as on March 31, 2020.

Form AOC-I

(Pursuant to First Proviso to Sub-section (3) of Section 129 Read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement Containing Salient Features of the Financial Statement of Subsidiary Companies

(₹ Million)

1	Sl. No.	14	15	16	17	18	19	20	21	22	23	24	25	26
2	Name of Subsidiary	Larsen & Toubro Infotech Norge AS	Nielsen + Partner Unternehmensberater GmbH	Nielsen + Partner Unternehmensberater AG	Nielsen + Partner PTE. Ltd.	Nielsen + Partner S.A.	Nielsen & Partner Pty Ltd	Nielsen & Partner Company Limited	Ruletronics Systems Private Limited	Ruletronics Limited	Ruletronics Systems Inc	Lymbyc Solutions Private Ltd[5]	Lymbyc Solutions Inc[5]	Powerupcloud Technologies Private Limited[5]
	Country	Norway	Germany	Switzerland	Singapore	Luxembourg	Australia	Thailand	India	UK	USA	India	USA	India
3	Date of becoming subsidiary	November 20, 2018	March 1, 2019	March 1, 2019	March 1, 2019	March 1, 2019	March 1, 2019	March 1, 2019	March 15, 2019	March 15, 2019	March 15, 2019	August 29, 2019	August 29, 2019	October 25, 2019
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31-03-20	31-01-20	31-12-19	31-12-19	31-12-19	31-12-19	31-12-19	31-03-20	29-02-20	31-12-19	31-03-20	31-03-20	31-03-20
5	Reporting currency	NOK	EUR	CHF	SGD	EUR	AUD	THB	INR	GBP	USD	INR	USD	INR
	Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	7.22	78.69	73.84	53.05	80.09	50.05	2.40	1.00	92.97	71.39	1.00	75.67	1.00
6	Share capital	0	17	7	5	4	-	2	5	0	-	11	6	0
7	Reserves & surplus	3	98	25	216	121	0	(5)	34	73	20	26	(10)	77
8	Total assets	167	192	87	318	150	84	19	77	103	48	84	-	287
9	Total Liabilities	164	78	54	97	26	84	21	38	31	28	46	4	210
10	Investments	-	17	-	-	-	-	-	-	-	-	0	-	-
11	Turnover	133	294	179	527	246	105	60	50	224	151	63	-	161
12	Profit before taxation	4	(24)	9	137	83	(5)	(0)	2	4	(16)	13	-	(21)
13	Provision for taxation	1	3	1	16	13	(1)	1	1	1	-	3	-	(5)
14	Profit after taxation	3	(28)	8	122	70	(5)	(1)	1	3	(16)	11	-	(16)
15	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-
16	% of shareholding	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Notes:

5. Lymbyc Solutions Private Ltd and Lymbyc Solutions Inc., its subsidiary, were acquired on August 29, 2019 and Powerupcloud Technologies Private Limited was acquired on October 25, 2019, however, August 1, 2019 and October 1, 2019, respectively have been taken as the cut-off date for consolidation of accounts with the Company. Therefore, respective income statement figures have been considered only for post acquisition period.

6. Larsen & Toubro Infotech Austria GmbH was dissolved effective 20 August 2019.

Sanjay Jalona
Chief Executive Officer & Managing Director
DIN : 07256786
New Jersey, USA

Nachiket Deshpande
Whole-time Director and Chief Operation Officer
DIN: 08385028
Pune

Ashok Kumar Sonthalia
Chief Financial Officer
Mumbai

Manoj Koul
Company Secretary & Compliance Officer
Pune

Date: May 19, 2020

Annexure G

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings & Outgo

A. Conservation of Energy

(i) Steps Taken for Conservation of Energy:

Energy conservation has been the major pillar of our sustainability strategies. With the global challenges like climate change and rise of temperatures lurking over the corporate world, LTI has committed to reduce the direct environmental impact to "zero" by going Carbon Neutral before 2030. We have been determined to increase our energy efficiency & productivity within our activities by procuring energy efficient equipment and meticulously monitoring consumption trends. Over the last 3 years, Energy conservation initiatives implemented have been accruing savings year after year. The details of our accolades and achievements are mentioned in our Sustainability Report. Over the current financial year, we have taken up replacement of large-scale equipment like Chillers & Air Conditioning Units, Various LED Lights and Motion Sensor drives and as a result of these initiatives we were able to reduce our specific energy consumption per FTE by 11 % as compared to FY2019.

We have also invested in upgrading the BMS System and will be completing the final phase of upgradation to a state of the art cloud monitoring system in FY2021. The input data received from BMS will be further analyzed using Data Analytics software and monitored at a Corporate level. This will facilitate in efficient operations of our facilities across India.

(ii) Steps Taken by the Company for Utilising Alternate Sources of Energy:

As per our Sustainability roadmap, we already have Open Access power agreements at two of our offshore facilities including Headquarters. Additionally, we have started receiving partial renewable energy supplementation at two more of our offices. LTI now has 23.7% of its office spaces working on Renewable Energy. Our roadmap is to supplement 50% of conventional energy with renewable energy by the year 2030. In a short span of 3 years, LTI could supplement 23.7% of conventional energy with Renewable based Energy sources.

(iii) Capital Investment on Energy Conservation Equipments:

₹27.2 Mn.

B. Technology Absorption & Research and Development

In a rapidly changing global landscape where disruption is the new normal, your Company is leveraging technology to create sustainable advantage not only for itself but more importantly, for its clients. As industry 4.0, slowly but surely assumes shape, exponential technologies are turning business models upside-down. Enterprises, the world over are looking towards partners who not only understand domain but also have the technology expertise in helping them navigate through these challenging times. While the Company has the real-world expertise in diverse domains, it has also invested consciously towards building expertise in exponential technologies namely in the areas of Analytics, Industrial Internet-of-Things ('IIoT'), Artificial Intelligence ('AI'), Automation and cloud, etc. These are further enumerated below.

Cloud

Enterprises across the globe, irrespective of the industry are undergoing digital transformation at rapid pace with faster innovation, modernization, agility, scale and business continuity as top priorities. Cloud offering, ready to use services and infrastructure has become a model of choice to drive digital transformation with minimal capital investment. LTI is continuously helping enterprises to build and execute the right "Cloud for Modernization" strategy. This involves taking decisions aligned to their business problem to select the right cloud platform and services, architecting for appropriate model (public, private, hybrid or multi cloud), building innovative business capabilities, migrating workloads and continuous monitoring for security, compliance and cost.

Your company has made the right investment to stay ahead of the curve and emerge as a leader in the cloud space. LTI has acquired "PowerUp", a born in cloud company to strengthen its capabilities in consulting and delivering solutions.

LTI has a robust end to end cloud enablement and management platforms ecosystem to enable breakaway enterprises digitize the core, which includes:

- "Rapid Adopt" to enable enterprises discover and assess current state of infrastructure and build a comprehensive TCO model along with target architecture to plan and execute seamless migration to cloud.
- "PaaSify" for deep analysis of critical applications to build right architecture and roadmap for Cloud Native and PaaS (Platform-as-a-Service) transformation.
- "Genuis" to help in managing end to end DevOps/DevSecOps automation and governance.

- "Cloud Ensure" to enable autonomous Cloud Governance, Cloud Security Posture Management, Compliance and cost optimization.

LTI is leveraging cloud in building a platform to enable Work from Home based on its xFH (Everything from Home) model to help enterprises enable secured remote working while ensuring right level of collaboration, enhanced productivity and driving growth.

Additionally, in current challenging business scenarios, LTI has been helping customers through multiple Cloud focused initiatives like:

- "Save now pay later" - a unique gain share proposition leveraging Cloud Ensure to analyse and identify cost saving opportunities and optimize workload deployed in cloud.

- "Migrate to Cloud" – quick Migration Readiness Assessment of on-premise workloads for devising Cloud migration roadmap.

LTI believes cloud will play a pivotal role in driving digital transformation and will continue to invest in creating innovative solutions and services in this space.

Analytics, AI & Cognitive

Across industries, your Company has evolved and matured its Data offerings to unlock real benefits for leaders who are cognizant of the importance of going digital, and for organizations that are becoming increasingly aware of the direct business benefits of data. LTI believes that data is the new oxygen for a breakaway enterprise. However, maintaining a robust, data-driven framework, along with analytical capabilities, is a daunting task. Hence the core strategy for breakaway enterprise is driving data-driven digital transformation by democratization of data and decisions.

LTI aligns its new-age offerings with this market need. The offerings include –

1. Technology Modernization & Transformation – Simplify & accelerate data & analytics technology for digital transformation

2. Data Monetization delivering amplified business outcomes - Enabling business outcomes with data & analytics

3. Product – Data, Analytics, Automation - Products for specific needs in data & analytics value-chain

L&T's group heritage instils an engineering mindset which has helped LTI build a unique platform (Mosaic) with superpower of 3A's Analytics, Automation, AI capabilities stitched together to deliver a seamless experience. Few strategic investments in this direction are our acquisition of niche startups like AugmentIQ Data Sciences Pvt. Ltd. and Lymbyc Solutions Pvt. Ltd. LTI extensively leverages an ecosystem of start-ups, academia and industry consortiums to drive innovation in Analytics, AI & Cognitive economy.

Your Company has always believed in dog fooding and democratizing analytics & AI. LTI ensures data-driven decision making for all corporate functions like HR, Operations, Finance, Marketing etc. and continues to implement various analytics reports & dashboards across levels.

IIoT

The Company has a dedicated IIoT Practice that is building Technology & Industry offerings to drive Industry 4.0 transformation using its home grown MOSAIC THINGS an "IIoT Accelerator platform" & a "Market Place" of ecosystem players. The Market Place brings together enables a comprehensive ecosystem of customers, partners, start-ups and developers' community to work together & quickly develop, demonstrate and monetize enterprise grade IoT based solutions. LTI has entered into a partnership with "NASSCOM 10000 Startups" & leverages their extended ecosystem to drive value creation for its customers. Practice has been building offerings & assets for its customers, across industry groups, to help in their journey from "Smart Asset to a Smart Enterprise". Technology offerings include 5 sub-offerings: Device & Data Security Management, Machine to Machine Connectivity Management, Intelligent Orchestration & Choreography, Enterprise Command Center & Market Place. LTI's 8 cross-industry offerings cater to 4 Industry segment Life Sciences; Auto, Aero & Industrial Equipments; Energy & Utilities and Construction, Mining & Port Logistics. These industry offerings can serve across industry value chain and they are Smart Asset & Machines, Smart Work Center & Field Force Management, Smart Production Line, Smart Plant, Smart Lab, Smart Logistics, Smart Product & After Market Services and finally these 7 offerings converge into Smart Enterprise offering leading to realization of an "Autonomous Plant" vision of the manufacturing world.

Company has strategic investment plans around above and also investing in CoE Lab, Business Lab at customer premise & Innovation Hub nearshore to drive accelerated solution development & implementation. While CoE Lab in Bangalore develops accelerators, assets and offerings for Industries, Business Labs focuses upon key customer accounts and developing solutions through co-innovation & co-creation to solve industry specific problems. These include initiatives like IoT accelerator offerings to speed up the IoT project implementation, enhanced customer experience and amplify assured business outcomes. LTI IIoT practice unit has been supported by extensive participation from its customers, alliance partner, ecosystems & analysts' community. Practice featured in HFS Top 10 in FY2019 & has been recognized as leader in IoT services by many analysts.

Automation

Enterprises today look for unique ways to improve their processes and operational efficiencies due to the constant pressure

of increasing their Y-o-Y profits and becoming truly digital. Automation has become a powerful lever to deliver veritable outcomes on lowering organizations' total cost of operations, paving way for process accuracy, enhancing productivity, and breaking open new business outcomes.

Your company helps in demystifying the automation journey for its customers with a consulting-led approach. Intelligent RPA is helping organizations achieve advanced levels of efficiency and digitization, which were previously beyond reach. LTI's "Intelligent RPA" is a unique amalgamation of in-depth understanding of complex processes across industries, coupled with our homegrown accelerators and technology enablers such as Advanced OCR, Workflow Orchestration, Cognitive Automation and Bot Analytics.

LTI's Mosaic AIOps enables complete Enterprise IT transformation through adoption of AI-led Enterprise IT Operations. This includes enhanced asset monitoring, automated situation detection & remediation, smarter service desk activities and collaborative support practices. It provides an end-to-end platform to capture asset telemetry data through integrations with monitoring tools. It then applies its Cognitive Engines to analyze this data to surface only the important events, thus reducing alert noise.

Blockchain

Blockchain continues to be a promising technology which is disrupting the status-quo in the business operations across several industry verticals. Blockchain aims to increase global trade and business through wider inclusion of small and medium enterprises by enabling information symmetry and trust among business entities, delivering value and providing seamless access to finance and resources.

Given the prominence that Blockchain has risen to, we can foresee further convergence of Blockchain and other technologies such as IoT, RFID and Analytics. As a matter of fact, we have already delivered solutions that bring together these elements to improve process efficiencies, visibility and product authenticity.

Another focus area in this space is the interoperability between multiple Blockchain platforms that facilitate exchange of information, value and digital tokens. We are already making headway in this direction having delivered solutions that facilitate information exchange between two of the most prominent Blockchain platforms.

Over the last year, we have seen the technology evolve and projects mature from just being prototypes to full scale production applications. We have helped our clients on their Blockchain journeys to help realize real business benefits by creating industry specific solutions. We are also harvesting our cross-industry experience to develop industry agnostic reusable modules intended to reduce time to market. Given our experience, expertise and familiarity in this space, we are well positioned to help our clients right from the inception phase to the production implementation.

Total Expenditure on R&D:

(₹ Million)

S. N.	Expenditure on R&D	Amount
A	Capital	22
B	Recurring	267
	Total R&D expenditure (A+B)	**289**

C. Foreign Exchange Earnings and Outgo

The Company exports IT professional services mainly to North America, Europe, South Africa, Middle East, Japan, Australia and Singapore.

(₹ Million)

Particulars	2019-20	2018-19
Foreign Exchange Earned	95,305	82,673
Foreign Exchange Used	46,071	40,833

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:

S.N.	Particulars	
1	CIN	L72900MH1996PLC104693
2	Registration Date	23rd December 1996
3	Name of the Company	Larsen & Toubro Infotech Limited
4	Category/ Sub-Category of the Company	Company limited by shares Indian Non-Government Company
5	Address of the Registered office and contact details	L&T House, Ballard Estate, Mumbai-400001 Tel: +91 22 6776 6138 Email: investor@Lntinfotech.com
6	Whether listed Company	Yes
7	Name, Address and Contact details of Registrar and Transfer Agent, if any	**Link Intime India Private Limited** Address: C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400083 Tel: +91 22 49186000 Fax: +91 22 49186060 Email: rnt.helpdesk@linkintime.co.in

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: -

S.N.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Computer programming, consultancy and related activities	620	100.00

iii) Particulars of Holding, Subsidiary and Associate Companies:

S.N.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Larsen & Toubro Limited Add: L&T House, N. M. Marg, Ballard Estate, Mumbai-400001	L99999MH1946PLC004768	Holding Company	74.53	2(46)
2	Larsen & Toubro Infotech GmbH Add:Marcel-Breuer-Str. 15, 80807 Munich, Germany	-	Subsidiary	100.00	2(87)
3	Larsen & Toubro Infotech Canada Limited Add: 2810, Matheson Blvd East, Suite 500, Mississauga, ON L4W 4X7, Canada	-	Subsidiary	100.00	2(87)
4	Larsen & Toubro Infotech LLC Add: 1220, N. Market St., Suite 806, Wilmington, DE 19801, Country of New Castle, USA	-	Subsidiary	100.00	2(87)
5	L&T Infotech Financial Services Technologies Inc. Add: 2810, Matheson Blvd East, Suite 500, Mississauga, ON L4W 4X7, Canada	-	Subsidiary	100.00	2(87)
6	Larsen And Toubro Infotech South Africa (Pty) Limited Add: 1st floor, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, South Africa	-	Subsidiary	74.90	2(87)

S.N.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
7	L&T Information Technology Services (Shanghai) Co., Ltd. Add: Room 1317, No. 35, Dingbian road / lane, Jiading District, Shanghai	-	Subsidiary	100.00	2(87)
8	L&T Information Technology Spain SL Add: Paseo de la Castellana 81 Street, floor 11, 28046, Madrid, Spain	-	Subsidiary	100.00	2(87)
9	L&T Infotech S.de. RL.de. C.V Add: Bosque de Ciruelos 180, Suite PP 101 Col. Bosques de las Lomas, 11700 Mexico city, Mexico	-	Subsidiary	100.00	2(87)
10	Larsen & Toubro Infotech Norge AS Add:Martin Linges vei 25, 1364 Fornebu, Norway		Subsidiary	100.00	2(87)
11	Syncordis Software Services India Private limited Add: Block 4, 10th floor "A-Wing", DLF IT Park (SEZ Campus), 1/124 Shivaji Gardens, Manapakkam, Chennai – 600 089	U72900TN2015FTC101675	Subsidiary	100.00	2(87)
12	Syncordis S.A.* Add: 105, route d'Arlon, L-8009 Strassen Luxembourg (Step down Subsidiary)	-	Subsidiary	100.00	2(87)
13	Syncordis PSF S.A. Add: 105, route d'Arlon, L-8009 Strassen Luxembourg (Step down Subsidiary)	-	Subsidiary	100.00	2(87)
14	Syncordis Limited Add: C/O Rayner Essex LlpTavistock House South, Tavistock Square, London, United Kingdom, WC1H 9LG (Step down Subsidiary)	-	Subsidiary	100.00	2(87)
15	Syncordis SARL Add: 8 RUE PAUL BELMONDO75012 PARIS, France (Step down Subsidiary)	-	Subsidiary	100.00	2(87)
16	Ruletronics Systems Private Limited Add: 24a-1611/2, 46965, Dwaraka, Apartments 401, Allasani, Peddanna Street Eluru, Andhra Pradesh 534006	U72200AP2014PTC094911	Subsidiary	100.00	2(87)
17	Ruletronics Limited Add: 43 Farnsworth Court, West Parkside, London SE10 0QG (Step down Subsidiary)	-	Subsidiary	100.00	2(87)
18	Ruletronics Systems Inc. Add: 271 US Highway 46, Ste C104, Fairfield, NJ 07004, USA (Step down Subsidiary)	-	Subsidiary	100.00	2(87)
19	Nielsen+Partner Unternehmensberater GmbH Add: Grosser Burstah 45, DE 20457, Hamburg, Germany (Step down Subsidiary)	-	Subsidiary	100.00	2(87)
20	Nielsen+Partner Unternehmensberater AG Add: Stampfenbachstrasse 52, CH-8006 Zürich, Switzerland (Step down Subsidiary)	-	Subsidiary	100.00	2(87)
21	Nielsen+Partner PTE. LTD. Add: 11 Collyer Quay #09-09 The Arcade, Singapore 049317 (Step down Subsidiary)	-	Subsidiary	100.00	2(87)
22	Nielsen+Partner S.A. Add: 5, Rue des Primeurs, L-2361, Strassen Luxembourg (Step down Subsidiary)	-	Subsidiary	100.00	2(87)
23	Nielsen&Partner Pty Ltd Add: Addisons, Level 12, 60 Carrington Street, Sydney, NSW 2000, Australia (Step down Subsidiary)	-	Subsidiary	100.00	2(87)

S.N.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
24	Nielsen&Partner Company Limited Add: 12A Floor, Unit B1 and B2, Siam Piwat Tower, 989 Rama 1 Road, Pathumwan, Bangkok, Thailand (Step down Subsidiary)	-	Subsidiary	100.00	2(87)
25	Lymbyc Solutions Private Limited# Add:Plot No. 3726, Door No. 41, 'Ma Foi House', 6th Avenue, Q- Block, Anna Nagar, Chennai Tamil Nadu 600040	U74900TN2012PTC087141	Subsidiary	100.00	2(87)
26	Lymbyc Solutions Inc# Add: 1452, Hughes Road, Suite #200, Grapevine, Texas - 76051, USA (Step down Subsidiary)		Subsidiary	100.00	2(87)
27	Powerupcloud Technologies Private Limited@ Add: 16, Rajiv Nagar, 3rd Street, Samundipuram, Tirupur TN 641603	U72200TZ2015PTC021473	Subsidiary	100.00	2(87)

Notes:

*Change in name from Syncordis Support Services S.A. to Syncordis PSF S.A. w.e.f. December 19, 2019.

#Acquired by the Company on August 29, 2019. As a result of the same, Lymbyc Solutions Inc.became wholly owned subsidiary w.e.f. August 29, 2019.

@Acquired by the Company on October 25, 2019.

iv) Share Holding Pattern (Equity Share Capital Breakup as Percentage of Total Equity)

a) Category-wise Share Holding

Category Code	Category of Shareholder(s)	No. of Equity Shares held at the beginning of the year				No. of Equity Shares held at the end of the year				% Change during the year
		Dematerialised Form	Physical Form	Total	% of Total Shares	Dematerialised Form	Physical Form	Total	% of Total Shares	
(A)	**Promoters**									
(1)	**Indian**									
(a)	Individuals/ Hindu Undivided Family	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Central Government	0	0	0	0.00	0	0	0	0.00	0.00
(c)	State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Banks/ Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Bodies Corporate	129,784,034	0	129,784,034	74.80	129,784,034	0	129,784,034	74.53	(0.27)
(f)	Any Other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-total (A1)	**129,784,034**	**0**	**129,784,034**	**74.80**	**129,784,034**	**0**	**129,784,034**	**74.53**	**(0.27)**
(2)	**Foreign**									
(a)	NRIs – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Government	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-total (A2)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
	Total Shareholding of Promoter (A) = (A1 + A2)	**129,784,034**	**0**	**129,784,034**	**74.80**	**129,784,034**	**0**	**129,784,034**	**74.53**	**(0.27)**
(B)	**Public Shareholding**									
(1)	**Institutions**									
(a)	Mutual Funds	11,346,411	0	11,346,411	6.54	9,226,408	0	9,226,408	5.30	(1.24)
(b)	Banks/ Financial Institutions	33,561	0	33,561	0.02	155,760	0	155,760	0.09	0.07
(c)	Central Government	0	0	0	0.00	0	0	0	0.00	0.00
(d)	State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00

Category Code	Category of Shareholder(s)	No. of Equity Shares held at the beginning of the year				No. of Equity Shares held at the end of the year				% Change during the year
		Dematerialised Form	Physical Form	Total	% of Total Shares	Dematerialised Form	Physical Form	Total	% of Total Shares	
(e)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Insurance Companies	610,392	0	610,392	0.35	2,453,851	0	2,453,851	1.41	1.06
(g)	Foreign Portfolio Investors	13,381,686	0	13,381,686	7.71	16,476,211	0	16,476,211	9.46	1.75
(h)	Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Alternative Investment Funds	359,780	0	359,780	0.21	685,215	0	685,215	0.39	0.18
(j)	Any Other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-total (B1)	**25,731,830**	**0**	**25,731,830**	**14.83**	**28,997,445**	**0**	**28,997,445**	**16.65**	**1.82**
(2)	**Non – Institutions**									
(a)	**Individuals**									
	i) Individual Shareholders holding nominal Equity Share Capital up to Rs.1 Lakh	9,339,568	32,120	9,371,688	5.40	8,770,626	70,155	8,840,781	5.08	(0.32)
	ii) Individual Shareholders holding nominal Equity Share Capital in excess of Rs.1 Lakh	2,901,930	111,250	3,013,180	1.74	3,197,430	111,250	3,308,680	1.90	0.16
(b)	Bodies Corporate	2,660,633	0	2,660,633	1.53	458,184	0	458,184	0.26	(1.27)
(c)	NBFCs registered with RBI	4,401	0	4,401	0.00	4,150	0	4,150	0.00	0.00
(d)	**Any Other (Specify)**									
(i)	Foreign Nationals	337	110,070	110,407	0.06	72	30,981	31,053	0.02	(0.04)
(ii)	Hindu Undivided Family	243,459	0	243,459	0.14	231,184	0	231,184	0.13	(0.01)
(ii)	Non Resident Indians (Repat)	1,541,180	188,433	1,729,613	1.00	1,650,981	149,598	1,800,579	1.04	0.04
(iv)	Non Resident Indians (Non-Repat)	525,220	15,693	540,913	0.31	580,347	10,075	590,422	0.34	0.03
(v)	Clearing Member	288,012	0	288,012	0.17	77,959	0	77,959	0.05	(0.12)
(vi)	Trusts	31,914	0	31,914	0.02	2,298	0	2,298	0.00	(0.02)
	Sub-total (B2)	**17,536,654**	**457,566**	**17,994,220**	**10.37**	**14,973,231**	**372,059**	**15,345,290**	**8.82**	**(1.55)**
	Total Public Shareholding (B) = (B1 + B2)	**43,268,484**	**457,566**	**43,726,050**	**25.20**	**43,970,676**	**372,059**	**44,342,735**	**25.47**	**0.27**
	TOTAL (A+B)	**173,052,518**	**457,566**	**173,510,084**	**100.00**	**173,754,710**	**372,059**	**174,126,769**	**100.00**	**0.00**
(C)	**Shares held by Custodians and against which Depository Receipts have been issued**	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
	Grand Total (A+B+C)	**173,052,518**	**457,566**	**173,510,084**	**100.00**	**173,754,710**	**372,059**	**174,126,769**	**100.00**	**0.00**

b) Shareholding of Promoters

S.N.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding 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	129,784,034	74.80	0.00	129,784,034	74.53	0.00	(0.27)
	Total	**129,784,034**	**74.80**	**0.00**	**129,784,034**	**74.53**	**0.00**	**(0.27)**

c) Change in Promoters' Shareholding:

S.N.	Particulars	Shareholding at the beginning of the year		Increase/ (Decrease) in Shareholding	Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company		No. of Shares	% of Total Shares of the Company
	At the beginning of the year	129,784,034	74.80		129,784,034	74.80
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.)			Nil	129,784,034	74.80
	At the end of the year				**129,784,034**	**74.53[1]**

Note:

1. The change in the percentage of shareholding is due to periodic allotment of equity shares under the Employee Stock Option Schemes of the Company during FY2020.

d) Shareholding Pattern of Top Ten Shareholders (Other Than Directors, Promoters and Holders of GDRs and ADRs):

S.N.	For Each of theTop 10 Shareholders	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	UTI - Equity Fund	1,940,371	1.12		
	Purchase(s) during the year			1,902,720	1.09
	Sale(s) during the year			(221,062)	(0.13)
	At the end of the year			3,622,029	2.08
2	St. James's Place Emerging Markets Equity Unit Trust Managed by Wasatch Advisors Inc	-	-		
	Purchase(s) during the year			1,806,985	1.04
	Sale(s) during the year			-	-
	At the end of the year			1,806,985	1.04
3	HDFC Trustee Company Ltd - A/C HDFC Mid – Cap Opportunities Fund	1,577,915	0.91		
	Purchase(s) during the year			-	-
	Sale(s) during the year			-	-
	At the end of the year			1,577,915	0.91
4	HDFC Life Insurance Company Limited	561,642	0.32		
	Purchase(s) during the year			669,588	0.38
	Sale(s) during the year			(96,925)	(0.05)
	At the end of the year			1,134,305	0.65
5	Steadview Capital Mauritius Limited	-	-		
	Purchase(s) during the year			1,000,000	0.57
	Sale(s) during the year			-	-
	At the end of the year			1,000,000	0.57
6	Auburn Limited	1,760,732	1.01		
	Purchase(s) during the year			-	-
	Sale(s) during the year			(880,000)	(0.50)
	At the end of the year			880,732	0.51
7	ICICI Prudential Long Term Equity Fund Tax Savings	1,441,783	0.83		
	Purchase(s) during the year			20,926	0.01
	Sale(s) during the year			(600,346)	(0.34)
	At the end of the year			862,363	0.50

S.N.	For Each of theTop 10 Shareholders	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
8	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Equity Advantage Fund	788,416	0.45		
	Purchase(s) during the year			117,081	0.07
	Sale(s) during the year			(57,571)	(0.03)
	At the end of the year			847,926	0.49
9	Invesco Global Endeavour Fund	-	-		
	Purchase(s) during the year			831,325	0.48
	Sale(s) during the year			(2,000)	(0.00)
	At the end of the year			829,325	0.48
10	Canara Robeco Mutual Fund A/C Canara Robeco Emerging Equities	738,110	0.43		
	Purchase(s) during the year			369,881	0.21
	Sale(s) during the year			(370,723)	(0.22)
	At the end of the year			737,268	0.42
11	Motilal Oswal Multicap100 ETF	1,759,214	1.01		
	Purchase(s) during the year			15,283	0.01
	Sale(s) during the year			(1,769,590)	(1.02)
	At the end of the year			4,907	0.00
12	DSP Equity & Bond Fund	1,255,248	0.72		
	Purchase(s) during the year			39,663	0.02
	Sale(s) during the year			(944,632)	(0.54)
	At the end of the year			350,279	0.20
13	Goldman Sachs India Limited	622,975	0.36		
	Purchase(s) during the year			-	-
	Sale(s) during the year			(162,984)	(0.10)
	At the end of the year			459,991	0.26

Notes:

The date-wise increase decrease in the shareholding of the above shareholders is available on the website of the Company. i.e. www.Lntinfotech.com/Investors

V) Shareholding of Directors and Key Managerial Personnel:

S.N.	For Each of the Directors and KMP	Date of Transaction	Shareholding at the beginning of the year		Increase/ decrease in Shareholding	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		2,100,000	1.21			
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):				-	-	-
	At the end of the year					2,100,000	1.21

S.N.	For Each of the Directors and KMP	Date of Transaction	Shareholding at the beginning of the year		Increase/ decrease in Shareholding	Cumulative Shareholding during the year	
			No. of Shares	% of Total Shares of the Company		No. of Shares	% of Total Shares of the Company
2	S. N. Subrahmanyan		80,000	0.05			
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	22 July 2019 (ESOP Exercise)			40,000	120,000	0.07
	At the end of the year					120,000	0.07
3	R. Shankar Raman		40,000	0.02			
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	22 July 2019 (ESOP Exercise)			20,000	60,000	0.03
	At the end of the year					60,000	0.03
4	Sanjay Jalona		100,680	0.06			
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	13 Sept 2019 (ESOP Exercise)			65,200	165,880	0.10
		28 Nov 2019 (ESOP Exercise)			2,640	168,520	0.10
		20 Jan 2020 Transfer			(1,100)	167,420	0.10
		21 Jan 2020 Transfer			(11,028)	156,392	0.09
		22 Jan 2020 Transfer			(17,872)	138,520	0.08
	At the end of the year					138,520	0.08
5	Sudhir Chaturvedi		64,320	0.04			
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	28 Nov 2019 (ESOP Exercise)			18,000	82,320	0.05
		23 Mar 2020 (ESOP Exercise)			13,160	95,480	0.05
	At the end of the year					95,480	0.05
6	Nachiket Deshpande		-	-			
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	23 Mar 2020 (ESOP Exercise)			12,000	12,000	0.00
	At the end of the year					12,000	0.00
7	M. M. Chitale		38	0.00			
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):				-	-	-
	At the end of the year					38	0.00

S.N.	For Each of the Directors and KMP	Date of Transaction	Shareholding at the beginning of the year		Increase/ decrease in Shareholding	Cumulative Shareholding during the year	
			No. of Shares	% of Total Shares of the Company		No. of Shares	% of Total Shares of the Company
8	Ashok Kumar Sonthalia		19,500	0.01			
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	22 July 2019 (ESOP Exercise)			5,000	24,500	0.01
		13 Sept 2019 (ESOP Exercise)			5,000	29,500	0.02
		27 Jan 2020 Transfer			(9,500)	20,000	0.01
	At the end of the year					20,000	0.01
9	Manoj Koul		0	0.00			
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	24 May 2019 (ESOP Exercise)			620	620	0.00
		28 Nov 2019 (ESOP Exercise)			620	1,240	0.00
	At the end of the year					1,240	0.00

vi) Indebtedness

Indebtedness of the Company Including Interest Outstanding/Accrued But Not Due for Payment: Nil

(₹ Million)

Particulars	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year:				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**-**	**-**	**-**	**-**
Change in Indebtedness during the financial year:				
• Addition	-	-	-	-
• Reduction	-	-	-	-
Net Change	**-**	**-**	**-**	**-**
Indebtedness at the end of the financial year:				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**-**	**-**	**-**	**-**

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

(₹ Million)

S.N.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Ashok Kumar Sonthalia (CFO)	Manoj Koul (Company Secretary & Compliance Officer)	
1	Gross salary:			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7.98	6.05	14.03
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	15.90	2.27	18.17
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-
2	No. of Stock Options granted	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit			
	- others, specify	-	-	-
5	Others, please specify:			
	Variable Compensation	4.88	1.38	6.26
	Total	**28.76**	**9.70**	**38.46**

viii) Penalties/ Punishment/ Compounding of Offences:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2020.

Annexure I

Business Responsibility Report

Section A: General Information about the Company

Particulars	Details
Corporate Identity Number (CIN) of the Company	L72900MH1996PLC104693
Name of the Company	Larsen & Toubro Infotech Limited ('LTI')
Registered address	L&T House, Ballard Estate, Mumbai- 400001
Website	www.Lntinfotech.com
E-mail id	Investor@Lntinfotech.com
Financial Year reported	April 1, 2019 to March 31, 2020 ('FY2020')
Sector(s) that the Company is engaged in (industrial activity code-wise)	IT Software, Services and related activities. {892 (1987 NIC Code) & 620 (2008 NIC Code)}
List three key products/services that the Company manufactures/ provides	IT Consulting Digital Services Enterprise Solutions
Total number of locations where business activity is undertaken by the Company:	Please refer to www.lntinfotech.com/global-footprints
a. Number of International Locations	
b. Number of International Locations	
Markets served by the Company– Local/State/National/International	Both Local and International

Section B: Financial Details of the Company as on March 31, 2020

S.No.	Particulars	Details
1	Paid up Capital (INR)	174.13 Million
2	Total Turnover (INR)	101,842 Million
3	Total profit after taxes (INR)	15,524 Million
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Total amount spent on CSR for FY2020: INR 460.6 Million including contribution amount of around INR 180 Million made by the Company to Prime Ministers' Citizen Assistance and Relief in Emergency Situation (PM-CARES) Fund for COVID-19 pandemic in FY2020 (against INR 272.17 Million, being 2% of the average net profits of the Company for immediately last 3 financial years). *The contribution to PM-CARES Fund, being in excess to the CSR obligation for FY2020 will be offset in subsequent years.*
5	List of activities in which expenditure in 4 above has been incurred	Please refer **Annexure D** to the Directors' Report.

Section C: Other Details

1. Does the Company have any Subsidiary Company/ Companies? **Yes**

2. 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): **Yes. BR related policies extend to all the Subsidiaries of the Company.**

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. Company's BR initiatives are extended to its suppliers, vendors, service providers, agents, subcontractors, consultants, business partners and their representatives ('LTI Suppliers') through LTI Supplier Code of Conduct.**

Section D: BR Information

1. Details of Director/Directors Responsible for BR

(a) Details of the Director/Directors Responsible for Implementation of the BR Policy/ Policies

No.	Particulars	Details
1	DIN Number	08385028
2	Name	Mr. Nachiket Deshpande
3	Designation	Chief Operating Officer & Whole-time Director

(b) Details of the BR Head

No.	Particulars	Details
1	DIN Number (if applicable)	NA
2	Name	Mr. Ashok Kumar Sonthalia
3	Designation	Chief Financial Officer
4	Telephone number	022-6776 6776
5	e-mail id	investor@Lntinfotech.com

2. Principle-wise (as per NVGs) BR Policy/Policies

(a) Details of Compliance (Reply in Y/N)

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	N	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	N.A.	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Other than P7, Company's policies are aligned with the national/ international standards including ISO 9001, ISO 14001, OHSAS 18001 and ILO principles.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Except P7, all the Policies have been approved by the Board or Head of respective functions, as applicable.								
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	N.A.	Y	Y
6	Indicate the link for the policy to be viewed online?	Please refer Note below								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes. All the policies have been communicated to internal & external stakeholders and are available either on Company's website or intranet.								
8	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	N.A.	Y	Y
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	N.A.	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes. Regular audits are carried out to check compliance to the corporate policies pertaining to the area of audits. Further all cases referred to Whistle Blowing Investigation Committee are investigated or coordinated by the Internal Audit Department and are also reported to the Audit Committee.								

Note:

Principles	Policies/ Guidelines	Availability/ Location
P1: Governance with Ethics, Transparency and Accountability	• Code of Conduct ('COC') for Employees	www.lntinfotech.com/investors
	• COC for Board and Senior Management	www.lntinfotech.com/investors
	• Supplier Code of Conduct	www.lntinfotech.com/investors
	• Policy and Guidelines on Vigil Mechanism	www.lntinfotech.com/investors
	• Policy for Prevention of Sexual Harassment at Workplace	www.lntinfotech.com/investors
	• Policy for Safety of Women Employees	Company's intranet
	• Anti-harassment Policy	Company's intranet
	• Global Corporate Compliance Framework	Company's intranet
	• Anti-Bribery and Anti-Corruption Policy	Company's intranet
P2: Providing sustainable services	• Supplier Code of Conduct	www.lntinfotech.com/investors
	• Quality Policy Manual	Company's intranet
P3: Promote Employee Wellbeing	• Equal Opportunity Policy	Company's intranet
	• Policy for Prevention of Sexual Harassment at Workplace	www.lntinfotech.com/investors
	• Policy for Safety of Women Employees	Company's intranet
	• Anti-harassment Policy	Company's intranet
	• Grievance Management Guidelines	Company's intranet
	• Drug Free Workplace	Company's intranet
	• Higher Study Policy	Company's intranet
P4: Stakeholder Engagement & P8: Inclusive growth and equitable development	• Policy on Corporate Social Responsibility	www.lntinfotech.com/social-responsibility
P5: Promote Human Rights	• COC for Employees	www.lntinfotech.com/investors
	• Policy for Prevention of Sexual Harassment at Workplace	www.lntinfotech.com/investors
	• Policy for Safety of Women Employees	Company's intranet
	• Equal Opportunity Policy	Company's intranet
	• Anti-Slavery and Human Trafficking Policy - UK	Company's intranet
	• Supplier Code of Conduct	www.lntinfotech.com/investors
P6: Protect Environment	• EHS Policy	Company's intranet
	• Supplier Code of Conduct	www.lntinfotech.com/investors
P9: Customer Value	• Quality Policy Manual	Company's intranet

(b) 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	-	-	-	-	-	-	-	-	-
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	√	-	-
3	The company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6	Any other reason (please specify)	-	-	-	-	-	-	√	-	-

P7: The Company does not have a separate policy on Public Advocacy, however the Company lobbies with the Government, through its membership with various trade associations. LTI, being a member of NASSCOM, provides its views, opinions and inputs on possible way forward for various matters as and when called for by NASSCOM.

3. Governance Related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

The Corporate Social Responsibility Committee bi-annually reviews the BR initiatives related to CSR & Sustainability.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Company publishes Sustainability Report every year from FY2017. The sustainability reports of the Company are available on the Company's website at www.lntinfotech.com/social-responsibility

Section E: Principle-wise Performance

Principle 1: Businesses Should Conduct and Govern Themselves with Ethics, Transparency and Accountability

LTI's culture is inspired from the L&T group's belief that good corporate governance is based on independence, transparency, accountability, responsibility, compliance, ethics, values and trust. We inherit from L&T, its corporate and business culture and corporate governance practices, which in our view places us in good stead in relation to our business.

As LTI remains steadfast to the highest standards of ethics and transparency, all employment decisions are strictly made on the basis of employees'/ candidates' merits. Our Code of Conduct acts as a guideline for handling situations that require ethical action and integrity. In fact, it is an extension of our values and a foundation of our long-term success, and the basis for our culture at work.

LTI is committed to be compliant not only with global laws and regulations across jurisdictions, it also aligns itself to internationally accepted standards of disclosure and reporting as part of its operation and commitment towards ethical and accountable way of doing business. It believes that the right steps in the direction of transparency, ethics and accountability is the only way to build trust with all stakeholders.

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?**

   Yes. Policies relating to ethics, bribery and corruption covers LTI, its subsidiaries, associates and LTI Suppliers globally.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

   The Company has various forums for redressal of grievances from its stakeholders. Details of various stakeholder grievances and complaints are as follows:

Sr. No.	Type of Grievance	Received during the year	Resolved during the year	Pending
1	**Employee Grievance**			
	• Whistle Blower	7	6	1
	• Discriminatory employment	0	0	0
	• Sexual harassment	10	10	0
	• Child labour /forced labour /involuntary labour	0	0	0
2	Customer query/complaint	60	60	0
3	Other stakeholder Grievance	3	3	0
	Total	**80**	**79**	**1**

Principle 2: Businesses Should Provide Goods and Services that are Safe and Contribute to Sustainability Throughout Their Life Cycle.

At LTI, sustainability has always been a hallmark of our culture and a part of our DNA. The L&T Group has been enriching millions of lives and that same spirit also forms the backbone of our commitment to solving for the communities, globally. LTI incorporate environmental and social considerations in all its business operations and ensure engagements with stakeholders are conducted in keeping with the norms of good governance, ethics and transparency. We work closely with our suppliers to tackle challenges through strategies and initiatives that drive efficiency and cost optimization in these processes.

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities.**

   i. **Digitization of pumping stations and water treatment plant operations for Water Utility Business:**

   LTI is helping one of the Water Utility service providers to operate and maintain their clients' assets used in water distribution system from source to intermediate distribution points. Our solution provides various insights for effective asset operation, maintenance, cost, losses, etc. which helps in maintaining the clients' SLAs like reduction of Non-revenue water %, optimize chemical cost, maintain assets when needed and monitor complete plant operation. LTI is also helping the client to provide single view of multiple plants being managed by client across different geographies and compare their output thereby implementing best of one plant into another.

   ii. **Clean and Smart Campus Portal:**

   LTI has developed, 'Clean and Smart Campus Portal' for AICTE, thereby helping the institution to showcase the technology usages with the objectives of making their Campus Clean and Smart. It also aims to engage students to draw their attention towards massive scope and potential that the Technology offers to achieve the objectives such as cleanliness, sustainability, environment etc.

iii. Pune Smart city – COVID 19

Countries and governments worldwide are facing challenges pertaining to COVID19, in their ability to collect, track, analyze and action various parameters related to the spread of the pandemic.

In Pune, the core 'Smart City platform' has been built by LTI along with Smart World & Communication (SWC) of L&T and has been in operation for over 2 years now. With the outbreak of Covid 19, this platform has been enhanced to collect, analyze and disseminate COVID 19 related data from various channels and government data sources. This data is being used to generate a 360-degree and real time view of the pandemic across the entire city via dashboards and heatmaps. The intelligence gathered and the analytics was then used for:

- Co-ordination of multiple emergency response services on a single platform
- Keeping citizens updated with latest information through mobile apps/portals and displays
- Enhancing the capability of existing command and control centers for COVID19
- Real time tracking of ambulances
- Mobilizing emergency response teams, Community Clustering, Heat Mapping and Geo-Spatial Analytics on Health

2. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

LTI prefers to procure goods and services from local suppliers. While most of our non-IT products/services are sourced locally, the Company ensures the procurement of high quality and energy efficient IT products from reputed suppliers.

3. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes. As mentioned above, Company prefers to procure goods and services from local & small vendors who are within the state. EHS Policy of the Company also emphasize on sustainable procurement. At regular intervals, Company meets its Contractors and suppliers to understand challenges and implement best business practices.

4. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so?

LTI uses automation and other technologies through our e-Office solution to reduce paper usage. Waste generation are continuously tracked and monitored, and hazardous e-waste is sent to MPCL/ CPCB government authorized dealers that recycle this waste. Waste disposal is done as per the state specific pollution control board guidelines. Non-hazardous waste is disposed using the waste disposal facilities available at all our campuses in India. Organic waste converters have been set up at our different campuses for producing manure for gardening.

Being ISO 14001 Certified Company, certain initiatives like recycling of water through Sewage Treatment Plant (STP) and reduction in paper consumption have been taken up and is working successfully.

Principle 3: Businesses Should Promote the Wellbeing of All Employees

At LTI, we understand that the mainstay of the organization in its quest to become one of the best employers in the industry is its employees, who in turn are their best levels of productivity when provided with a safe, transparent and motivating work environment. In order to cater to our ever-expanding family of LTIites' need for growth and learning, we have an array of learning and experience platforms. Such platforms and programs provide learning opportunities in behavioural, technical and leadership skills.

We believe in continuous learning and are committed to the growth and development of our employees. Mosaic Academy is LTI's learning content and experience platform to facilitate continuous learning in the technology space. Aligned to the new age learning principles, this user-friendly and simple interface is available 24/7 and offers courses in both digital and core technologies. Alongside a catalogue of 2000+ courses and 250+ learning paths on Mosaic Academy, our ExpertLive series provides online sessions on new and emerging technology trends delivered by industry experts.

Our Learning philosophy is 'Shoshin' which empowers us to have an attitude of openness and eagerness. In FY2020, the Company launched the Mosaic Digital Library - a vast repository of resources in Technology, Business Management & Domain areas. The Mosaic Digital Library contains e-books covering key subject areas in IT and all disciplines of business, including leadership and management, marketing, project management, human resources, strategic planning etc. Business magazines, journals and trade publications as well as specific selected domain books by delivery units are also available through the Mosaic Digital Library.

When it comes to health, safety and convenience, LTI has always looked to improve the employees' experience in every aspect of their work-life. With the launch of digitalized and app-based solutions for shift cab services, ordering food directly from desk, visitor management and space management, LTI has moved several steps towards making

convenience and transparency an integral part of employee workflow. The healthcare activity calendar, creation of agile spaces and next-gen Gym and 'Funzone' underline the importance LTI attaches to its employees' health and wellbeing.

The Everest Group - in its recent report "Talent Readiness for Next-generation IT Services PEAK Matrix™ Assessment 2020: Closing the Demand-Supply Gap" - has ranked LTI as the leading service provider for talent readiness for next-generation data services skills on account of focused talent development efforts across the entire data value chain of data gathering, data storage & management, and data analytics.

In line with its zero-tolerance stance towards discrimination, harassment and other malpractices, LTI maintains a strong grievance redressal mechanism that can be used by aggrieved employees.

Details of employees of the Company including its subsidiaries as on March 31, 2020 are as mentioned below.

S.N.	Particulars	Details
1	Please indicate the Total number of employees	31,437
2	Please indicate the Total number of employees hired on temporary/contractual/casual basis	1,146
3	Please indicate the Number of permanent women employees	8,154
4	Please indicate the Number of permanent employees with disabilities	14
5	Do you have an employee association that is recognized by management	Yes
6	What percentage of your permanent employees is members of this recognized employee association?	3 elected members representing 124 employees (0.39%)
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	Refer the table in Principle 1.

At LTI, we provide three type of trainings to our employees. The details of the same are as follows:

	Type of Training		
Category of Employees	**Behavioral Training**	**Technical Training**	**Leadership Training**
Permanent Male employees	743	47,818	1,299
Permanent Female employees	389	23,157	440
Casual/Temporary/Contractual Employees	63	711	2
Total Employees Covered	**1,195**	**71,686**	**1,741**

Principle 4: Businesses Should Respect the Interests of, and be Responsive Towards All Stakeholders, Especially Those Who are Disadvantaged, Vulnerable and Marginalized.

At LTI, we adopt a multi-stakeholder approach in the way we operate, engaging, taking feedback and involving them in decision making at various stages. We engage with the stakeholders to gather insight on the relative importance of specific environmental, social and governance (ESG) issues through surveys, interviews, open and transparent dialogues. Various stakeholders viz, employees, investors, clients, contractors and suppliers, NGOs, local community, regulators, academic institutions have been mapped into different groups, based on:

i) Stakeholder's influence on organization; and

ii) Organization's dependence on stakeholders

For more details, please refer Sustainability Report at www.Lntinfotech.com/social-responsibility

1. **Has the company mapped its internal and external stakeholders?**

   Yes.

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.**

   Yes.

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

   Focusing on 3 Es: Education, Empowerment and Environment, the Company is committed to solving for society and thereby has created opportunities for growth and prosperity among marginalized communities. CSR programs at Company, focus on imparting digital education, empowering women, youth and specially-abled from communities for sustenance, water and environment conservation.

   For more details, please refer Annexure D of this Annual Report.

Principle 5: Businesses Should Respect and Promote Human Rights

LTI encourages diversity and constantly ensures that the business culture as well as activities are more inclusive and all-encompassing. While specific policies are present to address areas like anti-harassment, equal opportunity, anti-slavery and others, our 'Code of Conduct' is fortified and supplemented by the 'Employee Workplace Behavior Guideline', which outlines behavior in resonance with our Company's reputation, vision and core organizational values.

We believe in conducting ourselves in conformity with professional standards of personal integrity, honesty and ethical conduct. We are committed to providing and maintaining a work environment that is free of harassment and any kind of discrimination based on caste, creed, race, religion, national origin, age, gender, sexual orientation, region, appearance or any disability or other protected classifications while in India or abroad.

1. **Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/Others?**

   LTI's commitment towards creating a safe and secure work environment is reflected through its policies on Anti-Harassment, Policy for Prevention of Sexual Harassment at Workplace, Policy for Safety of Women Employees, Anti-Slavery and Human Trafficking Policy- UK and others. These policies aim at creating a workplace which enhances and promotes equal opportunity for men & women and prohibits discriminatory practices. Consistent with the International Labour Organization's (ILO) policies, LTI prohibits forced / involuntary labour.

   Further, LTI through its Supplier Code of Conduct expects its suppliers to embrace their commitment to integrity by complying with the applicable regulatory requirements including related to labour practices and human rights, health, safety and environment etc. and act with diligence, while conducting business with or on behalf of LTI.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   Please refer Principle 1 of this Report for details on the complaints received during the year.

Principle 6: Business Should Respect, Protect, and Make Efforts to Restore the Environment

Energy conservation has been the major pillar of our sustainability strategies. With the global challenges like climate change and rise of temperatures lurking over the corporate world, LTI has committed to reduce the direct environmental impact to "zero" by going Carbon Neutral before 2030. We have been determined to increase our energy efficiency & productivity within our activities by procuring energy efficient equipment and meticulously monitoring consumption trends. Over the last 3 years, energy conservation initiatives implemented have been accruing savings year after year. The details of our accolades and achievements in environment are mentioned in our Sustainability Report. Over the current financial year, we have taken up replacement of large-scale equipment like chillers & air conditioning Units, various LED lights and motion sensor drives and as a result of these initiatives we were able to reduce our specific energy consumption per FTE by 11% as compared to FY2019.

The Company gets periodic energy audits of all its India offices from BEE-certified internal energy auditor. The Company also engages with its employees regularly through environmental awareness campaigns, explaining the importance of saving energy. For more details, refer Sustainability Report available on www.lntinfotech.com/social-responsibility

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/ NGOs/others.**

   All policies cover LTI group and extends to LTI Suppliers and the same is shared with them at the time of Vendor Registration.

2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

   Yes. LTI has committed to be Carbon Neutral by the year 2030. A sustainability roadmap with a strategic action plan has been created and published in our Sustainability report. The achievements owing to our efforts in Energy conservation have also been mentioned comprehensively in the report. LTI has been actively participating in the Carbon Disclosure Project aligning with international standards of carbon Emission Disclosure. For more details refer Sustainability Report available on www.lntinfotech.com/social-responsibility.

3. **Does the company identify and assess potential environmental risks? Y/N**

   Yes. All office locations of LTI in India are accredited as ISO 14001:2015 certified campuses. We have a location-wise 'Aspect-Impact' Register maintained as per requirement by the ISO 14001:2015 Standard and is audited periodically by a third Party.

4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

   Currently, our Energy Conservation projects are not registered under CDM.

5. **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

   Yes. Targets related to Renewable Energy supplementation have been incorporated within the sustainability Roadmap. Over

a short span of 3 years, LTI has supplemented 23.7% of our Conventional Energy with Renewable based energy sources. LTI Headquarters in Powai is functioning on renewables sources of power since FY2019. In FY2020, two of our leased premises have started receiving partial supplementation of renewable energy which helped LTI reach 23.7%. We have taken a target within our sustainability roadmap to supplement 50% of conventional energy with renewable energy by the year 2030.

At LTI, energy conservation behavior is encouraged by awareness through different kinds of digital and print media. Employee Induction programs include "Green Initiatives" and "How Employees can Help" within the first day of joining procedure.

6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   Yes.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

   During the period, no show cause / legal notices from CPCB/SPCB have been received and nothing is pending.

Principle 7: Businesses, When Engaged in Influencing Public and Regulatory Policy, Should Do So in a Responsible Manner

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

   Yes.

   - National Association of Software & Service Companies (NASSCOM)
   - Bombay Chambers of Commerce & Industry
   - Swedish Chamber of Commerce, India

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

   Company actively participates in various industry associations' forums and provides relevant insights which help in framing technology related and other policies, as and when called for. The Company has also shared its inputs towards 'Make-in-India' and 'Digital India' policies of the government.

   Company is also actively working in projects like 'SMART Cities' which ultimately results in larger public good.

Principle 8: Businesses Should Support Inclusive Growth and Equitable Development

As a responsible corporate citizen, inclusivity is key to our CSR delivery which focuses on Education, Empowerment and Environment. Providing digital platforms for better learning outcomes among rural children and to youth for enhanced employability is a priority. As a business, we are also conscious of the carbon footprint we create. Our tree plantation and water conservation initiatives help sustain the planet while also creating opportunities for equitable development.

1. **Does the company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.**

   Yes. The CSR Policy is formulated in compliance with Section 135 of the Companies Act, 2013 and the Company has contributed for the activities mentioned as per Schedule VII of the Companies Act, 2013. The Directors' Report- Annexure D shares details of these CSR programs. Further details are mentioned in the Company's Sustainability Report available at www.lntinfotech.com/social-responsibility

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?**

   The Company partners with Non-Governmental Organizations (NGOs) with expertise in its thematic areas of CSR focus. Employee volunteers contribute their time and efforts in enhancing the impact of our CSR projects and thereby making a positive impact. A dedicated CSR team drives the social inclusion agenda at LTI.

3. **Have you done any impact assessment of your initiative?**

   Periodically, impact assessment of the CSR programs is conducted to evaluate the strengths, identify risks and overall performance

of the program. A robust system of regular monitoring and reporting has also been established to ensure effectiveness and capture feedback from the programs. Social audit of the CSR programs is under progress and will be disclosed in our upcoming Sustainability Report.

4. **What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

   Refer Annexure D of the Annual Report on Corporate Social Responsibility ('CSR') activities for FY2020. For more details on our work with the community, visit www.lntinfotech.com/social-responsibility

Principle 9: Businesses Should Engage with and Provide Value to Their Customers and Consumers in A Responsible Manner

We, at LTI, have deployed structured listening & learning mechanisms to obtain feedback, suggestions, complaints and business-related inputs, which need to be acted upon. These interactions happen at different levels, which include senior management, account managers, sales & marketing, the delivery function, as well as project team members.

Thought Partnership™ is LTI's unique platform through which we deliver value to our strategic, as well as potential clients. The Thought Partnership™ Program is based on a framework that brings together key elements like:

- Dedicated value CoE (Center of Excellence)
- A world-class Portfolio Optimization methodology
- 3 A's – Agile, Automation first & Augmented
- Pod-as-a-Service Model
- Increased outcome based Engagements
- Industry & Business technology perspectives, and
- CIO Advisory Board

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

   There are 'Nil' pending client complaints as on the end of financial year.

   LTI considers each client complaint as an opportunity for improvement and has different mechanism to capture the same early. Account managers, onsite sales and the delivery teams share client feedback/complaints to the project manager. The complaint is captured in COMPASS Issue log and triggers causal analysis & resolution to address the client complaint & to prevent such instances in future.

   At LTI there is defined structured approach to identify specific actionable and, subsequent discussions are held with clients to gather more clarity on the feedback. The action plan is shared with the client and monitored during governance meetings/steering committee meetings on monthly and quarterly basis. Both, the action plan and its execution, are very closely monitored and reviewed by the senior management.

2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)**

   Yes. LTI complies all Major ISO and CMMI standards. All the ISO certifications undergo recertification or surveillance audit every year, as part of the combined external audit.

   - **ISO 9001:2015: Quality Management System**

     LTI is amongst the first few software organizations in India to have been awarded the ISO 9001 certification. ISO 9001 is one of the most widely recognized in the world that presents guidelines intended to increase business efficiency and client satisfaction. We hold ISO 9001 certification since March 2007.

   - **ISO 14001:2015 + ISO 45001:2018 (Integrated)**

     14001:2015 - It sets out the criteria for an Environmental Management System. The primary goal is to protect and prevent environment while respecting socio-economic requirements. 45001:2018 – It's a standard for management systems of occupational health and safety. The goal is to reduce occupational injuries and diseases. We hold integrated certification since 2019 for both the standards.

   - **ISO 20000-1:2011: IT Service Management**

     ISO 20000 is an International Standard for IT Service Management. One of the distinguishing factors is that LTI has achieved this certification for the six centers in India, and for following 3 services across all Business Units: Internal Infrastructure Support, Infrastructure Management Services to external clients, Application support services for clients. We hold this certification since 2009.

   - **ISO 27001:2013: Information Security Management System**

     ISO 27001 is an International Standard defining the desired methods of controlling the confidentiality, integrity and availability of information. ISO 27001 is the upgraded version of BS 7799-2:2002. We hold this certification since 2004 (BS7799).

   - **CMMI Dev and SVC L5 certification**

     LTI has been rated at Maturity Level 5 of CMMI-DEV V1.3 (Capability Maturity Model Integrated) from the CMMI Institute, USA. A very stringent appraisal of the maturity level was carried out based on SCAMPI V1.3 by QAI. We were first certified for organization wide CMMI certificate way back in 2000 and have been continuously recertified every 3 years. Currently LTI is certified at CMMI V1.3 level 5 for all Development, Testing, ERP and Maintenance Projects

with Large enhancements projects across all locations. Last assessment by QAI for CMMI-Dev & CMMI-Services was completed in May 2019.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

   No such case has been filed during the preceding five years against the Company and no such case is pending against the Company as on date.

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**

   We, at LTI, firmly believe that a regular survey mechanism, supported by transparent improvement plan, which is the foundation for ensuring a high level of client satisfaction.

   To provide clients with ample avenues to provide feedback, we have the following major levels at which feedback is taken:

   a) Feedback through LTI Client Satisfaction Survey Tool

   We have a structured and user-friendly process of assessing the satisfaction level of clients through an online 'Client Satisfaction Survey' tool. The tool enables clients to rate the services of LTI across different categories like Project Execution, Quality, Communication, Culture and Value Delivered. This feedback is taken for each project every 6 months. In addition to project level, feedback can also be taken at an account level, engagement level or individual employee level. The feedback obtained is analyzed and corrective actions are taken wherever required. These actions are also shared with the client.

   b) Account level through independent 3rd party consultant

   In addition to the project level survey there is an annual Client Satisfaction ('CSAT') Survey done by a research-led independent consulting firm who administer the survey on LTI's behalf. In this survey various levels of clients are covered right from CXO, Senior management to middle management level. As a part of this survey, CXOs of our key clients are personally interviewed and an online survey link is shared with all client participants to provide an unbiased feedback. Through this survey we measure the level of Client Experience we deliver to our clients through key parameters like Satisfaction, Loyalty, Advocacy and Business Value for Money. To increase the visibility of actions to clients, 3 levels of communication is done for each engagement. L1 communication where client feedback is acknowledged and actions planned are validated, L2 communication where midterm progress on improvement actions is shared and L3 communication where closure of actions and value delivered is communicated. For LTI, this survey is a very important exercise for gathering insights from clients to improve their experience with LTI and for us to deliver amplified outcomes. We have been consistently improving on CSAT coverage from 687 respondents last year to 727 this year and maintained our Experience Index this year.

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Independent Auditor's Report

To the Members of Larsen & Toubro Infotech Limited
Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Larsen & Toubro Infotech Limited ("the Company"), which comprise the balance sheet as at March 31, 2020, and the statement of profit and loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "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 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the 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 below to be the key audit matters to be communicated in our report.

Revenue Recognition	
Key Audit Matter	Accuracy of recognition, measurement, presentation and disclosures of revenue and other related balances in view of the principles laid down under Ind AS 115 "Revenue from Contracts with Customers". The application of the revenue accounting standard (Ind AS 115) involves significant judgements/material estimates relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, the standard requires disclosures, which involve collation of information in respect of disaggregated revenue, and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date. The Company has also evaluated the impact of COVID – 19 resulting from (i) the possibility of constraints to render services which may require revision of estimations of costs to complete the contract because of additional efforts, (ii) onerous obligations, (iii) penalties relating to breaches of service level agreements and (iv) termination or deferment of contracts by customers. Refer Note no. 2(d) and Note no. 26 to the Standalone financial statements for relevant accounting policy and disclosure respectively.
Principal Audit Procedures	Our audit approach consisted of testing the design and operating effectiveness of the internal controls and substantive testing as follows: • Evaluated the design and operating effectiveness of internal controls relating to the application of revenue accounting standard specifically, those relating to identification of the distinct performance obligations and determination of transaction price. Procedures performed included enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls. • Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the revenue accounting standard.

Revenue Recognition	
Principal Audit Procedures	• Selected a sample of continuing and new contracts and performed the following procedures: ◆ Read, analysed and identified the distinct performance obligations in these contracts. ◆ Compared such performance obligations with those identified and recorded by the Company. ◆ Reviewed contracts terms to determine the transaction price including any variable consideration to determine the appropriate transaction price for computing revenue and to test the basis of estimation of the variable consideration. ◆ Samples in respect of revenue recorded for time and material contracts were tested through a review of approved time sheets including customer acceptances, subsequent invoicing and historical trend of collections and disputes. ◆ In respect of samples relating to fixed price contracts, progress towards satisfaction of performance obligation used to compute recorded revenue was verified with actual and estimated efforts from the time recording and contracting systems. We also tested the access and change management controls relating to these systems. • Performed analytical procedures for reasonableness of revenue disclosed by type and service offerings. • Critically reviewed management's assessment relating to impact of Covid 19 on revenue recognition, as stated above. • We reviewed the collation of information and the logic of the report generated from the management system used to prepare the disclosure relating to the periods over which the remaining performance obligations will be satisfied after the balance sheet date.
Assessment of Provisions and Contingent Liability in Respect of Compliance with Various Laws and Regulations as Applicable	
Key Audit Matter	Adequacy of provisioning and assessing contingent liabilities in respect of compliance with applicable laws and regulations including Income tax assessments The Company's operations are spread across several jurisdictions including those outside India requiring the Company to ensure compliance with relevant laws and regulations. Recognition of provisions and disclosure of contingent liabilities on account of potential claims in relation to same may require critical evaluation of legal positions/opinions taken by the Company involving a complex matter and a high degree of professional judgment. Furthermore, the Company's SEZ unit is eligible for exemption under section 10AA of Indian Income Tax Act, 1961. The Company may have some unsettled tax positions including matters under dispute on account of disallowance of exemption u/s 10A/10AA on profits earned by STPI/SEZ units on onsite export revenue. The evaluation involves significant judgement to determine the possible outcome of these cases. Refer Note no. 2(r) and Note no. 35 to the Standalone financial statements for relevant accounting policy and disclosure respectively.
Principal Audit Procedures	• We have evaluated the design and operating controls in relation to the compliance tracker maintained by the Company with respect to compliance with local and international laws &regulations. • We read the summary of litigation matters provided by management and held discussions with the Company's legal counsel. • We have also enquired with some of the Company's external legal advisors with respect to the matters and examined related correspondence including advices for foreign branch compliances and obtained an external legal confirmation, wherever appropriate. • In respect of provisions against litigation and the assessment of contingent liabilities, we tested the calculation of the provisions/contingent liability assessment; we reviewed the assumptions against third party data, where available, and assessed the estimates against historical trends. We considered management's judgements on the level of provisioning/recognition of contingent liability as appropriate.

Revenue Recognition	
Investment in Subsidiaries	
Key Audit Matter	The carrying amount of investments in subsidiaries held at cost less impairment representing 7.88% of the Company's total assets are reviewed annually for impairment. The carrying amount of investment is assessed based on financial performance of subsidiaries and projected cash flows, where necessary. This activity requires significant management judgement and estimates. Management has also carried out sensitivity analysis for all key assumptions, including the cash flow projections, consequent to the change in estimated future economic conditions arising from the possible effects due to COVID-19. Refer Note no. 2(o) and Note no. 5 to the Standalone financial statements for relevant accounting policy and disclosure respectively.
Principal Audit Procedures	We compared the carrying amount of investments with the relevant subsidiary balance sheet to identify whether their net assets, being an approximation of their minimum recoverable amount were in excess of their carrying amount and assessing whether those subsidiaries have historically been profit-making. For the investments where the carrying amount exceeded the net asset value, compared the carrying amount of the investment with the expected value of the business based on a suitable multiple of the subsidiaries' earnings or discounted cash flow analysis including reviewing the sensitivity analysis carried out by the management especially with reference to Covid-19 situation. Tested the assumptions and underlying cash flows based on our knowledge of the Company and the markets in which the subsidiaries operate; and We also considered the adequacy of disclosures in the financial statements relating to the valuation of investments in subsidiaries, including those made with respect to judgements and estimates.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, 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, 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.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("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, changes in equity and cash flows of the Company in accordance with the 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 statements 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, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are also 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 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 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 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 financial statements, including the disclosures, and whether the 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 aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 misstatements in the 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 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, 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, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   d. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards (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 March 31, 2020 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 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:

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.

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, 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 standalone financial statements – Refer Note 35 to the financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 38 to the financial statements;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For B. K. Khare & Co.
Chartered Accountants
Firm's Registration Number – 105102W

Padmini Khare Kaicker
Partner
Membership No. 044784
UDIN: 20044784AAAAV4207

Mumbai, May 19, 2020

Annexure A to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the standalone financial statements of Larsen & Toubro Infotech Limited for the year ended March 31, 2020)

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

   (b) The Company has a rotational program for verification of its fixed assets over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. A portion of the fixed assets has been physically verified by the management of the Company during the year in accordance with the above-mentioned program. No material discrepancies were identified on such verification and have been properly accounted for in the books of account.

   (c) According to the information and explanations given to us and to the best of our knowledge and belief, the title deeds of the immovable properties are held in the name of the Company.

2. The Company does not hold any physical inventories. Accordingly, paragraph 3(ii) of the Order is not applicable to the Company.

3. According to the information and explanations given to us, the Company has granted loan, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act.

   (a) The terms and conditions of the grant of such loans are not prejudicial to the Company's interest;

   (b) The schedule of repayment of principal and payment of interest has been stipulated;

   (c) There is no overdue amount remaining outstanding as at the year end

4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to loans and investments made.

5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits to which the directives of the Reserve Bank of India and the provisions of Sections 73-76 of the Act and the rules framed there under to the extent modified apply. Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company and no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.

6. 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.

7. (a) According to the records of the Company examined by us and information and explanations given to us, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Customs Duty, Cess and other statutory dues applicable to it with the concerned authorities.

   (b) According to the information and explanations given to us, dues of goods and service tax, income-tax, sales tax, service tax, excise duty, customs duty and value added tax which have not been deposited on account of any dispute are as follows:

Name of Statute	Nature of dues	₹ Million*	Period to which amount relates	Forum where pending
Service Tax	Service tax demand under reverse charge mechanism on the Agency commission paid in foreign currency	1.88	FY 2008-09 to 2016-17	CESTAT
West Bengal Value Added Tax	Demand raised based on subcontractor turnover	9.70	FY 2015-16 and 2016-17	Senior Joint Commissioner Kolkata South Circle
Service Tax	Disallowance of Input Tax Credit	238.82	FY 2008-09 to 2016-17	CESTAT
Income-tax Act, 1961	Disallowance of exemption under Income Tax	84.26	FY 2008-09 (AY 2009-10)	ITAT

Name of Statute	Nature of dues	₹ Million*	Period to which amount relates	Forum where pending
Income Tax Act, 1961	Disallowance of exemption under Income Tax	0.18	FY 2010-11 (AY 2011-12)	Commissioner (Appeals)
	Penalty	131.38	FY 2006-07 (AY 2007-08)	
	Disputes regarding calculation of notional interest on transactions with related party and disallowance of FTC	1.21	FY 2010-11 (AY 2011-12)	
	Dispute regarding Disallowance of claim on the ground that it is allowable only for 10 consecutive Assessment years.	2.35	FY 2010-11 (AY 2011-12)	
	Disputes regarding exclusion of interest income from section 10A calculation, addition of notional interest on transactions with related party and disallowance of FTC	2.08	FY 2008-09 (AY 2009-10)	Assessing Officer (Assistant Commissioner Of Income Tax)

8. Based on the records examined by us and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution and bank. The Company has not taken any loans or borrowings from government and has not issued any debentures.

9. The Company did not raise any money by way of initial public offer, further public offer (including debt instruments) or term loan during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

10. Based on the records examined by us and according to the information and explanations given to us, there were no material frauds by the Company or on the Company by its officers or employees noticed or reported during the year.

11. Based on the records examined by us and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and hence paragraph 3(xii) of the Order is not applicable to the Company.

13. Based on the records examined by us and according to the information and explanations given to us, transactions with 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 standalone financial statements as required by the applicable accounting standards.

14. Based on the records examined by us and according to the information and explanations given to us, 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.

15. Based on the records examined by us and according to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.

16. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For B. K. Khare & Co.
Chartered Accountants
Firm's Registration Number – 105102W

Padmini Khare Kaicker
Partner
Membership No. 044784
UDIN: 20044784AAAAV4207

Mumbai, May 19, 2020

Annexure B to the Independent Auditor's Report

Referred to in paragraph of our report of even date on the standalone financial statements of Larsen & Toubro Infotech Limited for the year ended March 31, 2020

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 Larsen & Toubro Infotech Limited ("the Company") as of March 31, 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 the respective 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 ("the Act").

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 (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed undersection 143(10) of the Companies Act, 2013, 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 Institute of Chartered Accountants of India. 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 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 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 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 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 over ride 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 be come in adequate 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 March 31, 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 Institute of Chartered Accountants of India.

For B. K. Khare & Co.
Chartered Accountants
Firm's Registration Number – 105102W

Padmini Khare Kaicker
Partner
Membership No. 044784
UDIN: 20044784AAAAV4207

Mumbai, May 19, 2020

Balance Sheet

as at March 31, 2020

(₹ million)

Particulars	Note No.	As at 31-03-2020	As at 31-03-2019
Assets			
Non-current assets			
(a) Property, plant and equipment	4	3,809	2,816
(b) Right of use assets	39(I)	7,352	-
(c) Capital work-in-progress	4	381	31
(d) Other Intangible assets	4	354	331
(e) Intangible assets under development	4	19	51
(f) Financial Assets			
(i) Investments	5	6,550	5,198
(ii) Loans	6	551	467
(iii) Other financial assets	7	118	1,606
(g) Deferred tax assets (net)	8	2,135	1,564
(h) Income tax assets (net)		742	768
(i) Other non-current assets	9	1,291	1,029
Total Non-Current Assets		**23,302**	**13,861**
Current assets			
(a) Financial assets			
(i) Investments	10	22,185	17,402
(ii) Trade receivables	11	21,767	17,293
(iii) Unbilled revenue	12	4,151	5,450
(iv) Cash and cash equivalents	13	3,605	2,131
(v) Other bank balances	14	109	23
(vi) Loans	15	164	63
(vii) Other financial assets	16	1,575	1,669
(b) Income tax assets (net)		6	37
(c) Other current assets	17	6,303	4,337
Total Current Assets		**59,865**	**48,405**
TOTAL ASSETS		**83,167**	**62,266**
Equity and Liabilities			
Equity			
(a) Equity share capital	18	174	174
(b) Other equity			
(i) Other reserves	19	4,550	8,602
(ii) Retained earnings	19	47,564	38,359
Total Equity		**52,288**	**47,135**
Liabilities			
Non-current liabilities			
(a) Financial liabilities	20	2,485	34
(b) Lease liabilities	39(II)	7,223	-
(c) Provisions	21	325	289
Total Non-Current Liabilities		**10,033**	**323**
Current liabilities			
(a) Financial liabilities			
(i) Trade payables			
Due to micro & small enterprises	22	79	3
Due to creditors other than micro & small enterprises	22	6,763	4,460
(ii) Other financial liabilities	23	6,531	5,760
(b) Lease liabilities	39(II)	1,182	-
(c) Other current liabilities	24	3,737	2,323
(d) Provisions	25	2,481	2,017
(e) Income tax liabilities (net)		73	245
Total Current Liabilities		**20,846**	**14,808**
TOTAL EQUITY AND LIABILITIES		**83,167**	**62,266**
Significant accounting policies	2		
Other notes on accounts	34 - 51		

As per our report attached

For B. K. Khare & Co.
Chartered Accountants
Firm's Registration No.: 105102W

Padmini Khare Kaicker
Partner
Membership No: 044784

Mumbai
May 19, 2020

Sanjay Jalona
Chief Executive Officer & Managing Director
(DIN: 07256786)
New Jersey, USA

Ashok Kumar Sonthalia
Chief Financial Officer
Mumbai

Nachiket Deshpande
Chief Operating Officer & Whole-time Director
(DIN: 08385028)
Pune

Manoj Koul
Company Secretary & Compliance Officer
Pune

Statement of Profit and Loss

for the year ended March 31, 2020

(₹ million)

Particulars	Note No.	April 19-March 20	April 18-March 19
Income from operations			
Revenue from operations	26	101,842	89,072
Other income	27	4,217	3,290
Total income		**106,059**	**92,362**
Expenses			
Employee benefits expense	28	59,828	51,287
Operating expenses	29	21,736	19,316
Finance costs	30	720	43
Depreciation & Amortization expense	31	2,084	881
Other expenses	32	1,621	1,238
Total expenses		**85,989**	**72,765**
Profit before tax		**20,070**	**19,597**
Tax expense			
Current tax	33(I)	3,530	4,476
Deferred tax	33(II)	1,016	370
		4,546	**4,846**
Net Profit for the Year		**15,524**	**14,751**
Other Comprehensive Income	34		
A. Items that will not be reclassified subsequently to profit or loss, net		11	41
B. Items that will be reclassified subsequently to profit or loss, net		(4,392)	217
Total other comprehensive income		**(4,381)**	**258**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**11,143**	**15,009**
Basic			
Basic earning per equity share	41	89.31	85.31
Diluted			
Diluted earning per equity share	41	88.45	84.11
Significant accounting policies	2		
Other notes on accounts	35 - 51		

As per our report attached

For B. K. Khare & Co.
Chartered Accountants
Firm's Registration No.: 105102W

Padmini Khare Kaicker
Partner
Membership No: 044784

Mumbai
May 19, 2020

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Manoj Koul
Company Secretary & Compliance Officer
Pune

Standalone Cash Flow Statement

for the year ended March 31, 2020

(₹ million)

	Particulars	April 19 - March 20	April 18 - March 19
A.	**Cash Flow from Operating Activities**		
	Net profit after tax	15,524	14,751
	Adjustments to reconcile net profit to net cash provided by operating activities:		
	Depreciation and amortization	2,084	881
	Income tax expense	4,546	4,846
	Expense recognised in respect of equity settled stock option	319	281
	Realised gain from current investment	(1,037)	(743)
	Unrealised gain from current investment	(179)	(247)
	Interest received	(51)	(8)
	Interest expense	720	43
	Provision for doubtful debts (net)	198	228
	Unrealised foreign exchange (gain)/loss, net	371	374
	Dividend received from subsidiaries	(901)	(408)
	Gain on transfer of business and liquidation of subsidiary	(53)	-
	Net loss/(gain) on sale of property, plant and equipment	9	13
	Operating profit before working capital changes	**21,550**	**20,011**
	Changes in working capital		
	(Increase)/decrease in trade receivables & unbilled revenue	(2,524)	(1,811)
	(Increase)/decrease in other receivables	(2,649)	(3,913)
	Increase/(decrease) in trade & other payables	3,716	2,450
	(Increase)/decrease in working capital	**(1,457)**	**(3,274)**
	Cash generated from operations	**20,093**	**16,737**
	Income taxes paid	(3,652)	(4,262)
	Net cash (used in)/generated from operating activities	**16,441**	**12,475**
B.	**Cash Flow from Investing Activities**		
	Purchase of fixed assets	(2,437)	(1,258)
	Sale of fixed assets	34	29
	(Purchase)/sale of current investments	(4,603)	(4,512)
	Payment towards business acquisition	(743)	-
	Investment in subsidiaries	-	(2,239)
	(Purchase)/sale of other non-current investments	(1)	-
	Transfer of business to subsidiary	53	-
	Liquidation of subsidiary	3	-
	Dividend received from subsidiaries	901	408
	(Loan given to)/repaid by subsidiaries	(77)	(6)
	Realised income from current investment in mutual funds	1,037	743
	Interest received	51	8
	Net cash (used in)/generated from investing activities	**(5,782)**	**(6,827)**

(₹ million)

	Particulars	April 19 - March 20	April 18 - March 19
C.	**Cash Flow from Financing Activities**		
	Proceeds from issue of share capital	0	3
	Deposit under Credit support agreement received/(paid)	(2,104)	(589)
	Payment towards lease liabilities	(1,369)	-
	Interest paid	(33)	(25)
	Dividend paid	(4,864)	(4,499)
	Tax on dividend paid	(815)	(842)
	Net cash (used in)/generated from financing activities	**(9,185)**	**(5,952)**
	Net increase/(decrease) in cash and cash equivalents	**1,474**	**(304)**
	Cash and cash equivalents at beginning of the period	2,154	2,498
	Effect of exchange differences on translation of foreign currency cash and cash equivalents	86	(41)
	Cash and cash equivalents at end of the period	**3,714**	**2,154**

As per our report attached

For B. K. Khare & Co.
Chartered Accountants
Firm's Registration No.: 105102W

Sanjay Jalona
Chief Executive Officer & Managing Director
(DIN: 07256786)
New Jersey, USA

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Membership No: 044784

Mumbai
May 19, 2020

Ashok Kumar Sonthalia
Chief Financial Officer
Mumbai

Manoj Koul
Company Secretary & Compliance Officer
Pune

Statement of Changes in Equity

for the year ended March 31, 2020

(₹ million)

Particulars	Share Capital	General Reserve	Share Premium	Retained Earnings	Employee Stock option outstanding	Deferred Employee Compensation Expense	Capital Reserve		Other Components of Equity		Total Equity
							Capital Reserve	On business combination	Hedging Reserve	Other Comprehensive Income	
Balance as on April 1, 2019	174	3,466	2,198	38,359	1,333	(659)	0	(60)	2,243	81	47,135
Transition impact of IND AS 116	-	-	-	(629)	-	-	-	-	-	-	(629)
	174	**3,466**	**2,198**	**37,730**	**1,333**	**(659)**	**0**	**(60)**	**2,243**	**81**	**46,506**
Employee Stock Compensation Expense	-	-	-	-	98	(98)	-	-	-	-	-
Net Profit for the year	-	-	-	15,524	-	-	-	-	-	-	15,524
Other Comprehensive Income	-	-	-	-	-	-	-	-	(4,392)	11	(4,381)
Dividends (Including DDT)	-	-	-	(5,690)	-	-	-	-	-	-	(5,690)
Other changes/ Trf to general reserve.	0	3	316	-	(368)	378	-	-	-	-	329
Balance as on March 31, 2020	**174**	**3,469**	**2,514**	**47,564**	**1,063**	**(379)**	**0**	**(60)**	**(2,149)**	**92**	**52,288**

Statement of Changes in Equity for the Year Ended March 31, 2019

(₹ million)

Particulars	Share Capital	General Reserve	Share Premium	Retained Earnings	Employee Stock option outstanding	Deferred Employee Compensation Expense	Capital Reserve		Other Components of Equity		Total Equity
							Capital Reserve	On business combination	Hedging Reserve	Other Comprehensive Income	
Balance as on April 1, 2018	172	3,466	1,819								

Notes Forming Part of Accounts

1. Company Overview

Larsen & Toubro Infotech Limited ('the Company') offers extensive range of IT services like application development, maintenance and outsourcing, enterprise solutions, infrastructure management services, testing, digital solutions and platform-based solutions to the clients in diverse industries.

The Company is a public limited company incorporated and domiciled in India and has its registered office at L&T House, Ballard Estate, Mumbai - 400 001, Maharashtra, India. The company's equity shares are listed on the National Stock Exchange of India Limited and BSE Limited in India.

2. Significant Accounting Policies

a. Basis of Accounting

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Further the guidance notes or announcements issued by the Institute of Chartered Accountants of India (ICAI) are also considered wherever applicable.

Preparation of financial statements in conformity with Accounting Standards requires management of the Company to make estimates and assumptions that affect the income and expense reported for the period and assets, liabilities and disclosures reported as of the date of the financial statements. Examples of such estimates include useful lives of tangible and intangible assets, provision for doubtful debts, future obligations in respect of retirement benefit plans, etc. Actual results could vary from these estimates.

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013, read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

Amounts in the financial statements are presented in Indian Rupees in millions [10 lakhs = 1 million] as permitted by Schedule III to the Companies Act, 2013. Per share data are presented in Indian Rupees.

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues, goodwill, right of use assets and intangible assets. In estimating the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements, has used internal and external sources of information including credit reports and related information, economic forecasts and consensus estimates from market sources on the expected performance of the Company. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements

b. Presentation of Financial Statements

The statement of financial position (including statement of changes in equity) and the statement of profit and loss are prepared and presented in the format prescribed in Division II of Schedule III to the Companies Act, 2013. The cash flow statement has been prepared and presented as per the requirements of Ind AS 7 "Cash Flow Statements". The disclosure requirements with respect to items in the 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 Accounting Standards.

c. Operating Cycle for Current and Non-current Classification

The company identifies asset/liabilities as current if the same are receivable/payable within twelve months else the same are considered as non-current.

d. Revenue from Contract with Customer

Revenue is recognised upon transfer of control of promised products or services to customers. Revenue is measured based on the consideration specified in a contract with a customer, and is reduced for volume discounts, rebates and other similar allowances. Revenue from contracts priced on time and material basis is recognised when services are rendered and the related costs are incurred.

Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.

Revenue from services performed on fixed-price basis is recognized using the input method as defined in Ind AS-115. The Company uses efforts or cost expended to measure progress towards completion as there is a direct relationship between input and productivity. If the company does not have a sufficient basis to measure the progress of completion or to estimate total contract revenues and costs, revenue is recognised only to the extent of contract cost incurred for which recoverability is probable.

Notes Forming Part of Accounts

When total cost estimates exceed revenue in arrangement, the estimated losses are recognised in the statement of profit and loss in the period in which such losses become probable based on the current contract estimates.

Revenue from sale of licenses / hardware, where the customer obtains a "right to use" the licenses / hardware is recognized at the point in time when the related license / hardware is made available to the customer. Revenue from licenses / hardware where the customer obtains a "right to access" is recognized over the access period. For allocating the transaction price to sale of licenses / hardware and related implementation and maintenance services, the Company measures the revenue in respect of each performance obligation of a contract as its relative standalone selling price. In case, where the licenses are required to be substantially customized as part of implementation service, the entire arrangement fees is considered as single performance obligation and revenue is recognized as per input method.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. Contract modifications involving services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively as a separate contract.

'Unbilled revenues' (contract asset) represent revenue earned in excess of billings as at the end of the reporting period. Where right to consideration is unconditional upon passage of time is classified as a financial asset however, for fixed price development contracts, where milestone is not due as per contract terms as on date of reporting, the same is classified as non-financial asset.

'Unearned & deferred revenue'(contract liabilities) represent billing in excess of revenue recognized.

Deferred contract costs are costs to fulfil a contract which are recognised as assets and amortized over the term of the contract.

Use of Significant Judgements in Revenue Recognition:

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Company to estimate efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

Further, the Company uses significant judgements while determining the transaction price to be allocated to performance obligations.

Provision for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

e. Other Income

Other Income is comprised primarily of interest income, dividend income, gain/loss on investment and foreign exchange gain/loss.

I) Interest income is recognized using the effective interest method.

II) Dividend income is accounted in the period in which the right to receive the same is established.

f. 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

i) Defined Contribution Plan:

The Company's superannuation fund and state governed provident fund scheme are classified as defined contribution plans. The contribution paid / payable under the schemes is recognized during the period in which the employee renders the related service.

ii) Defined Benefit Plans:

The provident fund scheme managed by trust, employees' gratuity fund scheme managed by Life Insurance Corporation of India and post-retirement medical benefit scheme are the Company's defined benefit plans. Wherever applicable, 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.

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 as at the balance sheet

Notes Forming Part of Accounts

date, having maturity periods approximating to the terms of related obligations. Actuarial gains and losses through re-measurement of the defined benefit liability/ (asset) are recognized in other comprehensive income. The actual return of portfolio of plan assets, in excess of yields computed by applying the discount rate used to measure the defined benefit obligation are recognized in other comprehensive income. The effects of any plan amendments are recognized in statement of profit and loss.

Gains or losses on the curtailment or settlement of any defined benefit plan are recognized when the curtailment or settlement occurs. Past service cost resulting from a plan amendment or curtailment are recognized immediately 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 as determined by actuarial valuation performed by independent actuary at each balance sheet date using Projected Unit Credit Method on the additional amount expected to be paid/availed as a result of unused entitlement that has accumulated at balance sheet date. Actuarial gains and losses are recognised immediately in statement of profit and loss.

iv) Social Security Plans

Employer's contribution payable 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.

g. Property, Plant and Equipment

Property plant and equipment are stated at cost less accumulated depreciation and impairment losses if any. Cost includes expenditure directly attributable to the acquisition of the asset and cost incurred for bringing the asset to its present location and condition.

h. Intangible Assets

Assets like customer relationship, computer software, and internally developed software are stated at cost, less accumulated depreciation, amortisation and impairment.

i. Impairment

I) Impairment of Trade Receivables & Unbilled Receivables

The Company assesses at each date of statement of financial position whether a financial asset in form of trade receivable& unbilled receivable is impaired. In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss. As a practical expedient, the Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable & unbilled receivable. The provision matrix is based on available external and internal credit risk factors such as credit default, credit rating from credit rating agencies and Company's historically observed default rates over the expected life of trade receivable& unbilled receivable. Impairment loss allowance or reversal is recognised during the period as expense or income respectively in the statement of profit and loss.

II) Impairment of Intangible Assets

At the end of each reporting period, the Company reviews the carrying amount of its intangible assets to determine if there is any indication of loss suffered. If such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss.

j. Leases

The Company as a Lessee

The Company's lease asset classes primarily consist of leases for buildings and furniture & fixtures. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset, (2) the Company has right to receive substantial economic benefits from use of the asset throughout the period of the lease and (3) the Company has the right to direct the use of the asset throughout the period of use.

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 include these options when it is reasonably certain that they will be exercised.

Notes Forming Part of Accounts

ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the 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.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Company as A Lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. The sublease is classified as a finance or operating lease by reference to the ROU asset arising from the head lease.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

Transition

Effective April 1, 2019, the Company has 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 has 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 and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

On transition, the adoption of Ind AS 116 resulted in recognition of ROU asset of ₹ 4,565 Mn, 'Net investment in sub-lease' of ROU asset of ₹ 32 Mn and a lease liability of ₹ 5,445 Mn. The cumulative effect of applying the standard, amounting to ₹ 629 Mn has been recorded in retained earnings, net of taxes. The effect of this adoption on the profit before tax, profit for the period and earnings per share is not material. This adoption results in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application:

1. Application of a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date;

2. Exemption of not to recognize ROU assets and liabilities for leases with less than 12 months of lease term on the date of initial application;

3. Exclusion of initial direct costs from the measurement of the ROU asset at the date of initial application;

4. Grandfathering the assessment of transactions which are leases. Accordingly, Ind AS 116 has been applied only to contracts that were previously identified as leases under Ind AS 17.

The difference between the lease obligation recorded as of March 31, 2019 under Ind AS 17 disclosed under Note No. 39 of annual financial statements forming part of our Annual Report for the year ended March 31, 2019 and the value of the lease liability as of April 1, 2019 is primarily on account of inclusion of extension and termination options reasonably certain to be exercised, in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116.

Notes Forming Part of Accounts

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 8.84%.

k. Depreciation

I) Tangible Assets

Depreciation on assets have been provided on straight line basis as mentioned in below table except for the leasehold improvements which is depreciated over the lease period. Depreciation or amortisation on additions and disposals are calculated on pro-rata basis from and to the month of additions and disposals.

Particulars	Useful life
Buildings	Upto 60 years
Computers and IT peripherals	Upto 6 years
Plant and machinery	Upto 15 years
Office equipment	Upto 5 years
Vehicles	Upto 8 years
Furniture and fixtures	Upto 10 years

II) Intangible Assets and Amortisation

The estimated useful life of an identifiable intangible asset is based on number of factors including the effects of obsolescence, demand, competition and other economic factors and the level of maintenance expenditure required to obtain the expected future cash flows from the asset. The basis of amortization of intangible assets on straight line basis is as follows:

Particulars	Useful life
Computer software	Upto 5 years

l. Employee Stock Ownership Schemes

In respect of stock options granted pursuant to the Company's stock options scheme, the excess of fair value of the share over the exercise price of the option is treated as discount and accounted as employee compensation cost over the vesting period. The amount recognized as expense each year is arrived at based on the number of grants expected to vest. If options granted lapse after the vesting period, the cumulative discount recognized as expense in respect of such options is transferred to the general reserve. If options granted lapse before the vesting period, the cumulative discount recognized as expense in respect of such options is transferred to the profit and loss.

m. Functional and Presentation Currency

The functional and presentation currency of the Company is the Indian Rupee as it is the currency of the primary economic environment in which the Company operates.

n. Foreign Currency Transactions and Balances

Foreign currency transactions are initially recorded at the rates prevailing on the date of the transaction. At the balance sheet date, foreign currency monetary items are reported using the closing rate. Exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss. Non-monetary items which are carried at historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction.

o. Financial Instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

I) Initial Measurement

Financial assets and liabilities are initially measured at fair value except for trade receivables, which are measured at transaction price. 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.

II) Subsequent Measurement

i) Non-derivative Financial Assets

A) Financial Assets at Amortised Cost

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. Financial assets are subsequently measured at amortised cost if:

a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

b) the contractual terms of financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

B) Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are subsequently measured at fair value through other comprehensive income

Notes Forming Part of Accounts

if the financial asset is held within a business model whose objective is achieved by both:

a) Collecting contractual cash flows and selling financial assets and

b) 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.

C) Financial assets at fair value through profit and loss(FVTPL)

Fair value through profit and loss is a residual category for financial assets. A financial asset which is not classified in any of the above categories is subsequently measured at fair value through profit & loss.

ii) Non-Derivative Financial Liability

Financial liabilities at amortised cost represented by trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method except for contingent consideration and financial liability recognized in a business combination which is subsequently measured at fair value through profit and loss.

iii) Investment in Subsidiaries

Investment in Subsidiaries is carried at cost in the Standalone Financial Statements.

iv) Derivative Financial Instrument

The Company holds derivative financial instrument such as foreign exchange forward contracts and options contracts including a combination of purchased and written options to mitigate the risk of changes in exchange rates on foreign currency exposures and forecast transactions.

The Company uses hedging instruments that are governed by the risk management policy which is approved by the board of directors. The policy provides written principles on the use of such derivative financial instruments. The Company designates such instruments as hedges and performs assessment of hedge effectiveness based on consideration of terms of the hedging instrument, the economic relationship between the hedging instrument and hedged item and the objective of the hedging.

A) Cash Flow Hedges

The Company designates certain foreign exchange forward and option contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast transactions.

Changes in the fair value of the derivative hedging instruments designated as cash flow hedges on net basis are recognized in other comprehensive income and presented within equity as hedging reserve. The cumulative gain or loss previously recognized in the cash flow hedging reserve in respect of hedges on net basis is transferred to the statement of profit or loss upon the occurrence of the related forecasted transaction and reported as part of foreign exchange gains or losses. Changes in fair value of foreign currency derivative instruments not designated as cash flow hedges and ineffective portion of cash flow hedges are recognized in statement of profit and loss and reported as part of foreign exchange gains or losses.

B) Fair Value Hedges

Changes in the fair value of the derivative instruments designated as fair value hedges are recognised in statement of profit and loss.

III) Derecognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial assets expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability is derecognised from the Company's balance sheet where the obligation specified in the contract is discharged or cancelled or expired.

p. Taxes on Income

Income tax expense comprises current and deferred income tax. Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Indian Income tax Act, 1961. Foreign branches recognize current tax and deferred tax liabilities and assets in accordance with the applicable local laws.

Income tax and deferred tax expense is recognized in the statement of profit and loss except to the extent that it relates to items recognised directly in other comprehensive income, in which case income tax expense is recognised in other comprehensive income. Current income tax for current and prior

Notes Forming Part of Accounts

periods is recognised at the amount expected to be paid to or recovered from the tax authorities.

The Company offsets current tax assets and current tax liabilities, where it 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 income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or 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. 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. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted as on the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred income taxes are not provided on the undistributed earnings of branches where it is expected that the earnings of the branch will not be distributed in the foreseeable future.

q. Borrowing costs

Borrowing costs include finance costs, commitment charges, interest expense on lease liabilities and exchange differences arising from foreign currency borrowing, to the extent they are regarded as an adjustment to finance costs.

r. 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

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flow. Reimbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in 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 recognised nor disclosed.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

s. Earnings Per Share

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period, adjusted for bonus elements in equity shares issued during the period.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential 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.

t. Cash Flow Statement

Cash flow statement is prepared segregating the cash flows from operating, investing and financing activities. Cash flow is reported using indirect method as per the requirements of Ind AS 7 ("Cash flow statements"), whereby profit for the year is adjusted for the effects of transactions of a 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.

3. Intangible Assets

The balance Useful life of Intangible assets as on the respective balance sheet dates is as follows:

(₹ in Mn)

Class of Assets	As at March 31, 2020		As at March 31, 2019	
	Balance Useful life	Carrying amount	Balance Useful life	Carrying amount
Software	Upto 5 Years	354	Upto 5 Years	331
Total		**354**		**331**

4. Fixed Assets - as of March 31, 2020

(₹ in Mn)

Fixed and intangible assets	Gross Block				Depreciation/Amortisation				Net Block
	As at 01-Apr-19	Additions	Deductions	As at 31-Mar-20	As at 01-Apr-19	For the year	On deductions	As at 31-Mar-20	As at 31-Mar-20
Tangible assets									
Leasehold land	10	-	-	10	0	1	-	1	9
Buildings	126	-	-	126	33	8	-	41	85
Leasehold improvements	532	340	3	869	167	86	2	251	618
Plant and machinery	852	301	12	1,141	307	99	8	398	743
Owned computers	1,737	671	10	2,398	949	345	3	1,291	1,107
Office equipments	733	203	7	929	433	115	6	542	387
Furniture and fixtures	877	292	41	1,128	349	112	30	431	697
Vehicles	317	33	43	307	131	41	28	144	163
Capital work in progress									381
Total tangible assets	**5,184**	**1,840**	**116**	**6,908**	**2,368**	**807**	**77**	**3,099**	**4,190**
Intangible assets									
Software	2,598	252	30	2,820	2,268	224	26	2,466	354
Intangible assets under development	-	-	-	-	-	-	-	-	19
Total intangible assets	**2,598**	**252**	**30**	**2,820**	**2,268**	**224**	**26**	**2,466**	**373**

1. Impairment upto March 31, 2020 - NIL

4. Fixed Assets - as of March 31, 2019

(₹ in Mn)

Fixed and intangible assets	Gross Block				Depreciation/Amortisation				Net Block
	As at 01-Apr-18	Additions	Deductions	As at 31-Mar-19	As at 01-Apr-18	For the year	On deductions	As at 31-Mar-19	As at 31-Mar-19
Tangible assets									
Leasehold land	10	-	-	10	0	-	-	-	10
Buildings	126	0	-	126	24	8	-	33	93
Leasehold improvements	414	121	3	532	109	59	1	167	365
Plant and machinery	723	147	18	852	230	87	10	307	545
Owned computers	1,189	554	5	1,737	697	256	4	949	788
Office equipments	617	118	2	733	326	109	2	433	301
Furniture and fixtures	761	130	15	877	258	100	9	349	528
Vehicles	333	40	56	317	117	45	31	131	186
Capital work in progress									31
Total tangible assets	**4,173**	**1,110**	**99**	**5,184**	**1,761**	**664**	**57**	**2,368**	**2,847**
Intangible assets									
Software	2,366	232	-	2,598	2,051	217	0	2,268	331
Intangible assets under development	-	-	-	-	-	-	-	-	51
Total intangible assets	**2,366**	**232**	**-**	**2,598**	**2,051**	**217**	**0**	**2,268**	**382**

1. Impairment upto March 31, 2019 - NIL

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5. Non-Current Investments

(₹ in Mn)

	As at 31-03-2020	As at 31-03-2019
Long term investment in subsidiaries:		
Equity Shares (Unquoted) :		
5 fully paid equity shares of EUR 25,000 each in Larsen & Toubro Infotech GmbH	3,404	3,404
100 fully paid equity shares of CAD 1 each in Larsen & Toubro Infotech Canada Limited	7	7
600,000 equity shares at no par value in L&T Infotech Financial Services Technologies Inc.	1,686	1,686
332,350 equity shares at no par value in Larsen And Toubro Infotech South Africa (Pty) Ltd	2	2
175,000 fully paid equity shares of USD 1 each in L&T Information Technology Services (Shanghai) Co. Ltd.	11	11
1 fully paid equity share of EUR 5,000 in Larsen & Toubro Infotech Austria GmbH[1]	-	3
50,000 fully paid equity shares of EUR 1 each in L&T Information Technology Spain, SL	4	4
450,000 fully paid equity shares of INR 10 each in Syncordis Software Services India Private Limited	27	27
30,000 fully paid shares of NOK 1 each in Larsen & Toubro Infotech Norge AS	0	0
510,000 fully paid equity shares of INR 10 each in Ruletronics Systems Private Limited	54	54
1,145,421 fully paid equity shares of INR 10 each in Lymbyc Solutions Private Limited[2]	324	-
17,328 fully paid equity shares of INR 10 each in Powerupcloud Technologies Private Limited[3]	1,029	-
Other:		
Membership interest of MXN 2,970 in L&T Infotech, S. DE R.L. DE C.V.	0	0
Other equity investments (Unquoted) :		
2,500 equity shares of USD 1 each in Larsen & Toubro LLC	1	1
Non trade investments (Unquoted) :		
Treasury Notes Philippines Govt. January 26, 2022[4]	1	-
	6,550	**5,198**

1. "Larsen & Toubro Infotech Austria GmbH" has been liquidated effective August 20, 2019.
2. The Company has acquired "Lymbyc Solutions Private Limited" on August 1, 2019 (refer note 42(I)).
3. The Company has acquired "Powerupcloud Technologies Private Limited " on 1 October 2019 (refer note 42(II)).
4. The Company has invested in Philippines Govt. Treasury notes and have deposited same with local Securities and Exchange Commission, as per Corporation Code of Philippines-126
5. Impairment upto March 31, 2020 - NIL

6. Non Current Loans

(₹ in Mn)

	As at 31-03-2020	As at 31-03-2019
Security deposits		
Unsecured, considered good	551	467
	551	**467**

7. Other Non Current Financial Assets

(₹ in Mn)

	As at 31-03-2020	As at 31-03-2019
Derivative contracts receivables	100	1,606
Lease receivables	18	-
	118	**1,606**

Notes Forming Part of Accounts

8. Deferred Tax Assets

(₹ in Mn)

	As at 31-03-2020	As at 31-03-2019
MAT credit	493	2,128
Less: Deferred tax liability	1,642	(564)
	2,135	**1,564**

8 (I) Deferred Tax Liabilities/Assets as at March 31, 2020

(₹ in Mn)

Particulars	Deferred tax asset/(liability) as at 31-03-2019	Impact on Account of Ind AS 116	Current year (charge)/credit to Profit & Loss	(Charge)/ credit to Other Comprehensive Income	Deferred Tax asset/(liability) as at 31-03-2020
Deferred tax assets/(liabilities)					
Deferred taxes on derivative instruments	(649)	-	98	1,399	848
Branch profit tax	(683)	-	-	-	(683)
Unrealised gains on investments	(121)	-	(21)	-	(142)
Provision for doubtful debts & advances	122	-	34	-	156
Provision for employee benefits	249	-	176	-	424
Depreciation / amortisation	322	-	100	-	421
Capital loss on buyback by L&T Infotech Financial Services Technologies Inc.	42	-	(29)	-	13
Lease assets net of lease liabilities	-	191	92	-	283
Others	153	-	167	-	322
MAT credit	2,129	-	(1,636)	-	493
Net deferred tax assets/(liabilities)	**1,564**	**191**	**(1,016)**	**1,399**	**2,135**

8 (II) Deferred Tax Liabilities/Assets as at March 31, 2019

(₹ in Mn)

Particulars	Deferred tax asset/(liability) as at 31-03-2018	Current year (charge)/credit to Profit & Loss	(Charge)/ credit to Other Comprehensive Income	Deferred Tax asset/(liability) as at 31-03-2019
Deferred tax assets/(liabilities)				
Deferred taxes on derivative instruments	(501)	(163)	15	(649)
Branch profit tax	(683)	-	-	(683)
Unrealised gains on investments	(53)	3	-	(50)
Provision for doubtful debts & advances	82	40	-	122
Provision for employee benefits	224	25	-	249
Depreciation / amortisation	209	113	-	322
Capital loss on buyback by L&T Infotech Financial Services Technologies Inc.	63	(21)	-	42
Others	48	34	-	82
MAT credit	2,530	(401)	-	2,129
Net deferred tax assets/(liabilities)	**1,919**	**(370)**	**15**	**1,564**

Notes Forming Part of Accounts

9. Other Non Current Assets

(₹ in Mn)

	As at 31-03-2020	As at 31-03-2019
Deferred contract costs	730	315
Advance recoverable other than cash	341	531
Prepaid expenses	220	176
Capital advances	-	7
	1,291	**1,029**

10. Current Investments

(₹ in Mn)

	As at 31-03-2020	As at 31-03-2019
Mutual funds - Quoted	21,163	17,402
Corporate deposits - Unquoted	1,022	-
	22,185	**17,402**

11. Trade Receivables

(₹ in Mn)

	As at 31-03-2020	As at 31-03-2019
Unsecured, considered good		
Due from related parties (refer note 43)	1,812	1,007
Due from others	20,078	16,377
Less : Allowance for doubtful trade receivables	(123)	(91)
Unsecured, credit impaired	421	379
Less : Allowance for doubtful trade receivables	(421)	(379)
	21,767	**17,293**

Allowance for Doubtful Trade Receivables Movement

(₹ in Mn)

	As at 31-03-2020	As at 31-03-2019
Balance at the beginning of the year	470	327
Additions during the year, net	109	205
Uncollectable receivables charged against allowances (refer note 29)	(89)	(23)
Exchange (gain)/loss	54	(39)
Balance at the end of the year	**544**	**470**

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company has considered current and anticipated economic conditions including arising from Covid-19, related to industries the Company deals with and the countries in which it operates.

12. Unbilled Revenue

(₹ in Mn)

	As at 31-03-2020	As at 31-03-2019
Unbilled revenue*	4,151	5,450
	4,151	**5,450**

*Classified as financial asset as the contractual right to consideration is unconditional upon passage of time.

Notes Forming Part of Accounts

13. Cash and Cash Equivalent

(₹ in Mn)

	As at 31-03-2020	As at 31-03-2019
Cash on hand	0	0
Balances with bank		
- in current accounts		
Overseas	2,435	1,411
Domestic	216	182
Remittance in transit	954	538
	3,605	**2,131**

14. Other Bank Balances

(₹ in Mn)

	As at 31-03-2020	As at 31-03-2019
Cash and bank balance not available for immediate use	102	15
Earmarked balances with banks (unclaimed dividend)	7	8
	109	**23**

15. Current Loans

(₹ in Mn)

	As at 31-03-2020	As at 31-03-2019
Security deposits		
Unsecured, considered good	81	57
Loans to related parties		
Unsecured, considered good*	83	6
	164	**63**

*Loans to subsidiaries (Ruletronics Systems Private Limited, Lymbyc Solutions Private Limited and Powerupcloud Technologies Private Limited) towards their working capital requirements

16. Other Current Financial Assets

(₹ in Mn)

	As at 31-03-2020	As at 31-03-2019
Advances to employees	250	287
Derivative contracts receivables	236	1,378
Receivables against credit support agreements	1,076	-
Lease receivable	7	-
Others	6	4
	1,575	**1,669**

17. Other Current Assets

(₹ in Mn)

	As at 31-03-2020	As at 31-03-2019
Unbilled revenue*	4,227	3,073
Prepaid expenses	849	801
Advances recoverable other than in cash	823	280
Deferred contract costs	404	183
	6,303	**4,337**

*Classified as non financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

Notes Forming Part of Accounts

Sr. No.	Particulars	ESOP scheme 2000 I, II & III		ESOP scheme 2000 IV - XXI		U.S. Stock Option Sub-plan 2006		ESOP scheme 2015	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
viii	Options Lapsed/cancelled during the year	9,785	375	43,125	12,021	33,000	-	55,560	212,080
ix	Options granted & outstanding at the end of the year	-	11,840	-	58,190	-	33,000	1,525,395	2,116,860
x	Options vested at the end of the year out of (ix)	-	11,840	-	58,190	-	33,000	624,400	102,360
xi	Options unvested at the end of the year out of (ix)	-	-	-	-	-	-	900,995	2,014,500
xii	Weighted average remaining contractual life of options (in years)	-	-	-	-	-	-	3.8	4.7

The number and weighted average exercise price of stock options are as follows:

Sr. No.	Particulars	2019-20		2018-19	
		No. of stock options	Weighted average exercise price	No. of stock options	Weighted average exercise price
i	Options granted & outstanding at the beginning of the year	2,219,890	3.50	3,595,787	2.89
ii	Options reinstated during the year	-	-	-	-
iii	Options granted during the year	63,660	1.00	359,400	1.00
iv	Options allotted during the year	616,685	1.04	1,510,821	2.09
v	Options Lapsed/cancelled during the year	141,470	40.06	224,476	1.06
vi	Options granted & outstanding at the end of the year	1,525,395	1.00	2,219,890	3.50
vii	Options vested at the end of the year out of (v)	624,400	1.00	205,390	28.02

VI) The aggregate number of equity shares allotted as fully paid up by way of bonus shares in immediately preceding five years ended March 31, 2020 are Nil (previous period of five years ended March 31, 2019 - Nil)

VII) The aggregate number of equity shares issued pursuant to contract, without payment being received in cash in immediately preceding five years ended March 31,2020 – Nil (previous period of five years ended March 31,2019 - Nil)

VIII) During the year ended March 31,2020, the amount of interim dividend distributed to equity shareholder was ₹ 12.5 per share at face value of ₹ 1 (previous year ₹ 12.5 per share at face value of ₹ 1).

IX) Weighted average share price at the date of exercise for stock options exercised during the year is ₹ 1,581 per share (previous year ₹ 1,617 per share).

X) Weighted average fair value of options granted during the year is ₹ 1,540.66 (previous year ₹ 1,649.62).

XI) The fair value has been calculated using the Black-Scholes Option Pricing model and significant assumptions and inputs to estimate the fair value options granted during the year are as follows:

Sr. No.	Particulars	2019-20	2018-19
i	Weighted average risk-free interest rate	6.18%	7.49%
ii	Weighted average expected life of options	3 years	3 years
iii	Weighted average expected volatility	17.44%	17.72%
iv	Weighted average expected dividends over the life of option	₹ 148.29	₹ 108.91
v	Weighted average share price	₹ 1,541.55	₹ 1,650.48
vi	Weighted average exercise price	₹ 1	₹ 1
vii	Method used to determine expected volatility	The expected volatility has been calculated based on historic volatility IT Index.	The expected volatility has been calculated based on historic volatility IT Index.

Notes Forming Part of Accounts

19. Other Equity

(₹ in Mn)

			2019-20	2018-19
I)	General reserve #			
	Opening balance		3,466	3,466
	Add: Additions during the year		3	0
			3,469	**3,466**
II)	Hedging reserve (refer note 2.o.C.iv)			
	Opening balance (net of taxes)		2,243	2,025
	Add/(less): Movement in forward contracts receivable		(4,605)	1,173
	Less: Amount reclassified to profit or loss		(1,186)	(1,090)
	Add/(Less): Deferred tax related to above		1,399	135
			(2,149)	**2,243**
III)	Share premium^			
	Opening balance		2,198	1,819
	Add: Additions during the year		316	379
			2,514	**2,198**
IV)	Employee stock option outstanding (refer note 2.l)			
	Opening balance		1,333	1,217
	Add: Additions during the year		98	593
	Less: Deductions during the year		(368)	(477)
		(a)	**1,063**	**1,333**
	Deferred employee compensation expense (refer note 2.l)			
	Opening balance		(659)	(466)
	Add: Additions during the year		(98)	(593)
	Less: Deductions during the year		378	400
		(b)	**(379)**	**(659)**
	Balance to be carried forward	(a) + (b)	**684**	**674**
V)	Capital reserve*			
	Opening balance		(60)	(60)
	Add: Additions during the year		-	-
			(60)	**(60)**
VI)	OCI - Remeasurements of net defined benefit plans (net of tax)			
	Opening balance		81	40
	Add: Additions during the year		11	41
			92	**81**
VII)	Retained Earnings			
	Opening balance		38,359	28,973
	Less: Impact on account of adoption of Ind AS 116		(629)	-
	Add: Profit for the year		15,524	14,751
	Less: Dividend (including dividend distribution tax)		(5,690)	(5,365)
			47,564	**38,359**
			52,114	**46,961**

#The Company created a General reserve in earlier years pursuant to the provisions of the Companies Act,1956 where in certain percentage of profits was required to be transferred to General reserve before declaring dividends. As per Companies Act 2013, the requirements to transfer profits to General reserve is not mandatory. General reserve is a free reserve available to the Company.

^Share premium includes: A. The difference between the face value of the equity shares and the consideration received in respect of shares issued; B. The fair value of the stock options which are treated as expense, if any, in respect of shares allotted pursuant to Stock Options Scheme.

* Capital reserve represents the gains of capital nature which mainly include the excess of value of net assets acquired over consideration paid by the Company for business amalgamation transactions in earlier years. It also represents capital reserve on business combination which arises on transfer of business between entities under common control.

Notes Forming Part of Accounts

20. Other Non Current Financial Liabilities

(₹ in Mn)

	As at 31-03-2020	As at 31-03-2019
Derivative contracts payable	2,020	-
Payable for acquisition of business	442	-
Other financial liability	23	34
	2,485	**34**

21. (I) Non Current Provisions

(₹ in Mn)

	As at 31-03-2020	As at 31-03-2019
Post retirement medical benefits	214	178
Others	111	111
	325	**289**

21. (II) Disclosure pursuant to Accounting Standard (Ind-AS) 37 "Provisions, Contingent Liabilities and Contingent Assets" movement in provisions.

(₹ in Mn)

Sr. No.	Particulars	Class of provisions		
		Sales Tax	Others	Total
i	Balance as at 1-4-2019	4	107	111
ii	Additional provision during the year	-	-	-
iii	Provision used during the year	-	-	-
iv	Provision reversed during the year	-	-	-
	Balance As at 31-03-2020	**4**	**107**	**111**

22. Trade Payables

(₹ in Mn)

	As at 31-03-2020	As at 31-03-2019
Total outstanding dues of micro enterprises and small enterprises	**79**	**3**
Total outstanding dues of creditors other than micro enterprises and small enterprises :		
Due to related parties (refer note 43)	512	82
Due to others	2,928	1,318
Accrued expenses	3,323	3,060
	6,763	**4,460**

23. Other Current Financial Liabilities

(₹ in Mn)

	As at 31-03-2020	As at 31-03-2019
Liabilities for employee benefits	3,955	4,164
Liability for gratuity	242	188
Derivative contracts payable	2,013	-
Payable for acquisition of business	202	-
Liability for customer settlement expenses	50	218
Liability towards credit support agreements	-	1,028
Unclaimed dividend	7	8
Others	62	154
	6,531	**5,760**

Notes Forming Part of Accounts

24. Other Current Liabilities

(₹ in Mn)

	As at 31-03-2020	As at 31-03-2019
Unearned and deferred revenue	1,425	569
Other payable	2,312	1,754
	3,737	**2,323**

25. Current Provisions

(₹ in Mn)

	As at 31-03-2020	As at 31-03-2019
Compensated absences	2,477	2,015
Post-retirement medical benefits	4	2
	2,481	**2,017**

26. Revenue from Operations

Revenue consists of the following:

(₹ in Mn)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Fixed Price & Maintenance	61,881	54,177
Time & Material	39,961	34,895
	101,842	**89,072**

The Company has evaluated the impact of COVID – 19 resulting from (i) the possibility of constraints to render services which may require revision of estimations of costs to complete the contract because of additional efforts, (ii) onerous obligations, (iii) penalties relating to breaches of service level agreements and (iv) termination or deferment of contracts by customers. The Company has concluded that the impact of COVID – 19 is not material based on such evaluation.

Performance obligations and remaining performance obligations:

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized for those contracts where invoicing is on time and material basis. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency.

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2020, other than those meeting the exclusion criteria mentioned above, is ₹ 98,667 Mn (previous year ₹ 56,027 Mn). Out of this, the Company expects to recognize revenue of around 52% (previous year 62%) within the next one year and the remaining thereafter. This includes contracts that can be terminated for convenience without a substantive penalty since, based on current assessment, the occurrence of the same is expected to be remote.

Notes Forming Part of Accounts

Changes in Contract Assets is as Follows:

(₹ in Mn)

	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning of the year	3,073	2,491
Less : Invoices raised during the year	(1,420)	(2,730)
Add : Revenue recognised during the year	2,557	3,304
Add : Translation exchange difference	17	8
Balance at the end of the year	**4,227**	**3,073**

Changes in Contract Liabilities is as Follows:

(₹ in Mn)

	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning of the year	569	258
Less : Revenue recognised during the year from opening balance	(392)	(251)
Add : Invoices raised during the year	1,237	553
Add/ (Less) : Translation exchange difference	11	9
Balance at the end of the year	**1,425**	**569**

27. Other Income

(₹ in Mn)

	Year ended March 31, 2020	Year ended March 31, 2019
Foreign exchange gain*	1,877	1,751
Income from current investments in mutual fund	1,217	990
Dividends from subsidiaries	901	408
Miscellaneous income	118	133
Gains on transfer of business to subsidiary	53	-
Interest received from bank and others	51	8
Gains on liquidation of subsidiary	0	-
	4,217	**3,290**

*The foreign exchange gain reported above includes gain on Derivative financial instrument which are designated as cash flow hedges of ₹ 1,186 Mn (previous year March 31, 2019 ₹ 1,090 Mn). and as fair value hedges of ₹ 402 Mn (previous year ended March 31, 2019 ₹ 54 Mn). Since, the Company hedges its operational business exposure on a net basis (i.e. expected revenue in foreign currency less expected expenditure in related currency), the aforesaid gain and loss relates to the business operations of the company.

28. Employee Benefits Expense

(₹ in Mn)

	Year ended March 31, 2020	Year ended March 31, 2019
Salaries including overseas staff expenses	55,417	47,552
Share based payments to employees	319	281
Staff welfare	571	411
Contribution to social security and other funds	2,492	2,237
Contribution to provident and other funds	783	589
Contribution to gratuity fund	207	177
Contribution to superannuation fund	39	40
	59,828	**51,287**

Notes Forming Part of Accounts

29. Operating Expenses

(₹ in Mn)

	Year ended March 31, 2020	Year ended March 31, 2019
Consultancy charges	9,867	7,706
Cost of equipment, hardware and software packages	4,177	3,521
Travelling and conveyance	3,306	3,161
Repairs and maintenance	1,096	877
Rent and establishment expenses*	644	1,804
Miscellaneous expenses	519	203
Recruitment expenses	467	488
Telephone charges and postage	353	310
Power and fuel	324	305
Advertisement	275	211
Rates and taxes	237	300
Allowance for doubtful debts and advances	198	228
Communication expenses	184	148
Insurance charges	62	54
Bad debts	89	23
Less: Provision written back	(89)	(23)
Commission	27	-
	21,736	**19,316**

*Includes lease rentals for short term leases for the year ended March 31, 2020.

30. Finance Cost

(₹ in Mn)

	Year ended March 31, 2020	Year ended March 31, 2019
Interest expense on lease liabilities	665	-
Interest on financial liabilities*	27	26
Interest on deposits with respect to credit support agreement	16	15
Others	12	2
	720	**43**

*Includes contingent consideration payable on business acquisitions.

31. Depreciation & Amortization Expense

(₹ in Mn)

	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation of property, plant and equipment (refer note 4)	807	664
Amortization of other intangible assets (refer note 4)	224	217
Depreciation of right of use assets (refer note 39)	1,053	-
	2,084	**881**

Notes Forming Part of Accounts

32. Other Expenses

(₹ in Mn)

	Year ended March 31, 2020	Year ended March 31, 2019
Legal and professional charges	1,020	921
Corporate social responsibility expenses (refer note 46)	460	224
Directors fees	25	21
Books and periodicals	23	21
Other miscellaneous expenses	93	51
	1,621	**1,238**

33 (I) Current Tax

(₹ in Mn)

	Year ended March 31, 2020	Year ended March 31, 2019
Current tax	3,431	4,265
Provision for earlier year written (back)/off	99	211
	3,530	**4,476**

33 (II) Deferred Tax

(₹ in Mn)

	Year ended March 31, 2020	Year ended March 31, 2019
Deferred tax charge/(credit)	(620)	(31)
MAT utilisation (net)	1,636	401
	1,016	**370**

33 (III) A Reconciliation of the Income Tax Provision to the Amount Computed by Applying Enacted Income Tax Rate to the Profit Before Income Taxes is Summarized Below:

(₹ in Mn)

	Year ended March 31, 2020	Year ended March 31, 2019
Profit before income taxes	20,070	19,597
Enacted tax rates in India	34.944%	34.944%
Computed expected tax expense	7,013	6,848
Effect due to non-taxable income	(2,116)	(2,035)
Overseas taxes	(108)	(23)
Effect of allowances of eligible expenses	(1,020)	(513)
Effect of non-deductible expenses	1,667	687
Effect of deferred taxes	(620)	(31)
Book profit related to capital loss for income tax purpose	-	-
Others	(270)	(87)
Tax expense as per statement of profit and loss	**4,546**	**4,846**

Notes Forming Part of Accounts

34. Statement of Other Comprehensive Income

(₹ in Mn)

	Year ended March 31, 2020	Year ended March 31, 2019
Items that will not be reclassified subsequently to profit or loss		
Defined benefit plan actuarial gain/(loss)	14	55
Income tax on defined benefit plan actuarial gain/(loss)	(3)	(14)
	11	**41**
Items that will be reclassified subsequently to profit or loss		
Net changes in fair value of cash flow hedges	(5,791)	83
Income tax on net changes in fair value of cash flow hedges*	1,399	134
	(4,392)	217
	(4,381)	**258**

*Year ended March 31, 2019 includes deferred tax adjustment pertaining to earlier years of ₹ 124 Mn.

35. Contingent Liabilities

(₹ in Mn)

		Year ended March 31, 2020	Year ended March 31, 2019
1	Income tax liability that may arise in respect of which the Company is in appeal*	2,906	2,373
2	Corporate guarantee given on behalf of subsidiary**	3,716	3,608
3	Service tax / VAT refund disallowed in respect of which the Company is in the appeal#	139	126
4	Claims including potential claims	-	5
		6,761	**6,112**

*Out of contingent Tax liability disclosed above, ₹ 2,735 Mn (including interest of ₹ 141 Mn), pertains to the tax demand arising on account of disallowance of exemption u/s 10A/10AA on profits earned by STPI Units/SEZ units on onsite export revenue. Company is pursuing appeals against these demands before the relevant Appellate Authorities. The company believes that its position is likely to be upheld by appellate authorities and considering the facts, the ultimate outcome of these proceedings is not likely to have material adverse effect on the results of operations or the financial position of the Company.

**The Company has given a corporate guarantee on behalf of its wholly owned subsidiary L&T Infotech Financial Services Technologies Inc (LTIFST). The guarantee is for performance of all obligations by LTIFST in connection with its long term annuity services contracts with customer. The obligation under this guarantee is limited in aggregate to the amount of CAD 70 Mn.

#The Company had filed for refund of accumulated service tax credit in accordance with relevant CENVAT credit Rules. However, the department has disallowed certain portion of such refunds considering the same as ineligible as not related with output services. The Company is in appeal against these disallowances before the relevant Authorities and is hopeful of getting a favorable order.

36. Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for: ₹ 419 Mn (previous year ₹ 49 Mn).

37. Employee Benefits

I) General Descriptions of Defined Benefit Plans:

i) Gratuity Plan

The Company makes contributions to the Company's employees' Company Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India (LIC), a funded defined benefit plan for qualifying employees. The scheme provides for lump sum payment to employees at retirement or 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.

ii) 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 Accounts

iii) Provident Fund Plan

The Company's provident fund plan is managed by its holding company through a Trust permitted under the Provident Fund 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.

The interest payment obligation of trust managed provident fund is assumed to be adequately covered by the interest income on long term investments of the fund. Any shortfall in the interest income over the interest obligation is recognised immediately in the statement of profit and loss as actuarial loss. Any loss arising out of the investment risk and actuarial risk associated with the plan is also recognised as expense in the period in which such loss occurs. Further, Nil has been provided for year ending March 31, 2020 and March 31, 2019 based on actuarial valuation towards the future obligation arising out of interest rate guarantee associated with the plan.

II) The Amounts Recognised in Balance Sheet are as Follows:

(₹ in Mn)

		Gratuity plan	
		As at 31-03-2020	As at 31-03-2019
a)	Present value of defined benefit obligation		
	- Wholly funded	1,159	916
	- Wholly unfunded	-	-
b)	Fair value of plan assets as on	917	729
	Amount to be recognised as liability or (asset) (a-b)	242	188
	Net liability/(asset)-current	242	188
	Net liability/(asset)- non current	-	-

(₹ in Mn)

		Post-retirement medical benefit plan	
		As at 31-03-2020	As at 31-03-2019
A.			
a)	Present value of defined benefit obligation		
	- Wholly funded	-	-
	- Wholly unfunded	218	180
b)	Fair value of plan assets	-	-
	Amount to be recognised as liability or (asset) (a-b)	218	180
B.			
Amounts reflected in the balance sheet			
Liability		218	180
Assets		-	-
Net liability/(asset)		218	180
Net liability/(asset)-current		4	2
Net liability/(asset)-non current		214	178

Notes Forming Part of Accounts

(₹ in Mn)

		Provident fund plan	
		As at 31-03-2020	As at 31-03-2019
A.			
a)	Present value of defined benefit obligation		
	- Wholly funded	8,948	7,176
	- Wholly unfunded	-	-
b)	Fair value of plan assets	9,482	7,220
	Amount to be recognised as liability or (asset) (a-b)*	(534)	(44)
B.			
Amounts reflected in the balance sheet			
Liability		125	101
Assets		-	-
Net liability/(asset)#		125	101
Net liability/(asset)-current		125	101
Net liability/(asset)-non current		-	-

#Employer's and employee's contribution for March 2020 paid in April 2020

*Net asset is not recognised in the balance sheet

III) The Amounts Recognised in Statement of Profit and Loss are as Follows:

(₹ in Mn)

		Gratuity plan	
		As at 31-03-2020	As at 31-03-2019
i	Current service cost	201	170
ii	Past service cost	-	-
iii	Administration expenses	-	-
iv	Interest on net defined benefit liability / (asset)	6	6
v	(Gains) / losses on settlement	-	-
Total expense charged to profit and loss account		**207**	**176**

(₹ in Mn)

		Post-retirement medical benefit plan	
		2019-20	2018-19
i	Current service cost	73	63
ii	Past service cost	-	-
iii	Administration expenses	-	-
iv	Interest on net defined benefit liability / (asset)	13	13
v	(Gains) / losses on settlement	-	-
Total expense charged to profit and loss account		86	**76**

Notes Forming Part of Accounts

(₹ in Mn)

		Provident fund plan	
		2019-20	**2018-19**
1	Current service cost	442	348
2	Interest cost	661	538
3	Expected return on plan assets	(661)	(538)
Total expense for the year included in Employee benefit expense		**442**	**348**

IV) The Amounts Recognised in Statement of Other Comprehensive Income (OCI) are as Follows:

(₹ in Mn)

	Gratuity plan		Post retirement medical benefit plan	
	2019-20	**2018-19**	**2019-20**	**2018-19**
Opening amount recognized in OCI	13	2	(116)	(50)
Re-measurements during the period due to:				
Changes in financial assumptions	58	26	29	15
Changes in demographic assumptions	-	(6)	-	(33)
Experience adjustments	(6)	(27)	(77)	(48)
Actual return on plan assets less interest on plan assets	(7)	18	-	-
Closing amount recognized in OCI	**58**	**13**	**(164)**	**(116)**

V) The Changes in the Present Value of Defined Benefit Obligation Representing Reconciliation of Opening and Closing Balances Thereof are as Follows:

(₹ in Mn)

	Gratuity plan	
	2019-20	**2018-19**
Opening balance of defined benefit obligation	916	798
Current service cost	201	170
Interest on defined benefit obligation	61	56
Re-measurements due to		
Actuarial loss/(gain) arising from change in financial assumption	58	27
Actuarial loss/(gain) arising from change in demographic assumptions	-	(6)
Actuarial loss/(gain) arising on account of experience changes	(6)	(27)
Benefits paid	(71)	(102)
Closing balance of defined benefit obligation	**1,159**	**916**

(₹ in Mn)

	Post-retirement medical benefit plan	
	2019-20	**2018-19**
Opening balance of defined benefit obligation	180	171
Current service cost	73	63
Past service cost	-	-
Interest on defined benefit obligation	13	12
Re-measurements due to		
Actuarial loss/(gain) arising from change in financial assumption	29	15
Actuarial loss/(gain) arising from change in demographic assumptions	-	(33)
Actuarial loss/(gain) arising on account of experience changes	(77)	(48)
Benefits paid	(0)	(0)
Closing balance of defined benefit obligation	**218**	**180**

Notes Forming Part of Accounts

(₹ in Mn)

	Provident fund plan	
	2019-20	2018-19
Opening balance of defined benefit obligation	7,176	5,865
Add : Interest cost	661	538
Add : Current service cost	442	348
Add : Contribution by plan participants	975	832
Add/(Less) : actuarial (gains)/losses	-	-
Add: Business combination/acquisition	-	-
Less: Assets acquired/(settled)	-	-
Liabilities assumed on acquisition/ (settled on divestiture)	604	478
Less : Benefits paid	(910)	(885)
Closing balance of defined benefit obligation	**8,948**	**7,176**

VI) Changes in the Fair Value of Plan Assets Representing Reconciliation of the Opening and Closing Balances Thereof are as Follows:

(₹ in Mn)

	Gratuity plan		Provident fund plan	
	2019-20	2018-19	2019-20	2018-19
Opening balance of the fair value of the plan assets	729	669	7,220	5,915
Employer's contributions	198	128	433	338
Expected return on plan assets	55	51	660	538
Administration expenses	-	-	-	-
Actuarial gains/(loss)	-	-	556	116
Re-measurements due to:				
Actual return on plan assets less interest on plan assets	6	(18)	-	-
Contribution by plan participants	-	-	919	720
Benefits paid	(71)	(102)	(910)	(885)
Assets acquired/(settled)*	-	-	604	478
Assets distributed on settlements	-	-	-	-
Closing balance of plan assets	**917**	**729**	**9,482**	**7,220**

*On account of business combination or inter-company transfer

The Company expects to contribute ₹ 242 Mn (₹ 188 Mn in 2018-19) towards its gratuity, in the next financial year.

VII) The Major Categories of Plan Assets as a Percentage of Total Plan Assets are as Follows:

(₹ in Mn)

	Gratuity plan	2019-20	2018-19
		Provident fund plan	
Government of India securities	Scheme with LIC	21.52%	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		4.29%	5.18%
Public sector bonds		16.07%	22.00%
Mutual Funds		3.07%	4.12%
Others		0.76%	0.15%

Notes Forming Part of Accounts

VII) Principal Actuarial Assumptions at the Balance Sheet Date:

(₹ in Mn)

		As at 31-03-2020	As at 31-03-2019
i	**Discount rate**		
	For gratuity	6.40%	7.15%
	For post -retirement medical benefits	6.40%	7.15%
ii	Annual increase in healthcare costs (see note below)	5.00%	5.00%
iii	Attrition rate :	Varies between 8% to 19%	Varies between 8% to 19%
iv	Salary growth rat *	6.00%	6.00%

*Salary growth rate assumption reflects the Company's average salary growth rate and current market conditions.

VIII) Projected Plan Cash Flow:

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan (which in case of serving employees, if any, is based on service accrued by employee up to valuation date):

As on March 31, 2020

(₹ in Mn)

Maturity profit	Gratuity	Post-Retirement medical benefit liability
Expected benefits for year 1	129	3
Expected benefits for year 2	128	4
Expected benefits for year 3	133	4
Expected benefits for year 4	137	5
Expected benefits for year 5	130	6
Expected benefits for year 6	122	7
Expected benefits for year 7	114	8
Expected benefits for year 8	101	8
Expected benefits for year 9	96	9
Expected benefits for year 10 and above	885	1,068

As on March 31, 2019

(₹ in Mn)

Maturity profit	Gratuity	Post-Retirement medical benefit liability
Expected benefits for year 1	114	2
Expected benefits for year 2	110	3
Expected benefits for year 3	110	3
Expected benefits for year 4	110	4
Expected benefits for year 5	106	4
Expected benefits for year 6	98	5
Expected benefits for year 7	92	6
Expected benefits for year 8	87	6
Expected benefits for year 9	77	7
Expected benefits for year 10 and above	735	1,056

The estimates of future salary increases considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Notes Forming Part of Accounts

IX) Sensitivity Analysis

i) Post Retirement Benefits:

Although the obligation of the Company under the post-retirement medical benefit plan is limited to the overall ceiling limits, assumed healthcare cost trend rates may affect the amounts recognised in the statement of profit and loss. The benefit obligation results for the cost of paying future hospitalization premiums to insurance company and reimbursement of domiciliary medical expenses in future for the employee / beneficiaries during their lifetime is sensitive to discount rate, future increase in healthcare costs and longevity. The following table summarizes the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account changes in these three key parameters:

(₹ in Mn)

	Period ended March 31, 2020	Period ended March 31, 2019
Discount Rate		
Impact of increase in 100 bps on defined benefit obligation	-17.20%	-17.32%
Impact of decrease in 100 bps on defined benefit obligation	22.76%	22.72%
Healthcare costs rate		
Impact of increase in 100 bps on defined benefit obligation	13.39%	18.08%
Impact of decrease in 100 bps on defined benefit obligation	-10.78%	-14.33%
Life expectancy		
Impact of increase by 1 year on defined benefit obligation	1.36%	0.69%
Impact of decrease by 1 year on defined benefit obligation	-1.42%	-0.72%

ii) Gratuity:

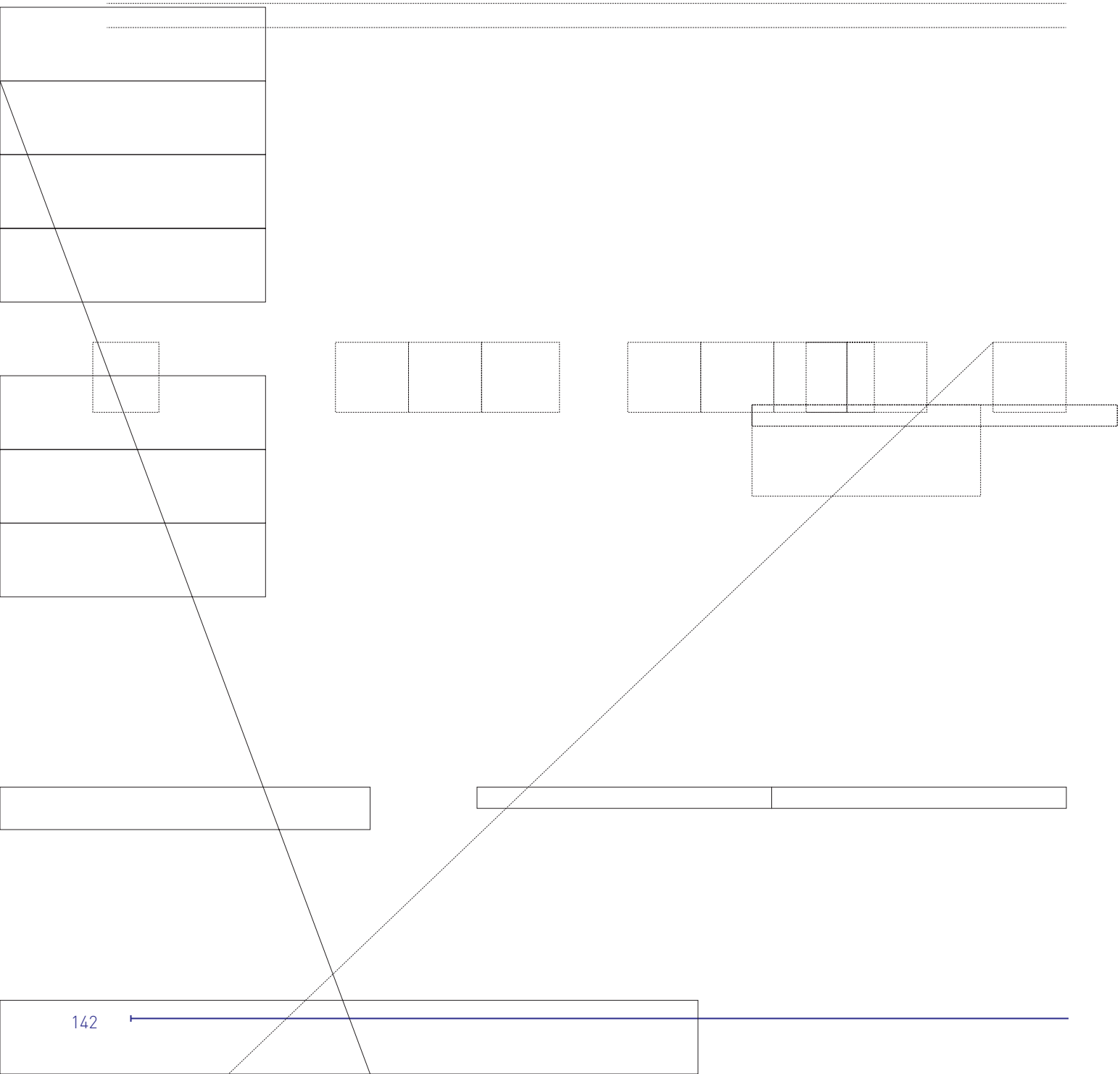
Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption as below:

	Period ended March 31, 2020		Period ended March 31, 2019	
	Discount rate	Salary escalation rate	Discount rate	Salary escalation rate
Impact of increase in 100 bps on defined benefit obligation	-6.57%	7.37%	-6.30%	7.04%
Impact of decrease in 100 bps on defined benefit obligation	7.42%	-6.66%	7.09%	**-6.39%**

Notes Forming Part of Accounts

38. Financial Instruments by Category:

I) Carrying Value of Financial Instruments by Categories are as Follow:



Notes Forming Part of Accounts

(₹ in Mn)

Liabilities	As at 31-03-2020				As at 31-03-2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Derivative financial instruments	-	4,033	-	4,033	-	-	-	-
Liability towards contingent consideration*	-	-	644	644	-	-	-	-
Total	**-**	**4,033**	**644**	**4,677**	**-**	**-**	**-**	**-**

*Pertains to contingent consideration payable to the selling shareholders for acquisition of business.

A one percentage point change in the unobservable inputs used in fair valuation of Level 3 assets and liabilities does not have a significant impact on the value.

There have been no transfers among Level 1, Level 2 and Level 3 during the years ended March 31, 2020 and March 31, 2019.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The fair-value of the financial-instruments factor the uncertainties arising out of COVID-19, where applicable.

III) Financial Risk Management

The Company's activities expose it to a variety of financial risks - Market Risk, Credit Risk, interest rate risk and Liquidity Risk. The Company's primary focus is to foresee the uncertainty of financial markets and seek to minimize the potential adverse effects on its financial performance. The primary market risk to the company is foreign exchange risk. The company uses derivative financial instruments to mitigate the risks arising out of foreign exchange related exposures. The company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

i) Currency Risk

The Company operates in multiple geographies and contracts in currencies other than the domestic currency exposing it to risks arising from fluctuation in the foreign exchange rates. The Company uses derivative financial instruments to mitigate foreign exchange related exposures. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision.

The Company's revenues are principally in foreign currencies and the maximum exposure is in US dollars.

The Board of Directors has approved the Company's financial risk management policy covering management of foreign currency exposures. The treasury department monitors the foreign currency exposures and enters into appropriate hedging instruments to mitigate its risk. The Company hedges its exposure on a net basis (i.e. expected revenue in foreign currency less expected expenditure in related currency). These hedges are cash flow hedges as well as fair value hedges.

The Foreign Currency Risk from Monetary assets and liabilities as at March 31, 2020 is as follows:

Notes Forming Part of Accounts

The Foreign Currency Risk from Monetary assets and liabilities as at March 31, 2019 is as follows:

(₹ in Mn)

	US Dollar	Euro	Japanese Yen	South African Rand	Swedish Krona	Other currencies	Total
Cash and cash equivalents	992	133	37	66	105	122	1,455
Trade receivables	10,964	1,982	33	178	448	1,066	14,671
Other financial assets, loans and other current assets	3,864	311	14	78	19	(230)	4,055
Trade payables	(1,278)	(162)	(24)	(39)	(7)	(320)	(1,830)
Other financial liabilities	(1,449)	(71)	(6)	(125)	(93)	(155)	(1,898)
Net Assets/Liabilities	**13,093**	**2,193**	**54**	**158**	**472**	**483**	**16,453**

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 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. Because the Company uses foreign currency instruments for hedging purposes, the loss in fair value incurred on those instruments are generally offset by increases in the fair value of the underlying exposures for on-balance sheet exposures. The overnight VaR of the Company at 95% confidence level is ₹ 317 Mn as at March 31, 2020 (₹ 371 Mn as at March 31, 2019).

A) Derivative Financial Instruments

The company regularly reviews its foreign exchange forward and options positions, both on a standalone and in conjuction with its underlying foreign exchange exposures. The outstanding forward and option contracts at the year end, their maturity profile and sensitivity analysis are as under.

(i) The details in respect of outstanding foreign currency forward and options contracts are as follows:

	As at 31-03-2020		As at 31-03-2019	
	(in Mn)	(₹ in Mn)	(in Mn)	(₹ in Mn)
Instruments designated as cash flow hedges				
Forward contracts				
In US Dollar	1,251	95,822	1,092	81,702
In Euro	15	1,293	-	-
In South African Rand	6	30	-	-
In United Kingdom Pound Sterling	4	406	7	647
Options Contracts				
In US Dollar	-	-	100	5,313
In Euro	74	6,504	42	3,423
Instruments designated as fair value hedges				
In US Dollar	91	6,630	154	10,942
In South African Rand	83	380	22	107
In Swedish Krona	24	185	7	55
In United Kingdom Pound Sterling	5	401	1	105
In Norwegian Krone	5	37	5	36
In Danish Krone	4	44	2	21
In Canadian Dollar	3	144	4	218
In Australian Dollar	2	105	2	90
Total Forward and Options contracts		**111,981**		**102,659**

Notes Forming Part of Accounts

(ii) The foreign exchange forward and option contracts designated as cash flow hedges mature over a maximum period of 36 months. The company manages its exposures normally for a period of up to 3 years based on the estimated exposure over that period.

The table below analyses the derivative financial instrument into relevant maturity based on the remaining period as of the balance sheet date. Contracts with maturity not later than twelve months include certain contracts which can be rolled over to subsequent periods in line with underlying exposures.

(₹ in Mn)

Particualrs	As at 31-03-2020	As at 31-03-2019
Not later than twelve months	55,589	52,791
Later than twelve months	56,392	49,868
Total	**111,981**	**102,659**

(iii) During the year ended March 31, 2020, the company has designated certain foreign exchange forward and options contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. The related hedge transactions which for a part of hedge reserve as at March 31, 2020 will occur and be reclassified to the statement of Profit and loss over a period of 36 months.

The reconciliation for the cash flow Hedge Reserve for the years ended 31st March, 2020 and 31st March, 2019 is as follows:

(₹ in Mn)

Particualrs	As at 31-03-2020	As at 31-03-2019
Balance at the Beginning of the year	2,243	2,025
Changes in fair value of forward and options contract designated as hedging instruments	(4,605)	1,173
Amount reclassified to profit and loss during the year	(1,186)	(1,090)
Tax Impact on the above	1,399	135
Total	**(2,149)**	**2,243**

Actual future gains and losses associated with forward contracts designated as cash flow hedge may differ materially from the sensitivity analysis 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.

The Company has evaluated possible impact of COVID-19 on its highly probable forecast transactions and concluded that there was no impact on the probability of occurrence of the hedged transaction. The Company has considered the effect of changes, if any, in both counterparty credit risk and its own credit risk in assessing hedge effectiveness and measuring hedge ineffectiveness.

ii) Interest Risk

The Company has no interest rate risk with respect to borrowings as on March 31, 2020. However the Company invests its surplus funds in Debt mutual funds and corporate deposits. The Company mitigates the risk of counter-party failure by investing in mutual fund schemes with large assets under management, investing in debt instruments issued with sound credit rating and placing corporate deposits with banks and financial institutions with high credit ratings assigned by domestic and international credit rating agencies.

Net assets value (NAV) of debt mutual funds are subject to changes in interest rates. Every one percent increase or decrease in the NAV of debt mutual funds where the company holds investments will impact he Company's profit after tax by ₹ 212 Mn in 2019-20 (₹ 174 Mn in 2018-19).

iii) Credit Risk

Credit risk refers to the risk of default on its obligation by a counterparty resulting in a finacial loss. The carrying amount of all financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 54,227 Mn and ₹ 46,105 Mn as at

Notes Forming Part of Accounts

March 31, 2020 and March 31, 2019 respectively being the total of the carrying amount of Investments, Trade Receivables, Unbilled Revenue, Cash and other bank balances and all other financial assets.

The principal credit risk that the Company exposed to is non-collection of trade receivable and late collection of receivable and on unbilled revenue 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 makes adequate provision for non-collection of trade receivable and unbilled receivables. Further, the Company has not suffered significant payment defaults by its customers.

In addition, for delay in collection of receivable, the Company has made a provision for Expected Credit loss ('ECL') based on an ageing analysis of its trade receivables and unbilled revenue. The Company has taken in to account possible impact relating to COVID – 19 in estimating Expected Credit Loss provision.

ECL allowance for non-collection and delay in collection of receivable and unbilled revenue, on a combined basis was ₹ 211 Mn and ₹ 147 Mn for the financial years 2019-20 and 2018-19 respectively. The movement in allowance for doubtful debts comprising provision for both non-collection and delay in collections of receivable and unbilled revenue is as follows:

(₹ in Mn)

Particualrs	**2019-20**	**2018-19**
Opening balance	147	67
Impairment loss recognised or (reversed)	64	80
Closing balance	**211**	**147**

The percentage of revenue from its top five customers is 34.1% for 2019-20 (37.4% for 2018-19).

The Company is also exposed to counter-party risk in relation to financial instruments taken to hedge its foreign currency risks. The counter- parties are banks and the Company has entered into contracts with the counter-parties for all its hedge instruments and in addition, entered into suitable credit support agreements to limit counter party risk where necessary.

iv) Liquidity Risk

The Company's treasury department monitors the cash flows of the Company and surplus funds are invested in non- speculative financial instruments that include highly liquid funds and corporate deposits.

The Company has no borrowings as on March 31, 2020 but it has credit facilities with banks that will help it in generating funds for the business if required.

The contractual maturities of financial liabilities is as follows:

(₹ in Mn)

	As at 31-03-2020			**As at 31-03-2019**		
	Within a year	**More than one year**	**Total**	**Within a year**	**More than one year**	**Total**
Trade payables	6,842	-	6,842	4,463	-	4,463
Derivative financial instruments	2,013	2,020	4,033	-	-	-
Lease liabilities	1,537	10,218	11,755	-	-	-
Other financial liabilities	4,518	520	5,038	5,759	34	5,793
Total	**14,910**	**12,758**	**27,668**	**10,222**	**34**	**10,256**

Notes Forming Part of Accounts

39. Leases

39(I) Following are the Changes in the Carrying Value of Right of Use Assets for the Year Ended March 31, 2020

(₹ in Mn)

	Category of ROU Asset			
	Office Premises	Furniture & Fixtures	Vehicles	Total
Balance as at April 1, 2019	4,616	85	1	4,702
Additions during the year	3,705	-	-	3,705
Deletions during the year	(2)	-	-	(2)
Depreciation for the year	(1,035)	(17)	(1)	(1,053)
Balance as at March 31, 2020	**7,284**	**68**	**0**	**7,352**

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

39(II) The Following is the Break-up of Current and Non-Current Lease Liabilities as at March 31, 2020

(₹ in Mn)

	2019-20
Current lease liabilities	1,182
Non-current lease liabilities	7,223
	8,405

39(III) The Following is the Movement in Lease Liabilities During the Year Ended March 31, 2020

(₹ in Mn)

	2019-20
Balance at the Beginning of the year(refer note 2.j)	5,445
Additions during the year	3,534
Finance cost accrued during the year	665
Deletions during the year	(2)
Payment of lease liabilities	(1,380)
Translation difference	143
Balance at the end of the year	**8,405**

39(IV) The Following is the Movement in the Net Investment in Sublease in ROU Asset During the Year Ended March 31, 2020

(₹ in Mn)

	2019-20
Balance at the beginning of the year	32
Interest income accrued during the year	2
Lease receipts during the year	(11)
Translation difference	1
Balance at the end of the year	**24**

Notes Forming Part of Accounts

39(V) The Table Below Provides Details Regarding the Contractual Maturities of Net Investment in Sublease of ROU Asset as at March 31, 2020 on an Undiscounted Basis:

(₹ in Mn)

	2019-20
Less than one year	11
One to five years	17
	28

39(VI) Transition (refer note 2.j)

(₹ in Mn)

	2019-20
Undiscounted opening lease commitments as per Ind AS 17 as on March 31, 2019	6,577
Lease commitments pertaining to Short Term Leases	(1,468)
Lease commitments pertaining to Low Value Leases	(3)
Extension and termination options reasonably certain to be exercised	2,090
Impact of discounting of lease payments under Ind AS 116	(1,751)
Opening Lease Liability as per Ind AS 116 as on April 1, 2019	**5,445**

The leases that the Company has entered with lessors towards properties used as delivery centers / sales offices are long term in nature. No material changes in terms of those leases have been made due to COVID-19 as on the reporting date.

40. Auditor's Remuneration (Excluding Taxes) Charged to the Accounts Include:

(₹ in Mn)

	2019-20	2018-19
Audit fees	3	2
Tax audit fees	1	1
Other services	4	2
Expense reimbursement	1	0
	9	**5**

41. Basic and Diluted Earnings Per Share (EPS) at Face Value of ₹ 1

(₹ in Mn)

	2019-20	2018-19
Profit after tax (₹ in Mn)	15,524	14,751
Weighted average number of shares outstanding	173,823,653	172,912,774
Basic EPS (₹)	**89.31**	**85.31**
Weighted average number of shares outstanding	173,823,653	172,912,774
Add: Weighted average number of potential equity shares on account of employee stock options	1,684,617	2,468,945
Weighted average number of shares outstanding	175,508,270	175,381,719
Diluted EPS (₹)	**88.45**	**84.11**

42. Acquisition of Subsidiary

42(I) On August 1, 2019, the Company acquired Lymbyc Solutions Private Limited for an enterprise value of ₹ 380 Mn, including ₹ 160 Mn payable on fulfilment of performance based conditions.

42(II) On October 1, 2019, the Company acquired Powerupcloud Technologies Private Limited for an enterprise value of US $15 Mn, including US $7 Mn payable on fulfilment of performance based conditions.

Notes Forming Part of Accounts

(IV) List of Related Parties with Whom There were Transactions During the Year Other Than Those Mentioned Above:

Name	Relationship
Larsen & Toubro Limited	Holding Company
L&T Hydrocarbon Engineering Limited	Fellow Subsidiary
L&T Technology Services Limited	Fellow Subsidiary
L&T Valves Limited	Fellow Subsidiary
L&T Infrastructure Finance Co Ltd.	Fellow Subsidiary
L&T Investment Management Limited	Fellow Subsidiary
L&T Housing Finance Limited	Fellow Subsidiary
L&T Thales Technology Services Private Limited	Fellow Subsidiary
L&T Construction Equipment Limited	Fellow Subsidiary
L&T Finance Limited	Fellow Subsidiary
Larsen & Toubro LLC	Fellow Subsidiary
Nabha Power Limited	Fellow Subsidiary
L&T Metro Rail (Hyderabad) Ltd	Fellow Subsidiary
Tamco Switchgear (Malaysia) SD	Fellow Subsidiary
Larsen & Toubro (East Asia) Sdn. Bhd.	Fellow Subsidiary
L&T Technology Services LLC	Fellow Subsidiary
L&T Saudi Arabia LLC	Fellow Subsidiary
Mindtree Limited	Fellow Subsidiary
L&T Infrastructure Development Projects Limited (IDPL)	Joint venture of Holding Company
L&T-MHPS Turbine Generators Pvt Ltd	Joint venture of Holding Company
L&T-MHI Boilers Pvt.Ltd	Joint venture of Holding Company
LTIDPL IndvIT Services Limited	Associate company of IDPL
L&T Officers & Supervisory Staff Providend Fund	Post employement benefit plans
Calient Technologies Inc	Company in which Directors are Interested

(V) Details of Transactions Between the Company and Related Parties are Disclosed Below:

(₹ in Mn)

A.

Transaction	Holding company	
	2019-20	2018-19
Sale of services/product	1,391	1,372
Purchases of services / products	66	79
Overheads charged by	534	510
Overheads charged to	115	38
Trademark fees	277	241
Interim dividend	1,622	1,622
Final dividend paid	2,012	1,894

(₹ in Mn)

Outstanding Balance	Holding company	
	2019-20	2018-19
Trade receivable	794	234

Notes Forming Part of Accounts

B.

(₹ in Mn)

Transaction	Joint venture of Holding Company	
	2019-20	2018-19
Sale of services / products	**38**	**30**
- L&T Infrastructure Development Projects Limited	38	30

(₹ in Mn)

Outstanding Balance	Joint venture of Holding Company	
	2019-20	2018-19
Trade receivable	**11**	**3**
- L&T Infrastructure Development Projects Limited	11	3

C.

(₹ in Mn)

Transaction	Post employement benefit plans	
	2019-20	2018-19
Contribution to Post employement benefit plans	**433**	**338**
- L&T Officers & Supervisory Staff Providend Fund	433	338

(₹ in Mn)

Outstanding Balance	Post employement benefit plans	
	2019-20	2018-19
Contribution to Post employement benefit plans	**115**	**86**
- L&T Officers & Supervisory Staff Providend Fund	115	86

D.

(₹ in Mn)

Transaction	Fellow subsidiaries	
	2019-20	2018-19
Sale of services / products	**1,318**	**817**
- L&T Technology Services Ltd.	1,020	559
- L&T Hydrocarbon Engineering Limited	188	76
- L&T Thales Technology Services Private Limited	25	35
Purchases of services / products	**1,049**	**702**
- L&T Technology Services Ltd.	1,033	699
Overheads charged by	**31**	**80**
- Larsen & Toubro (East Asia) SDN BHD.	18	23
- L&T Technology Services Limited	10	55
Overheads charged to	**72**	**166**
- L&T Technology Services Limited	53	136
- L&T Valves Limited	0	21
- L&T Hydrocarbon Engineering Limited	17	8
Commission charged	**1**	**2**
- L&T Technology Services Limited	1	2

Notes Forming Part of Accounts

(₹ in Mn)

Outstanding Balance	Fellow subsidiaries	
	2019-20	2018-19
Trade receivables	**219**	**93**
- L&T Thales Technology Services Private Limited	15	9
- L & T Hydrocarbon Engineering Limited	56	24
- L&T Finance Limited	2	28
- L&T Metro Rail Hyderabad Ltd	9	12
Trade payable	**318**	**67**
- L&T Technology Services Limited	208	66

E.

(₹ in Mn)

Transaction	Subsidiaries	
	2019-20	2018-19
Sale of services / products	**1,995**	**1,824**
- Larsen & Toubro Infotech GmbH	511	533
- L&T Infotech Financial Services Technologies Inc.	357	320
- Larsen & Toubro Infotech South Africa (Proprietary) Limited	89	158
- Larsen & Toubro Infotech Canada Limited	712	551
- L&T Information Technology Spain, Sociedad Limitada	165	230
Purchases of services / products	**1,713**	**993**
- Larsen & Toubro Infotech LLC	67	67
- Larsen & Toubro Infotech Canada Limited	1,202	785
Overheads charged by	**212**	**126**
- Larsen & Toubro Infotech GmbH	43	29
- L&T Information Technology Spain, Sociedad Limitada	24	23
- L&T Infotech Financial Services Technologies Inc.	-	0
- L&T Information Technology Services (Shanghai) Co. Ltd.	80	42
- Larsen & Toubro Infotech Canada Limited	25	4
- Syncordis Limited	4	15
- Powerupcloud Technologies Private Limited	20	-
Overheads charged to	**190**	**227**
- Larsen & Toubro Infotech Canada Limited	24	24
- Larsen & Toubro Infotech GmbH	57	67
- Larsen & Toubro Infotech South Africa (Proprietary) Limited	3	13
- L&T Information Technology Spain, Sociedad Limitada	50	87
Sale of Assets	**-**	**6**
- Syncordis Software Services India Private Limited	-	6
- Transfer of business to subsidiary	53	-
- Larsen & Toubro Infotech Norge AS	53	-
Purchase of Assets	**0**	**-**
- Lymbyc Solutions Private Limited	0	-
- Ruletronics Systems Private Limited	0	-

Notes Forming Part of Accounts

(₹ in Mn)

Transaction	Subsidiaries	
	2019-20	2018-19
Dividend received	**901**	**408**
- L&T Infotech Financial Services Technologies Inc.	723	328
- Larsen & Toubro Infotech GmbH	126	80
- Larsen & Toubro Infotech Canada Limited	52	-
Loan to Subsidiary	**81**	**6**
- Ruletronics Systems Private Limited	26	6
- Lymbyc solutions private Limited	30	-
- Powerupcloud Technologies Private Limited	25	-
Guarantees given (Refer note 35)	**3,716**	**3,608**
- L&T Infotech Financial Services Technologies Inc.	3,716	3,608

(₹ in Mn)

Outstanding Balance	Subsidiaries	
	2019-20	2018-19
Trade receivable	**788**	**677**
- L&T Infotech Financial Services Technologies Inc.	35	122
- L&T Information Technology Spain, Sociedad Limitada	82	108
- Larsen & Toubro Infotech South Africa (Proprietary) Limited	85	155
- Larsen & Toubro Infotech GmbH	356	112
- Larsen & Toubro Infotech Canada Limited	-	152
- Larsen & Toubro Infotech Norge AS	130	-
Trade payable	**194**	**14**
- Larsen & Toubro Infotech Canada Limited	113	-
- L&T Infotech S. DE R.L. DE C.V.	11	7
- L&T Infotech LLC	5	7
- Nielsen+Partner Pte. Ltd.	21	-
- Powerupcloud Technologies Private Limited	22	-

F.

(₹ in Mn)

Transaction	Company in which Directors are interested	
	2019-20	2018-19
Sale of services / products	**2**	**-**
- Calient Technologies Inc	2	-

(₹ in Mn)

Outstanding balance	Company in which Directors are interested	
	2019-20	2018-19
Trade receivable	**2**	**-**
- Calient Technologies Inc	2	-

All balances are unsecured and to be settled in cash.

Entities listed above account for 10% or more of the aggregate for that category of transaction during respective period.

Notes Forming Part of Accounts

(VI) Managerial Remuneration

(₹ in Mn)

		2019-20	2018-19
(i)	Short term employee benefits	166	188
(ii)	Contribution to funds	12	16
(iii)	Share based payments (on employee stock options granted)*	-	103

(₹ in Mn)

	2019-20	2018-19
Mr. Sanjay Jalona	87	99
Mr. Sudhir Chaturvedi	60	72
Mr. Nachiket Deshpande	17	109
Mr. Ashok Kumar Sonthalia	14	13
Mr. Aftab Zaid Ullah	-	15

*Share based payments (on employee stock options granted) are charged to P&L over vesting period of ESOPs

44. Segment Reporting

In accordance with Ind AS 108 'Operating Segment', the Company has disclosed Segment information on consolidated basis for the year ended March 31, 2020 which is available as part of the audited consolidated financial statements of the Company.

45. Dues to Micro Enterprises and Small Enterprises:

(₹ in Mn)

		As at 31-03-2020	As at 31-03-2019
i)	the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	79	3
ii)	the amount of interest paid by the Company in terms of section 16 of MSMED Act, 2006, along with the amounts of the payment made to the suppliers beyond the appointed day during the year	-	-
iii)	the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year without adding the interest specified under MSMED Act, 2006	-	-
iv)	the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
v)	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

#The management has identified dues to micro and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) on the basis of information made available by the supplier or vendors of the Company.

46. Amount required to be spent by the Company on Corporate Social Responsibility (CSR) related activities during the year 2019-20 is ₹ 272 Mn. The amount recognised as expense in the statement of profit & loss on CSR related activities during the year ended March 31, 2020 is ₹ 460 Mn (including contribution to Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund for COVID-19 relief measures of ₹ 180 Mn), which comprises of:

(₹ in Mn)

Particulars	Disclosed under	In cash	Yet to be paid in cash	Total
General purposes	Other expenses in Note No 32	454	6	460

Notes Forming Part of Accounts

47. Events Ocurring After the Reporting Period:

The Board of Directors at its meeting held on May 19, 2020, has recommended final dividend of ₹ 15.5 per equity share (Face value ₹ 1) for the financial year ended March 31, 2020.

48. The company is not required to transfer any amount to Investor Education and Protection Fund.

49. In case of figures mentioned as '0' in the financial statements, it denotes figures less than a million.

50. Previous year's figures have been regrouped/reclassified wherever applicable to facilitate comparability.

51. The financial statements were approved by the Board of Directors on May 19, 2020.

As per our report attached

For B. K. Khare & Co.
Chartered Accountants
Firm's Registration No.: 105102W

Padmini Khare Kaicker
Partner
Membership No: 044784

Mumbai
May 19, 2020

Sanjay Jalona
Chief Executive Officer & Managing Director
(DIN: 07256786)
New Jersey, USA

Ashok Kumar Sonthalia
Chief Financial Officer
Mumbai

Nachiket Deshpande
Chief Operating Officer & Whole-time Director
(DIN: 08385028)
Pune

Manoj Koul
Company Secretary & Compliance Officer
Pune

Independent Auditor's Report

To the Members of Larsen & Toubro Infotech Limited
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated financial statements of Larsen & Toubro Infotech Limited ("the Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2020 and the Consolidated statement of profit and loss (including Other Comprehensive Income), the Consolidated statement of changes in equity and 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 (hereinafter referred to as "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 accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at March 31, 2020, and its consolidated profit, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 ethical requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition	
Key Audit Matter	Accuracy of recognition, measurement, presentation and disclosures of revenue and other related balances in view of the principles laid down under Ind AS 115 "Revenue from Contracts with Customers". The application of the revenue accounting standard (Ind AS 115) involves significant judgements/material estimates relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, the standard requires disclosures, which involve collation of information in respect of disaggregated revenue, and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date. The Group has also evaluated the impact of COVID – 19 resulting from (i) the possibility of constraints to render services which may require revision of estimations of costs to complete the contract because of additional efforts, (ii) onerous obligations, (iii) penalties relating to breaches of service level agreements and (iv) termination or deferment of contracts by customers. Refer Note no. 2(f) and Note no. 28 to the Consolidated Financial Statements for relevant accounting policy and disclosure respectively.
Principal Audit Procedures	Our audit approach consisted of testing the design and operating effectiveness of the internal controls and substantive testing as follows: • Evaluated the design and operating effectiveness of internal controls relating to the application of revenue accounting standard specifically, those relating to identification of the distinct performance obligations and determination of transaction price. Procedures performed included enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls.

Revenue Recognition	
Principal Audit Procedures	• Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the revenue accounting standard. • Selected a sample of continuing and new contracts and performed the following procedures: ◆ Read, analysed and identified the distinct performance obligations in these contracts. ◆ Compared such performance obligations with those identified and recorded by the Company. ◆ Reviewed contract terms to determine the transaction price including any variable consideration to determine the appropriate transaction price for computing revenue and to test the basis of estimation of the variable consideration. ◆ Samples in respect of revenue recorded for time and material contracts were tested through a review of approved time sheets including customer acceptances, subsequent invoicing and historical trend of collections and disputes. ◆ In respect of samples relating to fixed price contracts, progress towards satisfaction of performance obligation used to compute recorded revenue was verified with actual and estimated efforts from the time recording and contracting systems. We also tested the access and change management controls relating to these systems. • Performed analytical procedures for reasonableness of revenue disclosed by type and service offerings. • Critically reviewed management's assessment relating to impact of Covid 19 on revenue recognition, as stated above • We reviewed the collation of information and the logic of the report generated from the management system used to prepare the disclosure relating to the periods over which the remaining performance obligations will be satisfied after the balance sheet date.
Assessment of Provisions and Contingent Liability in Respect of Compliance with Various Laws and Regulations as Applicable	
Key Audit Matter	Adequacy of provisioning and assessing of contingent liabilities in respect of compliance with local and international laws and regulations including Income tax assessments The nature of Company's operations carries a compliance risk as well as financial risk in terms of recognition and measurement of any provision and disclosure of contingent liability on account of possible non-compliance with local and international laws and regulations. In some cases, an auditor may require a critical evaluation of legal positions/opinions taken by the Company involving a complex matter and a high degree of professional judgment. Furthermore, the Company's SEZ unit is eligible for exemption under section 10AA of Indian Income Tax Act, 1961. The Company may have some unsettled tax positions including matters under dispute on account of disallowance of exemption u/s 10A/10AA on profits earned by STPI/SEZ units on onsite export revenue. The evaluation involves significant judgement to determine the possible outcome of these cases. Refer Note no. 2(t) and Note no. 37 to the Consolidated Financial Statements for relevant accounting policy and disclosure respectively.
Principal Audit Procedures	• We have evaluated the design and operating controls in relation to the compliance tracker maintained by the Company with respect to compliance with local and international laws & regulations. • We read the summary of litigation matters provided by management and held discussions with the Company's legal counsel. • We have also enquired with some of the Company's external legal advisors with respect to the matters and examined related correspondence including advices for foreign branch compliances and obtained an external legal confirmation, wherever appropriate. • In respect of provisions against litigation and the assessment of contingent liabilities, we tested the calculation of the provisions/contingent liability assessment; we reviewed the assumptions against third party data, where available, and assessed the estimates against historical trends. We considered management's judgements on the level of provisioning/recognition of contingent liability as appropriate.

Revenue Recognition	
Impairment Testing of Goodwill in Consolidated Financial Statements	
Key Audit Matter	Auditing standards require at least an annual testing of carrying value of goodwill. Value of Goodwill is a result of management's estimate of future cash flows from the relevant entity/cash generating unit. As required by Ind AS 36 Impairment of Assets, the Group annually carries impairment assessment of goodwill where indicators of impairment exist using a discounted cash flow model to estimate the recoverable value which is based on net present value of forecast earnings of cash generating units. The impairment test is a complex process. It involves high degree of judgement based on assumptions around discount rates, growth rates, cash flow forecasts that may contain certain inherent uncertainties in forecasting. Management has also carried out sensitivity analysis for all key assumptions, including the cash flow projections, consequent to the change in estimated future economic conditions arising from the possible effects due to COVID-19. Refer Note no. 2(e) and Note No. 5 to the Consolidated Financial Statements for relevant accounting policy and disclosure respectively.
Principal Audit procedures	• We evaluated the appropriateness of management's identification of the Group's CGUs and the continued satisfactory operation of the Group's controls over the impairment assessment process. • Our procedures included discussion with management on the suitability of the impairment model and reasonableness of the assumptions, through performing the following procedures: ◆ Obtaining management's assessment of recoverable amounts of relevant entities, testing the mathematical accuracy of the cash flow models and ensuring that the projections used agrees with the management approved long range plans. Assessing the reliability of management's forecast through a review of actual performance against previous forecasts ◆ Benchmarking company's key market-related assumptions in management's valuation models with industry comparators and with assumptions made in the prior years including revenue and margin trends, capital expenditure and market share and customer churn, foreign exchange rates and discount rates, against external data available.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, 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, 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.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Group in accordance with the 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 Group 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 statements 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 Board of Directors is responsible for assessing the Companies included in the

Group are responsible for assessing the Group'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 the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Group'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 scepticism 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company and its subsidiaries which are 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 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 financial statements, including the disclosures, and whether the 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 aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 misstatements in the 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 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 eleven subsidiaries included in the consolidated financial statements, whose financial statements reflect total assets (before consolidation adjustments) of ₹ 9,543 million as at March 31, 2020, total revenue (before consolidation adjustments) of ₹ 7,133 million, total comprehensive income (before consolidation adjustments) of ₹ 776 million and total cash outflow of ₹ 364 million for the year ended March 31, 2020. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the Consolidated Financial Statements, to the extent they have been derived from such financial statements is based solely on the report of such other auditors.

We did not audit the financial statements of fifteen subsidiaries whose financial statements reflect total assets (before consolidation adjustments) of ₹ 2,426 million as at March 31, 2020, total revenue (before consolidation adjustments) of ₹ 3,950 million, total comprehensive income (before consolidation adjustments) of ₹ (27) million and total cash outflow of ₹ 92 million for the year then ended. These financial statements and other financial information are unaudited and have been furnished to us by the management, and our opinion on the consolidated financial statements, insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the management, these financial statements after consolidation adjustments, are not material to the Group.

Subsidiaries referred to above which are located outside India whose financial statements and other financial information have been prepared in accordance with the accounting principles applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries 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 balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

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.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, 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 Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid Consolidated financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e. on the basis of written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary companies, incorporated in India, none of the directors of the aforesaid companies, is disqualified as on March 31, 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 I'. 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:

   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.

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, in our opinion and to the best of our information and according to the explanations given to us:

   i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group in accordance with the generally accepted accounting practice – Refer Note 37 to the consolidated financial statements

   ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 40 to the financial statements;

   iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India during the year ended March 31, 2020

For B. K. Khare & Co.
Chartered Accountants
Firm's Registration Number – 105102W

Padmini Khare Kaicker
Partner
Membership No. 044784
UDIN: 20044784AAAAAW2146

Mumbai, May 19, 2020

Annexure I to the Independent Auditor's Report

Referred to in paragraph 10(f) of our report of even date on the Consolidated Financial Statements of Larsen & Toubro Infotech Limited for the year ended March 31, 2020

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Larsen & Toubro Infotech Limited as of March 31, 2020 and for the year then ended we have audited the internal financial controls over financial reporting of Larsen & Toubro Infotech Limited (hereinafter referred to as "the Holding Company") and its two subsidiary companies incorporated in India, whose financials statements are audited ("hereinafter referred as the "Group"), as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the of the Holding company and its Indian Subsidiary Companies 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 the respective 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 ("the Act").

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 (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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 Institute of Chartered Accountants of India. 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 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 Holding Company.

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 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 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 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, to the best of our information and according to the explanations given to us and based on the consideration of audited Indian subsidiaries referred to in Other Matter paragraph below, the Holding Company, 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 March 31, 2020, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to subsidiary companies incorporated India, whose financials statements/information are audited and our opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of the Group is not affected as this financial statements/information is not material to the Group.

Our opinion is not modified in respect of the above matters.

For B. K. Khare & Co.
Chartered Accountants
Firm's Registration Number – 105102W

Padmini Khare Kaicker
Partner
Membership No. 044784
UDIN: 20044784AAAAAW2146

Mumbai, May 19, 2020

Consolidated Balance Sheet

as at March 31, 2020

(₹ million)

Particulars	Note No.	As at 31-03-2020	As at 31-03-2019
Assets			
Non-current assets			
(a) Property, plant and equipment	5	4,031	3,052
(b) Right of use asset	41(I)	7,692	-
(c) Capital work-in-progress	5	382	32
(d) Goodwill	5	6,368	4,947
(e) Other intangible assets	5	1,106	1,300
(f) Intangible assets under development	5	210	83
(g) Financial assets			
(i) Investments	6	2	1
(ii) Loans	7	560	473
(iii) Other financial assets	8	118	1,606
(h) Deferred tax assets (net)	9 (I)	2,222	1,545
(i) Income tax assets (net)		817	841
(j) Other non-current assets	10	1,451	1,111
Total non-current assets		**24,959**	**14,991**
Current assets			
(a) Financial Assets			
(i) Investments	11	22,186	17,402
(ii) Trade receivable	12	23,121	18,263
(iii) Unbilled revenue	13	4,420	5,582
(iv) Cash and cash equivalents	14	4,853	3,499
(v) Other bank balances	15	399	651
(vi) Loans	16	129	71
(vii) Other financial assets	17	1,613	1,703
(b) Income tax assets (net)		7	37
(c) Other current assets	18	6,562	4,493
Total current Assets		**63,290**	**51,701**
TOTAL ASSETS		**88,249**	**66,692**
Equity and Liabilities			
Equity			
(a) Equity share capital	19	174	174
(b) Other equity			
(i) Other reserves	20	6,336	10,105
(ii) Retained earnings	20	47,530	38,659
(c) Non controlling interest	20	11	8
Total Equity		**54,051**	**48,946**
Liabilities			
Non-current liabilities			
(a) Financial liabilities	21	2,884	936
(b) Lease liabilities	41(II)	7,571	-
(c) Deferred tax liabilities (net)	9 (II)	101	56
(d) Provisions	22	330	291
Total non-current liabilities		**10,886**	**1,283**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	320	-
(ii) Trade payables			
- Due to micro and small enterprises	24	79	3
- Due to other than micro and small enterprises	24	6,871	4,666
(iii) Other financial liabilities	25	8,011	6,730
(b) Lease liabilities	41(III)	1,228	-
(c) Other current liabilities	26	4,134	2,582
(d) Provisions	27	2,588	2,108
(e) Income tax liabilities (net)		81	374
Total current liabilities		**23,312**	**16,463**
TOTAL EQUITY AND LIABILITIES		**88,249**	**66,692**
Significant accounting policies	2		
Other notes to accounts	37-49		

As per our report attached

For B. K. Khare & Co.
Chartered Accountants
Firm's Registration No.: 105102W

Padmini Khare Kaicker
Partner
Membership No: 044784

Mumbai
May 19, 2020

Sanjay Jalona
Chief Executive Officer & Managing Director
(DIN: 07256786)
New Jersey, USA

Ashok Kumar Sonthalia
Chief Financial Officer
Mumbai

Nachiket Deshpande
Chief Operating Officer & Whole-time Director
(DIN: 08385028)
Pune

Manoj Koul
Company Secretary & Compliance Officer
Pune

Consolidated Statement of Profit and Loss

for the year ended March 31, 2020

(₹ million)

Particulars	Note No.	April 19-March 20	April 18-March 19
Income from operations			
Revenue from operations	28	108,786	94,458
Other income	29	3,292	3,023
Total income		**112,078**	**97,481**
Expenses:			
Employee Benefits Expense	30	65,166	54,668
Operating expenses	31	21,506	19,573
Finance costs	32	826	106
Depreciation and Amortisation expense	33	2,730	1,472
Other expenses	34	1,821	1,384
Total Expenses		**92,049**	**77,203**
Profit before tax		**20,029**	**20,278**
Tax expense			
Current tax	35	3,913	4,875
Deferred tax	35	911	248
		4,824	**5,123**
Net Profit for the Period		**15,205**	**15,155**
Other Comprehensive Income	36		
A. Items that will not be reclassified subsequently to profit or loss, net		11	41
B. Items that will be reclassified subsequently to profit or loss, net		(4,110)	337
Total other comprehensive income		(4,099)	378
Total Comprehensive Income for the Period		**11,106**	**15,533**
Profit Attributable to :			
Owners of the Company		15,201	15,159
Non- Controlling interests		4	(4)
		15,205	**15,155**
Total Comprehensive Income Attributable to :			
Owners of the Company		11,103	15,538
Non- Controlling interests		3	(5)
		11,106	**15,533**
Basic			
Basic earning per equity share		**87.45**	**87.67**
Diluted			
Diluted earning per equity share		**86.61**	**86.43**
Significant accounting policies	2		
Other notes to accounts	37-49		

As per our report attached

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Consolidated Cash Flow Statement

for the year ended March 31, 2020

(₹ million)

	Particulars	April 19 - March 20	April 18 - March 19
A.	**Cash Flow from Operating Activities**		
	Net profit after tax	**15,205**	**15,155**
	Adjustments to reconcile net profit to net cash provided by operating activities:		
	Depreciation and amortisation	2,730	1,472
	Income tax expense	4,824	5,123
	Expense recognised in respect of equity settled stock option	319	281
	Realised income from current investment in mutual funds	(1,037)	(743)
	Unrealised income from current investment in mutual funds	(179)	(247)
	Interest received	(64)	(19)
	Interest expense	826	106
	Unrealised foreign exchange (gain)/loss, Net	(3)	368
	Provision for doubtful debts (net)	236	253
	Net loss/(gain) on sale of property, plant and equipment	9	13
	Operating profit before working capital changes	**22,866**	**21,762**
	Changes in working capital		
	(Increase)/decrease in trade receivables & unbilled revenue	(3,131)	(1,442)
	(Increase)/decrease in other receivables	(2,786)	(3,985)
	Increase/(decrease) in trade & other payables	3,604	2,366
	(Increase)/decrease in working capital	**(2,313)**	**(3,061)**
	Cash generated from operations	**20,553**	**18,702**

(₹ million)

	Particulars	April 19 - March 20	April 18 - March 19
C.	**Cash Flow from Financing Activities**		
	Proceeds from issue of share capital	-	3
	Proceeds from/(repayment) of borrowings	320	-
	Deposit under credit support agreement received/(paid)	(2,104)	(589)
	Payment towards lease liabilities	(1,397)	-
	Interest paid	(40)	(16)
	Dividend paid	(4,864)	(4,499)
	Tax on dividend paid	(815)	(842)
	Net cash (used in)/generated from financing activities	**(8,900)**	**(5,943)**
	Net increase/(decrease) in cash and cash equivalents	**1,015**	**570**
	Cash and cash equivalents at beginning of the period	**4,150**	**3,633**
	Effect of exchange differences on translation of foreign currency cash and cash equivalents	87	(53)
	Cash and cash equivalents at end of the period	**5,252**	**4,150**

As per our report attached

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Consolidated Statement of Changes in Equity

for the year ended March 31, 2020

(₹ million)

Particulars	Share Capital	General Reserve	Share Premium	Retained Earnings	Employee Stock option outstanding	Deferred employee compensation expense	Capital reserve	Other Components of Equity			Equity attributable to equity holders of the company	Non-controlling interest	Total Equity
								Hedging Reserve	FCTR	Other Comprehensive Income			
Balance as on April 1, 2019	174	4,503	2,198	38,659	1,332	(659)	-	2,243	407	81	48,938	8	48,946
Transition impact of Ind AS 116	-	-	-	(640)	-	-	-	-	-	-	(640)	-	(640)
	174	**4,503**	**2,198**	**38,019**	**1,332**	**(659)**	**-**	**2,243**	**407**	**81**	**48,298**	**8**	**48,306**
Employee stock compensation expense	-	3	-	-	98	(98)	-	-	-	-	3	-	3
Net profit for the year	-	-	-	15,201	-	-	-	-	-	-	15,201	4	15,205
Other comprehensive income	-	-	-	-	-	-	-	(4,392)	283	11	(4,098)	(1)	(4,099)
Dividends (Including DDT)	-	-	-	(5,690)	-	-	-	-	-	-	(5,690)	-	(5,690)
Other changes	0	-	316	-	(368)	378	0	-	-	-	326	-	326
Balance as on March 31, 2020	**174**	**4,506**	**2,514**	**47,530**	**1,062**	**(379)**	**0**	**(2,149)**	**690**	**92**	**54,040**	**11**	**54,051**

for the Year Ended March 31, 2019

(₹ million)

Particulars	Share Capital	General Reserve	Share Premium	Retained Earnings	Employee Stock option outstanding	Deferred employee compensation expense	Capital reserve	Other Components of Equity			Equity attributable to equity holders of the company	Non-controlling interest	Total Equity
								Hedging Reserve	FCTR	Other Comprehensive Income			
Balance as on April 1, 2018	172	4,503	1,819	28,865	1,216	(466)	-	2,025	424	40	38,597	13	38,611
Employee stock compensation expense	-	0	-	-	593	(593)	-	-	-	-	0	-	0
Net profit for the year	-		-	15,159	-	-	-	-	-	-	15,159	(4)	15,155
Other comprehensive income	-	-	-	-	-	-	-	218	(17)	41	242	(1)	241
Dividends (including DDT)	-	-	-	(5,365)	-	-	-	-	-	-	(5,365)	-	(5,365)
Other changes	2	-	379	-	(477)	400	-	-	-	-	304	-	304
Balance as on March 31, 2019	**174**	**4,503**	**2,198**	**38,659**	**1,332**	**(659)**	**-**	**2,243**	**407**	**81**	**48,938**	**8**	**48,946**

As per our report attached

For B. K. Khare & Co.
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Firm's Registration No.: 105102W

Padmini Khare Kaicker
Partner
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May 19, 2020

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Notes Forming Part of Consolidated Accounts

Generally, it is presumed that, a majority of voting rights results in control. To support this presumption and when the company has less than a majority of the voting or similar rights of an investee, the company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

i) Contractual arrangement with the other vote holders of the investee,

ii) Rights arising from other contractual arrangements,

iii) The company's voting rights and potential voting rights

e. Business Combination

The Group accounts for its business combinations under the acquisition method of accounting using fair valuation of the net asset taken over as per Ind AS 103, Business Combination. Intangible assets acquired in a business combination are recognized and reported separately from goodwill.

Goodwill represents the cost of the acquired businesses in excess of the fair value of identifiable tangible and intangible net assets purchased.

f. Revenue from Contract with Customer

Revenue is recognised upon transfer of control of promised products or services to customers. Revenue is measured based on the consideration specified in a contract with a customer, and is reduced for volume discounts, rebates and other similar allowances. Revenue from contracts priced on time and material basis is recognised when services are rendered, and the related costs are incurred.

Revenue related to fixed price maintenance and support services contracts where the Group is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.

Revenue from services performed on fixed-price basis is recognized using the input method as defined in Ind AS-115. The Group uses efforts or cost expended to measure progress towards completion as there is a direct relationship between input and productivity. If the Group does not have a sufficient basis to measure the progress of completion or to estimate total contract revenues and costs, revenue is recognised only to the extent of contract cost incurred for which recoverability is probable.

When total cost estimates exceed revenue in arrangement, the estimated losses are recognised in the statement of profit and loss in the period in which such losses become probable based on the current contract estimates.

Revenue from sale of licenses / hardware, where the customer obtains a "right to use" the licenses / hardware is recognized at the point in time when the related license / hardware is made available to the customer. Revenue from licenses / hardware where the customer obtains a "right to access" is recognized over the access period. For allocating the transaction price to sale of licenses / hardware and related implementation and maintenance services, the Group measures the revenue in respect of each performance obligation of a contract as its relative standalone selling price. In case, where the licenses are required to be substantially customized as part of implementation service, the entire arrangement fees is considered as single performance obligation and revenue is recognized as per input method.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. Contract modifications involving services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively as a separate contract.

'Unbilled revenues' (contract asset) represent revenue earned in excess of billings as at the end of the reporting period. Where right to consideration is unconditional upon passage of time is classified as a financial asset however, for fixed price development contracts, where milestone is not due as per contract terms as on date of reporting, the same is classified as non-financial asset.

'Unearned & deferred revenue' (contract liabilities) represent billing in excess of revenue recognized.

Deferred contract costs are costs to fulfil a contract which are recognised as assets and amortized over the term of the contract.

Use of Significant Judgements in Revenue Recognition:

The Group uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Group to estimate efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

Further, the Group uses significant judgements while determining the transaction price to be allocated to performance obligations.

Provision for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

Notes Forming Part of Consolidated Accounts

g. Other Income

Other Income is comprised primarily of interest income, dividend income, gain/loss on investment and foreign exchange gain/loss.

i) Interest income is recognised using effective interest method.

ii) Dividend income is accounted in the period in which the right to receive the same is established.

h. 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

i) 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 recognized during the period in which the employee renders the related service.

ii) Defined Benefit Plans:

The provident fund scheme managed by trust, employee's gratuity fund scheme managed by Life Insurance Corporation of India (except for Powerupcloud Technologies Private Limited which has unfunded gratuity plan) and post-retirement medical benefit scheme are the Group's defined benefit plans. Wherever applicable, 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.

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 as at the balance sheet date, having maturity periods approximating to the terms of related obligations. Actuarial gains and losses through re-measurement of the defined benefit liability/ (asset) are recognized in other comprehensive income. The actual return of portfolio of plan assets, in excess of yields computed by applying the discount rate used to measure the defined benefit obligation are recognized in other comprehensive income. The effect of any plan amendments are recognized in statement of profit and loss.

Gains or losses on the curtailment or settlement of any defined benefit plan are recognized when the curtailment or settlement occurs. Past service cost resulting from a plan amendment or curtailment are derecognized immediately 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 as determined by actuarial valuation performed by independent actuary at each balance sheet date using Projected Unit Credit Method on the additional amount expected to be paid/availed as a result of unused entitlement that has accumulated at balance sheet date. Actuarial gains and losses are recognised immediately in statement of profit and loss.

iv) Social Security Plans

Employer's contribution payable with respect to the 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.

i. Property, Plant and Equipment

Property plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditure directly attributable to the acquisition of the asset and cost incurred for bringing the asset to its present location and condition.

j. Intangible assets

Assets like customer relationship, computer software, and internally developed software are stated at cost, less accumulated depreciation, amortisation and impairment. Goodwill represents the cost of acquired businesses in excess of the fair value of net identifiable assets acquired.

Notes Forming Part of Consolidated Accounts

k. Impairment

I) Impairment of Trade Receivables and Unbilled Receivables:

The Group assesses at each date of statement of financial position whether a financial asset in form of trade receivables and unbilled receivables is impaired. In accordance with Ind AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss. As a practical expedient, the Group uses a provision matrix to determine impairment loss on portfolio of its trade receivable and unbilled receivables. The provision matrix is based on available external and internal credit risk factors such as credit default, credit rating from credit rating agencies and Group's historically observed default rates over the expected life of trade receivable and unbilled receivables. ECL impairment loss allowance (or reversal) recognised during the period as expense/(income) respectively in the statement of profit and loss.

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. In calculating expected credit loss, the Group has considered the probability of delay and has taken into account estimates of possible effect from the pandemic relating to COVID -19.

II) Impairment of Intangible Assets:

i) Goodwill

Goodwill represents the cost of acquired businesses in excess of the fair value of net identifiable assets acquired. Goodwill is not amortized but is tested for impairment annually or immediately when events or changes in circumstances indicate that an impairment loss would have occurred. For the purposes of impairment testing, the carrying amount of the reporting 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 recognized, up to a maximum amount of the recorded goodwill related to the reporting unit. Goodwill impairment losses are not reversed. The growth rate and discount rates as applicable are used for impairment testing.

ii) Other Intangible Assets

At the end of each reporting period, the Group reviews the carrying amounts of intangible assets to determine if there is any indication of loss suffered. If such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss.

l. Leases

The Group as A Lessee

The Group's lease asset classes primarily consist of leases for buildings and furniture & fixtures. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (1) the contract involves the use of an identified asset (2) the Group has substantially of the economic benefits from use of the asset throughout the period of the lease and (3) the Group has the right to direct the use of the asset throughout the period of use.

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 include these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the 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.

Notes Forming Part of Consolidated Accounts

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Group as A Lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. The sublease is classified as a finance or operating lease by reference to the ROU asset arising from the head lease.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

Transition

Effective April 1, 2019, the Group has 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 Group has 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 and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

On transition, the adoption of Ind AS 116 resulted in recognition of ROU asset of ₹ 4,873 Mn, 'Net investment in sub-lease' of ROU asset of ₹ 32 Mn and a lease liability of ₹ 5,777 Mn. The cumulative effect of applying the standard, amounting to ₹ 640 Mn has been recorded in retained earnings, net of taxes. The effect of this adoption on the profit before tax, profit for the period and earnings per share is not material. This adoption results in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application:

1. Application of a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date;
2. Exemption of not to recognize ROU assets and liabilities for leases with less than 12 months of lease term on the date of initial application;
3. Exclusion of the initial direct costs from the measurement of the ROU asset at the date of initial application;
4. Grandfathering the assessment of transactions which are leases. Accordingly, Ind AS 116 has been applied only to contracts that were previously identified as leases under Ind AS 17.

The difference between the lease obligation recorded as of March 31, 2019 under Ind AS 17 disclosed under Note No. 37 of the Consolidated annual financial statements forming part of our Annual Report for the year ended March 31, 2019 and the value of the lease liability as of April 1, 2019 is primarily on account of inclusion of extension and termination options reasonably certain to be exercised, in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 8.59%.

m. Depreciation

i) Tangible Assets

Depreciation on assets have been provided on straight line basis as mentioned in below table except for the leasehold improvements which is depreciated over the lease period. Depreciation or amortization on additions and disposals are calculated on pro-rata basis from and to the month of additions and disposals.

Particulars	Useful life
Buildings	Upto 60 years
Computers and IT peripherals	Upto 6 years
Plant and machinery	Upto 15 years
Office equipment	Upto 5 years
Vehicles	Upto 8 years
Furniture and fixtures	Upto 10 years

Notes Forming Part of Consolidated Accounts

ii) Intangible Assets and Amortization

The estimated useful life of an intangible asset is based on number of factors including the effects of obsolescence, demand, competition and other economic factors and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. The basis of amortization of intangible assets on straight line basis is as follows:

Particulars	Useful life
Computer software	Upto 5 years
Customer contracts	Upto 10 years

n. Employee Stock Ownership Schemes

In respect of stock options granted pursuant to the Company's stock options scheme, the excess of fair value of the share over the exercise price of the option is treated as discount and accounted as employee compensation cost over the vesting period. The amount recognized as expense each year is arrived at based on the number of grants expected to vest. If options granted lapse after the vesting period, the cumulative discount recognized as expense in respect of such options is transferred to the general reserve. If options granted lapse before the vesting period, the cumulative discount recognized as expense in respect of such options is transferred to the profit and loss.

o. Functional and Presentation Currency

The functional currency of the Company is Indian Rupee. The functional currency of Indian subsidiaries is Indian Rupee and the functional currency of foreign subsidiaries is the currency of the primary economic environment in which these subsidiaries operate. The consolidated financial statements of the Group are prepared in Indian Rupee.

p. Foreign Currency Transactions & Balances

Foreign currency transactions are initially recorded at the rates prevailing on the date of the transaction. At the balance sheet date, foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried at historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction.

Translation of foreign currency transaction of foreign subsidiaries into functional currency is treated as under:

- Revenue items at the average rate for the period;
- All assets and liabilities at year end rates

Exchange difference on settlement / year end conversion is recognized in foreign currency translation reserve.

q. Financial Instruments

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

I) Initial Measurement

Financial assets and liabilities are initially measured at fair value except for trade receivables, which are measured at transaction price. 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.

II) Subsequent measurement

i) Non-Derivative Financial Assets

A) Financial Assets at Amortised Cost

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. Financial assets are subsequently measured at amortised cost if:

a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

b) the contractual terms of financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

B) Financial Assets at Fair Value Through Other Comprehensive Income (FVTOCI)

Financial assets are subsequently measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both:

a) Collecting contractual cash flows and selling financial assets and

b) 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.

C) Financial Assets at Fair Value Through Profit and Loss (FVTPL)

Fair value through profit and loss is a residual category for financial assets. A financial asset which is not

Notes Forming Part of Consolidated Accounts

classified in any of the above categories is subsequently measured at fair value through profit & loss.

ii) Non-Derivative Financial Liability

Financial liabilities at amortised cost represented by trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method except for contingent consideration and financial liability recognized in a business combination which is subsequently measured at fair value through profit and loss.

iii) Derivative Financial Instrument

The Group holds derivative financial instrument such as foreign exchange forward contracts and options contracts including a combination of purchased and written options to mitigate the risk of changes in exchange rates on foreign currency exposures and forecast transactions.

The Group uses hedging instruments that are governed by the risk management policy which is approved by the board of directors. The policy provides written principles on the use of such derivative financial instruments. The Group designates such instruments as hedges and performs assessment of hedge effectiveness based on consideration of terms of the hedging instrument, the economic relationship between the hedging instrument and hedged item and the objective of the hedging.

The Group has evaluated the impact of the COVID-19 event on its highly probable transactions and concluded that there was no impact on the probability of occurrence of the hedged transaction.

A) Cash Flow Hedges

The Group designates certain foreign exchange forward and option contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast transactions.

Changes in the fair value of the derivative hedging instruments designated as cash flow hedges on net basis are recognized in other comprehensive income and presented within equity as hedging reserve. The cumulative gain or loss previously recognized in the cash flow hedging reserve in respect of hedges on net basis is transferred to the statement of profit or loss upon the occurrence of the related forecasted transaction and reported as part of foreign exchange gains or losses. Changes in fair value of foreign currency derivative instruments not designated as cash flow hedges and ineffective portion of cash flow hedges are recognized in statement of profit and loss and reported as part of foreign exchange gains or losses.

B) Fair Value Hedges

Changes in the fair value of the derivative instruments designated as fair value hedges are recognised in statement of profit and loss.

III) Derecognition

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial assets expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability is derecognised from the Group's balance sheet where the obligation specified in the contract is discharged or cancelled or expired.

r. Taxes on Income

Income tax expense comprises current and deferred income tax. Tax on income for Indian companies for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Indian Income tax Act, 1961. Foreign subsidiaries recognize current tax/ deferred tax liabilities and assets in accordance with the applicable local laws.

Income tax and deferred tax expense is recognized in the statement of profit and loss except to the extent that it relates to items recognized directly in other comprehensive income, in which case income tax expense is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities.

The Group offsets current tax assets and current tax liabilities, where it 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 income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or 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. Other deferred tax assets are recognized and carried forward to the extent that

Notes Forming Part of Consolidated Accounts

there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted as on the statement of position and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future. Deferred Income taxes are not provided on dividend receivable from subsidiaries as the Company is able to control the timing of reversal of such temporary difference. Deferred tax is provided on unrealized intra Group profit at the rate of tax applicable to the purchasing entity.

s. Borrowing Costs

Borrowing costs include finance costs, commitment charges, interest expense on lease liabilities and exchange differences arising from foreign currency borrowing, to the extent they are regarded as an adjustment to finance costs.

t. 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.

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows. Reimbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received. Reimbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in 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.

u. Earnings Per Share

The basic earnings per share (EPS) is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential 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.

v. Segment Accounting

Operating segments are defined as components of an enterprise for which discrete financial information is used regularly by the Group's Chief Operating Decision Maker in deciding how to allocate resources and assessing performance.

i) Segment revenue is the revenue directly identifiable with the segment.

ii) Expenses that are directly identifiable with or allocable to segments are considered for determining the segment result. Expenses which relate to the Group as a whole and not identifiable with / allocable to segments are included under "Unallocable expenses".

iii) Other income relates to the Group as a whole and is not identifiable with / allocable to segments.

iv) Assets and liabilities used in the Group's business are not identified to any of the reportable segments as these are used interchangeably.

w. Cash Flow Statement

Cash flow statement is prepared segregating the cash flows from operating, investing and financing activities. Cash flow is reported using indirect method as per the requirements of Ind AS 7 ("cash flow statements"), whereby profit for the year is adjusted for the effects of transactions of a 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.

Notes Forming Part of Consolidated Accounts

3. The List of Subsidiaries Included in the Consolidated Financial Statements are as Under

	Name of the subsidiary Company	Country of incorporation	Proportion of ownership as at March 31, 2020 (%)	Proportion of ownership as at March 31, 2019 (%)
1	Larsen & Toubro Infotech Canada Limited	Canada	100	100
2	Larsen & Toubro Infotech GmbH	Germany	100	100
3	Larsen & Toubro Infotech LLC	USA	100	100
4	L&T Infotech Financial Services Technologies Inc.	Canada	100	100
5	Larsen And Toubro Infotech South Africa (Proprietary) Limited	South Africa	74.9	74.9
6	L&T Information Technology Services (Shanghai) Co. Ltd.	China	100	100
7	Larsen & Toubro Infotech Austria GmbH*	Austria	-	100
8	L&T Information Technology Spain, Sociedad Limitada	Spain	100	100
9	L&T Infotech S. DE. R.L. DE. C.V.	Mexico	100	100
10	Larsen & Toubro Infotech Norge AS	Norway	100	100
11	Syncordis S.A.	Luxembourg	100	100
12	Syncordis Software Services India Private Limited	India	100	100
13	Syncordis France SARL	France	100	100
14	Syncordis Limited	UK	100	100
15	Syncordis PSF S.A.	Luxembourg	100	100
16	Ruletronics Systems Inc.	USA	100	100
17	Ruletronics Limited	UK	100	100
18	Ruletronics Systems Private Limited	India	100	100
19	Nielsen + Partner Unternehmensberator GmbH	Germany	100	100
20	Nielsen + Partner SA	Luxembourg	100	100
21	Nielsen + Partner Unternehmensberator AG	Switzerland	100	100
22	Nielsen + Partner Pte Ltd	Singapore	100	100
23	Nielsen & Partner Pty Ltd	Australia	100	100
24	Nielsen + Partner Co Ltd	Thailand	100	100
25	Lymbyc Solutions Private Limited**	India	100	-
26	Lymbyc Solutions Inc.**	USA	100	-
27	Powerupcloud Technologies Private Limited#	India	100	-

*Dissolved effective August 20, 2019

**The Company acquired control of Lymbyc Solutions Private Limited and its subsidiary Lymbyc Solutions Inc. on August 1, 2019

#The Company acquired control of Powerupcloud Technologies Private Limited on October 1, 2019

4. Additional Disclosure as per Schedule III of Companies Act 2013:

(₹ in Mn)

Name of entity	Net assets, i.e. total assets minus total liabilities		Share in profit		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
A- Parent								
- Larsen & Toubro Infotech Limited	96.74%	52,288	102.10%	15,524	106.88%	(4,381)	100.33%	11,143
Subsidiaries								
B - Indian								
1. Syncordis Software Services India Private Limited	0.05%	27	0.06%	9	0.00%	-	0.08%	9
2. Ruletronics Systems Private Limited	0.07%	39	0.01%	1	0.00%	-	0.01%	1
3. Lymbyc Solutions Private Limited	0.07%	38	0.07%	11	0.00%	-	0.10%	11
4. Powerupcloud Technologies Private Limited	0.14%	77	-0.11%	(16)	0.00%	-	-0.14%	(16)
Sub Total	**0.33%**	**181**	**0.03%**	**4**	**0.00%**	**-**	**0.04%**	**4**
C-Foreign								
1. Larsen & Toubro Infotech Canada Limited	0.45%	243	0.75%	114	-0.12%	5	1.07%	119
2. Larsen & Toubro Infotech GmbH	6.16%	3,329	-0.33%	(50)	2.00%	(82)	-1.19%	(132)
3. Larsen & Toubro Infotech LLC	0.07%	40	0.02%	3	-0.08%	3	0.06%	6
4. L&T Infotech Financial Services Technologies Inc.	4.60%	2,488	4.60%	700	-1.79%	73	6.96%	773
5. Larsen And Toubro South Africa (Proprietary) Limited	0.08%	41	0.10%	15	0.12%	(5)	0.09%	10
6. L&T Information Technology Services (Shanghai) Co. Ltd.	-0.03%	(14)	-0.06%	(10)	0.01%	(1)	-0.09%	(10)
7. Larsen & Toubro Infotech Austria GmbH	0.00%		0.00%		0.00%		0.00%	-
7. L&T Information Technology Spain, Sociedad Limitada	0.03%	17	-0.06%	(9)	-0.03%	1	-0.07%	(8)
8. L&T Infotech S. DE. R.L. DE C.V.	0.01%	3	0.07%	10	0.02%	(1)	0.08%	9
9. Larsen & Toubro Infotech Norge AS	0.01%	3	0.02%	3	0.01%	(0)	0.02%	3
10. Syncordis S.A., Luxembourg	0.34%	183	-0.27%	(40)	-0.25%	10	-0.27%	(30)
11. Syncordis France SARL	-0.09%	(48)	-0.35%	(53)	0.01%	(0)	-0.48%	(53)
12. Syncordis Limited, UK	-0.30%	(164)	-0.74%	(113)	0.14%	(6)	-1.07%	(118)
13. Syncordis PSF S.A., Luxembourg	0.06%	34	-0.06%	(9)	-0.03%	1	-0.07%	(8)
14. Ruletronics Systems Inc., USA	0.04%	20	-0.10%	(16)	-0.05%	2	-0.12%	(13)
15. Ruletronics Limited, UK	0.13%	72	0.02%	3	-0.06%	3	0.05%	6
16. Nielsen+Partner Unternehmensberator GmbH, Germany	0.21%	115	-0.18%	(28)	-0.14%	6	-0.20%	(22)
17. Nielsen + Partner SA, Luxembourg	0.23%	125	0.46%	70	-0.17%	7	0.70%	77
18. Nielsen + Partner Unternehmensberator AG, Switzerland	0.06%	32	0.05%	8	-0.06%	3	0.09%	10
19. Nielsen + Partner Pte Ltd, Singapore	0.41%	221	0.80%	122	-0.20%	8	1.17%	130
20. Nielsen & Partner Pty Ltd, Australia	0.00%	0	-0.03%	(5)	0.00%	0	-0.04%	(5)
21. Nielsen + Partner Co Ltd, Thailand	0.00%	(2)	-0.01%	(1)	-0.01%	1	0.00%	(0)
22. Lymbyc Solutions Inc. , USA	-0.01%	(4)	0.00%	(0)	0.00%	0	0.00%	(0)
Sub Total	**12.46%**	**6,733**	**4.70%**	**715**	**-0.71%**	**29**	**6.70%**	**744**
Total A+B+C	**109.53%**	**59,201**	**106.83%**	**16,243**	**106.17%**	**(4,352)**	**107.07%**	**11,891**
Less : CFS adjustments and eliminations	9.53%	5,150	6.83%	1,038	6.17%	(253)	7.07%	785
Total share	**100.00%**	**54,051**	**100.00%**	**15,205**	**100.00%**	**(4,099)**	**100.00%**	**11,106**
Minority Interest		**11**		**4**		**(1)**		**3**
Total		**54,040**		**15,201**		**(4,098)**		**11,103**

5. Consolidated Fixed Assets - as of March 31, 2020

(₹ in Mn)

Fixed and intangible assets	Gross Block						Depreciation/Amortization						Net Block	Net Block
	As at 1-Apr-2019	Pursuant to acquisition of business Refer Note 39	Additions	Deductions	Foreign currency translation reserve	As at 31-Mar-2020	As at 1-Apr-2019	For the year	On deductions	Foreign currency translation reserve	As at 31-Mar-2020	As at 31-Mar-2020	As at 31-Mar-2019
Tangible assets													
Leasehold land	10	-	-	-	-	10	-	-	-	-	-	10	10
Buildings	126	-	-	-	-	126	32	8	-	-	40	86	94
Leasehold improvements	536	-	344	3	-	877	167	88	3	-	252	625	369
Plant and machinery	857	-	301	12	-	1,146	308	101	8	-	401	745	549
Computers	2,180	2	723	11	16	2,910	1,187	414	4	16	1,613	1,297	993
Office equipments	751	1	205	8	9	958	437	121	8	6	556	402	314
Furniture and fixtures	915	1	293	51	3	1,161	378	116	36	1	459	702	537
Vehicles	317	-	33	43	-	307	131	40	28	-	143	164	186
Capital work in progress	-	-	-	-	-	-	-	-	-	-	-	382	32
Total tangible assets	**5,692**	**4**	**1,899**	**128**	**28**	**7,495**	**2,640**	**888**	**87**	**23**	**3,464**	**4,413**	**3,084**
Intangible Assets													
Goodwill on acquisition	353	-	-	-	11	364	-	-	-	-	-	364	353
Goodwill on consolidation	4,594	-	1,142	-	268	6,004	-	-	-	-	-	6,004	4,594
Software	6,246	142	371	32	117	6,844	5,389	510	28	99	5,970	874	857
Customer contracts	1,428	-	-	-	55	1,483	985	240	-	26	1,251	232	443
Intangible assets under development	-	-	-	-	-	-	-	-	-	-	-	210	83
Total intangible assets	**12,621**	**142**	**1,513**	**32**	**451**	**14,695**	**6,374**	**750**	**28**	**125**	**7,221**	**7,684**	**6,330**

1. Impairment upto 31-03-2020 - NIL

2. The Group has performed sensitivity analysis for all key assumptions, including the cash flow projections, consequent to the change in estimated future economic conditions arising from the possible effects due to COVID-19. The Group concluded that this is unlikely to cause the carrying amounts of the Cash Generating Units to exceed estimated recoverable amounts.

5. Consolidated Fixed Assets - as of March 31, 2019

(₹ in Mn)

Fixed and intangible assets	Gross Block						Depreciation/Amortization						Net Block	Net Block
	As at 1-Apr-2018	Pursuant to acquisition of business Refer Note 39	Additions	Deductions	Foreign currency translation reserve	As at 31-Mar-2019	As at 1-Apr-2018	For the year	On deductions	Foreign currency translation reserve	As at 31-Mar-2019	As at 31-Mar-2019	As at 31-Mar-2018
Tangible assets													
Leasehold land	10	-	-	-	-	10	0	0	-	-	0	10	10
Buildings	126	-	0	-	-	126	24	8	-	-	32	94	102
Leasehold improvements	413	-	126	3	(0)	536	109	59	1	(0)	167	369	304
Plant and machinery	726	-	149	18	(0)	857	231	87	10	0	308	549	495
Computers	1,445	8	736	6	(3)	2,180	885	305	4	1	1,187	993	560
Office equipments	632	4	121	5	(1)	751	327	113	3	(0)	437	314	305
Furniture and fixtures	798	0	132	15	0	915	282	105	9	0	378	537	516
Vehicles	333	-	40	56	-	317	117	45	31	(0)	131	186	216
Capital work in progress	-	-	-	-	-	-	-	-	-	-	-	32	10
Total tangible assets	**4,483**	**12**	**1,304**	**102**	**(4)**	**5,693**	**1,975**	**722**	**58**	**1**	**2,640**	**3,084**	**2,518**
Intangible assets													
Goodwill on acquisition	347	-	-	-	6	353	-	-	-	-	-	353	347
Goodwill on consolidation	2,416	2,208	-	-	(30)	4,594	-	-	-	-	-	4,594	2,416
Software	5,883	1	301	-	61	6,246	4,796	554	-	38	5,389	857	1,087
Customer contracts	1,233	183	-	-	13	1,428	784	196	-	4	985	443	449
Intangible assets under development	-	-	-	-	-	-	-	-		-	-	83	58
Total intangible assets	**9,879**	**2,392**	**301**	**-**	**49**	**12,622**	**5,580**	**750**	**-**	**42**	**6,374**	**6,330**	**4,357**

1. Impairment upto 31-03-2019 - NIL

Notes Forming Part of Consolidated Accounts

6. Non-Current Investments

(₹ in Mn)

	As at 31-03-2020	As at 31-03-2019
Other equity investments (Unquoted) :		
2500 equity shares of USD 1 each in Larsen and Toubro LLC	1	1
Non trade investments (Unquoted) :		
Treasury Notes Philippines Govt. January 26, 2022[1]	1	-
	2	**1**

1. The Company has invested in Philippines Govt. Treasury notes and have deposited same with local Securities and Exchange Commission, as per Corporation Code of Philippines-126

7. Non Current Loans

(₹ in Mn)

	As at 31-03-2020	As at 31-03-2019
Unsecured, considered good		
- Considered good - Unsecured	560	473
	560	**473**

8. Other Non Current Financial Assets

(₹ in Mn)

	As at 31-03-2020	As at 31-03-2019
Derivative contracts receivables	100	1,606
Lease receivable	18	-
	118	**1,606**

9. Deferred Tax Liabilities or Assets for the Year Ended March 31, 2020

9 (I) Deferred Tax Assets

(₹ in Mn)

Particulars	Deferred tax asset/ (liability) as at 31-03-2019	Impact on Account of Ind AS 116	Current year (charge)/ credit to profit & loss A/c	(Charge) / credit to other comprehensive income	Foreign currency translation reserve	Pursuant to acquisition of subsidiary	Deferred Tax asset/(liability) as at 31-03-2020
Deferred tax assets/(liabilities)							
Deferred taxes on derivative instruments	(648)	-	98	1,399	-	-	849
Branch profit tax	(683)	-	-	-	-	-	(683)
Unrealised (gains) / losses on investments	(121)	-	(21)	-	-	-	(142)
Provision for doubtful debts and advances	122	-	35	-	(0)	-	157
Provision for employee benefits	249	-	176	-	-	-	425
Depreciation / amortization	330	-	89	-	(1)	-	418
Capital loss on buyback of shares by L&T Infotech Financial Services Technologies Inc.	42	-	(28)	-	-	-	14
Lease assets net of lease liabilities	-	194	92	-	-	-	286
Others	125	-	277	-	(18)	21	405
MAT credit	2,129	-	(1,636)	-	-	-	493
Net deferred tax assets/(liabilities)(A)	**1,545**	**194**	**(918)**	**1,399**	**(19)**	**21**	**2,222**

Notes Forming Part of Consolidated Accounts

9 (II) Deferred Tax Liabilities

(₹ in Mn)

Particulars	Deferred tax asset/ (liability) as at 31-03-2019	Impact on Account of Ind AS 116	Current year (charge)/ credit to profit & loss A/c	(Charge) / credit to other comprehensive income	Foreign currency translation reserve	Pursuant to acquisition of subsidiary	Deferred Tax asset/(liability) as at 31-03-2020
Deferred tax assets/(liabilities)							
Depreciation / amortization	(66)	-	17	-	(17)	(35)	(101)
Non capital losses and deferred expenses	10	-	(10)	-	-		-
Others	0	-	(0)	-	(1)	1	-
Net deferred tax assets/(liabilities)(B)	(56)	-	7	-	(18)	(34)	(101)
Net deferred tax assets/(liabilities) (A+B)	**1,489**	**194**	**(911)**	**1,399**	**(37)**	**(13)**	**2,121**

Deferred Tax Liabilities or Assets for the Year Ended March 31, 2019

9 (III) Deferred Tax Assets

(₹ in Mn)

Particulars	Deferred tax asset/ (liability) as at 31-03-2018	Current year (charge) / credit to profit & loss A/c	(Charge) / credit to other comprehensive income	Foreign currency translation reserve	Pursuant to acquisition of subsidiary	Deferred tax asset/ (liability) as at 31-03-2019
Deferred Tax Assets/(Liabilities)						

Notes Forming Part of Consolidated Accounts

10. Other Non Current Assets

(₹ in Mn)

	As at 31-03-2020	As at 31-03-2019
Deferred contract costs	780	315
Advances recoverable other than in cash	351	549
Prepaid expenses	320	240
Capital advances	-	7
	1,451	**1,111**

11. Current Investments

(₹ in Mn)

	As at 31-03-2020	As at 31-03-2019
Mutual funds - Quoted	21,164	17,402
Corporate deposits - Unquoted	1,022	-
	22,186	**17,402**

12. Trade Receivables

(₹ in Mn)

	As at 31-03-2020	As at 31-03-2019
Unsecured, considered good		
Due from related parties (refer note 44)	1,056	376
Due from others	22,223	18,007
Less : Allowance for doubtful trade receivables	(158)	(120)
Unsecured, credit impaired	472	401
Less : Allowance for doubtful trade receivables	(472)	(401)
	23,121	**18,263**

Allowance for Doubtful Trade Receivables Movement

(₹ in Mn)

	As at 31-03-2020	As at 31-03-2019
Balance at the beginning of the year	521	345
Additions during the year, net	146	230
Uncollectable receivables charged against allowances	(89)	(23)
Exchange gain/(loss)	52	(31)
Balance at the end of year	**630**	**521**

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company has considered current and anticipated economic conditions including arising from Covid-19, relating to industries the Company deals with and the countries it operates.

13. Unbilled Revenue

(₹ in Mn)

	As at 31-03-2020	As at 31-03-2019
Unbilled revenue*	4,420	5,582
	4,420	**5,582**

*Unbilled revenue has been classified as financial asset where the contractual right to consideration is unconditional upon passage of time.

Notes Forming Part of Consolidated Accounts

14. Cash and Cash Equivalent

(₹ in Mn)

	As at 31-03-2020	As at 31-03-2019
Cash on hand	0	1
Balances with bank		
- in current accounts		
Overseas	2,891	2,428
Domestic	419	190
- in deposit accounts	570	341
Remittance in transit	973	539
	4,853	**3,499**

15. Other Bank Balances

(₹ in Mn)

	As at 31-03-2020	As at 31-03-2019
Fixed deposit with bank with more than 3 months	187	518
Cash and bank balance not available for immediate use	205	125
Earmarked balances with banks (Unclaimed dividend)	7	8
	399	**651**

16. Current Loans

(₹ in Mn)

	As at 31-03-2020	As at 31-03-2019
Security deposits		
-Considered good - Unsecured	129	71
	129	**71**

17. Other Current Financial Assets

(₹ in Mn)

	As at 31-03-2020	As at 31-03-2019
Advances to employees	277	312
Derivative contracts receivables	236	1,378
Receivables against credit support agreements	1,076	-
Lease receivable	7	-
Others	17	13
	1,613	**1,703**

18. Other Current Assets

(₹ in Mn)

	As at 31-03-2020	As at 31-03-2019
Unbilled revenue*	4,342	3,096
Prepaid expenses	959	906
Advances recoverable other than in cash	852	308
Deferred contract costs	409	183
	6,562	**4,493**

*Classified as non financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

Notes Forming Part of Consolidated Accounts

19. Share Capital

I) Share Capital Authorized, Issued, Subscribed and Paid Up:

(₹ in Mn)

	As at 31-03-2020	As at 31-03-2019
Authorised :		
260,000,000 equity shares of ₹ 1 each	260	260
(Previous year 260,000,000 of ₹ 1 each)		
	260	**260**
Issued, paid up and subscribed		
174,126,769 equity shares for ₹ 1 each	174	174
(Previous year 173,510,084 of ₹ 1 each)		
	174	**174**

II) Terms/Rights Attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.

III) Shareholders Holding More Than 5% of Equity Shares as at the End of the Year:

Name of Shareholder	Number of Shares	Shareholding %
	As at 31-03-2020	
Larsen & Toubro Limited	129,784,034	74.53%
	As at 31-03-2019	
Larsen & Toubro Limited	129,784,034	74.80%

IV) Reconciliation of the Number of Equity Shares and Share Capital

Due to allotment of shares on exercise of stock options by employees, there was a movement in share capital for the year ended March 31, 2020 and March 31, 2019 as given below:

(₹ in Mn)

	As at 31-03-2020	As at 31-03-2019
Issued, subscribed and fully paid up equity shares outstanding at the beginning	173,510,084	171,999,263
Add: Shares issued on exercise of employee stock options	616,685	1,510,821
Issued, subscribed and fully paid up equity shares outstanding at the end	**174,126,769**	**173,510,084**

V) Stock Option Plans:

Employee Stock Ownership Scheme ('ESOS Plan')

The grant of options to the employees under ESOS Plan is on the basis of their performance and other eligibility criteria.

Sr. No.	Particulars	ESOP scheme 2000 I, II & III		ESOP scheme 2000 IV - XXI		U.S. Stock Option Sub-plan 2006		ESOP scheme 2015	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
i	Grant Price	₹ 5	₹ 5	₹ 2	₹ 2	USD 2.4	USD 2.4	₹ 1	₹ 1
ii	Grant Dates	April 1, 2001 onwards		October 1, 2001 onwards		March 15, 2007 onwards		June 10, 2016 onwards	
iii	Vesting commences on	April 1, 2002 onwards		October 1, 2002 onwards		March 15, 2008 onwards		June 10, 2017 onwards	
iv	Options granted & outstanding at the beginning of the year	11,840	21,345	58,190	685,302	33,000	39,000	2,116,860	2,850,140
v	Options reinstated during the year	-	-	-	-	-	-	-	-
vi	Options granted during the year	-	-	-	-	-	-	63,660	359,400

Notes Forming Part of Consolidated Accounts

Sr. No.	Particulars	ESOP scheme 2000 I, II & III		ESOP scheme 2000 IV - XXI		U.S. Stock Option Sub-plan 2006		ESOP scheme 2015	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
vii	Options allotted/exercised during the year	2,055	9,130	15,065	615,091	-	6,000	599,565	880,600
viii	Options Lapsed/cancelled during the year	9,785	375	43,125	12,021	33,000	-	55,560	212,080
ix	Options granted & outstanding at the end of the year	-	11,840	-	58,190	-	33,000	1,525,395	2,116,860
x	Options vested at the end of the year out of (ix)	-	11,840	-	58,190	-	33,000	624,400	102,360
xi	Options unvested at the end of the year out of (ix)	-	-	-	-	-	-	900,995	2,014,500
xii	Weighted average remaining contractual life of options (in years)	-	-	-	-	-	-	3.8	4.7

The Number and Weighted Average Exercise Price of Stock Options are as Follows:

Sr. No.	Particulars	2019-20		2018-19	
		No. of stock options	Weighted average exercise price	No. of stock options	Weighted average exercise price
i	Options granted & outstanding at the beginning of the year	2,219,890	3.50	3,595,787	2.89
ii	Options reinstated during the year	-	-	-	-
ii	Options granted during the year	63,660	1.00	359,400	1.00
iii	Options allotted during the year	616,685	1.04	1,510,821	2.09
iv	Options Lapsed/cancelled during the year	141,470	40.06	224,476	1.06
v	Options granted & outstanding at the end of the year	1,525,395	1.00	2,219,890	3.50
vi	Options vested at the end of the year out of (v)	624,400	1.00	205,390	28.02

VI) The aggregate number of equity shares allotted as fully paid up by way of bonus shares in immediately preceding five years ended March 31, 2020 are Nil (previous period of five years ended March 31, 2019 - Nil)

VII) The aggregate number of equity shares issued pursuant to contract, without payment being received in cash in immediately preceding five years ended March 31, 2020 – Nil (previous period of five years ended March 31, 2019 - Nil)

VIII) During the year ended March 31, 2020, the amount of interim dividend distributed to equity shareholder was ₹ 12.5 per share at face value of ₹ 1 (previous year ₹ 12.5 per share at face value of ₹ 1)

IX) Weighted average share price at the date of exercise for stock options exercised during the year is ₹ 1,581 per share (previous year ₹ 1,617 per share).

X) Weighted average fair value of options granted during the year is ₹ 1,540.66 (previous year ₹ 1,649.62).

XI) The fair value has been calculated using the Black-Scholes Option Pricing model and significant assumptions and inputs to estimate the fair value options granted during the year are as follows:

Sr. No.	Particulars	2019-20	2018-19
i	Weighted average risk-free interest rate	6.18%	7.49%
ii	Weighted average expected life of options	3 years	3 years
iii	Weighted average expected volatility	17.44%	17.72%
iv	Weighted average expected dividends over the life of option	₹ 148	₹ 109
v	Weighted average share price	₹ 1,542	₹ 1,650
vi	Weighted average exercise price	₹ 1	₹ 1
vii	Method used to determine expected volatility	The expected volatility has been calculated based on historic volatility IT Index.	The expected volatility has been calculated based on historic volatility IT Index.

Notes Forming Part of Consolidated Accounts

20. Other Equity

(₹ in Mn)

			As at 31-03-2020	As at 31-03-2019
I)	General reserve#			
	Opening balance		4,503	4,503
	Add: Employee stock compensation expense		3	-
			4,506	**4,503**
II)	Hedging reserve (Refer Note 2.q.c.iii)			
	Opening balance (net of taxes)		2,243	2,025
	(Less)/Add: Movement in derivative contracts		(4,605)	1,173
	Less: Amount reclassified to profit or loss		(1,186)	(1,090)
	Add/(Less): Deferred tax related to above		1,399	135
			(2,149)	**2,243**
III)	Share premium^			
	Opening balance		2,198	1,819
	Add: Additions during the year		316	379
			2,514	**2,198**
IV)	Capital reserve*			
	Opening balance		-	-
	Add: Additions during the year		0	-
			0	**-**
V)	OCI - Remeasurement of net defined benefit plans (net of taxes)			
	Opening balance		81	40
	Add: Additions during the year		11	41
	Deduction during the year		-	-
			92	**81**
VI)	Employee stock option outstanding (Refer Note 2.n.)			
	Opening balance		1,332	1,216
	Add: Additions during the year		98	593
	Less: Deductions during the year		(368)	(477)
		(a)	**1,062**	**1,332**
	Deferred employee compensation expense			
	Opening balance		(659)	(466)
	Add: Additions during the year		(98)	(593)
	Less: Deductions during the year		378	400
		(b)	**(379)**	**(659)**
	Balance to be carried forward	(a)+(b)	**683**	**673**
VII)	Foreign currency translation reserve (Refer Note 2.p.)			
	Opening balance		407	424
	Add: Transfer to other comprehensive income		283	(17)
			690	**407**

Notes Forming Part of Consolidated Accounts

(₹ in Mn)

		As at 31-03-2020	As at 31-03-2019
VIII)	Retained Earnings		
	Opening balance	38,659	28,865
	Add: Profit for the year	15,201	15,159
	Less: Dividend (including dividend distribution tax)	(5,690)	(5,365)
	Less: Impact on account of adoption of Ind AS 116	(640)	-
		47,530	**38,659**
		53,866	**48,765**
IX)	Non controlling interest		
	Opening balance	8	13
	Add: Net profit for the year	4	(4)
	Add: Transfer to other comprehensive income	(1)	(1)
		11	**8**

#The Company created a General reserve in earlier years pursuant to the provisions of the Companies Act,1956 where in certain percentage of profits was required to be transferred to General reserve before declaring dividends. As per Companies Act 2013, the requirements to transfer profits to General reserve is not mandatory. General reserve is a free reserve available to the Company.
^Share premium includes
A. The difference between the face value of the equity shares and the consideration received in respect of shares issued;
B. The fair value of the stock options which are treated as expense, if any, in respect of shares allotted pursuant to Stock Options Scheme.
*Capital reserve represents the gains of capital nature which mainly include the excess of value of net assets acquired over consideration paid by the Company for business amalgamation transactions in earlier years. It also represents capital reserve on business combination which arises on transfer of business between entities under common control.

21. Other Non Current Financial Liabilities

(₹ in Mn)

	As at 31-03-2020	As at 31-03-2019
Derivative contracts payable	2,020	-
Payable for acquisition of business	862	866
Other financial liabilities	2	70
	2,884	**936**

22. (I) Non Current Provisions

(₹ in Mn)

	As at 31-03-2020	As at 31-03-2019
Post-retirement medical benefit	215	180
Others	115	111
	330	**291**

22. (II) Disclosure Pursuant to Accounting Standard (Ind- AS) 37 "Provisions, Contingent Liabilities and Contingent Assets" Movement in Provisions:

(₹ in Mn)

	Particulars	Class of provisions		
		Sales Tax	Others	Total
i	Balance as at 01-04-2019	4	107	111
ii	Additional provision during the year	-	4	4
iii	Provision used during the year	-	-	-
iv	Provision reversed during the year	-	-	-
	Balance as at 31-03-2020	**4**	**111**	**115**

Notes Forming Part of Consolidated Accounts

23. Current Borrowings

(₹ in Mn)

	As at 31-03-2020	As at 31-03-2019
Unsecured Loans		
Loans repayable on demand from banks*	320	-
	320	**-**

*Loans repayable on demand from banks include fund based working capital facility i.e. demand loans

24. Trade Payables

(₹ in Mn)

	As at 31-03-2020	As at 31-03-2019
Total outstanding dues of micro enterprises and small enterprises	**79**	**3**
Total outstanding dues of creditors other than micro enterprises and small enterprises :		
Due to related parties (refer note 44)	305	69
Due to others	3,109	1,435
Accrued expenses	3,457	3,162
	6,871	**4,666**

25. Other Current Financial Liabilities

(₹ in Mn)

	As at 31-03-2020	As at 31-03-2019
Employee liabilities (others)	4,329	4,626
Foreign currency derivative contracts	2,013	-
Payable for acquisition of business	1,321	575
Gratuity liability	243	188
Liability for customer settlement expenses	50	215
Unclaimed dividend	7	8
Others	48	89
Liability towards credit support agreements	-	1,029
	8,011	**6,730**

26. Other Current Liabilities

(₹ in Mn)

	As at 31-03-2020	As at 31-03-2019
Other payables	2,575	2,006
Unearned & deferred revenue	1,559	576
	4,134	**2,582**

27. Current Provisions

(₹ in Mn)

	As at 31-03-2020	As at 31-03-2019
Compensated absences	2,585	2,106
Post retirement medical benefits	3	2
	2,588	**2,108**

Notes Forming Part of Consolidated Accounts

28. Revenue from Operations

Revenue Consists of the Following:

(₹ in Mn)

Particulars	2019-20	2018-19
Fixed price & maintenance	65,420	57,212
Time & material	43,366	37,246
	108,786	**94,458**

Revenue disaggregation as per industry vertical and geography has been included in segment information (Refer note 45).

Performance obligations and remaining performance obligations:

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized for those contracts where invoicing is on time and material basis. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency.

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2020, other than those meeting the exclusion criteria mentioned above, is ₹ 108,762 Mn (previous year ₹ 61,710 Mn). Out of this, the Company expects to recognize revenue of around 51% (previous year 60%) within the next one year and the remaining thereafter. This includes contracts that can be terminated for convenience without a substantive penalty since, based on current assessment, the occurrence of the same is expected to be remote.

Changes in contract assets is as follows:

(₹ in Mn)

	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning of the year	3,096	2,603
Less : Invoices raised during the year	(1,429)	(2,850)
Add : Revenue recognised during the year	2,651	3,335
Add : Translation exchange difference	24	8
Balance at the end of the year	**4,342**	**3,096**

Changes in unearned and deferred revenue is as follows:

(₹ in Mn)

	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning of the year	576	272
Less : Revenue Recognised during the year from opening	(394)	(265)
Add : Invoices raised during the year	1,367	561
Add/ (Less) : Translation exchange difference	10	8
Balance at the end of the year	**1,559**	**576**

The Company has evaluated the impact of COVID – 19 resulting from (i) the possibility of constraints to render services which may require revision of estimations of costs to complete the contract because of additional efforts, (ii) onerous obligations, (iii) penalties relating to breaches of service level agreements and (iv) termination or deferment of contracts by customers. The Company has concluded that the impact of COVID – 19 is not material based on such evaluation.

Notes Forming Part of Consolidated Accounts

29. Other Income

(₹ in Mn)

	2019-20	2018-19
Foreign exchange gain*	1,889	1,785
Income from current investment in mutual funds (quoted)	1,217	990
Interest received	64	19
Miscellaneous income	122	229
	3,292	**3,023**

*The foreign exchange gain reported above includes ₹ 1,164 Mn (previous year ended March 31, 2019 ₹ 1,090 Mn) gain on derivative instruments which are designated as cash flow hedges. It also includes loss of ₹ 402 Mn (previous year ended March 31, 2019 loss of ₹ 54 Mn) on derivative instruments which are designated to fair value hedges.

Since the Company hedges its operational business exposure on a net basis, the aforesaid gain/loss on derivative instruments relates to the business operations of the Group.

30. Employee Benefits Expense

(₹ in Mn)

	2019-20	2018-19
Salaries including overseas staff expenses	60,343	50,627
Share based payments to employees	319	281
Staff welfare	600	490
Contribution to Social Security & other funds	2,820	2,381
Contribution to provident and other funds	839	670
Contribution to gratuity fund	206	178
Contribution to superannuation Fund	39	41
	65,166	**54,668**

31. Operating Expenses

(₹ in Mn)

	Year ended March 31, 2020	Year ended March 31, 2019
Consultancy charges	8,984	7,256
Cost of equipment, hardware and software packages	4,260	3,639
Travelling and conveyance	3,518	3,270
Repairs and Maintenance	1,135	885
Rent and establishment expenses*	730	1,941
Recruitment expenses	563	536
Miscellaneous expenses	434	385
Telephone charges and postage	385	333
Power and fuel	329	310
Rates and taxes	260	294
Allowance for doubtful debts and advances	236	253
Advertisement	304	219
Communication expenses	261	189
Insurance charges	80	63
Bad debts	89	23
Less : Provision written back	(89)	(23)
Commission	27	-
	21,506	**19,573**

*Includes lease rentals for short term leases for the year ended March 31, 2020.

Notes Forming Part of Consolidated Accounts

32. Finance Cost

(₹ in Mn)

	2019-20	2018-19
Interest expense on lease liabilities	681	-
Interest on financial liabilities*	110	63
Interest on deposits with respect to credit support agreement	16	42
On others	19	1
	826	**106**

*includes contingent consideration payable on business acquisitions.

33. Depreciation & Amortisation

(₹ in Mn)

	2019-20	2018-19
Depreciation of property, plant and equipment (refer note 5)	888	722
Amortisation of other intangible assets (refer note 5)	750	750
Depreciation of right of use assets (refer note 41)	1,091	-
	2,730	**1,472**

34. Other Expenses

(₹ in Mn)

	2019-20	2018-19
Legal and professional charges	1,196	921
Corporate social responsibility expenses *	460	224
Director's fees	25	21
Books and periodicals	26	21
Other miscellaneous expenses	114	197
	1,821	**1,384**

* includes contribution to Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund for Covid-19 relief measures of ₹ 180 Mn.

35 (I) Current Tax (Net)

(₹ in Mn)

	2019-20	2018-19
Current tax	3,835	4,668
Provision for earlier year (written back)/off	78	207
	3,913	**4,875**

35 (II) Deferred Tax

(₹ in Mn)

	2019-20	2018-19
Deferred tax charge/(credit)	(725)	(152)
MAT utilization (net)	1,636	400
	911	**248**

Notes Forming Part of Consolidated Accounts

35 (III) Areconciliation of the Income Tax Provision to the Amount Computed by Applying Enacted Income Tax Rate to the Profit Before Income Taxes is Summarized Below:

(₹ in Mn)

	2019-20	2018-19
Profit before income taxes	20,029	20,278
Enacted tax rates in India	34.94%	34.94%
Computed expected tax expense	6,999	7,086
Effect due to non-taxable income	(2,116)	(2,035)
Overseas taxes	306	380
Effect of allowances of eligible expenses	(1,020)	(513)
Effect of non-deductible expenses	1,667	687
Effect of deferred taxes	(676)	(153)
Others	(336)	(329)
Tax expense as per statement of profit and loss	**4,824**	**5,123**

36. Statement of Other Comprehensive Income

(₹ in Mn)

	2019-20	2018-19
Items that will not be reclassified to profit or loss		
Defined benefit plan actuarial gain/(loss)	14	55
Income tax on defined benefit plan actuarial gain/(loss)	(3)	(14)
	11	**41**
Items that will be reclassified to profit or loss		
Net changes in fair value of cash flow hedges	(5,791)	83
Income tax on net changes in fair value of cash flow hedges*	1,399	134
Foreign currency translation reserve	282	120
	(4,110)	**337**
	(4,099)	**378**

*Year ended March 31, 2019 includes deferred tax adjustment pertaining to earlier years of ₹ 124 Mn.

37. Contingent Liabilities

(₹ in Mn)

		As at 31-03-2020	As at 31-03-2019
1.	Income tax liability that may arise in respect of which the Group is in appeal*	2,735	2,373
2.	Service tax refund disallowed, in respect of#	139	126
3.	Claims including potential claims	-	5
		2,874	**2,504**

*Out of contingent Tax liability disclosed above, ₹ 2,735 Mn (including interest of ₹ 141 Mn), pertains to the tax demand arising on account of disallowance of exemption u/s 10A/10AA on profits earned by STPI Units/SEZ units on onsite export revenue. Company is pursuing appeal against these demands before the relevant Appellate Authorities. The company believes that its position is likely to be upheld by appellate authorities and considering the facts, the ultimate outcome of these proceedings is not likely to have material adverse effect on the results of operations or the financial position of the Company.

Notes Forming Part of Consolidated Accounts

38. Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for: ₹ 419 Mn (previous year ₹ 49 Mn).

39. Employee Benefits

I) General Descriptions of Defined Benefit Plans:

i) Gratuity Plan

The Company makes contributions to the Company's employees' Company 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 or 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.

ii) 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.

iii) Provident Fund Plan

The Company's provident fund plan is managed by its holding company through a Trust permitted under the Provident Fund 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.

The interest payment obligation of trust managed provident fund is assumed to be adequately covered by the interest income on long term investments of the fund. Any shortfall in the interest income over the interest obligation is recognised immediately in the statement of profit and loss as actuarial loss. Any loss arising out of the investment risk and actuarial risk associated with the plan is also recognised as expense in the period in which such loss occurs. Further, an amount of ₹ Nil has been provided for year ending March 31, 2020 and March 31, 2019 based on actuarial valuation towards the future obligation arising out of interest rate guarantee associated with the plan.

II) The Amounts Recognised in Balance Sheet are as Follows:

(₹ in Mn)

		Gratuity plan	
		2019-20	2018-19
a)	Present value of defined benefit obligation		
	- Wholly funded	1,161	916
	- Wholly unfunded	5	1
b)	Fair value of plan assets as on	918	729
	Amount to be recognised as liability or (asset) (a-b)	248	188
	Net liability/(asset)-current	243	188
	Net liability/(asset)- non current	5	-

Notes Forming Part of Consolidated Accounts

(₹ in Mn)

	Post-retirement medical benefit plan	
	2019-20	**2018-19**
A.		
a) Present value of defined benefit obligation		
- Wholly funded	-	-
- Wholly unfunded	218	180
b) Fair value of plan assets	-	-
Amount to be recognised as liability or (asset) (a-b)	218	180
B.	-	-
Amounts reflected in the balance sheet	-	-
Liability	218	180
Assets	-	-
Net liability/(asset)	218	180
Net liability/(asset)-current	3	2
Net liability/(asset)-non current	215	178

(₹ in Mn)

	Provident fund plan	
	2019-20	**2018-19**
A.		
a) Present value of defined benefit obligation		
- Wholly funded	8,948	7,176
- Wholly unfunded	-	-
b) Fair value of plan assets	9,482	7,220
Amount to be recognised as liability or (asset) (a-b)	(534)	(44)
B.		-
Amounts reflected in the balance sheet		-
Liability	125	101
Assets	-	-
Net liability/(asset)#	125	101
Net liability/(asset)-current	125	101
Net liability/(asset)-non current	-	-

#Employer's and employee's contribution for March 2020 paid in April 2020

III) The Amounts Recognised in Statement of Profit and Loss are as Follows:

(₹ in Mn)

	Gratuity plan	
	2019-20	**2018-19**
Current service cost	203	170
Past service cost	-	-
Administration expenses	-	-
Interest on net defined benefit liability / (asset)	6	6
(Gains) / losses on settlement	-	-
Total expense charged to profit and loss account	**209**	**176**

Notes Forming Part of Consolidated Accounts

(₹ in Mn)

	Post-retirement medical benefit plan	
	2019-20	2018-19
Current service cost	73	63
Past service cost	-	-
Administration expenses	-	-
Interest on net defined benefit liability / (asset)	13	13
(Gains) / losses on settlement	-	-
Total expense charged to profit and loss account	**86**	**76**

(₹ in Mn)

	Provident fund plan	
	2019-20	2018-19
Current service cost	442	348
Interest cost	661	538
Expected return on plan assets	(661)	(538)
Total expense charged to profit and loss account	**442**	**348**

IV) The Amounts Recognised in Statement of Other Comprehensive Income (OCI) are as Follows:

(₹ in Mn)

	Gratuity plan		Post retirement medical benefit plan	
	2019-20	2018-19	2019-20	2018-19
Opening amount recognized in OCI	13	2	(116)	(50)
Re-measurements during the period due to:				-
Changes in financial assumptions	59	26	29	15
Changes in demographic assumptions	(1)	(6)	-	(33)
Experience adjustments	(5)	(27)	(77)	(48)
Actual return on plan assets less interest on plan assets	(7)	18	-	-
Closing amount recognized in OCI	**59**	**13**	**(164)**	**(116)**

V) The Changes in the Present Value of Defined Benefit Obligation Representing Reconciliation of Opening and Closing Balances Thereof are as Follows:

(₹ in Mn)

	Gratuity plan	
	2019-20	2018-19
Opening balance of defined benefit obligation	916	798
Current service cost	203	170
Past service cost	-	-
Interest on defined benefit obligation	62	56
Re-measurements due to		
Actuarial loss/(gain) arising from change in financial assumption	59	27
Actuarial loss/(gain) arising from change in demographic assumptions	(1)	(6)
Actuarial loss/(gain) arising on account of experience changes	(5)	(27)
Benefits paid	(71)	(102)
Liabilities assumed / (settled)*	3	-
Closing balance of defined benefit obligation	**1,166**	**916**

*On account of business combination or inter -company transfer

Notes Forming Part of Consolidated Accounts

(₹ in Mn)

	Post-retirement medical benefit plan	
	2019-20	**2018-19**
Opening balance of defined benefit obligation	180	170
Current service cost	73	63
Past service cost	-	-
Interest on defined benefit obligation	13	13
Re-measurements due to		
Actuarial loss/(gain) arising from change in financial assumption	29	15
Actuarial loss/(gain) arising from change in demographic assumptions	-	(33)
Actuarial loss/(gain) arising on account of experience changes	(77)	(48)
Benefits paid	(0)	(0)
Closing balance of defined benefit obligation	**218**	**180**

(₹ in Mn)

	Provident fund plan	
	2019-20	**2018-19**
Opening balance of defined benefit obligation	7,176	5,865
Add : Interest cost	661	538
Add : Current service cost	442	348
Add : Contribution by plan participants	975	832
Add/(Less) : actuarial (gains)/losses	-	-
Add: Business combination/acquisition	-	-
Liabilities assumed on acquisition/ (settled on divestiture)	604	478
Less : Benefits paid	(910)	(885)
Closing balance of defined benefit obligation	**8,948**	**7,176**

VI) Changes in the Fair Value of Plan Assets Representing Reconciliation of the Opening and Closing Balances Thereof are as Follows:

(₹ in Mn)

	Gratuity plan		Provident fund plan	
	2019-20	**2018-19**	**2019-20**	**2018-19**
Opening balance of the fair value of the plan assets	729	669	7,220	5,915
Employer's contributions	199	128	433	338
Expected return on plan assets	54	52	660	538
Actuarial gains/(loss)	-	-	556	116
Re-measurements due to:				
Actual return on plan assets less interest on plan assets	7	(18)	-	-
Contribution by plan participants	-	-	919	720
Benefits paid	(71)	(102)	(910)	(885)
Assets acquired/(settled)*	-	-	604	478
Closing balance of plan assets	**918**	**729**	**9,482**	**7,220**

*On account of business combination or inter-company transfer

The Company expects to contribute ₹ 243 Mn (₹ 188 Mn in 2018-19) towards its gratuity, in the next financial year.

Notes Forming Part of Consolidated Accounts

VII) The Major Categories of Plan Assets as a Percentage of Total Plan Assets are as Follows:

(₹ in Mn)

	Gratuity plan	2019-20	2018-19
		Provident fund plan	
Government of India securities	Scheme with LIC	21.52%	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		4.29%	5.18%
Public sector bonds		16.07%	22.00%
Mutual Funds		3.07%	4.12%
Others		0.76%	0.15%

VIII) Principal Actuarial Assumptions at the Balance Sheet Date:

(₹ in Mn)

		2019-20	2018-19
i	**Discount rate**		
	For gratuity	6.40%	7.15%
	For post -retirement medical benefits	6.40%	7.15%
ii	Annual increase in healthcare costs (see note below)	5.00%	5.00%
iii	Attrition rate:	Varies between 8% to 19%	Varies between 8% to 19%
iv	Salary growth rate*	6.00%	6.00%

*Salary growth rate assumption reflects the Company's average salary growth rate and current market conditions

IX) Projected Plan Cash Flow:

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan (which in case of serving employees, if any, is based on service accrued by employee up to valuation date):

As on March 31, 2020

(₹ in Mn)

Maturity profit	Gratuity	Post-Retirement medical benefit liability
Expected benefits for year 1	129	3
Expected benefits for year 2	128	4
Expected benefits for year 3	133	5
Expected benefits for year 4	137	5
Expected benefits for year 5	130	6
Expected benefits for year 6	122	7
Expected benefits for year 7	114	8
Expected benefits for year 8	101	8
Expected benefits for year 9	96	9
Expected benefits for year 10 and above	886	1,068

Notes Forming Part of Consolidated Accounts

As on March 31, 2019

(₹ in Mn)

Maturity profit	Gratuity	Post-Retirement medical benefit liability
Expected benefits for year 1	114	2
Expected benefits for year 2	110	3
Expected benefits for year 3	110	3
Expected benefits for year 4	110	4
Expected benefits for year 5	106	4
Expected benefits for year 6	98	5
Expected benefits for year 7	92	6
Expected benefits for year 8	87	6
Expected benefits for year 9	77	7
Expected benefits for year 10 and above	736	1,056

The estimates of future salary increases considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

X) Sensitivity Analysis

i) Post Retirement Benefits:

Although the obligation of the Company under the post-retirement medical benefit plan is limited to the overall ceiling limits, assumed healthcare cost trend rates may affect the amounts recognised in the statement of profit and loss. The benefit obligation results for the cost of paying future hospitalization premiums to insurance company and reimbursement of domiciliary medical expenses in future for the employee / beneficiaries during their lifetime is sensitive to discount rate, future increase in healthcare costs and longevity. The following table summarizes the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account changes in these three key parameters:

(₹ in Mn)

	Period ended March 31, 2020	Period ended March 31, 2019
Discount Rate		
Impact of increase in 100 bps on defined benefit obligation	-17.20%	-17.32%
Impact of decrease in 100 bps on defined benefit obligation	22.76%	22.72%
Healthcare costs rate		
Impact of increase in 100 bps on defined benefit obligation	13.39%	18.08%
Impact of decrease in 100 bps on defined benefit obligation	-10.78%	-14.33%
Life expectancy		
Impact of increase by 1 year on defined benefit obligation	1.36%	0.69%
Impact of decrease by 1 year on defined benefit obligation	-1.42%	-0.72%

Notes Forming Part of Consolidated Accounts

ii) Gratuity:

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption as below:

	Period ended March 31, 2020		Period ended March 31, 2019	
	Discount rate	Salary escalation rate	Discount rate	Salary escalation rate
Impact of increase in 100 bps on defined benefit obligation	-6.57%	7.37%	-6.30%	7.04%
Impact of decrease in 100 bps on defined benefit obligation	7.42%	-6.66%	7.09%	-6.39%

40. Financial Instruments by Category:

I) Carrying Value Of Financial Instruments by Categories are as Follow:

(₹ in Mn)

	As at 31-03-2020					As at 31-03-2019				
	Fair value through P&L (FVTPL)	Fair value through OCI (FVTOCI)	Amortised cost	Total carrying value	Total fair value	Fair value through P&L (FVTPL)	Fair value through OCI (FVTOCI)	Amortised cost	Total carrying value	Total fair value
Financial assets										
Investments	21,165	-	1,023	22,188	22,188	17,403	-	-	17,403	17,403
Trade receivables	-	-	23,121	23,121	23,121	-	-	18,263	18,263	18,263
Unbilled revenue*	-	-	4,420	4,420	4,420	-	-	5,582	5,582	5,582
Cash and cash equivalents	-	-	4,853	4,853	4,853	-	-	3,499	3,499	3,499
Other bank balances	-	-	399	399	399	-	-	651	651	651
Loans	-	-	689	689	689	-	-	544	544	544
Derivative financial instruments#	96	240	-	336	336	240	2,744	-	2,984	2,984
Other financial assets	-	-	1,395	1,395	1,395	-	-	325	325	325
Total	**21,261**	**240**	**35,900**	**57,401**	**57,401**	**17,643**	**2,744**	**28,864**	**49,251**	**49,251**

*Excludes Unbilled Revenue on Fixed Price contracts where the right to consideration is conditional on factors other than passage of time

#Derivative Financial instruments fair valued through Profit and loss on account of Fair value hedges

(₹ in Mn)

	As at 31-03-2020				As at 31-03-2019			
	Fair value through P&L (FVTPL)	Fair value through OCI (FVTOCI)	Amortised cost	Total	Fair value through P&L (FVTPL)	Fair value through OCI	Amortised cost	Total
Financial liability								
Derivative financial instruments#	400	3,633	-	4,033	-	-	-	-
Borrowings	-	-	320	320	-	-	-	-
Trade payables	-	-	6,950	6,950	-	-	4,669	4,669
Lease liabilities	-	-	8,799	8,799	-	-	-	-
Other financial liabilities	2,182	-	4,680	6,862	1,444	-	6,222	7,666
Total	**2,582**	**3,633**	**20,749**	**26,964**	**1,444**	**-**	**10,891**	**12,335**

#Derivative Financial instruments fair valued through Profit and loss on account of Fair value hedges

Notes Forming Part of Consolidated Accounts

II) Fair Value Hierarchy Used by the Group for Valuation of Financial Assets and Liabilities Recognised at FVTPL and FVTOCI is as Below:

Level 1- Quoted prices (unadjusted) in the active markets for identical assets or liabilities.

Level 2- Inputs other than quoted prices included with in level 1 that are observable for assets or liabilities either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3- Inputs for assets or liabilities that are not based on observable market data (unobservable inputs)

(₹ in Mn)

Assets	As at 31-03-2020				As at 31-03-2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Investments	21,164	-	1	21,165	17,402	-	1	17,403
Derivative financial instruments	-	336	-	336	-	2,984	-	2,984
Total	**21,164**	**336**	**1**	**21,501**	**17,402**	**2,984**	**1**	**20,387**

(₹ in Mn)

Liabilities	As at 31-03-2020				As at 31-03-2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Derivative financial instruments	-	4,033	-	4,033	-	-	-	-
Liability towards contingent consideration*	-	-	2,182	2,182	-	-	1,444	1,444
Total	**-**	**4,033**	**2,182**	**6,215**	**-**	**-**	**1,444**	**1,444**

*Pertains to contingent consideration payable to the selling shareholders for acquisition of business

A one percentage point change in the unobservable inputs used in fair valuation of Level 3 assets and liabilities does not have a significant impact on the value.

There have been no transfers among Level 1, Level 2 and Level 3 during the years ended March 31, 2020 and March 31, 2019.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The fair-value of the financial-instruments factor the uncertainties arising out of COVID-19, wherever applicable.

III) Financial Risk Management

The group's activities expose it to a variety of financial risks - Market Risk, Credit Risk, interest rate risk and Liquidity Risk. The group's primary focus is to foresee the uncertainty of financial markets and seek to minimize the potential adverse effects on its financial performance. The primary market risk to the group is foreign exchange risk. The group uses derivative financial instruments to mitigate the risks arising out of foreign exchange related exposures. The company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

i) Currency Risk

The group operates in multiple geographies and contracts in currencies other than the domestic currency exposing it to risks arising from fluctuation in the foreign exchange rates. The group uses derivative financial instruments to mitigate foreign exchange related exposures. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. The group's exposure to foreign currency risk at the end of the reporting period expressed in USD (notional amounts

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Notes Forming Part of Consolidated Accounts

The Foreign Currency Risk from Monetary Assets and Liabilities as at March 31, 2020 is as Follows

(₹ in Mn)

Particulars	US Dollar	Euro	Japanese Yen	Canadian Dollar	South African Rand	Other currencies	Total
Cash and cash equivalents	2,269	313	137	621	570	709	4,618
Trade receivables	14,434	2,934	94	650	166	1,978	20,256
Other financial assets, loans and other current assets	538	499	1,452	95	64	177	2,825
Trade Payables	(1,896)	(374)	(20)	(34)	(23)	(469)	(2,816)
Other Financial Liabilities	(1,682)	(1,386)	(25)	(219)	(66)	(514)	(3,892)
Net Assets/(Liabilities)	**13,662**	**1,985**	**1,638**	**1,114**	**711**	**1,881**	**20,991**

The Foreign Currency Risk from Monetary Assets and liabilities as at March 31, 2019 is as follows

(₹ in Mn)

Particulars	US Dollar	Euro	Japanese Yen	Canadian Dollar	South African Rand	Other currencies	Total
Cash and cash equivalents	992	133	37	1,108	166	478	2,915
Trade receivables	10,964	1,982	33	493	256	1,726	15,455
Other financial assets, loans and other current assets	3,864	311	14	36	84	46	4,355
Trade Payables	(1,278)	(162)	(24)	(218)	(197)	(609)	(2,486)
Other Financial Liabilities	(1,449)	(71)	(6)	(230)	(126)	(484)	(2,366)
Net Assets/(Liabilities)	**13,093**	**2,194**	**55**	**1,189**	**184**	**1,158**	**17,873**

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 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. Because the group uses foreign currency instruments for hedging purposes, the loss in fair value incurred on those instruments are generally offset by increases in the fair value of the underlying exposures for on-balance sheet exposures. The overnight VaR of the group at 95% confidence level is ₹ 319 Mn as at March 31, 2020 (₹ 371 Mn as at March 31, 2019).

A) Derivative Financial Instruments

The group regularly reviews its foreign exchange forward and options positions, both on a standalone and in conjunction with its underlying foreign exchange exposures. The outstanding forward and option contracts at the year end, their maturity profile and sensitivity analysis are as under.

(i) The Details in Respect of Outstanding Foreign Currency Forward and Options Contracts are as Follows:

Particulars	As at 31-03-2020		As at 31-03-2019	
	(in Mn)	(₹ in Mn)	(in Mn)	(₹ in Mn)
Instruments designated as cash flow hedges				
Forward contracts				
In US Dollar	1,251	95,822	1,092	81,702
In Euro	15	1,293	-	-
In South African Rand	6	30	-	-
In United Kingdom Pound Sterling	4	406	7	647
Options Contracts				
In US Dollar	-	-	100	5,313
In Euro	74	6,504	42	3,423

Notes Forming Part of Consolidated Accounts

Particulars	As at 31-03-2020		As at 31-03-2019	
	(in Mn)	(₹ in Mn)	(in Mn)	(₹ in Mn)
Instruments designated as fair value hedges				
In US Dollar	91	6,630	154	10,942
In South African Rand	83	380	22	107
In Swedish Krona	24	185	7	55
In United Kingdom Pound Sterling	5	401	1	105
In Norwegian Krone	5	37	5	36
In Danish Krone	4	44	2	21
In Canadian Dollar	3	144	4	218
In Australian Dollar	2	106	2	90
Total Forward and Options Contracts		**111,981**		**102,659**

(ii) The foreign exchange forward and option contracts designated as cash flow hedges mature over a maximum period of 36 months. The group manages its exposures normally for a period of up to 3 years based on the estimated exposure over that period.

The group has evaluated the impact of the COVID-19 event on its highly probable transactions and concluded that the hedge relationships continue to be effective.

The table below analyses the derivative financial instrument into relevant maturity based on the remaining period as of the balance sheet date. Contracts with maturity not later than twelve months include certain contracts which can be rolled over to subsequent periods in line with underlying exposures.

(₹ in Mn)

Particualrs	As at 31-03-2020	As at 31-03-2019
Not later than twelve months	55,589	52,791
Later than twelve months and not later than 24 months	56,392	49,868
Total	**111,981**	**102,659**

(iii) During the year ended March 31, 2020, the group has designated certain foreign exchange forward and options contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. The related hedge transactions which for a part of hedge reserve as at March 31, 2020 will occur and be reclassified to the statement of Profit and loss over a period of 36 months.

The Reconciliation for the Cash Flow Hedge Reserve for the Years Ended March 31, 2020 and March 31, 2019 is as Follows:

(₹ in Mn)

Particualrs	As at 31-03-2020	As at 31-03-2019
Balance at the Beginning of the year	2,243	2,025
Changes in fair value of forward and options contract designated as hedging instruments	(4,605)	1,173
Amount reclassified to profit and loss during the year	(1,186)	(1,090)
Tax impact on the above	1,399	135
Total	**(2,149)**	**2,243**

Actual future gains and losses associated with forward contracts designated as cash flow hedge 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.

The Company has evaluated possible impact of COVID-19 on its highly probable forecast transactions and concluded that there was no impact on the probability of occurrence of the hedged transaction. The Company has considered the effect of changes, if any, in both counterparty credit risk and its own credit risk in assessing hedge effectiveness and measuring hedge ineffectiveness.

Notes Forming Part of Consolidated Accounts

ii) Interest Risk

The group has no interest rate risk with respect to borrowings as on March 31, 2020. However the group invests its surplus funds in Debt mutual funds and corporate deposits. The group mitigates the risk of counter-party failure by investing in mutual fund schemes with large assets under management, investing in debt instruments issued with sound credit rating and placing corporate deposits with banks and financial institutions with high credit ratings assigned by domestic and international credit rating agencies.

Net assets value (NAV) of debt mutual funds are subject to changes in interest rates. Every one percent increase or decrease in the NAV of debt mutual funds where the group holds investments will impact he group's profit after tax by ₹ 212 Mn in 2019-20 (₹ 174 Mn in 2018-19).

iii) Credit Risk

Credit risk refers to the risk of default on its obligation by a counterparty resulting in a financial loss. The carrying amount of all financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 57,401 Mn and ₹ 49,251 Mn as at March 31, 2020 and 2019 respectively being the total of the carrying amount of Investments, Trade Receivables, Unbilled Revenue, Cash and other bank balances and all other financial assets.

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 contracts and post contracting, through continuous monitoring of collections by a dedicated team.

The group makes adequate provision for non-collection of trade receivables. Further, the group has not suffered significant payment defaults by its customers.

In addition, for delay in collection of receivable, the group has made a provision for Expected Credit loss ('ECL') based on an ageing analysis of its trade receivables and unbilled revenue. For trade receivables, these range from 1.8% for dues outstanding up to six months to 20.2% for dues outstanding for more than 36 months for 2019-20 (Previous year 1.5% and 19.2% for dues outstanding up to 6 months and for more than 36 months respectively) and for unbilled revenue 1.8% for dues outstanding up to six months to 5.1% for dues outstanding for more than 12 months for 2018-19. No provision has been made on trade receivables in not due category. The group has also taken into account of possible effects from the pandemic relating to COVID - 19.

ECL allowance for non-collection and delay in collection of receivable and unbilled revenue, on a combined basis was ₹ 211 Mn and ₹ 147 Mn for the financial years 2019-20 and 2018-19 respectively. The movement in allowance for doubtful debts comprising provision for both non-collection and delay in collections of receivable and unbilled revenue is as follows:

(₹ in Mn)

	2019-20	2018-19
Opening balance	177	78
Impairment loss recognised or (reversed)	72	99
Closing balance	**249**	**177**

The percentage of revenue from its top five customers is 31.8% for 2019-20 (34.8% for 2018-19).

The group is also exposed to counter-party risk in relation to financial instruments taken to hedge its foreign currency risks. The counter-parties are banks and the group has entered into contracts with the counter-parties for all its hedge instruments and in addition, entered into suitable credit support agreements to limit counter party risk where necessary.

The Company has taken in to account possible impact relating to COVID – 19 in estimating Expected Credit Loss provision.

Notes Forming Part of Consolidated Accounts

iv) Liquidity Risk

The group's treasury department monitors the cash flows of the group and surplus funds are invested in non- speculative financial instruments that include highly liquid funds and corporate deposits.

The group has borrowings of ₹ 320 Mn as on March 31, 2020.

The contractual maturities of financial assets and financial liabilities is as follows:

(₹ in Mn)

	As at 31-03-2020			As at 31-03-2019		
	Within a year	More than one year	Total	Within a year	More than one year	Total
Trade payables	6,950	-	6,950	4,669	-	4,669
Borrowings	320	-	320			
Derivative financial instruments	2,013	2,020	4,033	-	-	-
Lease liabilities	1,593	10,646	12,239	-	-	-
Other financial liabilities	6,018	973	6,991	6,750	1,069	7,819
Total	**16,894**	**13,639**	**30,533**	**11,419**	**1,069**	**12,488**

Credit risk on cash and cash equivalents is limited as the group generally invest in deposits with banks and financial institutions with high ratings assigned by international and domestic credit rating agencies and analyzing market information on a continuous and evolving basis. Ratings are monitored periodically and the group has considered the latest available credit ratings as well any other market information which may be relevant in view of COVID – 19 as at the date of approval of these consolidated financial statements.

41. Leases

(I) Following are the Changes in the Carrying Value of Right of Use Assets for the Year Ended March 31, 2020

(₹ in Mn)

Particulars	Category of ROU Asset			
	Office Premises	Furniture & Fixtures	Vehicles	Total
Balance at April 1, 2019	4,898	86	1	4,985
Addition	3,720	-	-	3,720
Additions through business combinations	73	-	-	73
Deletion	(2)	-	-	(2)
Depreciation	(1,073)	(17)	(1)	(1,091)
Translation difference	7	-	-	7
Balance at March 31, 2020	**7,623**	**69**	**0**	**7,692**

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

(II) The Following is the Break-Up of Current and Non-Current Lease Liabilities as at March 31, 2020

(₹ in Mn)

Particulars	2019-20
Current lease liabilities	1,228
Non-current lease liabilities	7,571
Total	**8,799**

Notes Forming Part of Consolidated Accounts

(III) The Following is the Movement in Lease Liabilities During the Year Ended March 31, 2020

(₹ in Mn)

Particulars	Year ended March 31, 2020
Balance at the beginning (refer note 2.l.)	5,777
Additions	3,548
Additions through business combination	72
Finance cost accrued during the period	681
Deletions	(2)
Payment of lease liabilities	(1,408)
Translation difference	131
Balance at the end	**8,799**

(IV) The Following is the Movement in the Net Investment in Sublease in ROU Asset During the Year Ended March 31, 2020

(₹ in Mn)

Particulars	Year ended March 31, 2020
Balance at the beginning of the period (refer note 2.l.)	32
Interest income accrued during the period	2
Lease receipts	(11)
Translation difference	1
Balance at the end of the period	**24**

(V) The Table Below Provides Details Regarding the Contractual Maturities of Net Investment in Sublease of ROU Asset as at March 31, 2020 on an Undiscounted Basis:

(₹ in Mn)

Particulars	As at 31-03-2020
Less than one year	11
One to five years	17
Total	**28**

(VI) Transition Disclosure (Refer Note 2.l.)

(₹ in Mn)

	2019-20
Undiscounted Opening Lease Commitments as per Ind AS 17 as on Mar 31, 2019	7,006
Lease commitments pertaining to Short Term Leases	(1,570)
Lease commitments pertaining to Low Value Leases	(3)
Extension and termination options reasonably certain to be exercised	2,138
Impact of discounting of lease payments under Ind AS 116	(1,794)
Opening Lease Liability as per Ind AS 116 as on April 1, 2019	**5,777**

The leases that the Company has entered with lessors towards properties used as delivery centers / sales offices are long term in nature. No material changes in terms of those leases have been made due to COVID-19 as on the reporting date.

Notes Forming Part of Consolidated Accounts

42. Basic and Diluted Earnings Per Share (EPS) at Face Value of ₹ 1

(₹ in Mn)

	2019-20	2018-19
Profit after tax (₹ in Mn)	15,201	15,159
Weighted average number of shares outstanding	173,823,653	172,912,774
Basic EPS (₹)	**87.45**	**87.67**
Weighted average number of shares outstanding	173,823,653	172,912,774
Add: Weighted average number of potential equity shares on account of employee stock options	1,684,617	2,468,945
Weighted average number of shares outstanding	175,508,270	175,381,719
Diluted EPS (₹)	**86.61**	**86.43**

43 . i) Acquisition - Lymbyc

During the year, the group acquired 100% shares in Lymbyc Solutions Private Limited, along-with its identified subsidiary (collectively hereinafter referred as 'Lymbyc') for an enterprise value of ₹ 380 Mn which includes upfront consideration and performance based earn-outs. Lymbyc is a specialist AI, machine learning, and advanced analytics company with their proprietary product 'Leni'. The platform has a combination of natural language processing, data visualization and predictive analytics capabilities. The Company has used cut-off date of August 1, 2019 as the acquisition date being date of acquiring effective control.

Gross amount of Trade Receivables acquired and its fair value is ₹ 18 Mn. The same has been has been substantially collected.

Statement Showing Purchase Price Allocation

(₹ in Mn)

Particulars	Total
Present value of consideration (A)	**324**
Non-current assets:	
Customer contracts	-
Other non-current assets	47
Current assets:	
Trade receivables	18
Cash and bank balances	0
Short term loans	-
Other current assets	2
DTA	
Total assets	**67**
Non-current liabilities:	
Long term borrowings	2
Long term provisions	6
Current liabilities:	
Trade payables	6
Other current liabilities	28
Provisions	6
Total liabilities	**48**
Net Assets acquired (B)	**19**
Intangible Asset on consolidation (C)	**104**
Goodwill on consolidation (A)-(B)-(C)	**201**

Notes Forming Part of Consolidated Accounts

Initial recognition of goodwill on business combination is not deductible for tax purposes.

The Group has recognised contingent consideration in accordance with the terms of the share purchase agreement. The maximum contingent consideration of ₹ 160 Mn is payable to the promoters of Lymbyc upon achievement of the specified financial targets. The fair value of the contingent consideration is determined by assigning probabilities to achievement of targets. The financial results for the year ended March 31, 2020 includes 8 months revenue of ₹ 63 Mn and profit after tax ₹ 11 Mn of pertaining to this acquisition.

The transaction costs of ₹ 4 Mn related to the acquisition have been included in the Statement of Profit & Loss for the year ended March 31, 2020

43. ii) Acquisition - Powerupcloud

During the year, the group acquired 100% shares in Powerupcloud Technologies Private Limited (hereinafter referred as 'Powerup Cloud') for an enterprise value of USD 15 Mn which includes upfront consideration and performance based earn-outs. Powerupcloud is an AWS premier Consulting Partner with capabilities in Cloud consulting, migration, cloud native application development and managed services and also specializes in Azure and GCP Cloud Platforms. The Company has used cut-off date of October 1, 2019 as the acquisition date being date of acquiring effective control.

Gross amount of Trade Receivables acquired and its fair value is ₹ 71 Mn and amount has been substantially collected.

Statement Showing Purchase Price Allocation

(₹ in Mn)

Particulars	Total
Present value of consideration (A)	**804**
Non-current assets:	
Other non-current assets	25
Right of Use (Assets)	73
Current Assets:	
Trade receivables	70
Cash and bank balances	9
Other current assets	70
Total assets	**247**
Non-current liabilities:	
Long term borrowings	10
Long term provisions	7
Lease liability	63
Current liabilities:	
Trade payables	60
Other current liabilities	231
Lease liability	9
Total liabilities	**380**
Net Assets acquired (B)	**(133)**
Goodwill on consolidation (A)-(B)	**937**

Initial recognition of goodwill on business combination is not deductible for tax purposes.

The Group has recognised contingent consideration in accordance with terms of share purchase and subscription agreement. The maximum contingent consideration of USD 7.3 Mn is payable to the promoters and identified employees of Powerupcloud upon achievement of specified financial targets. The fair value of contingent consideration is determined by assigning probabilities to achievement of the targets. The financial results for the year ended March 31, 2020 includes 6 months revenue of ₹ 161 Mn and loss after tax of ₹ 16 Mn pertaining to this acquisition.

The transaction costs of ₹ 5 Mn related to the acquisition have been included in the Statement of Profit & Loss for the year ended March 31, 2020.

Notes Forming Part of Consolidated Accounts

44. Related Party Disclosure:

(I) Key Management Personnel:

Name	Status
Mr. Sanjay Jalona	Chief Executive Officer (CEO) & Managing Director (MD)
Mr. Sudhir Chaturvedi	President – Sales & Whole time Director (WTD)
Mr. Ashok Kumar Sonthalia	Chief Financial Officer (CFO)
Mr. Nachiket Deshpande*	Chief Operating Officer (COO) & Whole Time Director (WTD)
Mr. Aftab Zaid Ullah **	Chief Operating Officer (COO) & Whole Time Director (WTD)

*Appointed as WTD w.e.f. May 2, 2019

** Ceased to be WTD w.e.f. August 30, 2018 and ceased to be COO w.e.f. November 30, 2018.

(II) List of Related Parties with Whom There were Transactions During the Year:

Name	Relationship
Larsen & Toubro Limited	Holding Company
L&T Hydrocarbon Engineering Limited	Fellow Subsidiary
L&T Technology Services Limited	Fellow Subsidiary
L&T Valves Limited	Fellow Subsidiary
L&T Infrastructure Finance Co Ltd.	Fellow Subsidiary
L&T Investment Management Limited	Fellow Subsidiary
L&T Housing Finance Limited	Fellow Subsidiary
L&T Thales Technology Services Private Limited	Fellow Subsidiary
L&T Construction Equipment Limited	Fellow Subsidiary
L&T Finance Limited	Fellow Subsidiary
Larsen & Toubro LLC	Fellow Subsidiary
Nabha Power Limited	Fellow Subsidiary
L&T Metro Rail (Hyderabad) Ltd.	Fellow Subsidiary
Tamco Switchgear (Malaysia) SD	Fellow Subsidiary
Larsen & Toubro (East Asia) Sdn. Bhd.	Fellow Subsidiary
L&T Technology Services LLC	Fellow Subsidiary
L&T Saudi Arabia LLC	Fellow Subsidiary
Mindtree Limited	Fellow Subsidiary
L&T Infrastructure Development Projects Limited (IDPL)	Joint venture of Holding Company
L&T-MHPS Turbine Generators Pvt Ltd	Joint venture of Holding Company
L&T-MHI Boilers Pvt. Ltd.	Joint venture of Holding Company
LTIDPL IndvIT Services Limited	Associate company of IDPL
L&T Officers & Supervisory Staff Providend Fund	Post employment benefit plans
Calient Technologies Inc	Company in which Directors are Interested

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

Notes Forming Part of Consolidated Accounts

(III) Details of Transactions Between the Group and Other Related Parties are Disclosed Below:

A.

(₹ in Mn)

Transaction	Holding company	
	2019-20	2018-19
Sale of services / products	1,391	1,372
Purchases of services / products	66	79
Overheads charged by	534	510
Overheads charged to	115	38
Trademark fees paid	277	241
Interim dividend	1,622	1,622
Final dividend paid	2,012	1,894

(₹ in Mn)

Outstanding Balance	Holding company	
	2019-20	2018-19
Trade receivable	794	234

B.

(₹ in Mn)

Transaction	Joint venture of Holding Company	
	2019-20	2018-19
Sale of services / products	**38**	**30**
- L&T Infrastructure Development Projects Limited	38	30

(₹ in Mn)

Outstanding Balance	Joint venture of Holding Company	
	2019-20	2018-19
Trade receivable	**11**	**3**
- L&T Infrastructure Development Projects Limited	11	3

C.

(₹ in Mn)

Transaction	Post employement benefit plans	
	2019-20	2018-19
Contribution to Post employment benefit plans	**433**	**338**
- L&T Officers & Supervisory Staff Providend Fund	433	338

(₹ in Mn)

Outstanding balance	Post employement benefit plans	
	2019-20	2018-19
Contribution to Post employment benefit plans	**115**	**86**
- L&T Officers & Supervisory Staff Providend Fund	115	86

Notes Forming Part of Consolidated Accounts

D.

(₹ in Mn)

Transaction	Fellow subsidiaries	
	2019-20	2018-19
Sale of services / products	**1,346**	**919**
- L&T Technology Services Limited	1,049	661
- L&T Hydrocarbon Engineering Limited	188	76
- L&T Thales Technology Services Private Limited	25	35
Purchases of services / products	**1,049**	**707**
- L&T Technology Services Limited	1,033	705
Overheads charged by	**31**	**73**
- Larsen & Toubro East Asia	18	23
- L&T Technology Services Limited	10	48
Overheads charged to	**101**	**231**
- L&T Technology Services Limited	82	153
- L&T Valves Limited	0	21
- L&T Hydrocarbon Engineering Limited	17	8
Commission charged	**1**	**2**
- L&T Technology Services Limited	1	2

(₹ in Mn)

Outstanding Balance	Fellow subsidiaries	
	2019-20	2018-19
Trade receivables	**222**	**142**
- L&T Metro Rail (Hyderabad) Ltd	9	12
- L&T Thales Technology Services Private Limited	15	9
- L & T Hydrocarbon Engineering Limited	56	24
- L&T Finance Limited	2	28
Trade payable	**318**	**69**
- L&T Technology Services Limited	204	20

E.

(₹ in Mn)

Transaction	Company in which Directors are interested	
	2019-20	2018-19
Sale of services / products	**2**	**-**
- Calient Technologies Inc	2	-

(₹ in Mn)

Outstanding Balance	Company in which Directors are interested	
	2019-20	2018-19
Trade receivable	**2**	**-**
- Calient Technologies Inc	2	-

*All balances are unsecured and to be settled in cash.

Entities listed above account for 10% or more of the aggregate for that category of transaction during respective period.

Notes Forming Part of Consolidated Accounts

(IV) Managerial Remuneration

(₹ in Mn)

		2019-20	2018-19
(i)	Short term employee benefits	166	188
(ii)	Contribution to funds	12	16
(iii)	Share based payments (on employee stock options granted)*	-	103

(₹ in Mn)

	2019-20	2018-19
Mr. Sanjay Jalona	87	99
Mr. Sudhir Chaturvedi	60	72
Mr. Nachiket Deshpande	17	109
Mr. Ashok Kumar Sonthalia	14	13
Mr. Aftab Zaid Ullah	-	15

*Share based payments (on employee stock options granted) are charged to P&L over vesting period of ESOPs

45. Segment Reporting

Segments have been identified in accordance with Indian Accounting Standards ("Ind AS") 108 on Operating Segments, considering the risk or return profiles of the business. As required under Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the performance and allocates resources based on analysis of various performance indicators. Accordingly, information has been presented for the Company's operating segments.

I) The Revenue and Operating Profit by Segment is as Under:

(₹ in Mn)

	2019-20	2018-19
Segment revenue		
Banking, Financial Services & Insurance	49,365	44,645
Manufacturing	18,275	14,963
Energy & Utilities	12,396	10,112
High-Tech, Media & Entertainment	12,166	10,921
CPG, Retail, Pharma & Others	16,584	13,817
Revenue from operations	**108,786**	**94,458**
Segment results		
Banking, Financial Services & Insurance	10,423	11,021
Manufacturing	3,449	2,696
Energy & Utilities	2,187	1,897
High-Tech, Media & Entertainment	1,462	1,290
CPG, Retail, Pharma & Others	3,321	2,243
Segment results	**20,842**	**19,147**
Unallocable expenses (net)*	549	314
Other Income	3,292	3,023
Finance costs	826	106
Depreciation & amortization expense	2,730	1,472
Profit before tax	**20,029**	**20,278**

*Unallocable expenses for FY 19-20 included ₹ 180 Mn towards contribution to The Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund for COVID - 19 relief measures.

Notes Forming Part of Consolidated Accounts

II) Segmental Reporting of Revenues on the Basis of the Geographical Location of the Customers is as Under:

(₹ in Mn)

Geography	Revenue from operations	
	As at 31-03-2020	As at 31-03-2019
North America	75,044	63,060
Europe	17,038	16,059
India	7,765	6,823
APAC	3,044	2,577
ROW	5,895	5,939
Total	**108,786**	**94,458**

46. Events Ocurring After the Reporting Period:

The Board of Directors at its meeting held on May 19 2020, has recommended final dividend of ₹ 15.50 per equity share (Face value ₹ 1) for the financial year ended March 31, 2020.

47. The Group is not required to transfer any amount to Investor Education and Protection Fund.

48. Previous year's figures have been regrouped/reclassified wherever applicable to facilitate comparability.

49. The financial statements were approved by the Board of Directors on May 19, 2020.

As per our report attached

For B. K. Khare & Co.
Chartered Accountants
Firm's Registration No.: 105102W

Sanjay Jalona
Chief Executive Officer & Managing Director
(DIN: 07256786)
New Jersey, USA

Nachiket Deshpande
Chief Operating Officer & Whole-time Director
(DIN: 08385028)
Pune

Padmini Khare Kaicker
Partner
Membership No: 044784

Mumbai
May 19, 2020

Ashok Kumar Sonthalia
Chief Financial Officer
Mumbai

Manoj Koul
Company Secretary & Compliance Officer
Pune

Notes

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