



Let's Solve

LTI/SE/STAT/2019-20/23

June 20, 2019

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: Annual Report for FY2018-19, Notice of 23rd Annual General Meeting 2019 and Book Closure dates

a. Annual General Meeting ('AGM')

We wish to inform you that the 23rd AGM of the Company will be held on Saturday, July 20, 2019 at 11:00 a.m. at Birla Matushri Sabhagar, 19, Marine Lines, Mumbai - 400 020 to transact the businesses as set out in the notice convening this AGM.

b. Annual Report and AGM Notice

Pursuant to Regulation 34(1) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), we enclose herewith a copy of printed Annual Report and a copy of the Notice calling 23rd Annual General Meeting ('AGM'), which is being sent to the shareholders of the Company. Both, the AGM Notice and the Annual Report are also available on the Company's website, www.Lntinfotech.com/investors

c. Remote e-voting

Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management & Administration) Rules, 2014 as amended, SS-2, Secretarial Standard on General Meetings and Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, members are provided with the facility to cast their vote on all the resolutions set forth in the AGM Notice using electronic voting system from a place other than the venue of AGM ('remote e-voting') provided by Central Depository Services (India) Limited ('CDSL'). The members, whose names appear in the Register of the Members/ list of Beneficial Owners as on the cut-off date i.e. Saturday, July 13, 2019, shall be entitled to avail the facility of remote e-voting.

The remote e-voting period will commence on Wednesday, July 17, 2019 at 9:00 a.m. and will end on Friday, July 19, 2019 at 5:00 p.m. Thereafter remote e-voting module shall be disabled by CDSL, however members who have not casted their vote through remote e-voting mode will be able to exercise their right to vote at the AGM venue. Detailed e-voting instructions are provided in the Notice convening 23rd AGM of the Company.

d. Webcast

Pursuant to Regulation 44(6) of SEBI Listing Regulations, the Company will be providing one-way live webcast of the proceedings of 23rd AGM scheduled on Saturday, July 20, 2019 from 11:00 a.m. onwards on CDSL website. Members can view the same by logging on to the e-voting website of CDSL at <https://www.evotingindia.com> using their remote e-voting credentials, where the Electronic Voting Sequence Number ("EVSN") of Company will be displayed.

Larsen & Toubro Infotech Ltd.

Branch office Technology Tower 1, Gate No. 5, Saki Vihar Road, Powai, Mumbai - 400072, India

T: +91 22 6776 6776 | F +91 22 2858 1130

Registered office L&T House, Ballard Estate, Mumbai 400 001, India

www.Lntinfotech.com | E-mail: info@Lntinfotech.com | CIN: L72900MH1996PLC104693



A Larsen & Toubro
Group Company



e. Book Closure

Pursuant to the provisions of Section 91 of the Companies Act, 2013 read with Rule 10 of the Companies (Management & Administration) Rules, 2014 as amended and Regulation 42 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Register of Members and the Share Transfer Books of the Company will remain closed from Monday, July 15, 2019 to Saturday, July 20, 2019 (both days inclusive).

f. Final Dividend

Final dividend, as recommended by the Board of Directors of the Company and if approved at the AGM, shall be paid within 30 days from the date of declaration. A member, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the close of business hours of Saturday, July 13, 2019, shall be entitled for the dividend.

Please take the above intimation on records and acknowledge.

Thanking You,

Yours faithfully,

For Larsen & Toubro Infotech Limited

Manoj Koul

Company Secretary and Compliance Officer
Membership No.: ACS 16902





Let's Solve

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@Ltininfotech.com; Website: www.Ltininfotech.com

NOTICE

NOTICE IS HEREBY GIVEN THAT the Twenty Third (23rd) Annual General Meeting ('AGM') of **Larsen & Toubro Infotech Limited** will be held on **Saturday, July 20, 2019 at 11:00 a.m. at Birla Matushri Sabhagar, 19, Marine Lines, Mumbai - 400 020**, to transact the following business:

ORDINARY BUSINESS

1. ADOPTION OF AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019, 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, 2019, 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, 2019, 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 Directors' and Auditor's thereon as placed before the Members, be and is hereby approved and adopted.

RESOLVED FURTHER THAT the audited consolidated financial statements of the Company comprising of the Balance Sheet as at March 31, 2019, 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 Auditor's thereon, as placed before the Members, be and is hereby approved and adopted."

2. DECLARATION OF FINAL DIVIDEND ON THE EQUITY SHARES

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

"RESOLVED 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 2018-2019, to the Members who are entitled as on July 13, 2019."

3. RE-APPOINTMENT OF MR. SUDHIR CHATURVEDI (DIN: 07180115), 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 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. Sudhir Chaturvedi (DIN: 07180115), 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

4. APPOINTMENT OF MR. NACHIKET DESHPANDE (DIN: 08385028) AS A DIRECTOR AND WHOLE-TIME DIRECTOR OF THE COMPANY

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

"RESOLVED THAT pursuant to the provisions of Section 152 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, Mr. Nachiket Deshpande (DIN: 08385028) who was appointed as an Additional Director of the Company pursuant to Section 161 of the Act and Articles of Association of the Company with effect from May 2, 2019 and who holds office upto the date of this Annual General Meeting ('AGM') of the Company, and in respect of whom the Company has received a notice in writing from the Director under the provisions of Section 160 of the Act, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Act and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), consent and approval of the Members be and is hereby granted for appointment of Mr. Nachiket Deshpande as a Whole-time Director of the Company for a period of five years effective from May 2, 2019 till May 1, 2024, on the terms and conditions including remuneration as set out in the Explanatory Statement forming part of the Notice convening this AGM.

RESOLVED FURTHER THAT pursuant to Sections 196 and 197 read with Schedule V of the Act and other applicable provisions of the Act, if any, and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), consent and approval of the members be and is hereby accorded for revision in the remuneration of Mr. Nachiket Deshpande, Whole-time Director of the Company with effect from July 1, 2019, as detailed 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 revise remuneration, from time to time, to the extent the Board of Directors may deem appropriate, during the tenure of Mr. Nachiket Deshpande as Whole-time Director of the Company, provided that such revised 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-enactments thereof.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during tenure of Mr. Nachiket Deshpande, the remuneration as detailed 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. Deshpande 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 2, 2019

Notes:

- a) An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('Act') with respect to Special Business under Item No. 4 as set out above is annexed hereto. 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 Director who is proposed to be re-appointed under Item No. 3 and appointed under Item No. 4, are provided in Annexure to this Notice.
- b) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE, INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- Pursuant to Section 105 of the Act read with Rule 19 of the Companies (Management and Administration) Rules, 2014, a person can act as a proxy on behalf of Members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. However, a Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder. Proxies, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the commencement of AGM i.e. by 11:00 a.m. on Thursday, July 18, 2019.
- c) Corporate shareholders/ Institutional shareholders intending to send their authorised representative(s) to attend and vote at the AGM 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 helpdesk.evoting@cDSLindia.com
- d) The Register of Members and Share Transfer Books of the Company will remain closed from Monday, July 15, 2019 to Saturday, July 20, 2019 (both days inclusive).
- e) Final dividend, as recommended by the Board of Directors of the Company and if approved at the AGM, shall be paid 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 transfers in respect of transfer request lodged with the Company on or before close of business hours on Saturday, July 13, 2019; 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 13, 2019.
- f) Members who wish to claim dividends, which have remained unclaimed from FY2015-16 to FY2018-19, may send a written request to Corporate Secretarial Department at Investor@Lntinfotech.com or Link Intime India Private Limited, Company's Registrar and Share Transfer Agent 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, www.Lntinfotech.com/Investors
- g) Members holding equity shares in physical form are requested to furnish their bank details, e-mail ID, change of address, etc. in the 'Form to update Shareholder Information' available on the Company's website www.Lntinfotech.com/Investors and intimate the same to Link Intime India Private Limited, Company's Registrar and Share Transfer Agent at rnt.helpdesk@linkintime.co.in or address at C-101, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai-400 083, Maharashtra, India, so as to reach them latest by Saturday, July 13, 2019, in order to take note of the same. In respect of Members holding equity shares in demat mode, the details as would be furnished by the Depository Participant(s) as at the close of the aforesaid date will be considered by the Company. Hence, Members holding equity shares in demat mode should update their records with their Depository Participant(s) at the earliest.
- h) 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 Registrar and Share Transfer Agent at the Email ID/address mentioned above and Members holding equity shares in demat mode, are requested to send their nomination to their Depository Participant(s). Nomination Form can be downloaded from the Company's website, www.Lntinfotech.com/Investors
- i) All documents referred to in the Notice and the Explanatory Statement annexed with the Notice are open for inspection at the Registered Office of the Company on all working days, except Saturdays, between 11:00 a.m. and 1:00 p.m. upto the date of the AGM and will also be available for inspection at the AGM venue.
- j) Electronic copy of the Annual Report for FY2018-19 and Notice of AGM are being sent to all the Members whose e-mail IDs are registered with the Company/Depository Participant(s) for communication purposes, unless any shareholder has specifically requested for a hard copy of the same. For Members who have not registered their e-mail IDs, physical copies of the Annual Report for FY2018-19 and Notice of AGM is being sent through permitted mode. Members may also note that the Annual Report for FY2018-19 and Notice of AGM of the Company is also available on the Company's website, www.Lntinfotech.com/Investors.
- k) **Webcast Facility:** In accordance with the provisions of Regulation 44(6) of SEBI Listing Regulations, the Company will be providing one-way live webcast of the proceedings of AGM scheduled on Saturday, July 20, 2019 from 11.00 a.m. onwards on CDSL website. Members can view the same by logging on to the e-voting website of CDSL at <https://www.evotingindia.com> using their remote e-voting credentials, where the Electronic Voting Sequence Number ("EVSN") of Company will be displayed.
- l) 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 dematerialized form only. 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 dematerialisation, 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 'process for dematerialisation of shares' available on the Company's website: www.Lntinfotech.com/Investors.
- m) Members/proxies/Authorised representatives are requested to fill the Attendance Slip for attending the AGM. Members who hold equity shares in dematerialized form are requested to write their DP ID and Client ID and those who hold equity shares in physical form are requested to write their Folio No. in the Attendance Slip.
- n) The Company has designated an e-mail ID viz. Investor@Lntinfotech.com to enable shareholders to contact in case of any queries/complaints. Any member who wishes to receive information with respect to Annual Report for FY19 of the Company may kindly send their queries on the designated e-mail ID well in advance to enable the Management to keep the information ready at the AGM.
- o) In our constant endeavour to improve the shareholder service standards, we seek your feedback in the 'Feedback Form' annexed to this Notice. Members are requested to kindly spare some time and submit the Feedback Form at the designated e-mail ID or at the address of the Company's Registrar and Share Transfer Agent as mentioned at point (g) of this Notice.
- p) For route map to reach the venue of the AGM, please refer the back cover page of this Notice.
- q) **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 from a place other than venue of the AGM], as an alternate mode of voting to enable the Members to cast their votes electronically. Necessary arrangements have been

made by the Company with CDSL to facilitate Remote e-voting as well as e-voting at the AGM venue. Remote e-voting is optional and shareholders shall have the option to vote either through Remote e-voting or voting through electronic means at 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 at 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 13, 2019.**
 - A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date 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 dispatch of Annual Report and holds equity shares as on the cut-off date shall also follow the same procedure as is mentioned in point (r) of this Notice.
 - A person who is not a shareholder as on the cut-off date should treat this Notice for information purposes only.
 - The shareholders attending the AGM who are entitled to vote but have not exercised their right to vote by Remote e-voting, may vote at the AGM for all businesses specified in the accompanying Notice. The shareholders 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, only such jointholder who is higher in the order of names will be entitled to vote.
- r) Shareholders are requested to follow the instructions below to cast their vote through e-voting:
- (i) The Remote e-voting period begins on **Wednesday, July 17, 2019 at 9:00 a.m. and ends on Friday, July 19, 2019 at 5:00 p.m.** During this period, shareholders' holding shares either in physical form or in dematerialized form, as on the cut-off date may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) The shareholders should log on to the e-voting website www.evotingindia.com
 - (iii) Click on Shareholders / Members
 - (iv) Now enter your User ID
 - a. For CDSL: 16 digits Beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (v) Next, enter the image verification as displayed and click on Login.
 - (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<ul style="list-style-type: none"> • Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). • Shareholders who have not updated their PAN with the Company/ Depository Participant(s) are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.

Dividend Bank Details OR Date of Birth (DOB)	<ul style="list-style-type: none"> • Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. • If both the details are not recorded with the depository or Company please enter the member id/ folio number in the Dividend Bank Details field as mentioned in instruction (iv).
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- (viii) After entering these details appropriately, click on 'SUBMIT' tab.
- (ix) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the Electronic Voting Sequence Number ('EVS'N') of 'Larsen & Toubro Infotech Limited'.
- (xii) On the voting page, you will see 'RESOLUTION DESCRIPTION' and against the same the option 'YES/ NO' for voting. Select the option YES or NO as desired. The option YES implies that you assent to the resolution and option NO implies that you dissent to the resolution.
- (xiii) Click on the 'RESOLUTIONS FILE LINK' if you wish to view the entire resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on 'SUBMIT'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'OK', else to change your vote, click on 'CANCEL' and accordingly modify your vote.
- (xv) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on 'Click here to print' option on the voting page.
- (xvii) If a demat account holder has forgotten the changed login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store, respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians:
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the

Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ('FAQs') and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

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 website of the Company, www.Lntinfotech.com/Investors and on the website of CDSL 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.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following statement sets out the material facts relating to Special Business under Item No. 4 of the accompanying Notice

Item No. 4

Mr. Nachiket Deshpande was appointed as the Chief Operating Officer of the Company with effect from December 12, 2018.

On the recommendation of the Nomination and Remuneration Committee ('NRC'), the Board of Directors of the Company at its meeting held on May 2, 2019, approved appointment of Mr. Nachiket Deshpande as an Additional Director of the Company with effect from May 2, 2019, 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 the Director proposing his candidature for the office of Director of the Company.

The Board of Directors at its meeting held on May 2, 2019, upon recommendation of NRC based on the performance of Mr. Nachiket Deshpande, also approved his appointment as Whole-time Director of the Company for a period of five years effective from May 2, 2019 to May 1, 2024, subject to the approval of Members, on the following terms and conditions:

A. Remuneration

Particulars	Amount (per annum)
A. Fixed Pay¹	INR 13,607,200
B. Variable Pay	
(i) Discretionary Bonus ³	Upto INR 2,250,000
(ii) On Target Variable ³	Upto INR 5,250,000
C. Stock Options⁴	INR 17,028,000
Total Remuneration^{2&5}	Upto INR 38,760,569

NOTES:

- Fixed pay includes basic salary of INR 3,600,000 p.a., Bouquet of Benefits (BOB) of INR 8,856,000 p.a, Car Allowance of INR 151,200 p.a and fixed supplementary annual allowance of INR 1,000,000 for a period of four years till December 2022.
- Provident Fund, Gratuity, medical insurance premium will be as per the grade and Company's policy and will form part of the total remuneration mentioned above.
- Discretionary Bonus and On Target Variable will be paid as per the Incentive Plan.
- NRC has granted 60,000 Stock Options in the financial year 2018-19 with equal vesting over a period of five years.
- The Total Remuneration mentioned above shall be revised as per the Company's policy subject to annual increment upto 8% (eight percent), as may be decided by the Board of Directors upon recommendation of NRC from time to time. However, the total remuneration shall not exceed the limits approved by the Members and prescribed under Section 197 read with Schedule V of the Companies Act, 2013.
- Since Mr. Nachiket Deshpande is appointed as Whole-time Director in the middle of financial year FY20, the total remuneration of such financial year will be payable on pro-rata basis for the period of his employment as Director.

B. Additional benefits not included in Total Remuneration:

- He will also be eligible for conveyance, telephone, mobile or other expenses incurred in furtherance of or in connection with the performance of duties, in accordance with the Company's policy.
- Will be eligible for medical benefits and health insurance in accordance with the Company's medical scheme.
- Will be eligible to participate in all employee benefit programs as are generally applicable as per benefit plans, programs, policies and/or practices of the Company.
- Will be eligible for Leave encashment as per Company's leave policy.
- Will be entitled to all other benefits, perquisites, allowances, as may be applicable to his grade as per the Company's policy.

The draft agreement duly initiated by the Company Secretary for the purpose of identification to be entered into between the Company and Mr. Nachiket Deshpande post shareholders approval, in respect of his appointment as a Whole-time Director of the Company and containing terms and conditions of his appointment, will be open for inspection by shareholders at the Registered Office of the Company on all the working days, except Saturdays, between 11:00 a.m. and 1:00 p.m. upto the date of the AGM.

Based on the performance of the Company, the general market trends, industry benchmarks and the leadership qualities demonstrated by Mr. Nachiket Deshpande, the Board, at its meeting held on May 2, 2019 and upon recommendation of NRC, also approved the following revision in remuneration of Mr. Nachiket Deshpande with effect from July 1, 2019, subject to approval of the shareholders:

Particulars	Existing Remuneration (upto June 30, 2019)	Revised Remuneration (w.e.f July 1, 2019)
Fixed Pay¹	INR 13,607,200 p.a	INR 14,150,147 p.a

NOTES:

- Fixed pay includes basic salary, Bouquet of Benefits (BOB), car allowance and fixed supplementary annual allowance.
- The other components of the remuneration such as Variable Pay, Stock Options and other terms and conditions as mentioned hereinabove and more elaborated in the draft agreement, will remain unchanged.

Brief Profile

Mr. Nachiket Deshpande is an Engineer in electronics from College of Engineering, Pune. He brings with him more than 23 years of rich experience in delivery management, customer relationships management, account and P&L management across verticals, technologies and geographies. Prior to joining the Company, Mr. Deshpande held the position of Senior Vice President & Global Delivery Head for the Banking and Financial Services unit in Cognizant Technology Solutions, where he was responsible for global delivery and P&L across all services lines, products and platforms, as well as driving large scale skills transformation across North America, Europe and India. Mr. Deshpande began his career at Tech Mahindra where he was responsible for design and architecture of telecom applications.

Mr. Nachiket Deshpande satisfies all the conditions set out in part I of Schedule V of the Act as also the conditions set out under sub-section 3 of Section 196 of the Act for being eligible for his appointment as Whole-time Director of the Company. He is not disqualified from being appointed as a Director in terms of Section 164 of the Act.

Except for Mr. Nachiket Deshpande 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. 4 of this Notice.

The Board recommends the ordinary resolution at Item No. 4 for approval of the Members of the Company.

**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 2, 2019



Let's Solve

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

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013, and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s)			
Registered Address			
Email ID			
Folio No. / Client ID		DP ID	

I/We, being the member(s) of _____ equity shares of LARSEN & TOUBRO INFOTECH LIMITED, hereby appoint:

- 1) _____ of _____ having e-mail id _____ or failing him/ her
- 2) _____ of _____ having e-mail id _____ or failing him/ her
- 3) _____ of _____ having e-mail id _____

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty Third Annual General Meeting of the Company, to be held at Birla Matushri Sabhagar, 19, Marine Lines, Mumbai - 400 020, on Saturday, July 20, 2019 at 11:00 a.m. and at any adjournment thereof, in respect of such resolutions as are indicated below:

** I wish my above proxy to vote in the manner as indicated in the box below:

Item No.	Resolutions	For	Against
1	Adoption of audited financial statements of the Company for the financial year ended March 31, 2019, 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, 2019, together with the Report of the Auditors thereon.		
2	Declaration of final dividend on the equity shares.		
3	Re-appointment of Mr. Sudhir Chaturvedi (DIN: 07180115), Director liable to retire by rotation.		
4	Appointment of Mr. Nachiket Deshpande (DIN: 08385028) as a Director and Whole-time Director of the Company.		

Signed this _____ day of _____ 2019 Signature of shareholder Signature of proxy holder(s)

Affix a
1 Rupee
Revenue
Stamp

Notes:

1. **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.**
2. **A proxy need not be a Member of the Company.**
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. **This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/ she thinks appropriate.
5. Appointing a proxy does not prevent a Member from attending the meeting in person if he/she so wishes.
6. In the case of jointholders, the signature of any one holder will be sufficient, but names of all the jointholders should be stated.

SHAREHOLDER'S FEEDBACK FORM

Name:

Email ID:

Folio No./ DP Client ID:

Contact No.:

Sr. No.	Particulars	Excellent	Satisfactory	Needs Improvement
i)	Notice & Annual Report			
	Content quality & overall presentation			
ii)	Receipt of Various Documents			
	Annual Report			
	Notice			
	Dividend/ECS Intimation			
iii)	Website (Investor Section)			
	Quality			
	Relevance			
	Presentation			
	Ease of navigation			
iv)	Annual General Meeting (AGM)			
	Conduct, arrangements & hospitality			
v)	Service standards provided by Link Intime India Private Limited, Registrar and Share Transfer Agent			
	Turnaround time			
	Accessibility			
	Overall quality of service standards			
vi)	Interaction with the Company			
	Turnaround time			
	Accessibility			
	Overall quality of service standards			

Do you have any grievance which has not been redressed: Yes

No

If Yes, please provide brief details:

Signature

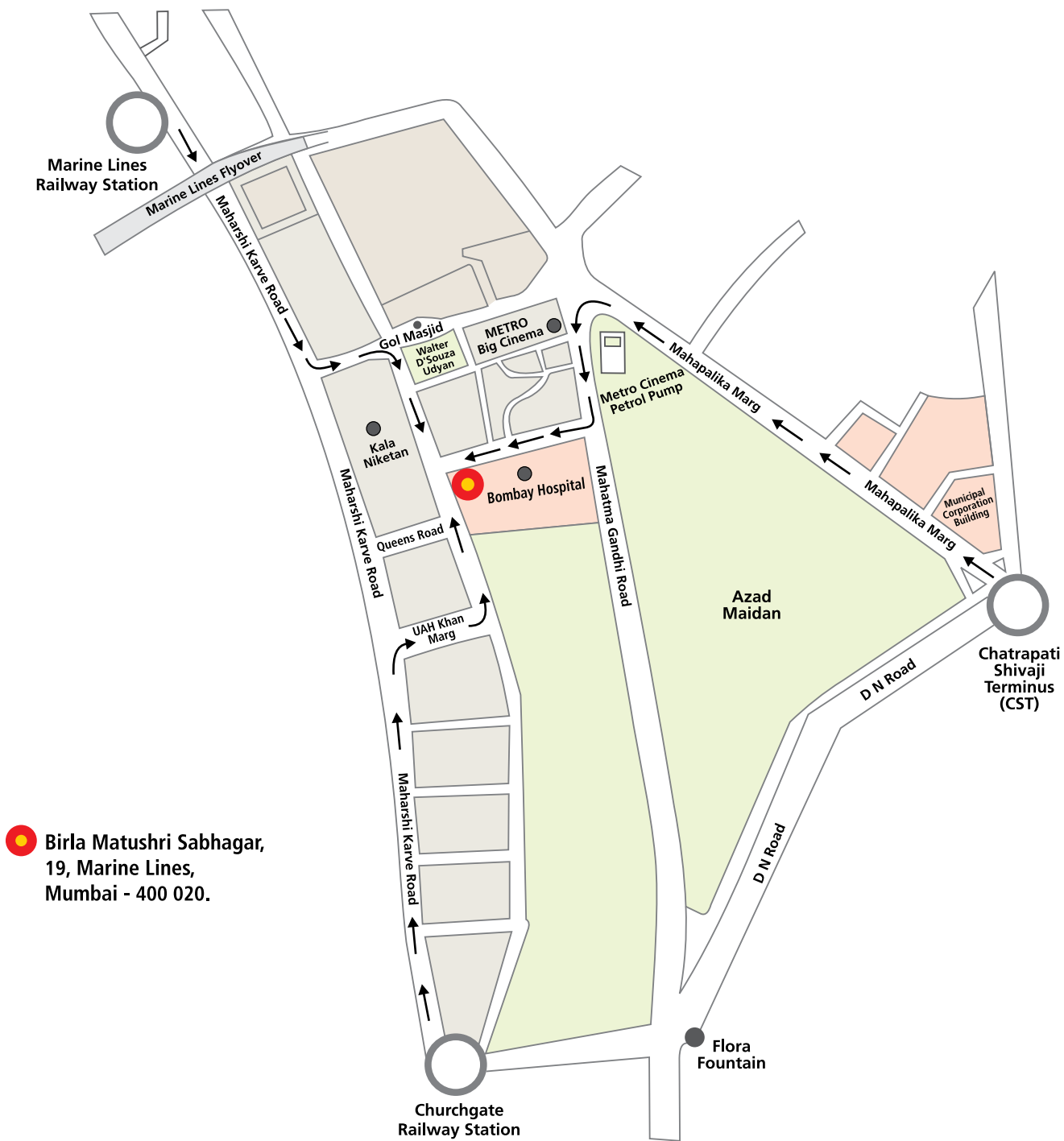
ANNEXURE TO AGM NOTICE

DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE 23rd 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. Sudhir Chaturvedi	Mr. Nachiket Deshpande
Item No.	3	4
Date of Birth	January 12, 1970	October 25, 1973
Date of first appointment on the Board	November 9, 2016	May 2, 2019
Qualifications	Master of Science (Technology)	Engineer in Electronics
Expertise	Over 25 years of industry experience across Sales, Business Development, Consulting and Delivery Operations	Over 23 years of industry experience in Delivery Management, Customer Relationships Management, Account and P&L Management
Directorships held in other public companies (excluding foreign and private companies)	NIL	NIL
Memberships/ Chairmanships of Committees* in other public Companies	NIL	NIL
Number of Board Meetings attended during the financial year	4 of 4	NA
Details of Remuneration	Details of remuneration is provided in Annexure H to Directors Report forming part of Annual Report 2018-19.	Details of remuneration is provided in the Explanatory Statement forming part of this Notice.
Shareholding	64,320 equity shares	NIL
Relationships between directors inter-se	NIL	NIL

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

Route Map to the AGM Venue



2018-19 | ANNUAL
REPORT

LTI
Let's Solve

Powering the
Breakaway
Enterprise



A Larsen & Toubro
Group Company

Winnin tak

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To view this report online or download please log on to www.lntinfotech.com



Scan this QR code to read the report on your handheld device.



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g es a lot.

It takes strategy, courage, conviction, perseverance and passion to beat the competition. But to win consistently, and to breakaway completely from competition, takes even more. It requires a far-sighted vision to be distinctive, and an overarching ambition to stay ahead of the competition. That is what distinguishes the winner from the rest in any race, and what establishes an enterprise as the leader, always a step ahead of others.

Some companies have what it takes to be the winner, the leader. They know how to become the breakaway enterprise. An enterprise that can disrupt and embrace disruption at the same time. An enterprise that enables new business models, generates new revenue models, is operationally superior, and enriches experiences. An enterprise that does not just survive but actually thrives in the new change environment.

At LTI, it is our endeavor to help our customers be the breakaway enterprise. To help them excel and lead by powering their ability to transform

experiences, use operations as a lever to transform, become data-driven organizations and digitize their core. Concurrently, we strive to transform ourselves into the breakaway enterprise in our own industry - by investing in right platforms, capabilities, technologies, acquisitions, partnerships and people.

At LTI, we remain a Learning Company with a beginner's mind and a curious approach to solving new challenges in new ways. It is this approach that is continuously augmenting our ability to power the breakaway enterprise!

Chairman's Message

Dear Shareholders,

You will be happy to know that your Company has turned in consistently impressive performance – recording high growth for the third consecutive year. In line with its strategic objectives, its digital revenues now stand at 38% of total revenue, contributing substantially to its overall growth.

During the year, LTI made two acquisitions, and further expanded the capabilities of its Mosaic ecosystem. I believe LTI is well on track to achieving its goal – joining the differentiated league of IT players who zero-in on global, new-age businesses and digital transformation.

This strategic focus has enabled your Company to cope with the tumultuous changes of the emerging business environment. While changing consumer behaviour and tech-based disruption are re-writing industry's rulebooks, your Company has stayed ahead of the curve by breaking away from traditional business moulds to adopt and articulate a new model that is better suited to the times.

Early in its journey, LTI realized the need for a unique positioning to rise above the clutter, and decided to achieve this by enabling the radical transformations of its clients, which include some of the world's leading enterprises across industries. I am proud to say that this approach, combined with the power of the L&T brand legacy has worked well, and helped LTI establish itself firmly as an example of a Breakaway Enterprise. This uniqueness has given your Company salience in markets vulnerable to commoditization, accelerated its

growth and win accolades from industry observers and influencers. Today, LTI occupies a niche as a preferred digital partner to the enterprise of tomorrow.

Your Company recognizes both the challenges and the opportunities implicit in a turbulent, hyper competitive scenario. Our customers' expectations escalate incessantly. They are increasingly adept at new-age technologies, viz., AI, Automation, Machine Learning etc., and they are looking for effective solutions to secure their vast digital assets against data breaches. For us, this digital-first scenario provides unparalleled opportunities to bring about an enterprise-wide transformation. Your Company is equipped and eager to address the upcoming challenges. As clients shift from Digital to Breakaway, your Company will keep in step, and live up to its theme line of 'Let's Solve'.

I am confident that LTI is headed towards making the most of the opportunities of the future.

I wish Sanjay and the entire LTI team all the very best in this journey.

A. M. Naik
Founder Chairman



Early in our journey, we realized that we needed to be uniquely positioned to rise above the normal. In line with this philosophy, we have, over the years, set our sights firmly on future-gen IT, while remaining proactively engaged in next-gen IT.



In tandem with the evolution of our clients from digital to breakaway, we have also moved from addressing to anticipating. This defines the roadmap for LTI - to join a "differentiated league" of IT players who help global new-age businesses.



LTI is winning accolades from industry observers and influencers. By all accounts, your Company is today placed in a highly attractive sweet spot as the preferred digital partner to breakaway enterprises.

CEO & MD's Message



Dear Shareholders,

It gives me great pleasure to present to you the Annual Report for FY2019.

This performance has come at the back of our unrelenting client focus and in-depth understanding of their business, our execution excellence, as well as our focused diversification of offerings. This approach has helped us become the growth leader in our industry with an enviable track record of consistent and profitable growth.

We have developed a deep understanding of the four key strategies of the breakaway enterprises, in whose success we are continuously partnering by investing in Platforms, Partnerships, Acquisitions and People.

I am often intrigued by what makes some companies more successful than others. What helps them understand and adopt change faster than others. Such a company is always ahead of its peers. Deviating from established business norms, such an enterprise is a breakaway enterprise. With its innovative ways of doing business, it relies on the latest technologies to turn established business models around. It relies on truly transformative customer insights and business processes – an edge that others do not have.

As a technology partner for several breakaway enterprises, I often get an opportunity to understand their strategies better. While there is no secret formula, I have consistently seen them do the following four strategies better than others – they use effective operations as a lever of transformation, that is, they Operate to Transform, they are Data-Driven Organizations, they Transform Experiences, and they Digitize their Core, to create thriving new business models that did not even exist a few years ago.

At LTI, we are reinventing our offerings, as well as our own working style, to address and support these new models. We have developed a deep understanding of the four key strategies of the breakaway enterprises, in whose success we are continuously partnering by investing in Platforms, Partnerships, Acquisitions and People.

While our Mosaic platform is continually evolving to power enterprise decisions and actions more effectively, our strategic partnerships such as SAP GSSP and Temenos Strategic Global Partner are driving a new level of competency in the organization. Our strategic acquisitions during the year have further augmented our strengths, with Ruletronics boosting our Pega skills and Nielsen+Partner (N+P)

bolstering our Temenos capabilities. As we surge forward to scale higher growth, we shall invest even more significantly in our capabilities around Digital, Analytics, Automation, IoT, and Cloud, which we have identified as our focus areas. Additionally, we shall continue to put exceptional thrust on Cognitive and Analytics services, for which we have already won industry recognitions by leading analysts.

As we progress steadily in this direction, we will continue to embrace the Zen concept of Shoshin or ‘beginner’s mind’ and remain a learning company. It may sound counter-intuitive, but innovation can also come from thinking and solving without the baggage of expertise and experience. As a Company that is always in a learning mode, we have challenged assumptions, sought fresh perspectives, mixed capabilities and rewarded curiosity. Our Mission Ubuntu is also aligned to the same learning philosophy, declaring proudly “I am, because we are.” This is a learning that is imbued individually in every member of our team, and collectively in the LTI psyche.

I am happy to share that we are seeing a clear difference as a result of these learnings and the new capabilities they are equipping us with. Armed with these capabilities, and a much larger taskforce of 28,000 solvers, our strategy for enabling the breakaway success is validated by our consistent ability to outperform competitors across domains and services. With your trust and your support as one of our key stakeholders, your Company has now built a strong foundation to be the power behind breakaway transformation of leading global enterprises across industries.

Let’s Solve.

Sanjay Jalona
CEO & Managing Director



We have

developed a deep understanding of the four key strategies of the breakaway enterprises, in whose success we are continuously partnering by investing in Platforms, Partnerships, Acquisitions and People.



As we progress steadily

in this direction, we will continue to embrace the Zen concept of Shoshin or ‘beginner’s mind’ and remain a learning Company. It may sound counter-intuitive, but innovation can also come from thinking and solving without the baggage of expertise and experience.

Board of Directors

At LTI, we are continuously investing in strengthening our top leadership to lead the breakaway enterprise.



A. M. Naik
Founder Chairman



S. N. Subrahmanyam
Non-Executive Vice Chairman



R. Shankar Raman
Non-Executive Director



Sanjay Jalona
CEO & Managing Director



Sudhir Chaturvedi
Whole-Time Director &
President-Sales



Nachiket Deshpande
Whole-time Director & COO



Samir Desai
Independent Director



M. M. Chitale
Independent Director



Vedika Bhandarkar
Independent Director



Arjun Gupta
Independent Director



Sanjeev Aga
Independent Director



Sudip Banerjee
Independent Director

Corporate and Vertical Heads

Corporate

Sanjay Jalona

Chief Executive Officer
& Managing Director

Sudhir Chaturvedi

President Sales

Nachiket Deshpande

Chief Operating Officer

Ashok Kumar Sonthalia

Chief Financial Officer

Peeyush Dubey

Chief Marketing Officer

Manoj Koul

Company Secretary
& Compliance Officer

Ajay Tripathi

Chief Human Resources Officer

Vertical Heads

Anil Vazirani

Chief Business Officer,
Insurance Americas

Deepak Khosla

Chief Business Officer,
Emerging Markets

Harsh Naidu

Chief Business Officer,
Banking & Financial Services, Americas

Rohit Kedia

Chief Business Officer,
Manufacturing & ERP, Americas

Sarbajit Deb

Chief Business Officer, Nordics

Satya Samal

Chief Business Officer,
Europe (excluding Nordics)

Siddharth Bohra

Chief Business Officer, Tech, Media,
CRP & Digital, Americas

Anatomy of a Breakaway Enterprise

As a learning organization, LTI is continuously embracing disruptive technologies to power its own breakaway journey. We are constantly expanding our horizons to align ourselves with the new-age needs of our clients.

As we look around us today, we see new business models rendering centuries-old traditional models redundant – not over years but in months. These models, we find, are all about ideas, rooted in innovation, which could provide quick availability yet scalable service at the click of a button.

With our focus on Amplifying Outcomes beginning to translate into exceptional gains for our clients, we decided it was time to embed our business philosophy with new elements of change, structured to their transformational agenda.

WHY BREAKAWAY?

Aware of the irrelevance of the old concepts of middlemen, the brick & mortar structures and time-consuming processes, the breakaway enterprise deploys the sheer power of data and insights to change the way services are consumed.

Going digital, thus, is no longer an option; it is a mandate with a deadline, requiring businesses to do away with technical problems that hold them back and host their business as-a-service or on the Cloud. Elimination of middlemen, creation of a customized experience and reinventing business is the sine quo non for companies seeking to stay relevant in this new business environment.

SO WHAT IS THE BREAKAWAY BUSINESS DOING DIFFERENTLY?

Enabling new business models

- Cloud only, mobile only
- Direct to customer
- Enabling tech for the bottom billion

Enabling revenue growth

- Using as-a-service models
- Faster time-to-market
- Customer onboarding

Transforming customer & employee experiences

- Enabling digital ways of working
- Seamless collaboration
- Providing innovative services

Mastering next-gen efficient operations

- Extreme simplification
- Using open source solutions



Adapting to such fast-paced change requires a holistic product and service proposition designed to offer compelling and personalized experiences to customers. Underlining this proposition is the need to be truly data-driven and digitized at the core, to bring about an operational transformation.

At LTI, we have reinvented and mapped our offerings to the transformed industry realities, providing all breakaway components under one roof, through our four-pillar approach.

01/



**Operate
to Transform**

02/



**Data-Driven
Organization**

03/



**Experience
Transformation**

04/



**Digitizing
the Core**

Breakaway Enterprises – the Four Strategies



Operate to Transform

Though traditionally considered a back office function and a cost center, we have started seeing Operations through a new lens and believe it to be the engine for creating a lot more value than just keeping the lights on. Application of the digital levers of Analytics, AI, Automation and Experience enables us to look at Operations as a treasure trove of insight.

We, at LTI, have shifted gears from treating Operations as a 'big spend' in running any business or function (it traditionally constitutes 40-70% of the ongoing spend) to seeing it as a platform to transform enterprises in their breakaway journeys. With our deep understanding of the evolving and emerging needs of the breakaway enterprise, we see a distinct opportunity to repivot Operations from a 'keep the business running function' to 'keep the business transforming function'.

Our Mosaic automation platform is a sophisticated toolset to deliver to this new opportunity, thus augmenting the LTI strategic core designed to steer the transformation of breakaway organizations. Powered by our 4D model (Do Fast, Do Less, Do More, Do Better), the O2T (Operate to Transform) delivers operations and business transformation across the four key dimensions of Operations, Landscape, Business Process KPIs and End-User Personas for our customers.



Data-Driven Organization

Across industries, we have evolved our 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.

At LTI, we understand 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. Our Mosaic platform, along with its components, enhances our client's data asset advantage. Our Data & Analytics services, Data-First approach, combined with partnerships with leading Big Data platform distribution companies, help us bring in better solution concepts.

LTI's Mosaic is a converged platform, offering data engineering, advanced analytics, knowledge-led automation, IoT connectivity and improved solution experience to its users. Mosaic enables organizations to undertake quantum leaps in business transformation, and brings an insights-driven approach to decision-making. It helps deliver pioneering Analytics solutions at the intersection of physical and digital worlds. The Mosaic ecosystem comprises Mosaic Decisions, Mosaic AI, Mosaic Automation, Mosaic Lens, and Mosaic Catalog.



Experience Transformation

With superior customer experience now critical for every industry, business transformation is increasingly guided by the need for better customer interfaces, faster and more robust decisions, more connected processes and improved data insights.

Experience is the only common denominator in managing customer perception and retaining customers over the long term. As the role of immersive customer engagement increases in this changing business environment, companies adopt data Analytics more comprehensively to understand customer behaviour, journey and life cycle, and, most significantly, how they want their products/ services to be delivered. This enables them to create experiences and products customized to the needs of the individual rather than the masses.

Using the power of the digital to read between the lines, LTI has been consistently delivering on 'experience transformation' for its customers. We are helping customers redefine experiences – be it for an agribusiness or a leading elevator major. We are helping them harness the power of transformed experiences with human-centric design. Be it Cloud-based apps or the power of AI and Machine Learning, we aim to help bridge the gap between the provider and the customer. Mosaic Experience opens new growth avenues, drives greater loyalty and reduces risk exposure, by providing insights into the customer's needs and behaviours.



Digitizing the Core

Data-driven modernization, a key component in enabling decision-making based on data-driven insights rather than instincts or tedious processes, is the top priority and a challenge today for all leading organizations.

It is critical for a successful corporation to understand the multi-dimensional nature of digital change and integrate various layers at the core of its business infrastructure. It needs to understand that without this strong digital core, it cannot scale or sustain digital business transportation. A breakaway enterprise recognizes this, and takes well-defined steps to establish a digital ecosystem embedded with advanced levels of automation and intelligence. Powered by high bandwidth data services, secure network infrastructure, BYOD devices, mobile applications, and streamlined business processes, the modern enterprise integrates, incorporates and enhances varied digital capabilities, to digitize the core of data architectures.

LTI is helping its clients move from a messy legacy landscape to a digital core, enabling their business to evolve to a transformed stage of functioning. We focus on building digital DNA with systems of compute, systems of record, systems of differentiation, systems of insight, and systems of intelligence. Innovating and applying digital technologies for a myriad of business functions, we help organizations leverage digital transformation, and reimagine their business models for sustained profitability and competitive differentiation. We facilitate them in maximizing their business potential by embedding a culture of digital innovation.

Leveraging Acquisitions to Breakaway

The transformational journey of the breakaway enterprise requires a multitude of competencies and capabilities to work synergistically and cohesively together. At LTI, we believe in capturing and leveraging the myriad strengths through strategic mergers and acquisitions to help power the breakaway journey of our clients. We remain focused on continuously strengthening our digital capabilities through new acquisitions and partnerships.

AugmentIQ (acquired by LTI in Nov '16)

The deal has enriched and expanded LTI's Mosaic Platform.



Automation and insight-led big data solutions which can be implemented and scaled quickly are hallmarks of a Breakaway Enterprise IT landscape. We are excited about joining forces with LTI, and together we can offer a unique roadmap to clients seeking accelerated data monetization.

Sachin Vyas
Founder & CEO, AugmentIQ

Syncordis (an LTI company since Nov '17)

This strategic alignment supports LTI's ambition to expand its footprint in the Banking sector across Europe.



Digitizing the Core is one of the four key tenets of LTI's Breakaway Enterprise model. As such, the Temenos Core Banking capabilities – an area of expertise for Syncordis – are a great fit for LTI's new ambition to support the Breakaway Enterprise.

Guillaume Desjonqueres
CEO, Syncordis

Ruletronics

(an LTI company since Jan '19)

The deal strengthens LTI's digital practice with deep Pega expertise.



Operate to Transform, LTI's pillar of Breakaway Enterprise path to offering transformative services, aligns with our mission of understanding and analyzing our client's business needs, and delivering strategic BPM & CRM solutions to transform their business processes.

Naveen Anisetty

Managing Director and Founder, Ruletronics

N+P

(an LTI company since Feb '19)

This acquisition establishes LTI as a leading global partner for Temenos WealthSuite.



The banking sector is at the forefront when it comes to digital transformation and offering bespoke experiences and products to clients. Together with Syncordis, N+P, with its capabilities as a global expert of Temenos suite of products, strengthens LTI's mandate to evolve its Breakaway Enterprise offerings to its banking clients.

Manuel Brunckhorst

CEO, N+P

We Care to Solve

At LTI, our value proposition goes beyond the direct stakeholder fabric to make a meaningful difference in the lives of the communities in which we operate. We believe as much in Empowering for Independence, as we do in Powering Breakaway Enterprises in business. We are continuously taking impactful measures to Solve for the Society – a core belief that is imbued within your Company's framework. Be it at an organizational or individual level, local or global, we affect changes by focusing on three areas:



SOLVING BY EDUCATION

- **Digital learning program** connects eager students in remote villages across India with passionate volunteer teachers
- **Experiential learning:** A program for higher secondary & high school children, to familiarize them with technology, science and mathematics
- **Mid-day meals:** An initiative to help government schools lower drop-out rate and encourage attendance Solving by Empowering
- **Digital Sakshar:** A program to create a young workforce with IT skills

SOLVING BY EMPOWERMENT

- **Women empowerment:** Empowering marginalized women by helping them become financially independent
- **iLearn-iEarn:** A computer education initiative for specially-abled youth

SOLVING FOR ENVIRONMENT

- **Green cover:** Eco-friendly programs such as tree plantations, reducing, re-using and recycling initiatives
- **Water harvesting:** Providing farmers a reliable source of water throughout the year

We believe that this three-pronged approach, founded on the pillars of Education, Empowerment and Environment, will steer long-term, inclusive and sustainable growth for the Society, which we are committed to serve and sustain.



Key Highlights 2018-19

Fiscal 2018-19 saw LTI notch many new milestones in the journey of its own transformation and its endeavor to power breakaway enterprises across industries, globally.

21% YoY

We delivered an impressive and industry-leading 21% YoY revenue growth, at a handsome margin of 15.2%, and we remain focused on building differentiated capabilities and helping our customers with their digital transformation.

28,000+

LTI resources enable our clients to improve the effectiveness of their business and technology operations and deliver value to their customers, employees and shareholders. Also, we plan to add 3,800 freshers during this year, a sign of robust pipeline and growth.

We acquired Nielsen+Partner.

Headquartered in Hamburg, Germany, N+P is a leading partner of Temenos in Europe and APAC. The company is well-recognized for its market-leading capabilities in Temenos WealthSuite, including Triple' A Plus, Data Source and Channels.

LTI won the '**Most Admired Company of the Year 2018**' award from BTVI Business Leader of the Year.

Syncordis, a wholly-owned subsidiary of LTI, became a strategic global partner of Temenos.

Together with Syncordis, N+P strengthens LTI's capabilities as a global expert of Temenos suite of products and enriches Company's offerings to Banking clients.

Acquired Ruletronics, a pure-play Pega® consulting and implementation company. Ruletronics enables businesses to transform and evolve digitally by providing innovative BPM and CRM solutions leveraging Pega Platform.

As a sign of our business momentum, **we bagged \$600+ Mn revenue** in new TCV from large deals in the last 10 quarters.

Winner of **2018 Microsoft App Innovation Award** for demonstrating excellence in innovation and implementation of customer solutions based on Microsoft technology.

We are now a Global Strategic Services Partner (GSSP) of SAP, and working closely with them on SAP S/4HANA solutions across industries.

We won 2018 Stevie Award for Great Employers in two categories.

Corporate Information

BOARD OF DIRECTORS

A. M. Naik

Founder Chairman

S. N. Subrahmanyam

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

Vedika Bhandarkar

Independent Director

Arjun Gupta

Independent Director

Sanjeev Aga

Independent Director

Sudip Banerjee

Independent Director

CHIEF FINANCIAL OFFICER

Ashok Kumar Sonthalia

COMPANY SECRETARY AND COMPLIANCE OFFICER

Manoj Koul

STATUTORY AUDITORS

B. K. Khare & Co.

SECRETARIAL AUDITOR

Naina R Desai

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Private Limited

COMMITTEE POSITIONS

Audit Committee

M. M. Chitale

Chairperson

Samir Desai

Vedika Bhandarkar

R. Shankar Raman

Nomination and Remuneration Committee

Samir Desai

Chairperson

A. M. Naik

S. N. Subrahmanyam

Arjun Gupta

Stakeholders' Relationship Committee

Vedika Bhandarkar

Chairperson

Sanjay Jalona

Sudhir Chaturvedi

Corporate Social Responsibility Committee:

Sanjay Jalona

Chairperson

Arjun Gupta

Sudhir Chaturvedi

Risk Management Committee

S. N. Subrahmanyam

Chairperson

Sanjay Jalona

Nachiket Deshpande

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Strategic Investment Committee

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Barclays Bank PLC
ICICI Bank Limited
HSBC



Management Discussion & Analysis

I. Global Economic Scenario

Global growth, which peaked at close to 4 percent in CY17, softened to 3.6 percent in CY18. While financial markets in advanced economies appeared to be decoupled from trade tensions for much of CY18, the two have become intertwined more recently, tightening financial conditions and escalating the risks to global growth.

The changes introduced in US Tax plan in CY17 propelled US growth to 2.9% in CY18, driven by increased consumption and investment. The US expansion should continue at 2.3% in CY19, but the forecast marks a deceleration with the unwinding of fiscal stimulus.

For Euro area, the growth is expected to moderate from 1.8% in CY18 to 1.3% in CY19. Growth rates have been marked down for many economies, notably Germany (delays associated with the introduction of new fuel emission standards) and France (due to the negative impact of street protests). Uncertainty tied to the Brexit outcome would moderate growth in United Kingdom from 1.4% in CY18 to 1.2% in CY19.

Emerging Market and Developing Economies grew at 4.5% in CY18 and are projected to grow at 4.4% in CY19. Overall, this should lead World growth to 3.3% in CY19.

Source: International Monetary Fund. 2018. World Economic Outlook: Growth Slowdown, Precarious Recovery. Washington, DC, April.

II. Industry Overview

Global IT-BPM industry stood at USD 4.5 trillion in CY18, up 7.8% vs. CY17. The Global IT-BPM market excluding hardware and ER&D spend grew by 4.9% year-on-year to USD 1.4 trillion in CY18. Indian IT-BPM industry revenues including hardware and ER&D spend stood at USD 177 billion in FY19. The industry added ~USD 10 billion in incremental revenues last year, representing year-on-year growth of ~ 6.1% in USD terms. IT-BPM export revenues for the industry for FY19 are expected to reach USD 136 billion, growth of 8.3% over the past year. Domestic IT-BPM revenues are estimated at ₹ 2.9 trillion, a growth of 7.9%.



USD **4.5** trillion

The Global IT-BPM industry stood at USD 4.5 trillion in CY18, up 7.8% vs. CY17.

Digital revenues grew at 30+% to reach USD 33 billion and now represents over one-fifth of the industry revenue. Primarily there are six technologies from the suite which are driving this phenomenal growth – Intelligent Automation, Robotics, Cloud, IoT, Immersive Media and Blockchain. As every enterprise is reimagining multiple aspects of its business leveraging digital technologies, share of Digital in the industry revenue pie should increase to 38% by 2025.

Source: NASSCOM IT-BPM Strategic Review 2019

III. Our Business

LTI (NSE: LTI) is a global technology consulting and digital solutions Company helping more than 300 clients succeed in a converging world. With operations in 30 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 28,000 LTI resources enable our clients to improve the effectiveness of their business and technology operations and deliver value to their customers, employees and shareholders.

1. Strategy

The digital transformation wave is altering the relationship of IT vendors with their enterprise clients. Unlike in the past, consolidation of their IT applications and bringing down the run cost is no longer the sole agenda of conversation between IT service providers and clients. Our customer is solving for unique problems and they are unique not only by sector but within a sector two companies might be solving two very different problems. The only common thread in these discussions is that every customer is keen to reduce their "time to market" and provide its employees, customers and vendors consumer grade software experience with the stability and security of IT applications and infrastructure that is hallmark of a large global enterprise.

Our enterprise customers are focused on their Digital Transformation now more than ever before. In our view, digital transformation for an enterprise entails one or more of the following:

- Enable new business models
- Enable revenue growth
- Transform customer and employee experience
- Build next-gen operations

To enable this digital transformation for customers, IT vendors need to change their selling proposition from selling traditional service lines like application support, IMS or ERP



implementation to helping clients achieve business outcomes. Our go-to-market strategy is that we shall amplify the business outcomes of our clients by helping them:

- 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

To execute our go-to-market strategy, we have made investment in platforms that serve as the building blocks for digital transformation of our clients. We have been able to build these platforms by making right investments on people, on partnerships and acquiring companies that bring in additional capabilities that we can take to our customer base.

MOSAIC- LTI's proprietary digital transformation platform:

- Mosaic is a converged platform offering data engineering, advanced analytics, process automation, IoT connectivity & improved solution experience to its users. Mosaic Ecosystem enables entities to undertake quantum leaps in digital transformation and bring an insights-driven approach to decision-making.

The ecosystem building blocks include:

- MOSAIC Artificial Intelligence: AI platform that integrates with Legacy and Micro Services based Architecture, understands Natural Language and derives Intelligence from knowledge assets
- MOSAIC Automation: Automation platform that addresses all the process automation needs of an enterprise
- MOSAIC Decisions: Analytics as a service offering designed for ease of data orchestration, data discovery, machine learning & AI, delivering industry specific use cases for accelerated data driven decision making
- MOSAIC Things: IoT framework for managing smart devices with seamless data injection, monitoring and control
- MOSAIC Experience: Provides features to measure, monitor and improve the application experience
- MOSAIC Security: Advanced cyber analytics, Resilient security ops orchestration, Advanced threat management, Multi-cloud security and Integrated IT-OT security

Partnerships:

In FY19, LTI further strengthened its partnership and alliances ecosystem. LTI is recognized as one of the top 16 players globally to be part of the SAP Global Strategic Services Providers Partners (GSSP) list. LTI also announced global services partnership with Temenos. Global recognition on platform partnerships such as these brings to fore the commitment and investment that LTI has made to remain relevant to its clients.

Acquisitions:

To augment it's digital capabilities LTI announced two acquisitions in FY19. In January 2019, it acquired Ruletronics, a Pure-play Pega® consulting and implementation company with offices in the UK, USA, and India. In February 2019, it acquired Germany based NIELSEN+PARTNER (N+P), an independent Temenos WealthSuite specialist. This acquisition is synergistic to acquisition of Syncordis that LTI announced in FY18.

In summary, LTI's engineering DNA, real world experience and ability to create platforms makes us stand out in the marketplace.

2. Opportunities

- Banking and Financial Services: LTI has achieved 27.0% year-on-year revenue growth in BFS in FY19. Our experience in REGTECH has given us a granular understanding of banks' data, it has helped in positioning LTI as a strong analytics partner in the digital space. Our approach of data driven AI led transformation is helping us retain and grow our digital footprint.
- Insurance: LTI delivered 8.6% year-on-year revenue growth in this vertical. Digital is driving an unprecedented shift towards lower cost structures and greater agility in Insurance. We continue to partner with our clients helping them build foundational capabilities for their digital journey.
- Manufacturing: With 12.4% year-on-year revenue growth, LTI is growing steadily in this sector. This sector includes Industrial Manufacturing, Automotive & Aerospace. The automotive industry is going through an era of transformative changes based on confluences of destructive forces including connectivity, electrification and autonomy. Traditional OEMs are re-evaluating their spend priorities in light of this transformation. As a result, we are seeing opportunities in digital customer experience, increased spending on analytics, platform for launch of mobility services, etc. Similarly, Industrial companies are leveraging Digital for their Direct to Consumer, Smart Manufacturing and Smart Supply Chain transformation programs.
- Energy and Utilities: LTI has achieved 8.7% year-on-year revenue growth in this vertical. Energy companies are taking institutional steps to prioritize digital



LTI has achieved 27.0% year-on-year revenue growth in BFS in FY19.

transformation. Given the volatility in commodity prices, energy clients continue to evaluate their capital spend with prudence to manage their profitability.

- e) CPG, Retail and Pharma: With clear focus on differentiation in digital solutions, we continue to win new business in this segment. For example, there are umpteen ways to see Life Sciences companies transforming themselves. Whether it is connected supply chain, raising the bar on manufacturing quality or crunching drug research cycles. Our strategy for CPG, Retail and Pharma vertical is to focus on this change opportunity leveraging digital technologies. LTI has achieved 35.3% year-on-year revenue growth in this vertical.
- f) Hi-Tech, Media and Entertainment: With year-on-year revenue growth of 28.7% in FY19, there was a steady growth momentum in this sector. The advent of new technologies have flooded the market with new players and blurred the lines between telecom, media and hi-tech companies. To add to these complexities the way consumers are consuming content is changing. There are voice command devices, there are wearable devices, there is app-based streaming of content. In all of this, media companies are forced to re-imagine both their business models and their systems to align to new market and digital realities.

3. Human Capital

LTI crossed the milestone of having more than 25,000 employees in FY19. Our headcount was 28,169 as on March 31, 2019. During the year, our headcount saw net new addition of 4,030. Hiring, Engaging and Retaining talent continue to be the major focus areas for LTI.

We remained dedicated towards our goal of a gender inclusive workforce imbuing a work culture which fosters collaboration, learning and mutual respect. As of 31st March 2019, women make 30% of our workforce. We also launched Minerva, an all exclusive forum for women to collaborate on Workplace across wide range of subjects.

As a talent and innovation driven organization, LTI's top priority is attracting the best people and investing to further develop their highly specialized skills. Strengthening our commitment to our biggest asset - People, we started an HR transformation initiative- **Mission Ubuntu**. This initiative is steered by a cross functional taskforce to enhance every aspect of employees' work-life through policy intervention and process improvement.

Mission Ubuntu sketches an employee's journey through LTI as a nine-step process starting from onboarding. For example, we centralized and standardized the compliance critical background verification through an inhouse developed iVerify system. To improve employee experience, we drafted a first 30-day onboarding schedule. To simplify employee compensation, we

merged monthly performance pay into fixed pay and abolished forced ranking in annual appraisal cycles.

To engage and attract the best talent in the country, in FY19 we instituted "Infinity", an umbrella program for all our campus engagement initiatives. Under the program, we launched our first ever business school case study competition, with 400 Team Registrations translating into 127 Solutions from Premier B-Schools.

LTI firmly believes keeping in sight the ever-evolving technological landscape as its key to success. We have initiated multiple training programs to upskill and cross skill our employee base in new age technologies. With that vision as our axis, we have started a series of innovative initiatives, some of which are listed below.

iRise: This is a six month long Global Sales Leadership Program designed to create future Sales Leaders at LTI. Premier B-school graduates have been inducted with each participant receiving 1,200+ training hours spreading over 120 topics provided by ~150 facilitators.

iLead: The 'I LEAD' leadership program focuses on helping first time leaders develop their leadership excellence. This intensive program is targeted to boost their confidence and readiness to take on their first-time leader role. In FY19 nearly 900 employees in five batches participated in this program.

Our relentless pursuit for constant improvement was recognized by industry acclaimed Stevie Award for Great Employers in Two Categories. We won the Gold Award in Internal communications and Bronze Award in employee engagement category. LTI also found a place in the Best 50 People Capital Index (PCI) Companies of 2019 launched by Jombay and audited by the British Standards Institute (BSI).

IV. Significant Factors Affecting Our Results of Operations

Our results of operations have been, and will be, affected by many factors, some of which are beyond our control. This section sets out certain key factors that our management believes have historically affected our results of operations, or which could affect our results of operations in the future.

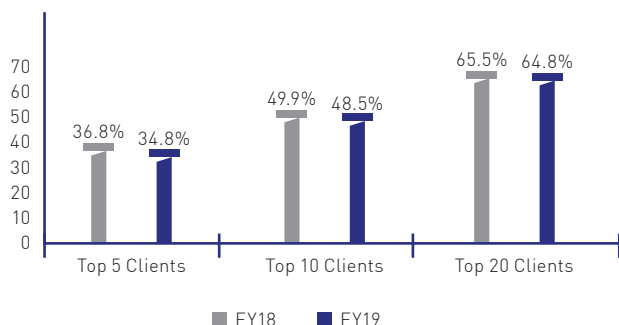
Client relationships

Client relationships are at the core of our business. We have a history of high client retention and continue to derive a significant proportion of our revenue from repeat business built on our successful execution of prior engagements. In the year ended March 31, 2019, we generated 96.6% of our revenue from existing clients as compared to 97.9% in the year March 31, 2018.

As client relationships mature, we seek to maximize our revenue and profitability by expanding the scope of services offered to that client with the objective of winning more business from

our clients, particularly in relation to our more substantive and value-added offerings. At the same time, we continue our efforts to add new clients and expand client relationships.

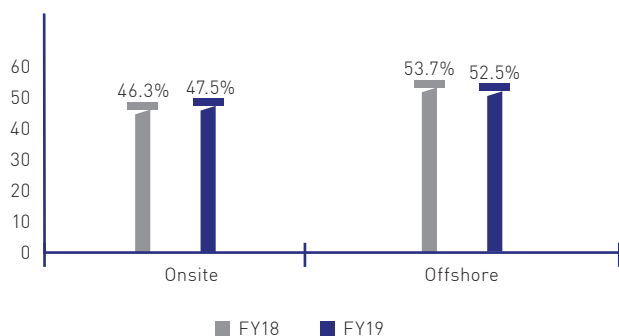
Client Contribution



Composition of revenue portfolio

Our export service revenue consists of both onsite and offshore revenue from IT services. The mix of IT services performed onsite and offshore has an impact on our ability to achieve higher profit margins. The following table shows the proportionate contribution from our onsite and offshore service revenue on a consolidated basis for the year ended March 31, 2019 as compared to the year ended March 31, 2018.

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 28,169 as of March 31, 2019 from 24,139 as of March 31, 2018. Our attrition rate for FY19 was 17.5% as against 14.8% in FY18.

Employee benefits expenses constituted 56.1% and 56.0% of our total income in the year ended March 31, 2019 and March 31, 2018 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, 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. Our effective tax rate has increased to 25.3% in the year ended March 31, 2019 as compared to 22.8% for the year ended March 31, 2018 primarily due to lower SEZ exemptions on completion of first five years of SEZ where we get 100% exemption from Income tax as opposed to 50% in next five years.

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, 2019

Nielsen+Partner Unternehmensberater GmbH, Germany

During the quarter, the group acquired 100% shares in



Percentage of revenues coming from existing clients, indicating importance towards client relationships

Nielsen + Partner Unternehmensberater GmbH, Germany, along-with its identified subsidiaries (collectively hereinafter referred as 'Nielsen + Partner') for an enterprise value of Euro 28 million on March 1, 2019 which includes upfront consideration and performance based earn-outs. Nielsen + Partner is a global implementation specialist for the Temenos Wealthsuite, providing services around digital banking platforms to customers across banking and the financial services segment. The Company has used cut-off date of January 31, 2019 as the acquisition date being date of acquiring effective control. The financial results for the quarter and year ended March 31, 2019 include revenue of ₹ 186 million and profit after tax of ₹ 20 million pertaining to this acquisition.

Ruletronics Limited, UK

During the quarter, the group acquired 100% shares in Ruletronics Limited, UK, along-with its group companies Ruletronics Systems Inc., US and Ruletronics Systems Private Limited, India (collectively hereinafter referred as 'Ruletronics') for an enterprise value of USD 7.87 million which includes upfront consideration and performance based earn-outs. Ruletronics is a silver implementation partner of Pega Systems, which is a leader in intelligent business process management, customer relationship management and process automation. LTI has used cut-off date of January 31, 2019 as the acquisition date being date of acquiring effective control. The financial results for the quarter and year ended March 31, 2019 include revenue of ₹ 76 million and profit after tax of ₹ 7 million pertaining to this acquisition.

2. Tangible and Intangible Assets:

(₹ Million)

	As at March 31, 2019	As at March 31, 2018
Property, Plant and equipment	3,052	2,508
Capital work-in-progress	32	10
Goodwill	4,947	2,763
Other Intangible assets	1,300	1,535
Intangible assets under development	83	58
Total	9,414	6,875

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 ₹ 3,052 Mn as at March 31, 2019 from ₹ 2,508 Mn as at March 31, 2018 since the net additions are higher than depreciation during the year.

Goodwill and other Intangible assets:

Increase in Goodwill is primarily due to goodwill arising from acquisition of Nielsen + Partner and Ruletronics. 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, 2019			As at March 31, 2018		
	Non-current	Current	Total	Non-current	Current	Total
Non-Current Assets - Financial						
Investments	1	-	1	1	-	1
Loans	473	-	473	387	-	387
Other Financial Assets	1,606	-	1,606	721	-	721
	2,080	-	2,080	1,109	-	1,109
Other Non-current Assets						
Tax assets	841	-	841	822	-	822
Other Assets	1,111	-	1,111	1,127	-	1,127
	1,952	-	1,952	1,949	-	1,949
Current Assets						
Loans	-	71	71	-	238	238
Other Financial Assets	-	1,703	1,703	-	1,720	1,720
Other Current Assets	-	4,493	4,493	-	1,084	1,084
Total	4,032	6,267	10,299	3,058	3,043	6,101

Total Other Non-Current and Current assets stood at ₹10,299 Million as of March 31, 2019 as compared to ₹ 6,101 Million as of March 31, 2018.



The increase in non-current other financial assets is attributable to increase in marked to market gains of outstanding hedges. 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 non-financial asset. The increase in other current assets is primarily on account of such unbilled revenue for fixed price contracts of ₹ 3,096 million included in other current assets as of March 31, 2019.

4. Trade Receivables

Trade receivables amounted to ₹18,263 Million (net of provision for doubtful debts amounting to ₹521 Million) as at March 31, 2019, compared to ₹13,962 Million (net of provision for doubtful debts amounting to ₹345 Million) as at March 31, 2018.

Days of Sales outstanding of Trade Receivables as on March 31, 2019 is 71 days as against 70 days as on March 31, 2018.

6. Funds Invested

	(₹ Million)	
	As at March 31, 2019	As at March 31, 2018
Investment in Mutual funds	17,402	12,643
Cash and Cash equivalents	3,499	3,323
Other Bank Balances	651	310
Fund invested	21,552	16,276

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. These investments stood at ₹17,402 Million as at March 31, 2019 as against ₹ 12,643 Million as at March 31, 2018.

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, 2019	As at March 31, 2018
Authorized:		
260,000,000 equity shares of ₹ 1 each (Previous year 260,000,000 of ₹ 1 each)	260	260
Issued, paid up and subscribed		
173,510,084 equity shares for ₹ 1 each (Previous year 171,999,263 of ₹ 1 each)	174	172
Equity Share Capital	174	172

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, 2019.

5. Unbilled Revenue

Unbilled revenue represents value of services performed for customers not yet billed. Unbilled revenue stood at ₹ 5,582 Million as at March 31, 2019 as against ₹ 8,365 Million at March 31, 2018. 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 non-financial asset as. The decrease in unbilled revenue is primarily on account of such unbilled revenue for fixed price contracts of ₹ 3,096 million included in other current assets as of March 31, 2019.

Days of Sales outstanding of unbilled revenue (including that classified as non-financial asset) has improved to 34 days as on March 31, 2019 as compared to 42 days as on March 31, 2018.

8. Other Equity

(₹ Million)

	As at March 31, 2019	As at March 31, 2018
Other reserves	10,105	9,561
Retained earnings	38,659	28,865
Share application money pending allotment	0	0
Non-Controlling interest	8	13
Other Equity	48,772	38,439

Other equity at the end of March 31, 2019 stood at ₹ 48,772 Million as against ₹ 38,439 Million at the end of March 31, 2018. The increase in other reserves from ₹ 9,561 Million at the end of March 31, 2018 to ₹ 10,104 Million at the end of March 31, 2019 is primarily due to increase in share premium account on exercise of employee stock option and increase in hedging reserve on account of higher marked to market gains on outstanding hedges. The increase in retained earnings from ₹ 28,865 Million at the end of March 31, 2018 to ₹ 38,660 Million at the end of March 31, 2019 is on account of Net Profit for the year, reduced by dividend paid.

9. Deferred tax assets / liabilities

(₹ Million)

	As at March 31, 2019	As at March 31, 2018
Deferred tax assets	1,545	1,921
Deferred tax liabilities	56	132

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 decreased to ₹ 1,545 Million as at March 31, 2019 from ₹ 1,921 Million as at March 31, 2018 mainly due to utilization of accumulated Minimum Alternate Tax (MAT) asset during the year ended March 31, 2019.

10. Other Non-Current and Current liabilities

(₹ Million)

	As at March 31, 2019			As at March 31, 2018		
	Non-current	Current	Total	Non-current	Current	Total
Non-Current liabilities						
Financial Liabilities	936	-	936	1,042	-	1,042
Provisions	291	-	291	279	-	279
Current liabilities						
Trade Payables	-	4,669	4,669	-	3,792	3,792
Other Financial Liabilities	-	6,730	6,730	-	5,851	5,851
Other Liabilities	-	2,582	2,582	-	1,643	1,643
Provisions	-	2,108	2,108	-	1,844	1,844
Current income tax liabilities (Net)	-	374	374	-	304	304
Total	1,227	16,463	17,690	1,321	13,434	14,755

Total Other Non-Current and Current liabilities stood at ₹ 17,690 Million as of March 31, 2019 as compared to ₹ 14,755 Million as of March 31, 2018.

Non-current Financial Liabilities and Current Other financial liabilities as of March 31, 2019 mainly include contingent consideration payable for acquisitions. Other financial liabilities have substantial portion of employee liabilities towards annual incentives and sales VCP etc.

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.

VI. Results of our consolidated operations

	2018-19		2017-18	
	(₹ Million)	% of Total Income	(₹ Million)	% of Total Income
Income				
Revenue from operations	94,458	96.9%	73,065	94.5%
Other income	3,023	3.1%	4,261	5.5%
Total Income	97,481	100.0%	77,326	100.0%
Expenses				
Employee benefit expenses	54,668	56.1%	43,289	56.0%
Operating expenses	19,573	20.1%	16,845	21.8%
Finance costs	106	0.1%	157	0.2%
Depreciation and Amortization	1,472	1.5%	1,563	2.0%
Other Expenses	1,384	1.4%	1,057	1.4%
Total Expenses	77,203	79.2%	62,911	81.4%
Profit before tax	20,278	20.8%	14,415	18.6%
Tax expenses				
- Current tax	4,875	5.0%	3,654	4.7%
- Deferred tax (net)	248	0.3%	(363)	-0.5%
	5,123	5.3%	3,291	4.2%
Net Profit for the period	15,155	15.5%	11,124	14.4%
Other Comprehensive income	378		(835)	
Total comprehensive income for the period	15,533		10,289	
Profit attributable to:				
Owners of the company	15,159		11,120	
Non-controlling interests	(4)		4	
	15,155		11,124	
Total comprehensive income attributable to:				
Owners of the Company	15,538		10,283	
Non-controlling interests	(5)		6	
	15,533		10,289	
Earnings Per Share				
Basic	₹ 87.67		₹ 64.93	
Diluted	₹ 86.43		₹ 63.48	



Financial Year 2018-19 Compared to Financial Year 2017-18

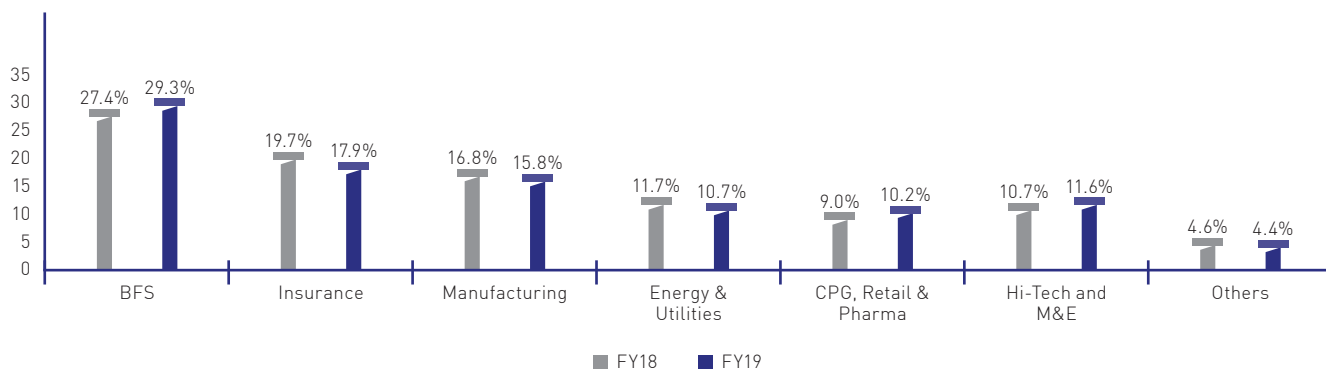
1. Income

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

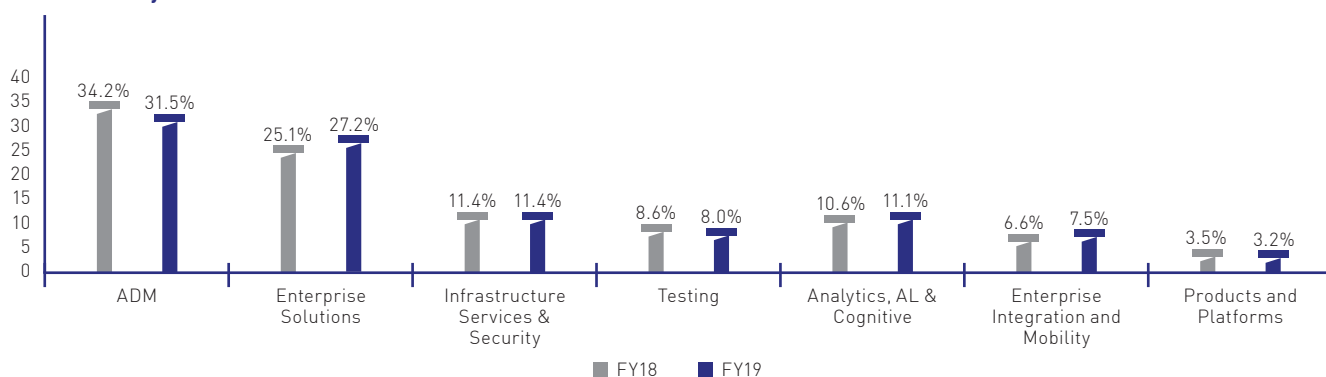
Our total income increased by 26.1% to ₹97,481 Million for the year ended March 31, 2019 from ₹77,326 Million for the year ended March 31, 2018.

Revenue from operations

Revenue Mix by Verticals



Revenue Mix by Services



Our revenue increased by 29.3% to ₹94,458 Million for the year ended March 31, 2019 from ₹73,065 Million for the year ended March 31, 2018, due to growth in CPG, Retail & Pharma (growth of 47.1%), Hi-Tech, Media & Entertainment (growth of 39.6%), Banking and Financial services (growth of 37.5%), Manufacturing (growth of 22.0%), Energy & Utilities (growth of 18.2%), Insurance (growth of 18.0%) and other verticals (growth of 24.8%).

Our service revenue increased due to growth in Enterprise Integration & Mobility (growth of 48.1%); Enterprise Solutions (growth of 39.6%); Analytics, AI & Cognitive (growth of 36.3%), Infrastructure Services & Security (growth of 29.5%); Testing (growth of 20.6%); ADM (growth of 19.1%) and Products & Platforms (growth of 18.2%).

2. Other Income

Other income primarily consists of income from foreign exchange gains (or losses), investments in mutual funds, profit on sale of fixed assets, interest received and miscellaneous income. Other income for the year ended March 31, 2019 was ₹ 3,023 Million as against ₹4,261 Million for the year ended March 31, 2018.

Income from Investments in Mutual Funds

Income from investments in Mutual Funds increased to ₹990 Million in the year ended March 31, 2019 compared to ₹737 Million for the year ended March 31, 2018 as a result of increase in surplus available for investment and a favorable interest rate environment as compared the year ended March 31, 2018.

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 lower at ₹1,785 Million for the year ended March 31, 2019 as against ₹3,428 Million for the year ended March 31, 2018 primarily due to depreciation of Rupee against the US dollar.

3. Expenses

Our expenses include employee benefit expenses, operating expenses, finance costs, depreciation and amortization and other expenses. Our total expenses increased by 22.72% to ₹77,203 Million for the year ended March 31, 2019 from ₹62,911 Million for the year ended March 31, 2018, primarily as a result of an increase in employee benefit expenses, operating expenses and other expenses.

4. 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 26.29% to ₹ 54,668 Million for the year ended March 31, 2019 from ₹ 43,289 Million for the year ended March 31, 2018. 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.

5. Operating expenses

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

Our operating expenses increased by 16.19% to ₹19,573 Million for the year ended March 31, 2019 from ₹ 16,845 Million for the year ended March 31, 2018 in line with business growth.

6. Finance costs

Finance costs primarily comprise of interest on deposit received under Credit Support Agreements entered with banks to limit our counter party risk in relation to our hedges and interest on contingent consideration payable with respect to acquisitions.

Our finance costs decreased to ₹ 106 Million for the year ended March 31, 2019 from ₹ 157 Million for the year ended March 31, 2018 primarily due to decrease in deposits received under Credit Support Agreements in relation to hedges.

7. Depreciation and amortization

Tangible and intangible assets are amortized over periods corresponding to their estimated useful lives.

Our depreciation and amortization expense decreased by 5.83% to ₹ 1,472 Million for the year ended March 31, 2019 from ₹ 1,563 Million for the year ended March 31, 2018 primarily due to end of useful lives of certain major assets.

8. Other Expenses

Other expenses increased by 30.95% to ₹1,384 Million for the year ended March 31, 2019 from ₹1,057 Million for the year ended March 31, 2018, primarily due to legal & professional

 **₹ 87.67** per share

Our Basic EPS has increased by 35.02% to ₹ 87.67 per share for the year ended March 31, 2019 from ₹ 64.93 per share for the year ended March 31, 2018.

fees, Corporate Social Responsibility expenses and other miscellaneous expenses.

9. Profit before tax

Our profit before tax increased by 40.67% to ₹20,278 Million for the year ended March 31, 2019 from ₹14,415 Million for the year ended March 31, 2018.

10. 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 increased by 33.40% to ₹ 4,875 Million for the year ended March 31, 2019 from ₹ 3,654 Million for the year ended March 31, 2018 mainly on account of higher profits.

Deferred tax expense is ₹248 Million for the year ended March 31, 2019 as against deferred tax income of ₹ 363 Million for the year ended March 31, 2018. The deferred tax expense for the year ended March 31, 2019 is primarily due to utilization of MAT asset during the year. We had deferred tax income for the year ended March 31, 2018 primarily on account of creation of MAT asset and creation of Deferred Tax Asset on account of capital loss on buyback of shares in one of our subsidiaries.

Due to above, our total tax expense has increased by 55.65% to ₹5,123 Million for the year ended March 31, 2019 from ₹3,291 Million for the year ended March 31, 2018.

11. Net profit after tax

As a result of the foregoing factors, our net profit increased by 36.24% to ₹15,155 Million for the year ended March 31, 2019 from ₹11,124 Million for the year ended March 31, 2018.



12. Earnings per share (EPS)

Our Basic EPS has increased by 35.02% to ₹87.67 per share for the year ended March 31, 2019 from ₹64.93 per share for the year ended March 31, 2018. Our Diluted EPS has increased by 36.16% to ₹86.43 per share for the year ended March 31, 2019 from ₹63.48 per share in the year ended March 31, 2018.

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.

	2018-19		2017-18	
	(₹ Million)	% of revenue	(₹ Million)	% of revenue
Revenue from operations				
Banking, Financial Services & Insurance	44,645	47.3%	34,515	47.2%
Manufacturing	14,963	15.8%	12,269	16.8%
Energy & Utilities	10,112	10.7%	8,556	11.7%
High-Tech, Media & Entertainment	10,921	11.6%	7,823	10.7%
CPG, Retail, Pharma & Others	13,817	14.6%	9,902	13.6%
Total revenue from operations	94,458	100.0%	73,065	100.0%

	2018-19		2017-18	
	(₹ Million)	% of revenue	(₹ Million)	% of revenue
Segmental Results				
Banking, Financial Services & Insurance	11,021	24.7%	7,332	21.2%
Manufacturing	2,696	18.0%	1,630	13.3%
Energy & Utilities	1,897	18.8%	1,405	16.4%
High-Tech, Media & Entertainment	1,290	11.8%	1,065	13.6%
CPG, Retail, Pharma & Others	2,243	16.2%	1,334	13.5%
Total Segment Results	19,147	20.3%	12,766	17.5%

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

	2018-19		2017-18	
	(₹ Million)	% of revenue	(₹ Million)	% of revenue
North America	63,060	66.8%	46,961	68.0%
Europe	16,059	17.0%	13,127	18.0%
India	6,823	7.2%	5,326	7.3%
Asia Pacific	2,577	2.7%	1,850	2.5%
Rest of the world	5,939	6.3%	3,071	4.2%
Total Revenue	94,458	100.0%	73,065	100.0%

VII. Liquidity

LTI has improved its overall cash flow position during the year ended March 31, 2019 and continued to manage liquidity without raising short-term or long-term borrowings. LTI has financed its business growth including acquisition of Ruletronics and Nielsen + Partner through healthy cash generated from operations during the year.

The table below summarizes our consolidated cash flows:

	(₹ Million)	
	2018-19	2017-18
Net cash generated from operating activities	13,951	8,438
Net cash (used) in Investing activities	(7,438)	(4,606)
Net cash (used) in financing activities	(5,943)	(4,076)
Net increase / (decrease) in cash and cash equivalents	570	(244)
Cash and cash equivalents at the beginning of the period	3,633	3,795
Effect of exchange differences on translation of Foreign currency cash and cash equivalents	(53)	82
Cash and cash equivalents at the end of the period	4,150	3,633

VIII. Key Financial Ratios

Ratios	2018-19	2017-18	% Change in Ratio
DSO (Billed)	71	70	1.1%
Current Ratio	2.1	2.2	3.5%
Operating Profit Margin (%)	18.4%	14.1%	* 30.2%
Net Profit Margin (%)	16.0%	15.2%	5.4%
Return on Net Worth	34.6%	31.8%	** 9.0%

* Operating Profit Margin for the year ended March 31, 2019 increased due to higher revenue growth, operational efficiencies and depreciation of Rupee. Operating Profit Margin for the year ended March 31, 2018 was also impacted by the one-time commercial settlement entered into with the customer.

** In addition to above, Return on Net worth for the year ended March 31, 2019 increased due to healthy operating cash flows and higher dividend pay-out during the year.

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.

Outlook, Risks and Concerns

This section lists forward-looking statements that involve risks and uncertainties. Some of the internal and external risks identified by the Company along with the mitigation approach are given in the Enterprise Risk Management part of this report. 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.

Enterprises are looking for client-centric and nimble IT service providers who can deliver amplified business outcomes. We see a tremendous opportunity to enable digital transformation for our clients by helping them through four strategies – leveraging operations as a lever of transformation, being a data-driven organization, transforming experiences and digitizing the core. LTI has made significant investments in digital technologies and is emerging as the preferred digital partner to some of the world's leading enterprises across segments.

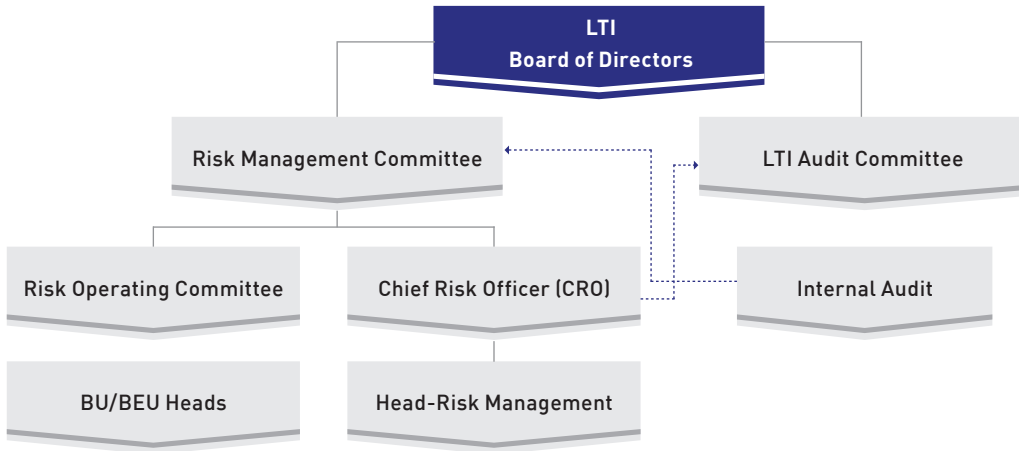
FY19 marks the third consecutive year of industry leading double digit growth from LTI in constant currency terms. With deep rooted industry experience and one of industry's most dynamic teams, LTI is well positioned to excel in these transformative times.

Enterprise Risk Management

Objective

LTI has a strong Risk Management framework and process to ensure that risks to business objectives are proactively identified, assessed, and appropriately mitigated on ongoing basis.

Governance



The key roles and responsibilities for Risk Governance 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 COO. Key responsibilities of ROC include:

- Guide and mitigate issues related to respective business / functions
- 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:

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

Risk Management through multiple Lines of Defense

Risk Management Framework in LTI comprises of multiple lines of defense, as depicted in the diagram below.



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 also to identify new risks, if any.

Risk Management Activities performed in FY 2018-19

Following activities are carried out during FY19 that helped improve risk management maturity:

- Implemented independent peer-review as a pre-submission step for large deals
- Developed ERM portal in-house and launched
- Strengthened self-risk identification, mitigation, regular monitoring and reviews in BUs & BEUs
- Institutionalized Risk Champion role in all BUs and BEUs for effective risk management
- Appointed Business Continuity & Resilience Head for dedicated focus on this area
- Conducted 7 ROC meetings and 1 RMC meeting to have oversight on risk management and revisit the top organization level risks

Risk Management Activities planned for FY 2019-20

Following key activities are planned to further enhance risk management maturity during FY20:

- Strengthen quality of self-risk identification and mitigation
- Usage of Key Risk Indicators to monitor high severity risks
- Risk Review of contracts for large deals
- Sustain and improve the usage of ERM portal
- Strengthen the controls for Cybersecurity
- Strengthen Project, Account and BEU Business Continuity Plans and Testing
- Enhance competency in Risk Management, Business Continuity & Resilience

ORGANIZATION LEVEL RISKS AND MITIGATION APPROACH

Risk	Description	Mitigation Approach
International Mobility	Changes in immigration policies of countries where we have significant business may affect our ability to position consultants at client locations.	<ul style="list-style-type: none"> ▪ Reduce dependence on work visas through staffing model change ▪ Increase offshore work content where feasible
Execution and Transformation	Issues in execution of projects or in transforming our delivery capabilities to suit the digital age may result in loss of client confidence.	<ul style="list-style-type: none"> ▪ Strengthening of service assurance framework through early identification and resolution of any issues ▪ Increasing focus on creating holistic transformation capabilities as well as in transforming various engagements
Rapid change in technologies and Digital Disruption	Rapid change in technologies with digital market marks a need for fast realignment to new technologies and business models, failure to which may impact business growth.	<p>Focused investments in creating new capabilities:</p> <ul style="list-style-type: none"> ▪ Technology Architecture group to be created to ensure continuous alignment of our skill development efforts with evolving market needs ▪ Creation of practices to serve Digital and Cloud needs in an integrated, end-to-end manner
Data Privacy, GDPR	Non-Compliance to European GDPR requirements and similar upcoming regulations from other countries shall attract heavy penalty.	<ul style="list-style-type: none"> ▪ Form GDPR compliance team and steering committee ▪ Engaged experts to perform current state assessment
Geo-Political	Evolving geopolitical and economic conditions may affect clients business and / or our delivery. This may impact our business opportunities and business operations.	<ul style="list-style-type: none"> ▪ Establish diversified presence across geographies ▪ Target varied sections of business in the market ▪ Increase in portfolio and service offering ▪ Plan for Business Continuity and Resilience

Risk	Description	Mitigation Approach
Client Concentration	<p>Exposure to limited number of clients create risk of a major revenue loss in the event a major client exit.</p>	<p>Focused efforts to expand existing business and add new logos:</p> <ul style="list-style-type: none"> ▪ Focused initiatives and strategies on winning new clients with large IT spends ▪ Strategies enabling effective account mining ▪ Innovations and value added deliverables to become trusted partner to clients ▪ Expand business in Europe, Middle East, and increase focus on South Africa
Attrition of Key talent: Technical and Leadership	<p>Employees are the assets for IT industry. Experienced employees are in high demand and have vast employment opportunities with the competition. Attrition of experienced and talented employees impacts organizational knowledge and relationships.</p>	<p>Employee engagement and retention programs deployed in the organization:</p> <ul style="list-style-type: none"> ▪ Focused program 'Mission Ubuntu' launched to drive employee engagement and make LTI a meritocratic organization where people are proud to work ▪ Several initiatives to help employees learn and grow at LTI
Post Merger & Acquisition Integration	<p>Post Merger & Acquisition, the organization runs the risk from multiple factors like Synergy, Structure, People, Projects execution, etc which can impact the envisaged business goal and market share from the association.</p>	<p>Create a dedicated Integration team to achieve business goals from the acquisition:</p> <ul style="list-style-type: none"> ▪ Project Management of M&A integration exercise - HR, Sales, Delivery, IT, F&A ▪ Organization and management structure redefinition ▪ Fitment of target firm's resources without jeopardizing cultural aspects ▪ Establish governance mechanism to realize stipulated performance targets

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 financial year ended March 31, 2019 ('FY19').

1. FINANCIAL RESULTS

(₹ Million)

Particulars	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Revenue from operations	89,072	69,064	94,458	73,065
Other Income	3,290	5,254	3,023	4,261
Total Income	92,362	74,318	97,481	77,326
Less: Operating Expenditure	71,841	58,583	75,625	61,191
Less: Finance Cost	43	138	106	157
Less: Depreciation and amortization	881	913	1,472	1,563
Profit Before Tax (PBT)	19,597	14,684	20,278	14,415
Less: Provision for Tax	4,846	3,083	5,123	3,291
Profit for the year (PAT)	14,751	11,601	15,155	11,124
Less: Non-Controlling Interests	-	-	(4)	4
Add: Balance brought forward from previous year	28,973	21,011	28,865	21,384
Balance available for disposal which Directors appropriate as follows:	43,724	32,612	44,024	32,504
Less: Dividend (excluding tax)	4,523	3,139	4,523	3,139
Less: Tax on Dividends	842	500	842	500
Balance to be carried forward	38,359	28,973	38,659	28,865

2. PERFORMANCE OF THE COMPANY

On standalone basis, revenue from operations and other income for the financial year under review were ₹ 92,362 Million as against ₹ 74,318 Million for the previous financial year registering an increase of 24.3%. The profit before tax was ₹ 19,597 Million and the profit after tax was ₹ 14,751 Million for the financial year under review as against ₹ 14,684 Million and ₹ 11,601 Million respectively for the previous financial year. The profit after tax increased to the tune of 27.2% in comparison to the revenue increase of 24.3%.

On consolidated basis, revenue from operations and other income for the financial year under review were ₹ 97,481 Million as against ₹ 77,326 Million for the previous financial year registering an increase of 26.1%. The profit before tax was ₹ 20,278 Million and the profit after tax was ₹ 15,155 Million for the financial year under review as against ₹ 14,415 Million and ₹ 11,124 Million respectively for the previous financial year.

3. CAPITAL EXPENDITURE

On standalone basis, as at March 31, 2019, the gross fixed and intangible assets stood at ₹ 7,782 Million (previous year

₹ 6,539 Million) out of which assets amounting to ₹ 1,342 Million (previous year ₹ 820 Million) were added during the year and the net fixed and intangible assets stood at ₹ 3,229 Million (previous year ₹ 2,795 Million).

On consolidated basis, as at March 31, 2019, the gross fixed and intangible assets stood at ₹ 18,313 Million (previous year ₹ 14,362 Million) out of which assets amounting to ₹ 4,009 Million (previous year ₹ 2,918 Million) were added during the year and the net fixed and intangible assets stood at ₹ 9,414 Million (previous year ₹ 6,875 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.

5. SALE OF SHARES BY THE PROMOTER

During FY19, Larsen & Toubro Limited, promoter of the Company, has sold 12,909,603 equity shares of the Company, in



order to achieve minimum public shareholding as per Rule 19A of Securities Contract Regulation Rules, 1957.

Accordingly, Larsen & Toubro Limited holds 129,784,034 constituting 74.80% of the paid-up share capital of the Company as on March 31, 2019.

6. CHANGES IN SHARE CAPITAL

During FY19, the Company allotted 1,510,821 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 ₹ 172.00 Million to ₹ 173.51 Million.

After March 31, 2019, the Company has further allotted 5,720 equity shares of Re.1 each on May 2, 2019 on exercise of vested options by the eligible employees under the Employees Stock Option Schemes of the Company. The equity shares allotted under the Employee Stock Option Schemes rank pari-pasu 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 ₹ 173.52 Million.

7. 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, 2019, the Company paid an interim dividend of ₹ 12.50/- per equity share. The total dividend for FY19, including the final dividend, if approved by shareholders, would amount to ₹ 28/- 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 23rd 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

8. HUMAN RESOURCE DEVELOPMENT

The Company believes that the path to enduring 'people' success is by building and continually refining the leadership growth engine. The talent landscape in information technologies service sector is demanding and dynamic, upskilling and adding digital capacities has become a critical success factor for LTI. Our employees remain our biggest asset in this endeavor, keeping this in mind we have taken clear steps this year, with our journey titled Mission Ubuntu (I am, because we are). Its goal is to make LTI a meritocratic organization, where fairness, fearlessness, and humility are valued. We have initiated HR transformation initiative with an "HR Advisory and Manager Enablement" team that forms the backbone of the transformational HR, to strengthen our HR function for the Ubuntu journey. Based upon the philosophy of Mission Ubuntu, LTI has touched upon every



₹ 92,362 Million

On standalone basis, revenue from operations and other income for the financial year under review were ₹ 92,362 Million as against ₹ 74,318 Million for the previous financial year registering an increase of 24.3%.

aspect of employee's work life covering the employee's journey through LTI as a nine-step process starting from onboarding. We have initiated multiple process improvement and policy intervention steps in this direction. The Company's programs enable the leaders within the organization to constantly learn and upskill themselves. Below are the key leadership and behavioural interventions:

Leadership Voyager: At LTI we believe in refuelling the 'Leadership Growth Engine' as good leadership drives an organization's success. Our innovative methods of training and leadership programs help tap potential individuals into their leadership potential so they can successfully lead projects and participate in strategic discussions to transition from individual contributor to being a team leader.

The series of leadership development programs 'I LEAD' and 'I LEAD PLUS' is a digitally driven program on workplace which is provided to employees of LTI across 16 countries. The program currently runs for first time managers and senior managers respectively.

The I LEAD program stresses on research oriented learning with standardized content that can be applied globally. I LEAD program leverages the use of digital technology and Internal digital platforms like Workplace. The LTI Senior Leadership are engaged and involved in the program with their inputs facilitating each module. 1,300+ leaders participated in the program during FY19.

i-Rise: This is a flagship program to build a global leadership pipeline of young and energetic sales professionals. The program provides an environment that is focused on building competencies, delivering experience based learning and leveraging individual strengths. This is achieved through on-the-job learning, mentoring and learning sessions by industry renowned sales experts.

Diginus Voyager: A series of soft skills programs is offered to all employees using different methodologies. Bespoke

programs from top international universities on MOOC's and e-learning platforms were made available to the employees. Unique learning intervention was introduced on workplace to drive business communication popularly known as 'Language Matters'. There have been more than 10,000 active users who availed benefits of these programs in FY19.

Catalyst:

The 'Workplace' platform is used to transform employee experience and contribute to positive change through collaborative efforts of employees as Change Agents i.e. Catalysts. Employees post their queries, ideas on the Workplace platform. The Operations Committee periodically hears out catalyst ideas and takes them forward. Intime action has led the Company to record 75% idea implementation in FY19.

Beliefs: 'Beliefs' is an interactive classroom session with an end goal to educate employees on our five beliefs - 'go the Extra mile', 'be Agile', 'push frontiers of Innovation', 'keep Learning' and 'solve for Society', to be at the forefront of every business track and transaction. We present concepts of the beliefs and how vital it is for each employee to align with them. Success stories, challenges and how to create a conducive environment to augment team work and bring about a 'cool' culture is at the heart of the program. So far we have covered more than 13,500+ employees through face to face workshops both in India and abroad.

LTI believes in a healthy work-life balance, through our Special Interest Group ('SIG') we provide a platform for each employee to nurture his interest and collaborate to learn from one another. The SIGs engage in wide range of activities from fitness, sports to dance and LTI supports them by providing financial and infrastructure support. LTI remains committed to providing a safe working place to women employees comprising of thirty percent of our workforce. We also launched Minerva, an all exclusive forum for women to collaborate on Workplace across wide range of subjects.



**Ranked 51 among
Top 100 Annual Reports**

Gold Spotlight award for being ranked 51# among the Top 100 for Company's Annual Report FY18 by League of American Communications Professionals (LACP)

9. MARKETING & COMMUNICATIONS

The Company increased its efforts in establishing itself in the verticals it operates in, by strengthening its marketing ecosystem, alliance, and enhanced its marketing technology stack. It continues to work on expanding its footprint across the globe to better deliver its message to a varied set of stakeholders. For its efforts the Company is getting recognized through prestigious awards.

10. AWARDS & RECOGNITION

Corporate/Marketing awards:

1. ITSMA's Diamond award for Marketing Excellence,
2. 2018 Stevie® Awards for Great Employers for its internal communications & employee engagement initiatives,
3. 2018 Microsoft Partner of the Year award for App Innovation,
4. Gold Spotlight award for being ranked 51# among the Top 100 for Company's Annual Report FY18 by League of American Communications Professionals (LACP)
5. 'Digital Company of the year' and the 'most Admired Company of the year' award from BTVI Business Leader of the year

Analyst and Advisory recognitions:

1. Positioned as a 'Leader' in NelsonHall NEAT for GDPR Services
2. Recognized as a 'Leader' for Business Process Transformation through RPA & AI in NelsonHall NEAT 2018
3. Named a 'Leader' in Avasant's 2018 Blockchain Services RadarView TM
4. Named 'Leader' in Everest Group GDPR Services PEAK Matrix™ Assessment 2018
5. Recognized as a 'Leading IT Service Providers' in Gartner's Competitive Landscape: Consulting and System Integration Service Providers for Robotic Process Automation 2018
6. Featured in Leadership zone in Zinnov Zones 2018 for IoT Technology Services
7. Topped ITS Challengers List for the second consecutive year in Everest Group's PEAK Matrix IT Service Provider of the Year TM 2019
8. Recognized by ISG as a 'Leader' in their Next- Gen Application Development and Maintenance Services: U.S Market ISG Provider Lens™ Quadrant Report

Leadership awards:

1. Sanjay Jalona, Chief Executive Officer & Managing Director of the Company is listed among the Best CEOs in the IT Services & Software category across all the listed companies in Asia and in the All-Asia Executive Team 2018 rankings by Institutional Investors.
2. Sudhir Chaturvedi, Whole-time Director & President Sales of the Company, is awarded as the top 100 most influential BAME leaders in UK Tech sector by Inclusive Tech Alliance and as one of the top 10 Highly Commended Disrupters. Sudhir is also recognized as the 'Champion of Change' by the Indian Business Women Awards 2019, for his commitment and effort towards raising the value of workplace diversity and inclusiveness.

11. INFRASTRUCTURE

The Company has continuously invested in state-of-the-art infrastructure across its campuses with the best amenities and services. Further, LTI expanded into SEZ campuses across India.

In FY19, the Company augmented office space by 7% over last year. The Company has set up offshore development centre in 2 more cities this year; namely Hyderabad and Noida. These additional Office spaces are customarily in SEZ locations.

All our newly created facilities exhibit the comforts of a new age office space to effectively collaborate and communicate. Gradually few of our workspaces have been upgraded into "Agile" workspace to meet the business dynamics and have added 350 seats through space optimisation without compromising the employee comfort. As on March 31, 2019, the total seating capacity at Indian centres stands at 23,422.

12. QUALITY INITIATIVES

The Company continues all-pervasive commitment to quality with focus on client centricity and continuous improvements. The Company strives to be the most client-centric partner by delivering rich and meaningful experiences to its clients and their customers, continuously improving our services and solutions, with focus on agility and creativity by nurturing an environment that promotes learning and growth.

The Company has aligned and strengthened the management processes with focus on client centricity and delivery excellence and continue to measure project level and leadership level client satisfaction. Various initiatives implemented during the year have helped to improve client satisfaction levels. Leadership level client experience has also significantly improved for our key accounts. The Company focuses on delivering value to its clients through initiatives such as Beyond, Extreme Automation and Design Driven Delivery. "Beyond" initiative has brought in focus on innovation to deliver value to our clients. "Extreme Automation" has helped optimize our delivery execution

and improve productivity. "Design Driven Delivery" suitably supported by Agile and DevOps methodologies, helps the Company to design and deliver client focused services and solutions. A new framework, Delivery Transformation Incentive (DTI) based on LTI's internal Capability Maturity Framework has been rolled out. This is aimed at improving the culture of high maturity process adoption & automation across the organization.

The Company continues to adhere to international certifications viz. ISO 9001, ISO 20000, ISO 27001, ISO 14001 and ISO 18001 through combined external audit conducted by Bureau Veritas, sustain CMMI for Development V1.3 at Level 5, for Development, Maintenance, Testing and ERP projects, and sustain CMMI for Services V1.3 at Level 5 for Application and Infrastructure Support projects. The Company has also sustained the compliance to ISAE 3402 requirements for the projects in the Insurance domain across Business Units and also for client specific engagements in the Banking domain.

13. TRANSFER TO RESERVES

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

14. DEPOSITS

During the year ended March 31, 2019, 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.

15. 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, 2019 and of the profit of the Company for the year ended March 31, 2019;
- (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.

16. DIRECTORS & KEY MANAGERIAL PERSONNEL

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

- a. Mr. Nachiket Deshpande who was appointed as Chief Operating Officer with effect from December 12, 2018, has been appointed as Whole-time Director of the Company with effect from May 02, 2019, subject to approval of shareholders.
- b. Mr. Aftab Zaid Ullah ceased to be Whole-time Director of the Company with effect from August 30, 2018.

Mr. Sudhir Chaturvedi, Whole-time Director of the Company, who retires by rotation and being eligible has offered himself for re-appointment at the ensuing AGM of the Company, the details of which are given in the Notice convening the 23rd AGM.

17. CORPORATE GOVERNANCE REPORT

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

18. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors met 4 (four) times during FY19. 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 backed up by comprehensive notes and detailed background information 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.

19. 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.

20. 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 FY19, two meetings of the Independent Directors were held on May 23, 2018 and October 24, 2018.

21. PERFORMANCE EVALUATION OF THE BOARD

The Nomination and Remuneration Committee and the Board have laid down the manner in which formal annual evaluation of

the performance of the Board, its Committees, Chairman and individual Directors has to be made.

During the year under review, a structured questionnaire was circulated to all Directors for evaluation of performance of the Board, its Committees, its Chairman and individual Directors. The questionnaire included criteria such as composition and structure, meetings, Board effectiveness, Board functioning, information availability, etc. These questionnaires also cover specific criteria and the grounds on which all Directors in their individual capacity have been evaluated.

The inputs given by all the Directors were discussed in the meeting of the Independent Directors held on May 2, 2019, in accordance with Schedule IV of the Companies Act, 2013. 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 which showcased the strengths of Board and areas of improvement. Overall the Board expressed its satisfaction on the performance evaluation process as well as performance of all Directors, Committees and Board as a whole.

22. BOARD COMMITTEES

The Board has constituted Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee, Corporate Social Responsibility ('CSR') Committee and Risk Management Committee in terms of the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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.

23. CORPORATE SOCIAL RESPONSIBILITY

The salient features of our Corporate Social Responsibility ('CSR') Policy is part of the Annual Report on CSR which is annexed as **Annexure D** to this Report. The CSR Policy of the Company is available on the Company's website, www.Lntinfotech.com/social-responsibility

24. BUSINESS RESPONSIBILITY REPORT ('BRR')

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on 'Business Responsibility Report' forming part of this Annual Report as **Annexure I** is available on the website of the Company at www.Lntinfotech.com/Investors, describing the initiatives taken by the Company from an environmental, social and governance perspective.

25. CORPORATE SUSTAINABILITY

The Company strives to create value for all its stakeholders, while embodying the principles of good corporate governance.



Our sustainability framework reinforces our commitment to business sustainability being aligned to Environment, Social and Governance (ESG) aspects which also enables us to make our business more responsive and transparent. We are committed to solving for society - inspired by our core beliefs and motivated by the rich heritage of the L&T group.

The sustainability initiatives/ efforts of the Company is detailed in Business Responsibility Report of the Company and the sustainability reports are available on the website www.Lntinfotech.com/social-responsibility

26. 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 Company for the year ended March 31, 2019 does not contain any qualification 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.

B. SECRETARIAL AUDITOR

The Secretarial Audit Report issued by Ms. Naina Desai, Practicing Company Secretary, does not contain any qualification and is annexed as **Annexure C** to this Report.

27. 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.

The total dividend for FY19, including the final dividend would amount to ₹ 28/- per equity share of face value of ₹ 1/- each.

28. 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, 2019, 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.

29. 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 is given under separate section in this Annual Report.

30. 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 which may adversely impact the image and/or financials of the Company. A Whistle Blower can send complaint/concern of suspected improper activity directly to the Chairperson of Audit Committee or Whistle Blower Investigation Committee ('WBIC'). Further, to strengthen the Vigil Mechanism framework of the Company and ensuring timely and efficient redressal of complaints, 'Guidelines on Vigil Mechanism' was framed 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. During the year, no personnel was denied access to the Audit Committee

under Whistle Blower Mechanism. The Audit Committee of the Company oversees the implementation of the Whistle-Blower Policy. Whistle-Blower Policy and Guidelines on Whistle Blower Mechanism are available on the Company's website, www.Lntinfotech.com/Investors

31. 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 FY19, all the related party transactions were in the ordinary course of business and at arm's length and were approved by the Audit Committee. Further, there were no material related party transactions during FY19.

32. SUBSIDIARY/ ASSOCIATE/ JOINT VENTURE COMPANIES

As at March 31, 2019, the Company has 24 subsidiaries. There has been no material change in the nature of the business of subsidiaries.

During the year, the Company has:

- Incorporated a wholly-owned subsidiary in Norway as 'Larsen & Toubro Infotech Norge AS';
- Acquired 100% shareholding of Ruletronics Systems Private Limited on March 15, 2019.
- Acquired 100% shareholding of Ruletronics Limited - UK and Ruletronics Systems Inc. - USA through its wholly-owned subsidiary viz. Larsen & Toubro Infotech GmbH, Germany (LTI Germany) on March 15, 2019.
- Acquired 100% shareholding of NIELSEN+PARTNER Unternehmensberater GmbH - Germany (N+P Germany) through LTI Germany. Accordingly, the wholly-owned subsidiaries of N+P Germany viz. NIELSEN+PARTNER Unternehmensberater AG - Switzerland, NIELSEN+PARTNER Pte. Ltd. - Singapore,

NIELSEN+PARTNER S.A. - Luxembourg, NIELSEN & PARTNER Pty. Ltd. - Australia and NIELSEN & PARTNER Company Limited - Thailand, have become step down wholly-owned subsidiaries of the Company.

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, 2019.

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 alongwith relevant documents & separate audited financial statements in respect of subsidiaries are available on the Company's website, www.Lntinfotech.com/Investors.

33. 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 are given in the notes forming part of the financial statements provided in this Annual Report.

34. 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.

35. 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.

36. COMPLIANCE MONITORING SYSTEM

The Company believes that compliance with regulatory laws has become a catalyst for Corporate Governance and that a good statutory compliance system is vital for effective conduct of business operations. The Company ensures that appropriate business processes and adequate tools are in place for adherence with all the statutory obligations.

Keeping this in mind, the Company has put in place a framework on "Global Corporate Compliances" which outlines the company's philosophy towards compliance culture, understanding

 **₹ 14,751** Million (▲ 27.2%)

The profit after tax on a standalone basis was ₹ 14,751 Million for the financial year under review as against ₹ 11,601 Million respectively for the previous financial year.



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. 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 to 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.

37. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has a zero-tolerance policy for any form of sexual harassment at workplace and deals with all such incidents seriously and promptly. Any person found to have sexually harassed another, faces disciplinary action, up to and including dismissal from employment as per Company's Policy on Prevention of Sexual Harassment ('Policy on POSH'), which is in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and the rules laid thereunder. Further, the Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Policy on POSH is applicable to all employees (permanent, contractual, temporary, trainees) of LTI, its subsidiaries and third parties dealing with LTI and/ or its subsidiaries. During the year, Policy on POSH has been amended to strengthen the redressal mechanism by laying down detailed procedure for addressing sexual harassment complaints, introduced 'Honour Knights' at every location for providing assistance to the person aggrieved of sexual harassment. Further, in line with the global practices, the Policy on POSH has also been made gender neutral. The policy on POSH is available on the Company's website, www.Ltinfotech.com/Investors

During FY19, the Company received two complaints on sexual harassment, which have been resolved with appropriate action taken by the Internal Complaints Committee and no complaints are pending as at end of FY19.

38. COMPANY POLICY ON DIRECTOR APPOINTMENT AND REMUNERATION

Nomination & Remuneration Committee ('NRC') has formulated a Nomination and Remuneration Policy laying out role of NRC, policy for appointment, removal and remuneration of director, key management personnel and senior management. The policy is available on the website of the Company at www.Ltinfotech.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 FY19, the Board has on the recommendation of NRC, approved the list of core skills/expertise/competencies required from the directors in the contest of company's business and sector for it to function effectively.

39. 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 write to the Company Secretary and Compliance Officer. None of the employees listed in the said Annexure is related to any Director of the Company. The aforesaid annexure is also available for inspection by the members at the Registered Office of the Company, 21 days before 23rd AGM and upto the date of the AGM during the business hours on working days.

40. EXTRACT OF ANNUAL RETURN

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



41. 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 are in compliance with the then applicable Act and regulations, if any. 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 as required 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** of this Report.

42. 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.

43. GREEN INITIATIVE

Electronic copy of the Annual Report for the financial year 2018-19 and the Notice of the ensuing AGM is being sent to all shareholders whose email addresses are registered with the Company/ Depository Participant(s). For shareholders who have not registered their email addresses, physical copies are sent in the permitted mode.

44. 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 of employees of the Company and its Group for their commendable efforts, teamwork and professionalism.

For and on behalf of the Board of Directors

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

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

Place: Mumbai

Date: May 2, 2019



Annexure A

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company emanates its values from the rich legacy of fair and transparent governance and disclosure practices followed by L&T group. In line with the group's philosophy, the Company constantly endeavors to benchmark itself with the best practices in the IT industry. The Company's five beliefs "Go the Extra Mile, Be Agile, Push frontiers of Innovation, Keep Learning and Solve for Society" articulates the Company's business philosophy. The Company is committed towards maximizing shareholders value, ensuring fairness and building trust with shareholders, employees, customers, service providers and other stakeholders.

2. BOARD OF DIRECTORS

The Company's policy is to have an appropriate mix of Executive, Non-Executive and Independent Directors on the Board. As on March 31, 2019, the Board of Directors of the Company consists of eleven Directors comprising of two Executive Directors, three Non-Executive Directors and six Independent Directors including one independent woman Director. Mr. A.M. Naik is the Non-Executive Chairman of the Company and Mr. S. N. Subrahmanyam is the Non-Executive Vice Chairman of the Company. Mr. Sanjay Jalona is the Chief Executive Officer & Managing Director of the Company. Mr. Sudhir Chaturvedi is the Whole time director & President Sales of the Company. Post March 31, 2019, Mr. Nachiket Deshpande, Chief Operating Officer has been appointed as a Whole Time Director of the Company with effect from May 2, 2019.

The composition of the Board, as on March 31, 2019, is in conformity with the provisions of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'). None of the Directors of the Company are inter-se related to each other.

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. In case of exigencies or urgency of matters, resolutions are passed by circulation, for such matters as permitted by law and taken on record of the immediately following meeting. During the year ended March 31, 2019, four Board Meetings were held on May 23, 2018, July 23, 2018, October 24, 2018 and January 18, 2019. Necessary quorum was present in all the meetings.

During the year, two meetings of Independent Directors were held on May 23, 2018 and October 24, 2018 to discuss inter-alia the performance evaluation of the Board, its Committees, Chairman and the individual Director.

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. The minutes of the Board Meetings are circulated amongst the Board Members for their perusal. Comments, if any, received from the Directors are incorporated in the minutes, in consultation with the Chairman. The minutes are approved & attached in the minute book within 30 days of the Board Meeting. Thereafter, the minutes of the Board Meeting are signed by the Chairman of the Board at the next Meeting.

The composition of the Board of Directors, their attendance at the Board Meetings and last Annual General Meeting held during FY19, number of other Directorships, Memberships/Chairpersonships held by them as on March 31, 2019, are as follows:

Name of Director	Category	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 Chairman	4	4	Y	4	0	0
Mr. S. N. Subrahmanyam	Non-Executive Vice Chairman	4	4	Y	3	2	0
Mr. R. Shankar Raman	Non-Executive Director	4	4	Y	8	4	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. Samir T. Desai	Independent Director	4	4	Y	1	2	0
Mr. M. M. Chitale	Independent Director	4	4	Y	7	7	4
Ms. Vedika Bhandarkar	Independent Director	4	2	Y	6	10	5
Mr. Arjun Gupta	Independent Director	4	4	Y	1	0	0
Mr. Sudip Banerjee	Independent Director	4	4	Y	3	2	0
Mr. Sanjeev Aga	Independent Director	4	4	Y	4	5	2
Mr. Aftab Zaid Ullah ³	Whole-time Director & Chief Operating Officer	2	2	Y	NA	NA	NA
Mr. Nachiket Deshpande ⁴	Whole-time Director & Chief Operating Officer	NA	NA	NA	0	0	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. Aftab Zaid Ullah, ceased to be Whole-time Director of the Company w.e.f. August 30, 2018.
4. Mr. Nachiket Deshpande, Chief Operating Officer was appointed as a Whole-time Director of the Company w.e.f. May 2, 2019.

Further, the details of directorship held by Directors of the Company in other listed entities are as follows:

Name of 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
Mr. S. N. Subrahmanyam	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
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
Mr. Sanjay Jalona	NONE	Not Applicable
Mr. Sudhir Chaturvedi	NONE	Not Applicable
Mr. Samir T. Desai	L&T Technology Services Limited	Independent Director
Mr. M. M. Chitale	Larsen & Toubro Limited	Independent Director
	Essel Propack Limited	Independent Director
	Atul Limited	Independent Director
	Lodha Developers Limited	Independent Director
	Bhageria Industries Limited	Independent Director
Ms. Vedika Bhandarkar	Tata Investment Corporation Limited	Independent Director
	Tata Motors Finance Limited	Independent Director
	Northern Arc Capital 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
Mr. Nachiket Deshpande	NONE	Not Applicable

Details of equity shares held by the Directors of the Company is provided in Form No. MGT-9 annexed as Annexure H to the Directors Report of the Company.

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 | f. Information Technology |
| b. Governance, Legal, Risk & Compliance | g. Client Engagement |
| c. Finance, Accounts & Audit | h. Stakeholder Engagement & Industry Advocacy |
| d. Global Experience / International Exposure | i. Leadership |
| e. Contributor & collaborator | |

Mapping and Gap analysis carried out by the Nomination and Remuneration Committee, revealed that Board of Directors of the Company possess right and optimal skill sets in the context of Company's business.

3. BOARD COMMITTEES

As on March 31, 2019, the Board has six Committees: (a) Audit Committee (b) Nomination and Remuneration Committee (c) Corporate Social Responsibility Committee (d) Stakeholders' Relationship Committee (e) Strategic Investment Committee and (f) Risk Management Committee.

The terms of reference and composition of the Committees and the number of meetings held during FY19 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, 2019, the Audit Committee comprises of three Independent Directors and one Non-Executive Director. On May 2, 2019, the Board reconstituted Audit Committee with induction of Mr. R. Shankar Raman as the member of Audit Committee in place of Mr. S. N. Subrahmanyam, who ceased to be member of the Audit Committee w.e.f. said date.

During the year under review, four meetings with a gap not exceeding 120 days between two consecutive Audit Committee Meetings were held on May 23, 2018, July 23, 2018, October 24, 2018 and January 18, 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
Mr. M. M. Chitale	Independent Director	Chairman	4	4
Mr. S. N. Subrahmanyam	Non-Executive Director	Member	4	3
Mr. Samir T. Desai	Independent Director	Member	4	4
Ms. Vedika Bhandarkar	Independent Director	Member	4	2

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, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- To establish & review functioning of the Whistle Blower Mechanism;
- To review 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, 2019, NRC comprises of two Independent Directors and two Non-Executive Directors.

During the year under review, three meetings of NRC were held on May 23, 2018, October 24, 2018 and January 18, 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
Mr. Samir T. Desai	Independent Director	Chairman	3	3
Mr. A. M. Naik	Non-Executive Director	Member	3	3
Mr. S. N. Subrahmanyam	Non-Executive Director	Member	3	2
Mr. Arjun Gupta	Independent Director	Member	3	3

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 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, experience and skill, which will help the Company in attainment of its objectives.

NRC while recommending the Board, the appointment or reappointment for the position of Independent Director ensures that such Director meets the criteria of independence as prescribed under the Act and SEBI Listing Regulations.

Performance Evaluation Criteria for Independent Directors

In terms of the requirement of the Act and SEBI Listing Regulations, an annual performance evaluation of the Board, its Committees, Chairman and Individual Directors was conducted during the year under review. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated. Details of methodology adopted for Board evaluation have been provided in the Directors' Report section, of this Annual Report.

Remuneration of Directors

NRC recommends to the Board, remuneration to be paid to Directors, considering the Company's size, global presence, economic and financial position, Directors' participation in Board and Committee Meetings and after benchmarking with peer companies.

The Company pays sitting fees of ₹ 50,000/- for attendance at each Board Meeting and ₹ 25,000/- for each Committee Meetings. 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.

In accordance with the approval of the Shareholders of the Company granted at the Annual General Meeting held on May 31, 2016, the eligible Non-Executive Directors are paid commission upto maximum of 1% of the net profits of the Company for each financial year. The criteria for making payment of commission to Non-Executive Directors includes attendance at Board/Committee meetings, Chairmanship of Committees, active participation and their involvement in Company's strategic matters.

As required by the provisions of Regulation 46 of the SEBI Listing Regulations, the criteria for payment to Independent Directors/ Non-Independent Directors is made available on the investor page of the Company's website, www.Ltinfotech.com/Investors.



Details of remuneration paid/payable to Directors for the year ended March 31, 2019 is provided in Form No. MGT-9 annexed as Annexure H to the Directors Report of the Company.

During the year under review, there was no 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, 2019, CSR Committee comprises of one Independent Director and two Executive Directors.

During the year under review, two meetings of CSR Committee were held on May 23, 2018 and October 24, 2018, 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	1
Mr. Aftab Zaid Ullah ¹	Whole-time Director	Member	1	1
Mr. Sudhir Chaturvedi ²	Whole-time Director	Member	1	1

Notes:

1. Mr. Aftab Zaid Ullah ceased to be member of the CSR Committee w.e.f. August 30, 2018.
2. Mr. Sudhir Chaturvedi was appointed as Member of CSR Committee w.e.f September 11, 2018.

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.

D. STAKEHOLDERS' RELATIONSHIP COMMITTEE

As on March 31, 2019, Stakeholders' Relationship Committee ('SRC') comprises of one Independent Director and two Executive Directors.

During the year under review, one SRC meeting was held on May 23, 2018, 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
Ms. Vedika Bhandarkar	Independent Director	Chairperson	1	0
Mr. Sanjay Jalona	Chief Executive Officer & Managing Director	Member	1	1
Mr. Aftab Zaid Ullah ¹	Whole-time Director	Member	1	1
Mr. Sudhir Chaturvedi ²	Whole-time Director	Member	NA	NA

Notes:

1. Mr. Aftab Zaid Ullah ceased to be member of the SRC w.e.f. August 30, 2018.
2. Mr. Sudhir Chaturvedi was appointed as Member of SRC w.e.f September 11, 2018.

Terms of reference

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

- To specifically look into various aspects of interest of shareholders, debenture holders and other security holders;
- Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.



- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

Number of Complaints

During the year under review, the Company or its Registrar and Share Transfer Agent received the following complaints from SEBI/ Stock Exchanges/ Depositories, which were resolved within the time frame laid down by SEBI:

Particulars	Opening Balance	Received	Resolved	Pending
SEBI/Stock Exchange/ Depositories	0	3	3	0

E. STRATEGIC INVESTMENT COMMITTEE

As on March 31, 2019, Strategic Investment Committee ('SIC') comprises of three Non-Executive Directors and one Executive Director. During the year under review, two SIC meetings were held on January 16, 2019 and February 13, 2019, attendance of which is given as follows:

Name of Director	Category	Position in the Committee	No. of Meetings held during the year	No. of Meetings Attended
Mr. A.M. Naik	Non-Executive Director	Chairman	2	2
Mr. S. N. Subrahmanyam	Non-Executive Director	Member	2	2
Mr. R. Shankar Raman	Non-Executive Director	Member	2	1
Mr. Sanjay Jalona	Chief Executive Officer & Managing Director	Member	2	2

Terms of reference

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

- Identification, due diligence, reviewing and approving proposals for acquisitions and investments in terms of broad business objectives within the limits and parameters in principally approved by the Board of Directors;
- Consideration, review and approval of investment proposals in subsidiaries within the limits delegated by the Board of Directors;
- Periodically reviewing the status of the acquisition and investments in terms of business objectives, status of integration of acquired companies & financial returns and other key strategic activities.

F. RISK MANAGEMENT COMMITTEE

As on March 31, 2019, Risk Management Committee ('RMC') comprises of one Non-Executive Director, one Executive Director and Chief Financial Officer. On May 2, 2019, the Board reconstituted RMC with induction of Mr. Nachiket Deshpande, Chief Operating Officer of the Company as Member of RMC w.e.f said date.

During the year under review, one RMC meeting was held on March 20, 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. Subrahmanyam	Non-Executive Director	Chairman	1	1
Mr. Sanjay Jalona	Chief Executive Officer & Managing Director	Member	1	1
Mr. Aftab Zaid Ullah ¹	Whole-time Director	Member	NA	NA
Mr. Ashok Kumar Sonthalia	Chief Financial Officer	Member	1	1

Note:

1. Mr. Aftab Zaid Ullah ceased to be member of the RMC w.e.f. August 30, 2018.



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.

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
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
2015-16	Orchid Hotel, Nehru Road, Adjacent to Domestic Airport, Vile Parle East, Mumbai 400099	May 31, 2016 at 5:00 p.m.	Nil

B. APPROVAL OF MEMBERS THROUGH POSTAL BALLOT

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

C. MEANS OF COMMUNICATION

- **Financial Results**
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 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 BSE's online portal – BSE Corporate Compliance & Listing Centre (Listing Centre) and on NSE Electronic Application Processing System (NEAPS), the online portal of National Stock Exchange of India Limited. The same are also made available on the Company's website: www.Lntinfotech.com/Investors
- **Chairman's Communique**
The Chairman's message forms part of the Annual Report which are distributed to the shareholders. The document is also placed 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
- **Annual Report**
Annual Report containing audited standalone and consolidated financial statements together with Board's Report, Auditors Report and other important information are circulated to Members entitled thereto and is also made available on the Company's website: www.Lntinfotech.com/Investors

- Presentation made to Institutional Investors and Analysts
The schedule of analyst/ institutional meetings and presentations made therein are made available on the Company's website: www.Ltinfotech.com/Investors. The same is also filed with the National Stock Exchange of India Ltd. and BSE Ltd, where the shares of the Company are listed.
- Designated exclusive email ID
The Company has designated the email ID viz. investor@ltinfotech.com exclusively for investor servicing.

5. GENERAL SHAREHOLDERS' INFORMATION

A. ANNUAL GENERAL MEETING

Date	Time	Venue
Saturday, July 20, 2019	11:00 a.m.	Birla Matushri Sabhagar, New Marine Lines, Mumbai -400020

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, 2020 is as under:

First Quarter Results	On/before August 14, 2019
Second Quarter Results	On/before November 15, 2019
Third Quarter Results	On/before February 15, 2020
Last Quarter Results and Annual Audited Results	On/before May 30, 2020

C. DATE OF BOOK CLOSURE AND DIVIDEND PAYMENT DATE

The Register of Members and Share Transfer Books of the Company will remain closed from Monday, July 15, 2019 to Saturday, July 20, 2019 (both days inclusive). The Board of Directors of the Company have recommended final dividend of ₹ 15.50 per equity share of face value of ₹ 1 each. The dividend would be paid/dispatched within 30 days from the date of the AGM.

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 FY20 to the above Stock Exchanges.

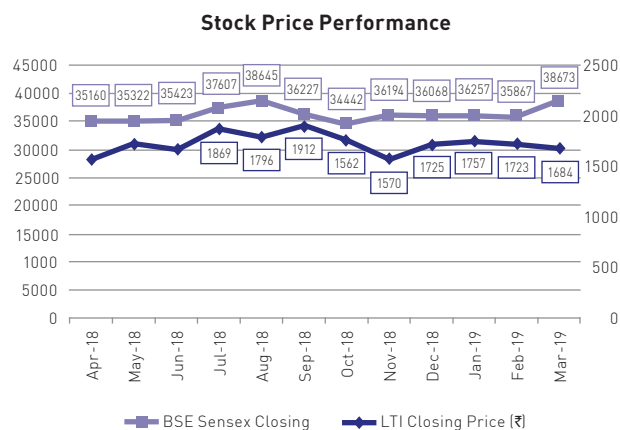
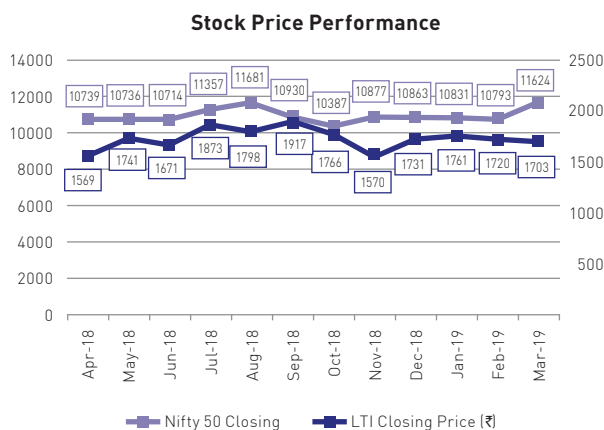
E. STOCK MARKET DATA FOR THE YEAR 2018-2019

The monthly high and low prices and volume of shares of the Company traded at BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) during FY19 are as under:

Month	BSE			NSE		
	High (₹)	Low (₹)	Total number of equity shares traded	High (₹)	Low (₹)	Total number of equity shares traded
April 2018	1,754.55	1,330.00	842,681	1,750.00	1,335.00	6,405,717
May 2018	1,750.00	1,476.05	438,484	1,759.00	1,475.00	3,148,226
June 2018	1,746.85	1,600.00	293,102	1,740.00	1,594.30	2,182,967
July 2018	1,884.95	1,633.00	425,868	1,883.50	1,635.00	4,749,216
August 2018	1,911.00	1,679.00	306,351	1,908.50	1,665.00	3,957,272
September 2018	1,990.00	1,610.00	1,249,426	1,987.00	1,642.20	12,882,847
October 2018	1,956.00	1,585.00	347,201	1,955.00	1,582.00	5,131,071
November 2018	1,782.05	1,489.75	303,684	1,782.30	1,490.00	3,646,198
December 2018	1,825.50	1,438.25	433,665	1,826.65	1,436.70	5,176,599
January 2019	1,821.75	1,680.00	259,144	1,822.00	1,674.95	3,503,625
February 2019	1,896.70	1,676.85	219,213	1,896.70	1,629.00	2,326,653
March 2019	1,739.00	1,542.05	358,357	1,741.55	1,540.00	4,297,380



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



F. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2019

Share Range	Shareholders		Shares	
	Number	%	Number	%
Upto 500	130,534	98.52	4,300,421	2.48
501-1000	700	0.53	534,093	0.31
1001-2000	367	0.28	548,747	0.32
2001-3000	136	0.10	343,397	0.20
3001-4000	94	0.07	333,845	0.19
4001-5000	73	0.06	337,155	0.19
5001-10000	153	0.11	1,112,093	0.64
10001 & Above	431	0.33	166,000,333	95.67
Total	132,488	100.00	173,510,084	100.00

G. CATEGORIES OF SHAREHOLDERS AS ON MARCH 31, 2019

Sr. No.	Category	No. of shares	%
1.	Corporate Bodies (Promoter Co)	129,784,034	74.80
2	Public	9,999,672	5.73
3	Mutual Funds	11,346,411	6.54
4	Alternate Investment Funds	359,780	0.21
5	Foreign Portfolio Investors (Corporate)	13,116,887	7.56
6	Financial Institutions	28,292	0.02
7	Insurance Companies	610,392	0.35
8	Foreign Institutional Investor	264,799	0.15
9	Foreign Nationals	110,407	0.06
10	Non-Resident Indians	1,729,613	1.00
11	Non-Resident (Non Repatriable)	540,913	0.31
12	Nationalised Banks	4,406	0.00
13	Non Nationalised Banks	5,264	0.00
14	Other Bodies Corporate	2,660,633	1.53
15	Hindu Undivided Family	243,459	0.14
16	Directors	2,385,196	1.40
17	Clearing Members	288,012	0.17
18	Trusts	31,914	0.02
	TOTAL	173,510,084	100.00

H. DEMATERIALISATION 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, 2019, 99.74% 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	169,506,064	97.69
Held in Dematerialised form in CDSL	3,546,454	2.05
Physical	457,566	0.26
TOTAL	173,510,084	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 all changes 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 while Members holding shares in physical form need to send their request to the Company's Registrar and Share Transfer Agent. Shares sent for transfer in physical form are normally processed within a period of fifteen days from the date of receipt of the documents, provided the documents are valid and complete in all respects.

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. **UNCLAIMED/UNPAID DIVIDEND**

As on March 31, 2019, 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.

L. **ADDRESS FOR CORRESPONDENCE**

Registrar and Share Transfer Agent	Compliance Officer
Link Intime India Private Limited C-101, 1 st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400083, Maharashtra, India Tel: +91 022 4918 6270 Fax: +91 022 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**

The Independent Directors are provided insights of the Company at the time of induction to enable them to understand the operation of the Company and its subsidiaries, business, industry and environment in which the Company functions. The Company also updates the Directors on continuing basis on any significant changes/developments in the Company. Additionally, the Directors are updated during the Board meetings on the business strategies, increase in investment in capability transformation and delivery in existing service lines viz. Analytics, Cloud, New-age Enterprise solution, IoT and Automation, enhancement of digital platform, changes in domestic/overseas legislation impacting the Company and the IT Industry overall.

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). During the year, in line with the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, SDC and Code of Practices and Procedures for Fair Disclosure of UPSI has been revised to further strengthen legal framework and compliances laid thereunder.

The Code encapsulates the restrictions, formats and rules of conduct to be followed by Company directors, employees, their immediate relatives and connected persons and is intended to serve as a guiding charter for all persons associated with its functioning.

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.

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. Employee have sensitised on these aspects.

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 cause 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
Number of complaints filed during the financial year	2
Number of complaints disposed of during the financial year	2
Number of complaints pending as on end of the financial year	Nil

For more details refer Directors' Report section of this Annual Report.

E. POLICY FOR DETERMINING 'MATERIAL' SUBSIDIARIES

The Company has formulated a Policy for determining 'Material' Subsidiaries as defined in Regulation 16 of the SEBI Listing Regulations. This Policy is available on the Company's website: www.Ltinfotech.com/Investors. During the year under review, the Company did not have any material non-listed Indian subsidiary.

Further, Company has adopted the guidelines for determination of materiality of events or information for the purpose of disclosure required under para B of part A of schedule III of SEBI Listing Regulations.

F. DISCLOSURE OF COMMODITY PRICE RISKS AND COMMODITY HEDGING ACTIVITIES

The Company does not deal in commodity price risk and commodity hedging activities.

G. CODE OF CONDUCT

The Company has framed a Code of Conduct for the Board Members and Senior Management of the Company and same is available on the Company's website: www.Ltinfotech.com/Investors. All Directors and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct for the financial year ended March 31, 2019. A declaration signed by the Chief Executive Officer and Managing Director of the Company affirming compliance with the Code of Conduct is annexed herewith to this Corporate Governance Report.

H. PRACTISING COMPANY SECRETARY CERTIFICATE ON NON-DISQUALIFICATION OF DIRECTORS

A certificate has been obtained from Ms. Naina Desai, a Company Secretary in practice, confirming 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 Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority. The certificate is annexed herewith to this Corporate Governance Report.

I. DISCLOSURE ON ACCEPTANCE OF RECOMMENDATIONS MADE BY BOARD COMMITTEES

During the financial year under review various recommendations were made by the Committees to the Board of Directors, which were all accepted by the Board, after necessary deliberations.

J. 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)	Compliance Area
Board of Directors	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	20	Yes	Composition and role of Stakeholders Relationship Committee
Risk Management Committee	21	NA	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.

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.

12. CERTIFICATE OF COMPLIANCE FROM INDEPENDENT AUDITOR

In terms of Schedule V of the SEBI Listing Regulations, the Certificate of compliance of conditions of Corporate Governance from Independent Auditor is annexed to this report.

Annexure

**To the Board of Directors
Larsen & Toubro Infotech Limited**

Dear Sir/ 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, 2019 and 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.

Place: Mumbai
Date: May 2, 2019

Sanjay Jalona
Chief Executive Officer
& Managing Director

Ashok Kumar Sonthalia
Chief Financial Officer

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 executive management of the Company.

Date: May 2, 2019
Place: Mumbai

Sanjay Jalona
Chief Executive Officer &
Managing Director

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.

Date: May 2, 2019
Place: Mumbai

Sanjay Jalona
Chief Executive Officer &
Managing Director



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, 2019, 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 an audit nor an 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, 2019.

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.

For B. K. Khare & Co.
Chartered Accountants
Firm's Registration No. 105102W

Padmini Khare Kaicker
Membership No. 044784
Partner

Mumbai
May 2, 2019

Note: *UDIN generated for this certificate is 19044784AAAAAQ1720

Annexure Corporate Governance Compliance Certificate

To the Members of Larsen & Toubro Infotech limited

I have examined the relevant records of the 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, 2019.

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 Director of companies, by the Board/ Ministry of Company Affairs or any such statutory authority.

Place: Mumbai
Date: April 22, 2019

Naina R Desai
Practising Company Secretary
FCS No. 1351
Certificate of Practice No.13365

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, 2018 to March 31, 2019.

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 13th, 2000 and December 16th, 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 7th, 2006.
 - (iii) 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 14th, 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.

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

Padmini Khare Kaicker
Membership No. 044784
Partner

Place: Mumbai
Date: May 2, 2019

Note: *UDIN generated for this certificate is 19044784AAAAAR3472



Annexure C

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[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, 2019, 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, 2019 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, (Prohibition of Insider Trading) Regulations, 2015;
 - c) 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 (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, 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.

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. –
 - Amalgamation of AugmentIQ Data Sciences Private Limited ('AugmentIQ') with the Company:

Hon'ble National Company Law Tribunal, Mumbai Bench vide its Order dated May 2, 2018, approved the Scheme of Amalgamation between the Company and AugmentIQ Data Sciences Private Limited. The Company had received the certified true copy of the Order on May 18, 2018 and the same has been filed with Registrar of Companies, Mumbai & Pune on May 21, 2018. Accordingly, the Scheme became effective from May 21, 2018. The Appointed date for the Scheme was April 1, 2017.

- (v) Foreign technical collaborations – NIL.
- (vi) Other Events –
 - (A) The Company made following acquisitions through Larsen & Toubro Infotech, GmbH, its wholly owned subsidiary:-
 - (a) Acquisition of 100% shareholding in Nielsen+Partner Unternehmensberater GmbH (N+P) headquartered in Hamburg, Germany along with its identified subsidiaries in Luxembourg, Switzerland, Thailand, Singapore and Australia and branch office in Belgium on March 1, 2019.
 - (b) Acquisition of 100% shareholding in Ruletronics Limited, a UK based company and Ruletronics Systems Inc., a US based company on March 15, 2019.
 - (B) Acquisition of 100% shareholding in Ruletronics Systems Private Limited by the Company on March 15, 2019.

Naina R Desai

Practising Company Secretary

Membership No. 1351

Certificate of Practice No.13365

Place: Mumbai

Date: April 17, 2019

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

Place: Mumbai

Date: April 17, 2019



Annexure D

Annual report on Corporate Social Responsibility ('CSR') activities for FY19

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.

The Company's CSR Policy framework details the mechanisms for undertaking various programs in accordance with Section 135 of the Companies Act, 2013 for the benefit of the community. The Company is committed to the cause of sustainable development by leveraging technology and creating opportunities for growth and prosperity around the world. Our CSR interventions are focused on the 3 Es- Education, Empowerment and Environment.

Education

The Company works with the approach of leveraging technology to supplement education and creating an environment of learning for students.

The Company has set up virtual learning platforms in partnership with NGOs, across government and government-aided schools in Maharashtra, Karnataka, Andhra Pradesh, Tamil Nadu & Uttarakhand. Our associates and volunteer teachers teach Science, English and Mathematics in these schools, using video conferencing tools. Concurrent training sessions on teaching methodologies are conducted for these volunteer teachers. Digital and experiential education is being provided in schools and focus is also given on creating a conducive infrastructure for learning. Through our interventions in providing entrepreneurial based training, science kits and laptops, we try to enhance knowledge through experimentation among the students. Support of mid-day meals helps in improving student attendance in schools across Karnataka, Telangana & Maharashtra.

A state-of-the-art Industrial Internet of Things (IIoT) lab has been established at VJTI Mumbai which provides a platform to students for developing innovative technological solutions. In our endeavor of making education more inclusive, a unique quiz 'Quizabled' was organized for specially-abled children in Bengaluru and Chennai.

This year we have reached out to 794 schools and helped over 86,500 school children through various education programs.

Empowerment

With an objective of enhancing the earning potential of youth and women from marginalized communities, the Company is

focusing on providing digital skills and entrepreneurship based trainings. Dedicated programs for people with special abilities are being undertaken to include them in the workforce.

The Digital Sakshar project in Mumbai aims to help youth learn computer skills based on market requirements. More such programs are being undertaken in Mumbai, Pune and Chennai to enhance employability. Women artisans are being trained with a two-fold objective- to revive Warli art and make these women as entrepreneurs. Trainings in tailoring, beautician, papad making and computer courses are being provided to women from vulnerable sections of society which enables them earn a livelihood.

Youth from rural parts of Uttar Pradesh, Uttarakhand and Maharashtra were trained on domestically and internationally outsourced business processes, like Digital Publishing and Financial Services in a rural BPO set up. Differently-abled youth learnt computer skills and manufacturing for employment.

During the year over 21,800 youth and women including the specially-abled have been trained through such programs.

Environment

The Company is working with multiple stakeholders towards the cause of a greener environment. Through initiatives like tree plantations, cleanliness drives like 'Swachhagraha' across its regions of presence, the Company is striving to reduce its carbon footprint. During the year more than 76,000 trees were planted with the help of our NGO partners and employee volunteers. Our rain water harvesting program is providing support to farmers to grow additional crops and earn a better livelihood.

Employee Volunteering

Through 1 Step, LTI-ites have dedicated their time to teach curriculum based English, Mathematics and Science in addition to computers and soft skills to school children and youth across the country. They have also participated in tree plantations, cleanliness, clothes and blood donation drives organized during the year. In FY19, 5667 LTI-ites were a part of the 1 Step initiatives.

Achievements

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

1. CSR Times Award 2018 for Best Corporate in Women Empowerment;
2. Greentech CSR Award 2018 for outstanding achievement in CSR at the 6th Annual Greentech CSR Awards;
3. Certificate of appreciation at the Sabera awards for empowering people with special abilities.

2. The Composition of the CSR Committee:

- i. Mr. Sanjay Jalona - Chairman
- ii. Mr. Sudhir Chaturvedi - Member (appointed as a Member w.e.f. September 11, 2018)
- iii. Mr. Arjun Gupta - Member
- iv. Mr. Aftab Ullah - Member (ceased to be a Member w.e.f. August 30, 2018)

3. Average net profit for the last three years: ₹ 11,098 Million

4. Prescribed CSR expenditure (Two percent of the amount as in item 3 above): ₹ 221.96 Million

5. Details of CSR spent during the financial year:

- i. Total amount spent for FY19: ₹ 223.85 Million
- ii. Amount unspent, if any: Nil
- iii. Manner in which the amount was spent during FY19: 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

Chairman – CSR Committee
and Chief Executive Officer &
Managing Director
(Din: 07256786)

Sudhir Chaturvedi

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

5. (iii). Manner in which the amount spent during FY19 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	124.95	118.82	3.80	122.62	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	87.85	78.18	2.50	80.68	Direct and through implementation partners
3	Rain water harvesting in drought prone regions and tree plantation to increase green cover.	Environment	Hubli, Bengaluru, Karnataka; Maharashtra and Tamil Nadu	9.16	19.92	0.63	20.55	Direct and through implementation partners
	Total			221.96	216.92	6.93	223.85	

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 Managerial Personnel) Rules, 2014

A Ratio of the remuneration of each director to the median remuneration of the employees of the Company for FY19, the percentage increase in remuneration of each Director & Key Managerial Personnel ('KMP') during FY19:

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 Chairman	9.95	(26.53)
2	Mr. S. N. Subrahmanyam	Non-Executive Vice Chairman	NA	NA
3	Mr. Sanjay Jalona	Chief Executive Officer & Managing Director	102.91	16.15
4	Mr. R. Shankar Raman	Non-Executive Director	NA	NA
5	Mr. Aftab Zaid Ullah ³	Chief Operating Officer & Whole-time Director	19.33	NA
6	Mr. Sudhir Chaturvedi	President-Sales & Whole-time Director	64.46	10.53
7	Mr. Samir Desai	Independent Director	5.23	(10.72)
8	Mr. M. M. Chitale	Independent Director	1.93	(2.04)
9	Ms. Vedika Bhandarkar	Independent Director	0.86	(50.00)
10	Mr. Arjun Gupta	Independent Director	3.96	57.02
11	Mr. Sanjeev Aga	Independent Director	1.18	-
12	Mr. Sudip Banerjee	Independent Director	1.18	-
13	Mr. Ashok Kumar Sonthalia	Chief Financial Officer	13.65	15.94
14	Mr. Manoj Koul	Company Secretary & Compliance Officer	7.57	8.41

Notes:

- Ratio of remuneration of director to the median remuneration is calculated on pro-rata basis for those directors who served for only part of FY19.
- Mr. Sanjay Jalona and Mr. Sudhir Chaturvedi have been paid remuneration in USD and GBP respectively.
- Mr. Aftab Ullah ceased to be a Whole-time Director w.e.f. August 30, 2018. Hence, the percentage increase in remuneration will not be applicable.
- 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 7.5% in India and 2% outside India. The average increase in the managerial remuneration was 32%. The average increase is not comparable since the increase is on account of exercise of stock options by the Executive Directors and payment of Commission to Non-Executive Directors.

C The percentage increase in the median remuneration of employees in the financial year 2018-19: 5.6%.

D Number of permanent employees on the rolls of company as on March 31, 2019: 26,122

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.

Annexure F

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

1	2	3	4	5	6	7	8	9	10	11	12	13					
Sl. No.	Name of Subsidiary	Country	Date of becoming subsidiary	Reporting period for the subsidiary	Reporting currency	Exchange rate as on the last date of the relevant financial year	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
1	Larsen & Toubro Infotech GmbH ²	Germany	June 14, 1999	3/31/2019	EUR	77.67	3	3,584	5,222	1,634	4,705	959	57	6	52	-	100.00
2	Larsen & Toubro Infotech Canada Limited	Canada	October 14, 2005	3/31/2019	CAD	51.54	-	177	427	251	-	1,658	92	25	67	-	100.00
3	Larsen & Toubro Infotech LLC	USA	July 21, 2009	3/31/2019	USD	69.16	-	33	39	6	-	68	4	-	4	-	100.00
4	Larsen & Toubro Infotech (Pty) Limited	South Africa	July 25, 2012	3/31/2019	ZAR	4.77	3	29	197	166	-	256	[14]	[2]	[12]	-	74.90
5	L&T Infotech Financial Services Technologies Inc. ¹	Canada	January 1, 2011	3/31/2019	CAD	51.54	1,680	778	2,951	493	-	2,999	1,041	286	755	-	100.00
6	L&T Infotech Information Services (Shanghai) Co. Ltd.	China	June 28, 2013	12/31/2018	CNY	10.10	11	[15]	25	29	-	54	-	-	-	-	100.00
7	Larsen & Toubro Infotech Austria GmbH	Austria	June 18, 2015	3/31/2019	EUR	77.67	3	1	4	153	128	1	[4]	[3]	[4]	-	100.00
8	L&T Information Technology Spain SL	Spain	February 1, 2016	3/31/2019	EUR	77.67	4	21	153	128	-	373	[10]	[3]	[7]	-	100.00
9	L&T Infotech S.de RL. De. C.V	Mexico	March 01, 2017	12/31/2018	MXN	3.53	-	[6]	66	71	-	166	[14]	[5]	[9]	-	100.00
10	Syncordis Software Services India Private Limited	India	December 11, 2017	3/31/2019	INR	1.00	5	16	30	10	-	71	9	3	6	-	100.00
11	Syncordis S.A.	Luxembourg	December 15, 2017	12/31/2018	EUR	79.99	3	210	553	340	10	1,139	88	21	67	-	100.00
12	Syncordis Support Services S.A.	Luxembourg	December 15, 2017	12/31/2018	EUR	79.99	2	9	42	30	-	79	12	2	10	-	100.00
13	Syncordis Limited	UK	December 15, 2017	12/31/2018	GBP	89.06	-	[46]	48	94	-	66	[60]	[14]	[46]	-	100.00

Notes:

- L&T Infotech Financial Services Technologies Inc. has paid dividend amounting to INR 319.77 Million.
- Larsen And Toubro Infotech GmbH has paid dividend amounting to INR 81.02 Million.
- 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 29, 2019.

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

Sl. No.	14	15	16	17	18	19	20	21	22	23	24
1	Syncordis France S.A.R.L.	Larsen & Toubro Infotech Norge AS	Nielsen + Partner Unternehmensberater GmbH ⁴	Nielsen + Partner Unternehmensberater AG ⁴	Nielsen + Partner PTE. Ltd. ⁴	Nielsen + Partner S.A. ⁴	Nielsen + Partner PTY Ltd ⁴	Nielsen + Partner Company Limited ⁴	Ruletronics Systems Private Limited ⁴	Ruletronics Limited ⁴	Ruletronics Systems Inc ⁴
2	France December 15, 2017 12/31/2018	Norway November 20, 2018 3/31/2019	Germany March 1, 2019 1/31/2019	Switzerland March 1, 2019 12/31/2018	Singapore March 1, 2019 12/31/2018	Luxembourg March 1, 2019 12/31/2018	Australia March 1, 2019 12/31/2018	Thailand March 1, 2019 12/31/2018	India March 15, 2019 3/31/2019	UK March 15, 2019 12/31/2018	USA March 15, 2019 2/28/2019
3	Country	Country	Country	Country	Country	Country	Country	Country	Country	Country	Country
4	Reporting period for the subsidiary	Reporting period for the subsidiary	Reporting period for the subsidiary	Reporting period for the subsidiary	Reporting period for the subsidiary	Reporting period for the subsidiary	Reporting period for the subsidiary	Reporting period for the subsidiary	Reporting period for the subsidiary	Reporting period for the subsidiary	Reporting period for the subsidiary
5	Reporting currency	Reporting currency	Reporting currency	Reporting currency	Reporting currency	Reporting currency	Reporting currency	Reporting currency	Reporting currency	Reporting currency	Reporting currency
6	Exchange rate as on the last date of the relevant Financial year	Exchange rate as on the last date of the relevant Financial year	Exchange rate as on the last date of the relevant Financial year	Exchange rate as on the last date of the relevant Financial year	Exchange rate as on the last date of the relevant Financial year	Exchange rate as on the last date of the relevant Financial year	Exchange rate as on the last date of the relevant Financial year	Exchange rate as on the last date of the relevant Financial year	Exchange rate as on the last date of the relevant Financial year	Exchange rate as on the last date of the relevant Financial year	Exchange rate as on the last date of the relevant Financial year
7	Share capital	Share capital	Share capital	Share capital	Share capital	Share capital	Share capital	Share capital	Share capital	Share capital	Share capital
8	Reserves & surplus	Reserves & surplus	Reserves & surplus	Reserves & surplus	Reserves & surplus	Reserves & surplus	Reserves & surplus	Reserves & surplus	Reserves & surplus	Reserves & surplus	Reserves & surplus
9	Total assets	Total assets	Total assets	Total assets	Total assets	Total assets	Total assets	Total assets	Total assets	Total assets	Total assets
10	Total Liabilities	Total Liabilities	Total Liabilities	Total Liabilities	Total Liabilities	Total Liabilities	Total Liabilities	Total Liabilities	Total Liabilities	Total Liabilities	Total Liabilities
11	Investments	Investments	Investments	Investments	Investments	Investments	Investments	Investments	Investments	Investments	Investments
12	Turnover	Turnover	Turnover	Turnover	Turnover	Turnover	Turnover	Turnover	Turnover	Turnover	Turnover
13	Profit before taxation	Profit before taxation	Profit before taxation	Profit before taxation	Profit before taxation	Profit before taxation	Profit before taxation	Profit before taxation	Profit before taxation	Profit before taxation	Profit before taxation
14	Provision for taxation	Provision for taxation	Provision for taxation	Provision for taxation	Provision for taxation	Provision for taxation	Provision for taxation	Provision for taxation	Provision for taxation	Provision for taxation	Provision for taxation
15	Profit after taxation	Profit after taxation	Profit after taxation	Profit after taxation	Profit after taxation	Profit after taxation	Profit after taxation	Profit after taxation	Profit after taxation	Profit after taxation	Profit after taxation
16	Proposed Dividend	Proposed Dividend	Proposed Dividend	Proposed Dividend	Proposed Dividend	Proposed Dividend	Proposed Dividend	Proposed Dividend	Proposed Dividend	Proposed Dividend	Proposed Dividend
17	% of shareholding	% of shareholding	% of shareholding	% of shareholding	% of shareholding	% of shareholding	% of shareholding	% of shareholding	% of shareholding	% of shareholding	% of shareholding

Notes:

4. The subsidiaries acquired from Sl. No. 16 to 24 have been acquired with effective control from February 1, 2019. Hence the turnover, profit before taxation, provision for taxation and profit after taxation have been considered only for the 2 months' period ending March 31, 2019.

Sanjay Jalona
Chief Executive Officer & Managing Director
DIN : 07256786

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

Mumbai
May 02, 2019

Ashok Kumar Sonthalia
Chief Financial Officer

Manoj Koul
Company Secretary & Compliance Officer

Annexure G

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

A. CONSERVATION OF ENERGY

(i) Steps taken for conservation of energy:

Energy Conservation is a continuous and enduring process and it has been at the forefront of company's strategy in curbing emissions. LTI is committed to enhance the well-being of its environment and LTI's activities and achievements illustrate the efforts in this regard. The Company has taken various energy conservation initiatives across all our offices in phase-wise manner. Company's activities like replacing conventional equipments with new energy efficient equipments, HVAC plant optimisation, UPS replacements and optimisation, and installation of lighting transformers, motion sensors, have resulted in savings of 20.24 Lac Units (KWH) during FY19.

As we take up new initiatives each year, we also encourage behavioral enthusiasm within employees to promote energy conservation. LTI continues to follow proactive steps like:

- Spread awareness and importance of energy conservation and its positive impacts
- We are in the process of upgrading our BMS wherever required to work towards a Global Energy Analytics software which will provide real-time data monitoring through Cloud.
- Best practices are shared across locations and replicated to strengthen the operations.

(ii) Steps taken by the Company for utilising alternate sources of energy:

Company's offshore operations in India is spread across multiple locations. A road map has been chalked out to supplement part of our energy requirement through renewable energy source. As a part of this road map, two of our offices including the corporate office at Powai, are running on more than 80% renewable energy. At the Company level, 17% of electricity consumption is from the renewable sourcing. The Company is in the process of reviewing the feasibility of setting up Renewable Energy Sources within the office premises at the possible locations.

(iii) Capital investment on energy conservation equipments:

₹ 47.24 Mn into the various energy conservation initiatives.

B. TECHNOLOGY ABSORPTION & RESEARCH AND DEVELOPMENT

In a rapidly changing global landscape where disruption is the new normal, the 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, Internet-of-Things ('IoT'), Artificial Intelligence ('AI'), Automation and so on. These are further enumerated below.

Cloud

In the age of digital transformation, cloud provides the foundation for agility and innovation. The right cloud infrastructure strategy unlocks limitless possibilities for businesses; which includes choice right cloud platform, non-disruptive migration, compliance, leverage multi cloud platforms, and automated IT operation.

We have invested in developing LTI Digital Cloud platform solutions with best in class tools help our clients to realize the promise of cloud and automation; which are few key enablers for successful digital transformation. Successful cloud journeys must tackle key challenges along the way. Often the first challenge is to define the most optimal cloud strategy and develop the implementation roadmap.

LTI Cloud rapid adopt helps tackle this through industrialize discovery and readiness assessment while reducing planning time by as much as half. We do this by conducting an automated multi-dimensional analysis on client landscape relating that to provider feasibility. And providing a provider comparative view through standardized scoring criteria to choose right cloud platform.

LTI migrating to target environment efficiently while minimizing disruption is the next key challenge. LTI Cloud MigXpress provides a single pane to enable organizations to migrate workloads to preferred cloud with ease. Governing compliance with expanding multi cloud landscape is another key challenge. LTI Cloud value xRay helps tackle this and sustain enterprise best practices by automating policy-based compliance.

Finally, multi cloud landscapes increased choices for enterprises but with it comes the challenge of providing easy to use consumption interfaces and automated operation while limiting wasteful use LTI Cloud Brokerage and Management solution provides a range of capabilities to accomplish this. By allowing you to view the entire cloud landscape as a virtual datacentre. It's centralized as the management of hybrid infrastructure solutions into a user-friendly interface that drives automated IT operation and provides visibility and control to clients.

LTI Digital Cloud platform, solution to digitize IT infrastructure and operation is leveraged to migrate and manage more than 100 clients; which realized 30% cost reduction and 40% improved productivity.

Analytics

The Company's data & analytics services assist clients with prime concerns around the problem-first or data-first approach, as well as the democratization of data, analytics and use cases. Perhaps the most important problem is finding the right skill-sets, and the perfect skill-set for such implementations calls for the combined knowledge of technology, business context, and statistics. Our proven expertise helps you harness the power of all disruptive next-gen technologies, to unlock multifold amplified outcomes for your business. The offerings include –

1. Digitizing the Core
2. Amplified Business Outcomes & Business Insights
3. Data Analytics Strategy & Value Realization
4. Drive Adoption

The Company is focused on steering innovation by delivering simplified 'Data-to-Decisions' with Smarter DataOps, AI-logistics, Automated Intelligence & Actionable Insights through its Mosaic platform. It unleashes the blend of Analytics, AI and Automation to herald a new era of breakthrough innovation and opportunities for business. Mosaic is positioned to address the convergence of digital + physical boundaries; technologies + skills; and business context + knowledge.

Cognitive/AI

The Company has a dedicated Artificial Intelligence and Cognitive practice. With the mindset of a startup and the scale of an enterprise it is well positioned as 'Make AI Real' for its clients. The practice addresses the core capabilities of Data Science, Natural Language Processing, Machine Learning and Deep Learning. It has an established AI ecosystem of partners, startups and technology providers to bring the best of breed solutions to its clients.

LTI has mined experience from a variety of projects, people & other knowledge assets to create the vocabulary knowledge base for multiple industry verticals to help clients jumpstart their AI adoption. The Company complements this knowledge base with a platform-based approach via its MOSAIC AI Platform to rapidly

build & deploy solutions that deliver amplified outcomes to the clients. MOSAIC AI, a comprehensive AI-based solution suite brings in essential components for delivering key outcomes in the form of Customer Experience, Intelligent Automation & New Business Models for clients. The platform is deployed within LTI in the form of Conversational Agents supporting 25K+ users in areas of HR, IT Helpdesk, Travel & Admin Services. This has delivered outcomes in the form of phenomenal user experience, extreme personalization & reduced turn-around time in these services. It is one of the initiatives to transform LTI into Cognitive Business.

IoT

The Company has a dedicated IoT Practice, which enables clients to become more competitive in the new age economy by connecting the physical world with digital possibilities. IoT technology & industry offerings enable a comprehensive ecosystem of customers, partners, start-ups and developers' community to quickly develop, demonstrate and monetize enterprise grade IoT based solutions. The technology offering includes 5 sub-offerings: Market Place, Device & Data Management, Integrated Connectivity Management, Orchestration, Enterprise Command Centre. The industry offerings are built using the technology offering architecture. Some of the key industry offerings include: Asset Reliability & Performance management, Plant Operation Intelligence, Connected Assets & Workers and Digital Solar Plant and Industrial Cyber Security.

From a strategic investment perspective, the Company is establishing Business Labs for focused customer accounts and developing solutions through 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. We have been supported by extensive participation from our alliance partner, ecosystems & analysts' community.

Automation

MOSAIC Automation being key focus area, Cloud and Infrastructure solutions group invested in following areas (IPs – Framework, Platform, and Point solutions using MOSAIC platform) to provide next gen Digital operation solution to our clients

1. ITOPS Automation Factory – To develop reusable automation solutions (Algorithms, Workflows, Rules, Runbooks, APIs) to improve productivity and optimize cost.
2. Automated Proactive Problem Management solution – To identify repeated incidents, eliminate, and prevent incidents from happening; to improve business and employee productivity for our clients.
3. Automated Simulation Platform – To groom associates with New age skills using automated simulation lab exercises powered by 'Participatory training model'.

4. Digital ITOPS Platform – To digitize IT Operation by integrating heterogeneous tools with orchestrator and automated IT Operation using various automation methods like AI Ops, Intelligent workflows, BOTs, etc.,

LTI Cloud and Infrastructure solution group has developed 'Automation as a Service' offering in order to provide utility 'automation' service to our clients with outcome based pricing model and to enable better ROI. We have partnered with our clients to co create solutions which can be leveraged across multiple clients.

Blockchain

LTI continues to be heavily invested in Blockchain technology and recognizes the potential it holds to deliver transformational benefits to our client. Over the last one year, the Company has helped one of the leading CPG Clients implement Blockchain technology in production to streamline their supply chain by enhancing end to end visibility and facilitating better capital utilization. The Company also delivered Blockchain solutions in areas such as Procure to Pay, Trade Finance Documentation, Micro-payments, Certificate Issuance and tracking, Insurance Premium Accounting, among others. The Company received the 'Partner of the Year award' from Microsoft in July 2018 for one

of the aforesaid Blockchain projects. LTI continues to secure favorable positions Blockchain reports published by leading Analyst and Research Firms. The Company is rapidly growing its ecosystem by partnering with Blockchain Start-ups and Enterprises alike and is dedicated towards creating an even stronger foothold in this fast-growing space.

Total Expenditure on R&D:

(₹ Million)

S. N.	Expenditure on R&D	Amount
A	Capital	53
B	Recurring	282
	Total R&D expenditure (A+B)	335

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	2018-19	2017-18
Foreign Exchange Earned	82,673	64,002
Foreign Exchange Used	40,833	32,231



Annexure H

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2019

[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:

1	CIN	L72900MH1996PLC104693
2	Registration Date	23 rd 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: +9122 6776 6138 Email: manoj.koul@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 4918 6000 Fax: +91 22 4918 6060 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	74.80	2(46)
2	Larsen & Toubro Infotech GmbH Add: Kloostergasse 5, 04109, Leipzig, 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, United States of America	-	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 1100 Building 2, No.1388, Xingxian Road, Jaiding District, Shanghai, China	-	Subsidiary	100.00	2(87)
8	Larsen & Toubro Infotech Austria GmbH Add: c/o Oberhammer Rechtsanwälte GmbH, Karlsplatz 3/1, 1010 Vienna, Austria	-	Subsidiary	100.00	2(87)
9	L&T Information Technology Spain SL Add: Paseo de la Castellana 81 Street, floor 11, 28046, Madrid, Spain	-	Subsidiary	100.00	2(87)
10	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)
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	Larsen & Toubro Infotech Norge AS* Add: Martin Linges vei 25, 1364 Fornebu, Norway		Subsidiary	100.00	2(87)
13	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)
14	Syncordis S.A. Add: 105, route d'Arlon, L-8009 Strassen Luxembourg (Step down Subsidiary)	-	Subsidiary	100.00	2(87)
15	Syncordis support services S.A. Add: 105, route d'Arlon, L-8009 Strassen Luxembourg (Step down Subsidiary)	-	Subsidiary	100.00	2(87)
16	Syncordis Limited Add: C/O Rayner Essex Llp Tavistock House South, Tavistock Square, London, United Kingdom, WC1H 9LG (Step down Subsidiary)	-	Subsidiary	100.00	2(87)
17	Syncordis France S.A.R.L. Add: 8 Rue Paul Belmondo 75012 Paris, France (Step down Subsidiary)	-	Subsidiary	100.00	2(87)
18	Nielsen+Partner Unternehmensberater GmbH [#] Add: Grosser Burstah 45, DE 20457 Hamburg, Germany (Step down Subsidiary)	-	Subsidiary	100.00	2(87)
19	Nielsen + Partner Unternehmensberater AG [#] Add: Stampfenbachstrasse 52, CH-8006 Zürich, Switzerland (Step down Subsidiary)	-	Subsidiary	100.00	2(87)
20	Nielsen+Partner PTE. LTD. [#] Add: 11 Collyer Quay #09-09 The Arcade, Singapore 049317 (Step down Subsidiary)	-	Subsidiary	100.00	2(87)
21	Nielsen+Partner S.A. [#] Add: 51, boulevard Grande Duchesse Charlotte, L - 1330 Luxembourg (Step down Subsidiary)	-	Subsidiary	100.00	2(87)
22	Nielsen&Partner Pty Ltd [#] Add: Level 6, 8 Spring Street, Sydney NSW 2000 (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
23	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)
24	Ruletronics Limited [§] Add: 43 Farnsworth Court, West Parkside, London SE10 0QG (Step down Subsidiary)	-	Subsidiary	100.00	2(87)
25	Ruletronics Systems Inc [§] Add: 271 US Highway 46, Suite C104, Fairfield, NJ 07004 (Step down Subsidiary)	-	Subsidiary	100.00	2(87)

Notes:

* Incorporated as a wholly-owned subsidiary of the Company on November 20, 2018.

[®] Acquired by the Company on March 15, 2019.[#] Acquired by the Company through wholly owned subsidiary i.e. Larsen & Toubro Infotech GmbH on March 1, 2019.[§] Acquired by the Company through wholly owned subsidiary i.e. Larsen & Toubro Infotech GmbH on March 15, 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	142,693,637	0	142,693,637	82.96	129,784,034	0	129,784,034	74.80	(8.16)
(f)	Any Other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-total (A1)	142,693,637	0	142,693,637	82.96	129,784,034	0	129,784,034	74.80	(8.16)
(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)	142,693,637	0	142,693,637	82.96	129,784,034	0	129,784,034	74.80	(8.16)
(B)	Public Shareholding									
(1)	Institutions									
(a)	Mutual Funds	2,905,715	0	2,905,715	1.69	11,346,411	0	11,346,411	6.54	4.85
(b)	Banks/ Financial Institutions	23,442	0	23,442	0.01	33,561	0	33,561	0.02	0.01
(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
(e)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Insurance Companies	701,434	0	701,434	0.41	610,392	0	610,392	0.35	(0.06)
(g)	Foreign Portfolio Investors	11,903,239	0	11,903,239	6.92	13,381,686	0	13,381,686	7.71	0.79

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	
(h)	Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Alternative Investment Funds	139,658	0	139,658	0.08	359,780	0	359,780	0.21	0.13
(j)	Any Other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-total (B1)	15,673,488	0	15,673,488	9.11	25,731,830	0	25,731,830	14.83	5.72
(2)	Non - Institutions									
(a)	Individuals									
i)	Individual Shareholders holding nominal Equity Share Capital up to ₹ 1 Lakh	8,074,075	66,804	8,140,879	4.73	9,339,568	32,120	9,371,688	5.40	0.67
ii)	Individual Shareholders holding nominal Equity Share Capital in excess of ₹ 1 Lakh	2,251,875	111,250	2,363,125	1.37	2,901,930	111,250	3,013,180	1.74	0.37
(b)	Bodies Corporate	690,447	0	690,447	0.40	2,660,633	0	2,660,633	1.53	1.13
(c)	NBFCs registered with RBI	0	0	0	0.00	4,401	0	4,401	0.00	0.00
(d)	Any Other (Specify)									
(i)	Foreign Nationals	27,000	190,176	217,176	0.13	337	110,070	110,407	0.06	(0.07)
(ii)	Hindu Undivided Family	192,041	0	192,041	0.12	243,459	0	243,459	0.14	0.02
(iii)	Non Resident Indians (Repat)	1,114,956	252,240	1,367,196	0.80	1,541,180	188,433	1,729,613	1.00	0.20
(iv)	Non Resident Indians (Non-Repat)	400,311	16,197	416,508	0.24	525,220	15,693	540,913	0.31	0.07
(v)	Clearing Member	244,746	0	244,746	0.14	288,012	0	288,012	0.17	0.03
(vi)	Trusts	20	-	20	0.00	31,914	0	31,914	0.02	0.02
	Sub-total (B2)	12,995,741	636,667	13,632,138	7.93	17,536,654	457,566	17,994,220	10.37	2.44
	Total Public Shareholding (B) = (B1 + B2)	28,668,959	636,667	29,305,626	17.04	43,268,484	457,566	43,726,050	25.20	8.16
	TOTAL (A+B)	171,362,596	636,667	171,999,263	100.00	173,052,518	457,566	173,510,084	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)	171,362,596	636,667	171,999,263	100.00	173,052,518	457,566	173,510,084	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	142,693,637	82.96	0.00	129,784,034	74.80	0.00	(8.16)
	Total	142,693,637	82.96	0.00	129,784,034	74.80	0.00	(8.16)

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
1.	At the beginning of the year	142,693,637	82.96			
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.)					
	April 03, 2018			(155,000)	142,538,637	82.87
	April 04, 2018			(67,000)	142,471,637	82.83
	April 05, 2018			(14,761)	142,456,876	82.82
	April 06, 2018			(103,929)	142,352,947	82.76
	April 09, 2018			(50,530)	142,302,417	82.73
	April 10, 2018			(66,000)	142,236,417	82.70
	April 11, 2018			(10,786)	142,225,631	82.69
	April 12, 2018			(33,615)	142,192,016	82.67
	April 13, 2018			(89,056)	142,102,960	82.62
	April 16, 2018			(50,000)	142,052,960	82.59
	April 17, 2018			(41,934)	142,011,026	82.56
	April 18, 2018			(18,369)	141,992,657	82.55
	April 19, 2018			(63,050)	141,929,607	82.51
	April 20, 2018			(1,143,909)	140,785,698	81.84
	April 23, 2018			(309,409)	140,476,289	81.66
	April 24, 2018			(98,410)	140,377,879	81.61
	April 25, 2018			(66,557)	140,311,322	81.57
	Sept 03, 2018			(5,527,867)	134,783,455	77.89
	Sept 04, 2018			(4,999,421)	129,784,034	75.00
	At the end of the year	-	-	-	129,784,034	74.80⁽¹⁾

Notes:

1. The change in the percentage of shareholding is also due to periodic allotment of equity shares under the Employee Stock Option Schemes of the Company during FY19.

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

S.N.	For Each of the Top 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	538,222	0.31		
	Purchase(s) during the year			1,562,657	0.90
	Sale(s) during the year			(160,508)	0.09
	At the End of the year			1,940,371	1.12
2	Auburn Limited	4,763,495	2.77		
	Purchase(s) during the year			-	-
	Sale(s) during the year			(3,002,763)	1.73
	At the End of the year			1,760,732	1.01
3	Motilal Oswal Multicap 35 Fund	0	0.00		
	Purchase(s) during the year			1,963,518	1.13
	Sale(s) during the year			(204,304)	0.12
	At the End of the year			1,759,214	1.01
4	HDFC Trustee Company Ltd - A/C HDFC Mid - Cap Opportunities Fund	1,361,564	0.79		
	Purchase(s) during the year			285,600	0.16
	Sale(s) during the year			(69,249)	0.04
	At the End of the year			1,577,915	0.91

S.N.	For Each of the Top 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
5	ICICI Prudential Long Term Equity Fund Tax Savings	593,617	0.35		
	Purchase(s) during the year			1,273,260	0.73
	Sale(s) during the year			(425,094)	0.25
	At the End of the year			1,441,783	0.83
6	DSP Equity & Bond Fund	0	0.00		
	Purchase(s) during the year			1,355,761	0.78
	Sale(s) during the year			(100,513)	0.06
	At the End of the year			1,255,248	0.72
7	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Equity Advantage Fund	78,700	0.05		
	Purchase(s) during the year			1,136,016	0.65
	Sale(s) during the year			(426,300)	0.25
	At the End of the year			788,416	0.45
8	Canara Robeco Mutual Fund A/C Canara Robeco Emerging Equities	0	0.00		
	Purchase(s) during the year			849,110	0.49
	Sale(s) during the year			(111,000)	0.06
	At the End of the year			738,110	0.43
9	Goldman Sachs India Limited	0	0.00		
	Purchase(s) during the year			622,975	0.36
	Sale(s) during the year			-	-
	At the End of the year			622,975	0.36
10	HDFC Life Insurance Company Limited -Shareholders Solvency Margin Account	319,853	0.19		
	Purchase(s) during the year			266,789	0.15
	Sale(s) during the year			(25,000)	0.01
	At the End of the year			561,642	0.32
11	Fil Investments (Mauritius) Ltd	539,640	0.31		
	Purchase(s) during the year			-	-
	Sale(s) during the year			-	-
	At the End of the year			539,640	0.31
12	Ntasian Emerging Leaders Master Fund	1,339,093	0.78		
	Purchase(s) during the year				
	Sale(s) during the year			(819,005)	0.47
	At the End of the year			520,088	0.30
13	Vijay Kumar Magapu	420,000	0.24		
	Purchase(s) during the year			-	-
	Sale(s) during the year			-	-
	At the End of the year			420,000	0.24
14	Schroder International Selection Fund Indian Equity	397,254	0.23		
	Purchase(s) during the year			-	-
	Sale(s) during the year			(134,935)	0.08
	At the End of the year			262,319	0.15
15	Morgan Stanley (France) S.A.	650,673	0.38		
	Purchase(s) during the year			363,451	0.21
	Sale(s) during the year			(1,002,004)	0.58
	At the End of the year			12,120	0.01

Note: The date-wise increase decrease in the shareholding of the above shareholders is available on the website of the Company. i.e. www.Ltinfotech.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		1,550,625	0.89			
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	16 July 2018 (ESOP Exercise)			549,375	2,100,000	1.10
	At the end of the year					2,100,000	1.10
2	S. N. Subrahmanyam		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):	09 July 2018 (ESOP Exercise)			40,000	80,000	0.05
	At the end of the year					80,000	0.05
3	R. Shankar Raman		20,000	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):	09 July 2018 (ESOP Exercise)			20,000	40,000	0.02
	At the end of the year					40,000	0.02
4	Sanjay Jalona		67,840	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):	09 July 2018 (ESOP Exercise)			26,000	93,840	0.05
		06 Aug 2018 (ESOP Exercise)			5,000	98,840	0.06
		20 Aug 2018 (Transfer)			(25,000)	73,840	0.04
		22 Aug 2018 (Transfer)			(10,000)	63,840	0.04
		24 Oct 2018 (ESOP Exercise)			34,200	98,040	0.06
		12 Dec 2018 (ESOP Exercise)			2,640	100,680	0.06
At the end of the year					100,680	0.06	
5	Sudhir Chaturvedi		33,160	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):	12 Dec 2018 (ESOP Exercise)			31,160	64,320	0.04
	At the end of the year					64,320	0.04
6	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
7	Vedika Bhandarkar		-	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):	21 Dec 2018 (Transfer)			158	158	0.00
	At the end of the year					158	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		10,800	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]:	09 July 2018 (ESOP Exercise)			5,000	15,800	0.01
		13 July 2018 Transfer			(500)	15,300	0.01
		06 Aug 2018 (ESOP Exercise)			5,000	20,300	0.01
		20 Feb 2019 Transfer			(800)	19,500	0.01
	At the end of the year					19,500	0.01

vi) INDEBTEDNESS

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

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)	-	-	-	-

vii) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (FY19)

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

(₹ Million)

S. N.	Particulars of Remuneration	Name of MD/ WTD/ Manager			Total Amount
		Sanjay Jalona (CEO & MD) ¹	Aftab Zaid Ullah (COO & WTD) ²	Sudhir Chaturvedi (President – Sales & WTD) ¹	
1	Gross salary:				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	55.73	14.11	43.69	113.53
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	114.41	40.56	47.88	202.85
	(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,	29.50	-	-	29.50
5	Others [please specify]:				
	Variable Compensation	10.70	-	16.40	27.10
	Total (A)	210.34	54.67	107.97	372.98
	Ceiling as per the Act	[1984.79 Million] 10% of Net Profits of the Company			

Notes:

- Mr. Sanjay Jalona and Mr. Sudhir Chaturvedi have been paid remuneration in USD and GBP respectively. The figures mentioned above are INR equivalent.
- Mr. Aftab Ullah ceased to be a Whole-time Director w.e.f. August 30, 2018 and Chief Operating Officer w.e.f. November 30, 2018.

B. Remuneration to other directors:

(₹ Million)

S. N.	Particulars of Remuneration	Fee for attending Board/ Committee Meetings	Commission	Others, please specify (No. of Stock Options Granted)	Total Amount
1	Independent Directors				
	Mr. Samir Desai ¹	0.38	4.50	-	4.88
	Mr. M. M. Chitale	0.30	1.50	-	1.80
	Ms. Vedika Bhandarkar	0.15	0.65	-	0.80
	Mr. Arjun Gupta ¹	0.30	3.43	-	3.73
	Mr. Sanjeev Aga	0.20	0.90	-	1.10
	Mr. Sudip Banerjee	0.20	0.90	-	1.10
	Total (1)	1.53	11.88	-	13.41
2	Other Non-Executive Directors				
	Mr. A. M. Naik	0.27	9.00	-	9.27
	Mr. S. N. Subrahmanyam	-	-	-	-
	Mr. R. Shankar Raman	-	-	-	-
	Total (2)	0.27	9.00	-	9.27
	Total (B)=(1+2)	1.80	20.88	-	22.68
	Total Managerial Remuneration	-	393.86	-	
	Overall Ceiling as per the Act	[2183.27 Million] 11% of Net Profits of the Company			

Notes:

- Mr. Samir Desai and Mr. Arjun Gupta have been paid remuneration in USD. The figures mentioned above are INR equivalent.
- The total managerial remuneration excludes the sitting fees paid.

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	7.10	5.51	12.61
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	17.03	0.32	17.35
	(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	5.15	1.24	6.39
	Total	29.28	7.07	36.35

viii) PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2019.

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 31st March 2019, 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, 2019, 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	<p>Accuracy of recognition, measurement, presentation and disclosures of revenue and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers". Further, onerous obligations in respect of fixed price contracts involves critical estimates.</p> <p>New revenue accounting 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.</p> <p>The application of the new 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. Further, in case of fixed price contracts, estimated efforts is a critical estimate to determine revenues. This estimate has a high inherent uncertainty as it requires consideration of progress of the contract and efforts required to complete the remaining performance obligations.</p>
Principal Audit Procedures	<p>We assessed the Company's process in relation to overall revenue recognition process. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> • Relating to implementation of the new revenue accounting standard specifically, those relating to identification of the distinct performance obligations and determination of transaction price. • Recording of efforts incurred and estimation of efforts required to complete the performance obligations. • 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 new revenue accounting standard. • Tested the access and application controls pertaining to time recording, allocation and control management systems which prevents unauthorised changes to recording of efforts incurred.

Principal Audit Procedures	<ul style="list-style-type: none"> • Selected a sample of continuing and new contracts and performed the following procedures which included enquiry and observation, reperformance and inspection of evidence in respect of operation of controls: <ul style="list-style-type: none"> o Read, analysed and identified the distinct performance obligations in these contracts. o Compared such performance obligations with that identified and recorded by the Company. o 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. o Samples in respect of revenue recorded for time and material contracts were tested though a review of approved time sheets including customer acceptances, subsequent invoicing and historical trend of collections and disputes. o 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. o Performed a comparison of actual efforts incurred with estimated efforts to identify significant variations and verify whether those variations have been considered in estimating the remaining efforts to complete the contract. o Reviewed unbilled revenues to identify possible delays in achieving milestones, which require change in estimated efforts to complete the remaining performance obligations. • Performed analytical procedures towards: <ul style="list-style-type: none"> o reasonableness of revenue disclosed by type and service offerings. o Reasonableness of incurred and estimated efforts. • 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.
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Migration to new information systems

Key Audit Matter	<p>During the year, Information Systems used for managing and recording transactions w.r.t. revenue, HR and treasury operations were changed/upgraded. Impact of errors, if any during the transition required evaluation.</p> <p>The nature of business operations of the Company requires a high degree of reliance on the Information Technology systems. The audit approach relies on the effectiveness of automated controls and controls around interface of different systems. In a scenario of migration to new information systems during the year, robustness of IT general and application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner. As a part of audit, we need to ensure that the Company has implemented necessary preventive and detective controls across critical IT applications and infrastructure, which are most relevant from the perspective of financial reporting.</p>
Principal Audit Procedures	<p>We have reviewed the information systems migration process and Information Technology General Controls (ITGC) with the assistance of IT audit specialists, our procedures included:</p> <ul style="list-style-type: none"> • Testing General IT Controls: Testing general IT controls around system access, change management and computer operations within specific applications pertinent to the financial statements. We assessed whether appropriate policies are in place and adhered to through inspection of supporting evidence. Also, assessed the operation of controls over changes or transactions and testing manual compensating controls, such as reconciliations between systems and other information sources, through re-performance or inspection. • Testing Data Migration: We reviewed the management's processes around systems migration in order to ascertain how controls in existing information systems are mapped into new information systems. We also independently tested completeness, validity and accuracy of transaction and master data migrated to new information system. • Extended scope: Where general IT controls and compensating manual controls were inadequate or ineffective, we performed additional substantive testing, such as using extended sample sizes and performing data analysis to test the integrity of the transactional level data pertinent to the Company's financial statements.

Assessment of provisions and contingent liability in respect of compliance with various laws and regulations as applicable

Key Audit Matter	<p>Adequacy of provisioning and assessing contingent liabilities in respect of compliance with applicable laws and regulations including Income tax assessments</p> <p>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 complex matter and a high degree of professional judgment.</p> <p>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.</p>
Principal Audit Procedures	<ul style="list-style-type: none"> • 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.

Investment in Subsidiaries

Key Audit Matter	<p>The carrying amount of the investments in subsidiaries held at cost less impairment represents 8.34 % of the Company's total assets are reviewed annually for impairment</p> <p>Recoverability of investment in subsidiary undertakings</p> <p>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.</p>
Principal Audit Procedures	<ul style="list-style-type: none"> • 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. • Tested the assumptions and understanding the 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 judgments 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 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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;
 - 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;
 - 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

Mumbai
May 2, 2019



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, 2019)

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 unsecured loan, 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. Also refer Note No. 34 forming part of accounts.
- (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
Central Sales Tax and local sales tax Acts, Service tax	Software exports and service income revenue considered as domestic sales and other classification disputes	11.16	FY 2002-03	Maharashtra Sales Tax Tribunal, Mumbai
	Service tax demand under reverse charge mechanism on the Agency commission paid in foreign currency	1.68	FY 2008-09 to 2013-14	CESTAT
West Bengal Value Added Tax	Demand raised based on subcontractor turnover	7.63	FY 2015-16	Senior Joint Commissioner Kolkata South Circle
Service Tax	Disallowance of Input Tax Credit	143.85	FY 2008-09 to 2014-15	Appeal to be filed before 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 short fall in tax deducted at source	5.14	FY 2010-11 and 2011-12 (AY 2011-12 and 2012-13)	Hon'ble High Court
	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)
	Disallowance of ESOP discount	13.28	FY 2010-11 (AY 2011-12)	ITAT

* Net of pre-deposit paid in getting the stay / appeal admitted

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 Registration No. 105102W

Padmini Khare Kaicker

Partner
Membership No. 044784

Mumbai
May 2, 2019

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, 2019.

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, 2019 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 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 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 override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, 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 Registration No. 105102W

Padmini Khare Kaicker
Partner
Membership No. 044784

Mumbai
May 2, 2019



Balance Sheet

as at 31 March 2019

(₹ million)

Particulars	Note No.	As at 31-03-2019	As at 31-03-2018
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	2,816	2,412
(b) Capital work-in-progress	4	31	10
(c) Other intangible assets	4	331	315
(d) Intangible assets under development	4	51	58
(e) Financial assets			
(i) Investments	5	5,198	2,959
(ii) Loans	6	467	384
(iii) Other financial assets	7	1,606	721
(f) Deferred tax assets (net)	8	1,564	1,919
(g) Income tax assets (net)		768	802
(h) Other non-current assets	9	1,029	1,067
Total Non-Current Assets		13,861	10,647
Current assets			
(a) Financial assets			
(i) Investments	10	17,402	12,644
(ii) Trade receivable	11	17,293	13,275
(iii) Unbilled revenue	12	5,450	8,191
(iv) Cash and cash equivalents	13	2,131	2,479
(v) Other bank balances	14	23	19
(vi) Loans	15	63	235
(vii) Other financial assets	16	1,669	1,710
(b) Income tax assets (net)		37	-
(c) Other current assets	17	4,337	989
Total Current Assets		48,405	39,542
TOTAL ASSETS		62,266	50,189
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	18	174	172
(b) Other equity			
(i) Other reserves	19	8,602	8,041
(ii) Retained earnings	19	38,359	28,973
(iii) Share application money pending allotment		-	0
Total Equity		47,135	37,186
Liabilities			
Non-current liabilities			
(a) Financial liabilities	20	34	204
(b) Provisions	21	289	280
Total Non-Current Liabilities		323	484
Current liabilities			
(a) Financial Liabilities			
(i) Trade payables			
Due to micro & small enterprises	22	3	-
Due to creditors other than micro & small enterprise	22	4,460	3,612
(ii) Other financial liabilities	23	5,760	5,576
(b) Other current liabilities	24	2,323	1,437
(c) Provisions	25	2,017	1,761
(d) Income tax liabilities (net)		245	133
Total Current Liabilities		14,808	12,519
TOTAL EQUITY AND LIABILITIES		62,266	50,189
Significant accounting policies	2		
Other notes on accounts	34 - 50		

As per our report attached

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

Sanjay Jalona
Chief Executive Officer & Managing Director
DIN : 07256786

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

Padmini Khare Kaicker
Partner
Membership No: 044784

Ashok Kumar Sonthalia
Chief Financial Officer

Manoj Koul
Company Secretary & Compliance Officer

Mumbai
May 02, 2019

Statement of Profit and Loss

for the year ended March 31, 2019

(₹ million)

Particulars	Note No.	April 18-March 19	April 17-March 18
Income from operations			
Revenue from operations	26	89,072	69,064
Other income	27	3,290	5,254
Total income		92,362	74,318
Expenses:			
Employee Benefit Expense	28	51,287	41,348
Operating expenses	29	19,316	16,286
Finance costs	30	43	138
Depreciation and Amortisation	4	881	913
Other expenses	31	1,238	949
Total Expenses		72,765	59,634
Profit before tax		19,597	14,684
Tax expense			
Current tax (net)	32(I)	4,476	3,330
Deferred tax	32(III)	370	(247)
		4,846	3,083
NET PROFIT FOR THE YEAR		14,751	11,601
OTHER COMPREHENSIVE INCOME	33	258	(994)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		15,009	10,607
Basic			
Basic earning per equity share	40	85.31	67.74
Diluted			
Diluted earning per equity share	40	84.11	66.23
Significant accounting policies	2		
Other notes on accounts	34 - 50		

As per our report attached

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

Sanjay Jalona
Chief Executive Officer & Managing Director
DIN : 07256786

Sudhir Chaturvedi
President - Sales & Whole-time Director
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Padmini Khare Kaicker
Partner
Membership No: 044784

Ashok Kumar Sonthalia
Chief Financial Officer

Manoj Koul
Company Secretary & Compliance Officer

Mumbai
May 02, 2019

Standalone Cash Flow Statement

for the year ended on March 31, 2019

(₹ million)

Particulars	April 18 - March 19	April 17 - March 18
A. Cash flow from operating activities		
Net profit after tax	14,751	11,601
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation and amortisation	881	913
Income tax expense	4,846	3,083
Expense recognised in respect of equity settled stock option	281	400
Realised gain from current investment in mutual funds	(743)	(516)
Unrealised gain from current investment in mutual funds	(247)	(222)
Interest received	(8)	(7)
Interest expense	43	138
Provision for doubtful debts (net)	228	135
Gain on buyback of shares by subsidiary	-	(388)
Unrealised foreign exchange loss/(gain),net	374	(65)
Dividend received from subsidiaries	(408)	(579)
Net loss/(gain) on sale of property, plant and equipment	13	8
Operating cash before working capital changes	20,011	14,501
Changes in working capital		
(Increase)/decrease in trade receivables and unbilled revenue	(1,811)	(5,408)
(Increase)/decrease in other receivables	(3,913)	111
Increase/(decrease) in trade & other payables	2,450	1,194
(Increase)/decrease in working capital	(3,274)	(4,103)
Cash generated from operations	16,737	10,398
Income taxes paid	(4,262)	(3,289)
Net cash generated from/(used in) operating activities	12,475	7,109
B. Cash flow from investing activities		
Purchase of fixed assets	(1,258)	(878)
Sale of fixed assets	29	32
(Purchase)/sale of current investments	(4,512)	(3,016)
Investment in subsidiary	(2,239)	(125)
Loan to subsidiary company	(6)	-
Increase in non-current investment	-	(1)
Dividend received from subsidiaries	408	579
Realised gain from current investment in mutual funds	743	516
Interest received	8	7
Gain on buyback of shares by subsidiary	-	388
Net cash (used in)/generated from investing activities	(6,827)	(2,498)



(₹ million)

Particulars	April 18 - March 19	April 17 - March 18
C. Cash flow from financing activities		
Proceeds from issue of share capital	3	3
Deposit under Credit support agreement received/(paid)	(589)	(407)
Interest paid	(25)	(138)
Dividend paid	(4,499)	(3,034)
Tax on dividend paid	(842)	(500)
Net cash (used in)/generated from financing activities	(5,952)	(4,076)
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(41)	35
Net increase/(decrease) in cash and cash equivalents	(345)	570
Cash and cash equivalents at beginning of the period	2,498	1,906
Increase in Cash and Cash Equivalents on Amalgamation		22
Cash and cash equivalents at end of the period	2,154	2,498

As per our report attached

B. K. Khare & CoChartered Accountants
Firm's Registration No. 105102W**Sanjay Jalona**Chief Executive Officer & Managing Director
DIN : 07256786**Sudhir Chaturvedi**President - Sales & Whole-time Director
DIN: 07180115**Padmini Khare Kaicker**Partner
Membership No: 044784**Ashok Kumar Sonthalia**

Chief Financial Officer

Manoj Koul

Company Secretary & Compliance Officer

Mumbai
May 02, 2019

Statement of Changes in Equity

for the year ended on March 31, 2019

(₹ million)

Particulars	Share Capital	Share capital pending allotment	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	0	3,466	1,819	28,973	1,217	(466)	0	(60)	2,025	40	37,186
Employee Stock Compensation Expense			0			593	(593)					0
Net Profit for the year					14,751							14,751
Other Comprehensive Income										218	41	259
Dividends (Including DDT)					(5,365)							(5,365)
Other changes/ Trf to general reserve.	2	(0)		379		(477)	400					304
Balance as on March 31, 2019	174	-	3,466	2,198	38,359	1,333	(659)	0	(60)	2,243	81	47,135

For the year ended on March 31, 2018

(₹ million)

Particulars	Share Capital	Share capital pending allotment	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, 2017	171	0	3,464	1,498	21,011	1,511	(945)	0		3,081	(22)	29,769
Employee Stock Compensation Expense			2			83	(83)					2
On account of amalgamation									(60)			(60)
Net Profit for the year					11,601							11,601
Other Comprehensive Income										(1,056)	62	(994)
Dividends (Including DDT)					(3,639)							(3,639)
Other changes/ Trf to general reserve.	1	(0)		321		(377)	562					507
Balance as on March 31, 2018	172	(0)	3,466	1,819	28,973	1,217	(466)	0	(60)	2,025	40	37,186

As per our report attached

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

Sanjay Jalona
Chief Executive Officer & Managing Director
DIN : 07256786

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

Padmini Khare Kaicker
Partner
Membership No: 044784

Ashok Kumar Sonthalia
Chief Financial Officer

Manoj Koul
Company Secretary & Compliance Officer

Mumbai
May 02, 2019

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, Maharashtra, India. The company's equity shares are listed on the National Stock Exchange 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.

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

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as at April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The company has evaluated its major contracts with customer and there has been no material impact on adoption of Ind AS-115. Refer note 2(d) – Significant accounting policies – Revenue recognition in the Annual report of the Company for the year ended March 31, 2018, for the revenue recognition policy as per Ind AS 18 and Ind AS 11.

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.

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.

Notes forming part of accounts

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

- 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 date, having maturity periods approximating to the terms of related obligations. Actuarial gains and losses through re-measurement



Notes forming part of accounts

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 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' 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

I) Finance lease

Assets acquired under lease where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such assets are capitalised at the inception of the lease at the lower of the fair value and the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

II) Operating lease

Assets acquired under lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating lease. Lease rentals are charged to the profit and loss account on accrual basis.

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



Notes forming part of accounts

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

I. 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. 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. Any financial asset

Notes forming part of accounts

which does not meet the criteria for categorisation as at amortised cost or as financial asset at fair value through other comprehensive income is classified as financial assets fair valued through profit and 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.

iii) 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 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 effective portion of changes in the fair value of derivative hedging instruments designated as cash flow hedges.

A) Cash flow hedges

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.

h. 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 periods is recognised at the amount expected to be paid to or recovered from the tax authorities (Refer note 7 for applicable tax rates in various jurisdiction).

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

Notes forming part of accounts

where it is expected that the earnings of the branch will not be distributed in the foreseeable future.

i. Borrowing costs

Borrowing costs include interest, commitment charges and finance charges in respect of assets acquired on finance lease and exchange differences arising from foreign currency borrowings, to the extent they are regarded as an adjustment to interest costs.

j. 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.

k. Segment accounting

Operating segments are defined as components of an enterprise for which discrete financial information is used regularly by the Company'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 Company as a whole

and not identifiable with / allocable to segments are included under "Unallocable expenses".

- iii) Other income relates to the Company as a whole and is not identifiable with / allocable to segments.
- iv) Assets and liabilities used in the Company's business are not identified to any of the reportable segments as these are used interchangeably.

l. 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").

3. Recent accounting pronouncement

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective from April 1, 2019:

Ind AS - 116

The Ministry of Corporate Affairs notified Ind AS 116 "Leases" in respect of accounting periods commencing on or after April 1, 2019 superseding Ind AS 17 "Leases".

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognize a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognize the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in



Notes forming part of accounts

Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company will adopt IND AS 116, effective annual reporting period beginning April 1, 2019. The Company has chosen the modified retrospective application of IND AS 116. Consequently, the Company will not restate the comparative information, instead, the cumulative effect of initially applying this Standard will be recognized as an adjustment to the opening balance of retained earnings as on April 1, 2019.

The Company will make use of the practical expedient available on transition to IND AS 116 not to reassess whether a contract is or contains a lease. Accordingly, the Company will therefore not apply the standard to contracts that were not previously identified as containing a lease applying Ind AS 17, before April 1, 2019.

The Company will elect to use the exemptions proposed by the standard on lease contracts for which the lease terms ends within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value. The Company has leases of certain office equipment that are considered of low value.

On preliminary assessment, for leases other than short-term leases and leases of low value assets, the Company will recognize a right-of-use asset of INR 6,179 Mn and a corresponding lease liability of INR 7,136 Mn with the cumulative effect of applying the standard by adjusting retained earnings net of taxes.

Ind AS 12 Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use

judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

Ind AS 109–Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings. The Company does not expect this amendment to have any impact on its financial statements.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Company does not expect this amendment to have any impact on its financial statements.

Notes forming part of accounts

Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an

entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Company will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

4 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 31 March 2019		As at 31 March 2018	
	Balance useful life	Carrying amount	Balance useful life	Carrying amount
Software	Upto 5 years	331	Upto 5 years	315
Total		331		315



Notes forming part of accounts

4 FIXED ASSETS - As of 31 March 2019

(₹ in Mn)

Fixed and intangible assets	Gross Block		As at 31-Mar-19	Depreciation/Amortisation		Net Block	
	As at 1-Apr-18	Additions		Deductions	As at 1-Apr-18	For the year	On deductions
Tangible assets - own							
Leasehold land	10	-	-	0	-	-	10
Buildings - own	126	0	-	24	8	-	93
Leasehold improvements	414	121	3	109	59	1	167
Plant and machinery	723	147	18	230	87	10	307
Owned computers	1,189	554	5	1,737	256	4	949
Office equipments	617	118	2	733	109	2	433
Furniture and fixtures	761	130	15	877	100	9	349
Vehicles	333	40	56	117	45	31	131
Capital work in progress							186
							31
Total of tangible assets	4,173	1,110	99	1,761	664	57	2,368
Intangible assets							
Software	2,366	232	-	2,051	217	0	2,268
Business rights	-	-	-	-	-	-	-
Intangible assets under development	-	-	-	-	-	-	51
Total of intangible assets	2,366	232	-	2,051	217	0	2,268

1. Impairment upto 31 March 2019 - NIL

Notes forming part of accounts

4 FIXED ASSETS - As of 31 March 2018

(₹ in Mn)

Fixed and intangible assets	Gross Block			Depreciation/Amortisation			Net Block			
	As at 1-Apr-17	Pursuant to Amalgamation*	Additions	Deductions	As at 31-Mar-18	Pursuant to Amalgamation*	For the year	On deductions	As at 31-Mar-18	As at 31-Mar-18
Tangible assets - own										
Leasehold land	10	-	-	-	10	-	0	-	0	10
Buildings - own	126	-	-	-	126	-	8	-	24	102
Leasehold improvements	351	-	67	4	414	-	48	0	109	305
Plant and machinery	676	-	57	10	723	-	84	8	230	493
Owned computers	933	1	255	0	1,189	457	1	239	697	492
Office equipments	518	0	101	2	617	209	0	119	326	291
Furniture and fixtures	675	0	88	2	761	161	0	98	258	503
Vehicles	335	-	52	54	333	89	-	51	117	216
Capital work in progress					-	-	-	-	-	10
Total of tangible assets	3,624	1	620	72	4,173	1,147	1	647	1,761	2,422
Intangible assets										
Software	2,167	0	199	-	2,366	1,785	0	266	2,051	315
Business rights	98	-	-	98	-	98	-	-	-	-
Intangible assets under development	-	-	-	-	-	-	-	-	-	58
Total of intangible assets	2,265	0	199	98	2,366	1,883	0	266	2,051	373

1. Impairment upto 31 March 2018 - NIL

* AugmentIQ Data Sciences Private Limited has been amalgamated with the Company from the appointed date of 1 April 2017.



Notes forming part of accounts

5 NON-CURRENT INVESTMENTS

	(₹ in Mn)	
	As at 31-03-2019	As at 31-03-2018
Long term investment in subsidiaries:		
Equity Shares (Unquoted) :		
5 (previous year - 2) fully paid equity shares of EUR 25,000 each in Larsen & Toubro Infotech GmbH	3,404	1,219
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	3	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	-
510,000 fully paid equity shares of INR 10 each in Ruletronics Systems Private Limited**	54	-
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
	5,198	2,959

* "Larsen & Toubro Infotech Norge AS" has been incorporated on 20 November 2018.

** The Company has acquired "Ruletronics Systems Private Limited" on 1 February 2019 (refer note 41).

Impairment upto 31 March 2019 - NIL.

6 NON CURRENT LOANS

	(₹ in Mn)	
	As at 31-03-2019	As at 31-03-2018
Security deposits		
Unsecured, considered good	467	384
	467	384

7 OTHER NON CURRENT FINANCIAL ASSETS

	(₹ in Mn)	
	As at 31-03-2019	As at 31-03-2018
Forward contract receivable	1,606	721
	1,606	721

8 DEFERRED TAX ASSETS

	(₹ in Mn)	
	As at 31-03-2019	As at 31-03-2018
MAT credit	2,128	2,530
Less: Deferred tax liability	(564)	(611)
	1,564	1,919

Notes forming part of accounts

8 (I) Deferred tax liabilities/assets as at 31 March 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 liabilities				
Deferred taxes on derivative instruments	(501)	(163)	15	(649)
Branch profit tax	(683)		-	(683)
Unrealised gains on investments	(53)	3	-	(50)
Others	1	1	-	-
	(1,238)	(159)	15	(1,382)
Deferred tax assets				
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	49	33	-	82
MAT credit	2,530	(401)	-	2,129
	3,157	(211)		2,946
Net deferred tax assets/(liabilities)	1,919	(370)	15	1,564

8 (II) Deferred tax liabilities/assets as at 31 March 2018

(₹ in Mn)

Particulars	Deferred tax asset/(liability) as at 31-03-2017	Current year (charge) / credit to Profit & Loss	(Charge) / credit to Other Comprehensive Income	Charge pursuant to amalgamation (Refer note 40)	Deferred Tax asset/ (liability) as at 31-03-2018
Deferred tax liabilities					
Deferred taxes on derivative instruments	(871)	136	234	-	(501)
Branch profit tax	(542)	(141)	-	-	(683)
Unrealised gains on investments	-	(53)	-	-	(53)
Others		-	-	-	
	(1,414)	(58)	234	-	(1,238)
Deferred tax assets					
Provision for doubtful debts & advances	51	31	-	-	82
Provision for employee benefits	153	71	-	-	224
Depreciation / amortisation	63	146	-	-	209
Capital loss on buyback by L&T Infotech Financial Services Technologies Inc.	-	63	-	-	63
Others	10	38	-	1	49
MAT credit*	2,576	(46)	-	-	2,530
	2,853	303	-	1	3,157
Net deferred tax assets/(liabilities)	1,439	245	234	1	1,919

* MAT credit for year ended 31 March 2018 of ₹ 59 Mn is net off reduction in MAT for year ending 31 March 2017 of ₹ 106 Mn due to Ind AS transitional deductions as per section 115JB of Income Tax Act, 1961.



Notes forming part of accounts

9 OTHER NON CURRENT ASSETS

	(₹ in Mn)	
	As at 31-03-2019	As at 31-03-2018
Capital advances	7	4
Deferred contract costs	315	-
Prepaid expenses	176	153
Advance recoverable other than cash	531	910
	1,029	1,067

10 CURRENT INVESTMENTS

	(₹ in Mn)	
	As at 31-03-2019	As at 31-03-2018
Mutual funds - Unquoted	17,402	12,644
	17,402	12,644

11 TRADE RECEIVABLES

	(₹ in Mn)	
	As at 31-03-2019	As at 31-03-2018
Unsecured, considered good		
Due from related parties (refer note 42)	1,007	761
Due from others	16,377	12,581
Less : Allowance for doubtful trade receivables	(91)	(67)
Unsecured, credit impaired	379	260
Less : Allowance for doubtful trade receivables	(379)	(260)
	17,293	13,275

Allowance for doubtful trade receivables movement

	(₹ in Mn)	
	As at 31-03-2019	As at 31-03-2018
Balance at the beginning of the year	327	230
Additions during the year, net	205	104
Uncollectable receivables charged against allowances	(23)	(31)
Exchange gain/(loss)	(39)	24
Balance at the end of year	470	327

12 UNBILLED REVENUE

	(₹ in Mn)	
	As at 31-03-2019	As at 31-03-2018
Unbilled revenue*	5,450	8,191
	5,450	8,191

* Classified as financial asset as the contractual right to consideration is unconditional upon passage of time.

13 CASH AND CASH EQUIVALENT

	(₹ in Mn)	
	As at 31-03-2019	As at 31-03-2018
Cash on hand	0	0
Balances with bank		
- in current accounts		
Overseas	1,411	1,401
Domestic	182	428
Remittance in transit	538	650
	2,131	2,479

Notes forming part of accounts

14 OTHER BANK BALANCES

(₹ in Mn)

	As at 31-03-2019	As at 31-03-2018
Earmarked balances with banks (unclaimed dividend)	8	4
Cash and bank balance not available for immediate use	15	15
	23	19

15 CURRENT LOANS

(₹ in Mn)

	As at 31-03-2019	As at 31-03-2018
Security deposits		
Unsecured, considered good	57	235
Loans to related parties		
Unsecured, considered good*	6	-
	63	235

* Loan to subsidiary, Ruletronics Systems Private Limited towards their working capital requirement

16 OTHER CURRENT FINANCIAL ASSETS

(₹ in Mn)

	As at 31-03-2019	As at 31-03-2018
Advances to employees	287	130
Forward contract receivable	1,378	1,580
Others	4	0
	1,669	1,710

17 OTHER CURRENT ASSETS

(₹ in Mn)

	As at 31-03-2019	As at 31-03-2018
Advances recoverable other than in cash	277	278
Unbilled revenue*	3,073	-
Advances to vendors	3	5
Deferred contract costs	183	-
Prepaid expenses	801	706
	4,337	989

* Classified as non financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

18 SHARE CAPITAL

I) Share capital authorised, issued, subscribed and paid up:

(₹ in Mn)

	As at 31-03-2019	As at 31-03-2018
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		
173,510,084 equity shares for ₹ 1 each	174	172
(Previous year 171,999,263 of ₹ 1 each)		
	174	172

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.

Notes forming part of accounts

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 31-03-2019			
Larsen & Toubro Limited	129,784,034		74.80%	
	As at 31-03-2018			
Larsen & Toubro Limited	142,693,637		82.96%	

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 31 March 2019 and 31 March 2018 as given below:

	As at 31-03-2019		As at 31-03-2018	
Issued, subscribed and fully paid up equity shares outstanding at the beginning	171,999,263		170,571,113	
Add: Shares issued on exercise of employee stock options	1,510,821		1,428,150	
Issued, subscribed and fully paid up equity shares	173,510,084		171,999,263	

(₹ in Mn)

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	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
i	Grant price	₹ 5	₹ 5	₹ 2	₹ 2	USD 2.4	USD 2.4	₹ 1	₹ 1
ii	Grant dates	01 April 2001 onwards		01 October 2001 onwards		15 March 2007 onwards		10 June 2016 onwards	
iii	Vesting commences on	01 April 2002 onwards		01 October 2002 onwards		15 March 2008 onwards		10 June 2017 onwards	
iv	Options granted & outstanding at the beginning of the year	21,345	36,720	685,302	1,450,725	39,000	47,000	2,850,140	3,596,300
v	Options reinstated during the year	-	-	-	-	-	-	-	-
vi	Options granted during the year	-	-	-	-	-	-	359,400	129,300
vii	Options allotted/execised during the year	9,130	3,375	615,091	673,315	6,000	8,000	880,600	743,460
viii	Options lapsed/cancelled during the year	375	12,000	12,021	92,108	-	-	212,080	132,000
ix	Options granted & outstanding at the end of the year	11,840	21,345	58,190	685,302	33,000	39,000	2,116,860	2,850,140
x	Options vested at the end of the year out of (ix)	11,840	21,345	58,190	447,852	33,000	39,000	102,360	312,600
xi	Options unvested at the end of the year out of (ix)	-	-	-	237,450	-	-	2,014,500	2,537,540
xii	Weighted average remaining contractual life of options (in years)	-	-	-	0.7	-	-	4.7	5.3

The number and weighted average exercise price of stock options are as follows:

Sr. no	Particulars	2018-19		2017-18	
		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	3,595,787	2.89	5,130,745	2.73
ii	Options reinstated during the year	-	-	-	-
iii	Options granted during the year	359,400	1.00	129,300	1.00
iv	Options allotted during the year	1,510,821	2.09	1,428,150	2.35
v	Options lapsed/cancelled during the year	224,476	1.06	236,108	1.59
vi	Options granted & outstanding at the end of the year	2,219,890	3.50	3,595,787	2.90
vii	Options vested at the end of the year out of (v)	205,390	28.02	820,797	9.03



Notes forming part of accounts

- VII)** The aggregate number of equity shares allotted as fully paid up by way of bonus shares in immediately preceding five years ended 31 March 2019 are Nil (previous period of five years ended 31 March 2018 - Nil)
- VIII)** The aggregate number of equity shares issued pursuant to contract, without payment being received in cash in immediately preceding five years ended 31 March 2019 - Nil (previous period of five years ended 31 March 2018 - Nil)
- VIII)** During the year ended 31 March 2019, the amount of interim dividend distributed to equity shareholder was ₹ 12.5 per share at face value of ₹ 1 (previous year ₹ 8 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 ₹ 1,617 per share (previous year ₹ 850 per share).
- X)** Weighted average fair value of options granted during the year is ₹ 1,649.62 (previous year ₹ 644.71).
- 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	2018-19	2017-18
i	Weighted average risk-free interest rate	7.49%	6.69%
ii	Weighted average expected life of options	3 years	3 years
iii	Weighted average expected volatility	17.72%	17.88%
iv	Weighted average expected dividends over the life of option	₹ 108.91	₹ 115.33
v	Weighted average share price	₹ 1,650.48	₹ 645.55
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.

19 OTHER EQUITY

(₹ in Mn)

		2018-19	2017-18
I)	General reserve		
	Opening balance	3,466	3,464
	Add: Employee stock compensation expense	0	2
		3,466	3,466
II)	Hedging reserve		
	Opening balance (net of taxes)	2,025	3,081
	Add: Movement in forward contracts receivable	1,173	1,477
	Less: Amount reclassified to profit or loss	(1,090)	(2,966)
	Add/(Less): Deferred tax related to above	135	433
		2,243	2,025
III)	Share premium		
	Opening balance	1,819	1,498
	Add: Additions during the year	379	321
		2,198	1,819
IV)	Employee stock option outstanding		
	Opening balance	1,217	1,511
	Add: Additions during the year	593	83
	Less: Deductions during the year	(477)	(377)
	(a)	1,333	1,217



Notes forming part of accounts

		(₹ in Mn)	
		2018-19	2017-18
	Deferred employee compensation expense		
	Opening balance	(466)	(945)
	Add: Additions during the year	(593)	(83)
	Less: Transferred to general reserve	0	2
	Less: Deductions during the year	400	560
	(b)	(659)	(466)
	Balance to be carried forward (a) + (b)	674	751
V)	Capital reserve		
	Opening balance	(60)	-
	Add: Additions during the year	-	(60)
		(60)	(60)
VI)	OCI - Remeasurements of net defined benefit plans (net of tax)		
	Opening balance	40	(22)
	Add: Additions during the year	41	62
		81	40
VII)	Retained Earnings		
	Opening balance	28,973	21,011
	Add: Transfer due to amalgamation	-	(0)
	Add: Profit for the year	14,751	11,601
	Less: Dividend (including dividend distribution tax)	(5,365)	(3,639)
		38,359	28,973
		46,961	37,014

20 OTHER NON CURRENT FINANCIAL LIABILITIES

		(₹ in Mn)	
		As at 31-03-2019	As at 31-03-2018
	Liability for customer settlement	-	204
	Other financial liability	34	-
		34	204

21 (I) NON CURRENT PROVISIONS

		(₹ in Mn)	
		As at 31-03-2019	As at 31-03-2018
	Post retirement medical benefits	178	169
	Others	111	111
		289	280

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 1-4-2018	4	107	111
ii	Additional provision during the year	-	-	-
iii	Provision used during the year	-	-	-
iv	Provision reversed during the year	-	-	-
	Balance As at 31-03-2019	4	107	111

Notes forming part of accounts

22 TRADE PAYABLES

(₹ in Mn)

	As at 31-03-2019	As at 31-03-2018
Total outstanding dues of micro enterprises and small enterprises	3	-
Total outstanding dues of creditors other than micro enterprises and small enterprises :		
Due to related parties (refer note 42)	82	83
Due to others	1,318	1,298
Accrued expenses	3,060	2,231
	4,463	3,612

23 OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Mn)

	As at 31-03-2019	As at 31-03-2018
Unclaimed dividend	8	4
Liabilities for employee benefits	4,352	3,679
Liability on credit support agreement	1,028	1,617
Liability for customer settlement expenses	218	219
Others	154	57
	5,760	5,576

24 OTHER CURRENT LIABILITIES

(₹ in Mn)

	As at 31-03-2019	As at 31-03-2018
Unearned and deferred revenue	569	258
Other payable	1,754	1,179
	2,323	1,437

25 CURRENT PROVISIONS

(₹ in Mn)

	As at 31-03-2019	As at 31-03-2018
Compensated absences	2,015	1,759
Post-retirement medical benefits	2	2
	2,017	1,761

26 REVENUE FROM OPERATIONS

Revenue consists of the following:

(₹ in Mn)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Fixed Price & Maintenance	54,177	39,926
Time & Material	34,895	29,138
	89,072	69,064

Revenue disaggregation as per industry vertical and geography has been included in segment information (Refer note 43).

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 corresponds directly with the value to the customer of the entity's performance completed to date, typically 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.



Notes forming part of accounts

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2019, other than those meeting the exclusion criteria mentioned above, is ₹ 56,027 Mn. Out of this, the Company expects to recognize revenue of around 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.

Changes in contract assets is as follows:

	(₹ in Mn)
	Year ended March 31, 2019
Balance at the beginning of the year	2,491
Less : Invoices raised during the period	(2,720)
Less : Reclassified to receivable during the year	(10)
Add : Revenue recognised during the year	3,304
Add : Translation exchange difference	8
Balance at the end of the year	3,073

Changes in unearned and deferred revenue is as follows:

	(₹ in Mn)
	Year ended March 31, 2019
Balance at the beginning of the year	258
Less : Revenue Recognised during the period from opening contract liability	(251)
Add : Invoices raised during the period	553
Add/ (Less) : Translation exchange difference	9
Balance at the end of the year	569

27 OTHER INCOME

	(₹ in Mn)	
	Year ended March 31, 2019	Year ended March 31, 2018
Income from current investments in mutual fund	990	738
Interest received from bank and others	8	7
Foreign exchange gain *	1,751	3,468
Dividends from subsidiaries	408	579
Miscellaneous income	133	74
Gains from buyback of shares by subsidiary	-	388
	3,290	5,254

* The foreign exchange gain reported above includes gain on forward contracts which are designated as cash flow hedges of ₹ 1,090 Mn (previous year 31 March 2018 ₹ 2,966 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 on forward contracts relates to the business operations of the company.

28 EMPLOYEE BENEFIT EXPENSES

	(₹ in Mn)	
	Year ended March 31, 2019	Year ended March 31, 2018
Salaries including overseas staff expenses	47,552	38,013
Share based payments to employees	281	400
Staff welfare	411	408
Contribution to provident and other funds	589	480
Contribution to superannuation fund	40	45
Contribution to gratuity fund	177	155
Contribution to social security and other funds	2,237	1,847
	51,287	41,348

Notes forming part of accounts

29 OPERATING EXPENSES

(₹ in Mn)

	Year ended March 31, 2019	Year ended March 31, 2018
Consultancy charges	7,706	5,400
Cost of equipment, hardware and software packages	3,521	3,381
Travelling and conveyance	3,161	2,343
Rent and establishment expenses	1,804	1,757
Repairs and maintenance	877	813
Recruitment expenses	488	352
Telephone charges and postage	310	352
Power and fuel	305	328
Rates and taxes	300	218
Advertisement	211	219
Communication expenses	148	152
Insurance charges	54	53
Allowance for doubtful debts and advances	228	121
Bad debts	23	31
Less: Provision written back	(23)	(17)
Miscellaneous expenses	203	166
Customer settlement expense *	-	617
	19,316	16,286

* Customer settlement expense are in relation to one time commercial settlement entered by the Company with one of its clients on 27 March 2018.

30 FINANCE COST

(₹ in Mn)

	Year ended March 31, 2019	Year ended March 31, 2018
Interest on deposits with respect to credit support agreement	15	44
Others	28	94
	43	138

31 OTHER EXPENSES

(₹ in Mn)

	Year ended March 31, 2019	Year ended March 31, 2018
Legal and professional charges	921	765
Books and periodicals	21	20
Directors fees	21	31
Other miscellaneous expenses	275	133
	1,238	949

32 (I) CURRENT TAX (NET)

(₹ in Mn)

	Year ended March 31, 2019	Year ended March 31, 2018
Current tax	4,265	3,429
Provision for earlier year written (back)/off	211	(99)
	4,476	3,330

Notes forming part of accounts

32 (III) DEFERRED TAX

	(₹ in Mn)	
	Year ended March 31, 2019	Year ended March 31, 2018
Deferred tax charge/(credit)	[31]	[294]
MAT utilisation (net)	401	47
	370	(247)

* MAT credit for year ended 31 March 2018 of ₹ 59 Mn is net off reduction in MAT for year ending 31 March 2017 ₹ 106 Mn due to Ind AS transitional deductions as per section 115JB of Income Tax Act 1961.

32 (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, 2019	Year ended March 31, 2018
Profit before income taxes	19,597	14,684
Enacted tax rates in India	34.944%	34.608%
Computed expected tax expense	6,848	5,082
Effect due to non-taxable income	(2,035)	(1,918)
Overseas taxes	[23]	126
Effect of allowances of eligible expenses	(513)	(774)
Effect of non-deductible expenses	687	772
Effect of deferred taxes	[31]	[294]
Book profit related to capital loss for income tax purpose	-	[133]
Others	[87]	222
Tax expense as per statement of profit and loss	4,846	3,083

33 STATEMENT OF OTHER COMPREHENSIVE INCOME

	(₹ in Mn)	
	Year ended March 31, 2019	Year ended March 31, 2018
Items that will not be reclassified to profit or loss		
Defined benefit plan actuarial gain/(loss)	55	80
Income tax on defined benefit plan actuarial gain/(loss)	[14]	[18]
	41	62
Items that will be reclassified to profit or loss		
Net changes in fair value of cash flow hedges	83	(1,489)
Income tax on net changes in fair value of cash flow hedges*	134	433
	217	(1,056)
	258	(994)

* includes deferred tax adjustment pertaining to earlier years of ₹ 124 Mn

Notes forming part of accounts

34 CONTINGENT LIABILITIES

(₹ in Mn)

	Year ended March 31, 2019	Year ended March 31, 2018
1 Income tax liability that may arise in respect of which the Company is in appeal *	2,373	2,391
2 Corporate guarantee given on behalf of subsidiary **	3,608	3,456
3 Service tax refund disallowed in respect of which the Company is in the appeal #	126	92
4 Claims including potential claims \$	5	-
	6,112	5,939

* Out of contingent Tax liability disclosed above, ₹ 2,168 Mn (including interest of ₹ 185 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 70,000,000.

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.

\$ Represents potential liability on account of contribution to provident fund in terms of the recent judgement of the Honourable Supreme Court of India dated February 28, 2019 holding that contribution is payable on allowances that are fixed and uniformly applicable. In the opinion of management, there is uncertainty and lack of clarity regarding the period of applicability of the judgement. The Company has disclosed the liability as contingent in accordance with the judgement from the date of pronouncement.

35 Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for: ₹ 49 Mn (previous year ₹ 178 Mn).

36 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.

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, nothing has been provided based on actuarial valuation towards the future obligation arising out of interest rate guarantee associated with the plan..



Notes forming part of accounts

II) The amounts recognised in balance sheet are as follows:

(₹ in Mn)

	Gratuity plan	
	As at 31-03-2019	As at 31-03-2018
a) Present value of defined benefit obligation		
- Wholly funded	916	798
- Wholly unfunded	-	-
b) Fair value of plan assets as on	729	670
Amount to be recognised as liability or (asset) (a-b)	188	128
Net liability/(asset)-current	188	128
Net liability/(asset)- non current	-	-

(₹ in Mn)

	Post-retirement medical benefit plan	
	As at 31-03-2019	As at 31-03-2018
a) Present value of defined benefit obligation		
- Wholly funded	-	-
- Wholly unfunded	180	171
b) Fair value of plan assets	-	-
Amount to be recognised as liability or (asset) (a-b)	180	171
Net liability/(asset)	180	171
Net liability/(asset)-current	2	2
Net liability/(asset)- non current	178	169

(₹ in Mn)

	Provident fund plan (refer note (X)(iii) below)	
	As at 31-03-2019	As at 31-03-2018
A.		
a) Present value of defined benefit obligation		
- Wholly funded	7,173	5,865
- Wholly unfunded	-	-
b) Fair value of plan assets	7,217	5,914
Amount to be recognised as liability or (asset) (a-b)*	(44)	(49)
B.		
Amounts reflected in the balance sheet		
Liability	101	78
Assets	-	-
Net liability/(asset)#	101	78
Net liability/(asset)-current	101	78
Net liability/(asset)-non current	-	-

Employer's and employee's contribution for March 2019 paid in April 2019

* 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 31-03-2019	As at 31-03-2018
i) Current service cost	170	135
ii) Past service cost	-	13
iii) Administration expenses	-	-
iv) Interest on net defined benefit liability / (asset)	6	7
v) (Gains) / losses on settlement	-	-
Total expense charged to profit and loss account	176	155



Notes forming part of accounts

(₹ in Mn)

	Post-retirement medical benefit plan	
	2018-19	2017-18
i Current service cost	63	43
ii Past service cost	-	(7)
iii Administration expenses	-	-
iv Interest on net defined benefit liability / (asset)	13	12
v (Gains) / losses on settlement	-	-
Total expense charged to profit and loss account	76	48

(₹ in Mn)

	Provident fund plan	
	2018-19	2017-18
1 Current service cost	348	271
2 Interest cost	538	440
3 Expected return on plan assets	(538)	(440)
Total expense for the year included in staff cost	348	271

IV) The amounts recognised in statement of other comprehensive income (OCI) are as follows:

(₹ in Mn)

	Gratuity plan		Post retirement medical benefit plan	
	2018-19	2017-18	2018-19	2017-18
Opening amount recognized in OCI	2	28	(50)	3
Re-measurements during the period due to:				
Changes in financial assumptions	26	8	15	(32)
Changes in demographic assumptions	(6)	-	(33)	-
Experience adjustments	(27)	(10)	(48)	(20)
Actual return on plan assets less interest on plan assets	18	(24)	-	-
Closing amount recognized in OCI	13	2	(116)	(49)

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	
	2018-19	2017-18
Opening balance of defined benefit obligation	798	684
Current service cost	170	135
Past service cost	-	13
Interest on defined benefit obligation	56	43
Re-measurements due to		
Actuarial loss/(gain) arising from change in financial assumption	27	8
Actuarial loss/(gain) arising from change in demographic assumptions	(6)	-
Actuarial loss/(gain) arising on account of experience changes	(27)	(10)
Benefits paid	(102)	(75)
Closing balance of defined benefit obligation	916	798

Notes forming part of accounts

(₹ in Mn)

	Post-retirement medical benefit plan	
	2018-19	2017-18
Opening balance of defined benefit obligation	171	174
Current service cost	63	44
Past service cost	-	(7)
Interest on defined benefit obligation	12	12
Re-measurements due to		
Actuarial loss/(gain) arising from change in financial assumption	15	(32)
Actuarial loss/(gain) arising from change in demographic assumptions	(33)	-
Actuarial loss/(gain) arising on account of experience changes	(48)	(20)
Benefits paid	-	-
Closing balance of defined benefit obligation	180	171

(₹ in Mn)

	Provident fund plan	
	2018-19	2017-18
Opening balance of defined benefit obligation	5,865	4,910
Add : Interest cost	538	440
Add : Current service cost	348	271
Add : Contribution by plan participants	829	599
Add/(Less) : actuarial (gains)/losses		
Add: Business combination/acquisition	-	-
Less: Assets acquired/(settled)*	478	287
Liabilities assumed on acquisition/ (settled on divestiture)	-	-
Less : Benefits paid	(885)	(642)
Closing balance of defined benefit obligation	7,173	5,865

* On account of business combination or inter-company transfer

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	
	2018-19	2017-18	2018-19	2017-18
Opening balance of the fair value of the plan assets	669	527	5,915	4,939
Employer's contributions	128	157	338	265
Expected return on plan assets	51	36	538	440
Administration expenses	-	-	-	-
Actuarial gains/(loss)	-	-	113	312
Re-measurements due to:				
Actual return on plan assets less interest on plan assets	(18)	24	-	-
Contribution by plan participants	-	-	720	602
Benefits paid	(102)	(75)	(886)	(642)
Assets acquired/(settled)*	-	-	478	(1)
Assets distributed on settlements	-	-	-	-
Closing balance of plan assets	729	669	7,217	5,915

* On account of business combination or inter-company transfer

The Company expects to contribute ₹188 Mn (₹ 128 Mn in 2017-18) towards its gratuity, in the next financial year.



Notes forming part of accounts

VIII) The major categories of plan assets as a percentage of total plan assets are as follows:

(₹ in Mn)

	Gratuity plan	2018-19	2017-18
		Provident fund plan	
Government of India securities	Scheme with LIC	23.64%	23.05%
State government securities		24.00%	20.03%
Corporate bonds		20.91%	17.27%
Fixed deposits under Special Deposit Scheme framed by central government for provident funds		5.18%	5.74%
Public sector bonds		22.00%	28.45%
Mutual Funds		4.12%	3.01%
Others		0.15%	2.45%

VIII) Principal actuarial assumptions at the balance sheet date :

(₹ in Mn)

	2018-19	2017-18
i Discount rate		
For gratuity	7.15%	7.60%
For post -retirement medical benefits	7.15%	7.60%
ii Annual increase in healthcare costs (see note below)	5.00%	5.00%
iii Attrition rate :	Varies between 2% to 18%	Varies between 2% to 18%
iv Salary growth rate *	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 31 March 2019

(₹ in Mn)

Maturity profile	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

Notes forming part of accounts

As on 31 March 2018

(₹ in Mn)

Maturity profile	Gratuity	Post-Retirement medical benefit liability
Expected benefits for year 1	106	2
Expected benefits for year 2	101	2
Expected benefits for year 3	100	3
Expected benefits for year 4	98	3
Expected benefits for year 5	94	4
Expected benefits for year 6	89	5
Expected benefits for year 7	83	5
Expected benefits for year 8	76	6
Expected benefits for year 9	74	7
Expected benefits for year 10 and above	640	1,186

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

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:

	Period ended 31 March 2019	Period ended 31 March 2018
Discount Rate		
Impact of increase in 100 bps on defined benefit obligation	-17.32%	-17.38%
Impact of decrease in 100 bps on defined benefit obligation	22.72%	22.74%
Healthcare costs rate		
Impact of increase in 100 bps on defined benefit obligation	18.08%	17.71%
Impact of decrease in 100 bps on defined benefit obligation	-14.33%	-14.09%
Life expectancy		
Impact of increase by 1 year on defined benefit obligation	0.69%	0.57%
Impact of decrease by 1 year on defined benefit obligation	-0.72%	-0.59%

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 31 March 2019		Period ended 31 March 2018	
	Discount rate	Salary escalation rate	Discount rate	Salary escalation rate
Impact of increase in 100 bps on defined benefit obligation	-6.30%	7.04%	-6.08%	6.80%
Impact of decrease in 100 bps on defined benefit obligation	7.09%	-6.39%	6.82%	-6.19%

Notes forming part of accounts

37 Financial instruments by category

I) Carrying value of financial instruments by categories are as follows:

(₹ in Mn)

	As at 31-03-2019					As at 31-03-2018				
	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	17,403	-	-	17,403	17,403	12,645	-	-	12,645	12,645
Trade receivables	-	-	17,293	17,293	17,293	-	-	13,275	13,275	13,275
Unbilled revenue	-	-	5,450	5,450	5,450	-	-	8,191	8,191	8,191
Cash and cash equivalents	-	-	2,131	2,131	2,131	-	-	2,479	2,479	2,479
Other bank balances	-	-	23	23	23	-	-	19	19	19
Loans	-	-	530	530	530	-	-	619	619	619
Derivative financial instruments	240	2,744	-	2,984	2,984	(50)	2,351	-	2,301	2,301
Other financial assets	-	-	291	291	291	-	-	131	131	131
Total	17,643	2,744	25,718	46,105	46,105	12,595	2,351	24,714	39,659	39,659

(₹ in Mn)

	As at 31-03-2019					As at 31-03-2018				
	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 liability										
Trade payables	-	-	4,463	4,463	4,463	-	-	3,612	3,612	3,612
Other financial liabilities	-	-	5,794	5,794	5,794	-	-	5,780	5,780	5,780
Total	-	-	10,256	10,256	10,256	-	-	9,392	9,392	9,392

II) Fair value hierarchy used by the Company 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 or indirectly.

Level 3- Inputs for assets or liabilities that are not based on observable market data

(₹ in Mn)

	As at 31-03-2019				As at 31-03-2018			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Investments	17,402		1	17,403	12,644		1	12,645
Derivative financial instruments		2,984		2,984		2,301		2,301
Total	17,402	2,984	1	20,387	12,644	2,301	1	14,945

There have been no transfers among Level 1, Level 2 and Level 3 during the years ended March 31, 2019 and March 31, 2018.

III) Financial risk management

The Company is exposed to foreign currency risk, interest rate risk, credit or counterparty risk and liquidity risk.

i) Currency risk

Primary market risk to the Company is foreign exchange risk.

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.



Notes forming part of accounts

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 takes appropriate forward and option covers 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 Company does not enter into hedge transactions for either trading or speculative purposes.

The outstanding forward and option contracts at the year end their maturity profile and sensitivity analysis are as under.

Fair value of forward contracts designated as cash flow hedges of USD-INR as at 31 March 2019 and 31 March 2018 was ₹ 78,938 Mn and ₹ 49,722 Mn respectively. Outstanding number of contracts as at 31 March 2019 were 535 and 31 March 2018 were 266.

A. Notional value of hedged contracts designated as cash flow hedges is given as below:

Currency	As at 31-03-2019		As at 31-03-2018	
	Amount in USD Mn	Amount in ₹ Mn	Amount in USD Mn	Amount in ₹ Mn
USD-INR	1,192	87,015	730	52,945

(₹ in Mn)

B) The foreign exchange forward and option contracts designated as cash flow hedges mature maximum within 36 months. The table below analyses the derivative financial instrument into relevant maturity Companying based on the remaining period as of the balance sheet. Contracts with maturity not later than twelve months include certain contracts which can be rolled over to subsequent periods in line with underlying exposures.

USD-INR	As at 31-03-2019	As at 31-03-2018
Not later than twelve months	40,570	26,192
Later than twelve months	46,445	26,753
Total	87,015	52,945

(₹ in Mn)

C) Value-at-Risk (VaR)

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 ₹ 371 Mn as at 31 March 2019 (₹ 313 Mn as at 31 March 2018).

Actual future gains and losses associated with forward contracts designated as cash flow hedge may differ materially from the sensitivity analyses performed as of 31 March 2018 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.

ii) Interest risk

The Company has no interest rate risk in case of borrowings as on 31 March 2019. However the Company invests its surplus funds in Debt mutual funds. The Company mitigates the risk of counter-party failure by investing in mutual fund schemes with large assets under management and having investments in debt instruments issued with sound credit rating.

Notes forming part of accounts

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 the Company's profit after tax by ₹ 174 Mn in 2018-19 (₹ 126 Mn in 2017-18).

iii) Credit risk

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 provision for Expected Credit loss ('ECL') based on ageing analysis of its trade receivable and unbilled revenue. For trade receivables, these range from 1.5% for dues outstanding up to six months to 19.2% for dues outstanding for more than 36 months for 2018-19 (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 1.5% for dues outstanding up to six months to 4.5% for dues outstanding for more than 12 months for 2018-19. No provision has been made on trade receivables in not due category.

ECL allowance for non-collection and delay in collection of receivable and unbilled revenue, on a combined basis was ₹ 147 Mn and ₹ 67 Mn for the financial years 2018-19 and 2017-18 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)	
	2018-19	2017-18
Opening balance	67	65
Impairment loss recognised or (reversed)	80	2
Closing balance	147	67

The percentage of revenue from its top five customers is 31% for 2018-19 (36.8% for 2017-18).

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 are usually highly liquid funds.

The Company has no borrowings as on 31 March 2019 but it has credit facilities with banks that will help it in generating funds for the business if required.

The contractual maturities of financial assets and financial liabilities is as follows:

	As at 31-03-2019			As at 31-03-2018		
	Within a year	More than one year	Total	Within a year	More than one year	Total
Trade payables	4,463	-	4,463	3,708	-	3,708
Other financial liabilities	5,759	34	5,794	5,831	204	6,035
Total	10,222	34	10,256	9,539	204	9,743



Notes forming part of accounts

(₹ in Mn)

	As at 31-03-2019			As at 31-03-2018		
	Within a year	More than one year	Total	Within a year	More than one year	Total
Investments	17,402	1	17,403	12,644	1	12,645
Trade receivables	17,293		17,293	13,275	-	13,275
Unbilled revenue	5,450		5,450	8,191	-	8,190
Cash and cash equivalent	2,131		2,131	2,479	-	2,479
Other bank balances	23		23	19	-	19
Loans	63	467	530	235	384	619
Derivative financial instruments	1,378	1,606	2,984	1,580	721	2,301
Other financial assets	291	-	291	386		386
Total	44,031	2,074	46,105	38,808	1,106	39,915

38 LEASES

Operating leases

The Company has taken certain premises, office equipment and employee cars under non-cancellable operating leases. The rental expense in respect of operating leases was ₹ 1,804 Mn. (previous year ₹ 1,757 Mn) and the future rentals payable are as follows:

(₹ in Mn)

	2018-19	2017-18
Minimum lease payments		
- payable not later than 1 year	1,480	993
- payable after 1 year but not later than 5 years	4,008	3,066
- payable after 5 years	1,089	502
	6,577	4,561

39 AUDITOR'S REMUNERATION (excluding taxes) charged to the accounts include:

(₹ in Mn)

	2018-19	2017-18
Audit fees	2	2
Tax audit fees	1	1
Other services	2	2
Expense reimbursement	0	-
	5	5

40 BASIC AND DILUTED EARNINGS PER SHARE (EPS) AT FACE VALUE OF ₹ 1

	2018-19	2017-18
Profit after tax (₹ in Mn)	14,751	11,601
Weighted average number of shares outstanding	172,912,774	171,250,145
Basic EPS (₹)	85.31	67.74
Weighted average number of shares outstanding	172,912,774	171,250,145
Add: Weighted average number of potential equity shares on account of employee stock options	2,468,945	3,927,388
Weighted average number of shares outstanding	175,381,719	175,177,533
Diluted EPS (₹)	84.11	66.23

41 ACQUISITION OF SUBSIDIARY

On 11 December 2017, the Company acquired Ruletronics Systems Private Limited for an enterprise value of ₹ 54 Mn, including ₹ 19 Mn payable on fulfilment of performance based conditions

Notes forming part of accounts

42 RELATED PARTY DISCLOSURE:

(I) Parent company / Ultimate holding company: Larsen & Toubro Limited

(II) List of related parties over which control exists/exercised:

Name	Relationship
Larsen & Toubro Infotech GmbH	Wholly owned subsidiary
Larsen & Toubro Infotech Canada Limited	Wholly owned subsidiary
Larsen & Toubro Infotech LLC	Wholly owned subsidiary
L&T Infotech Financial Services Technologies Inc.	Wholly owned subsidiary
Larsen & Toubro Infotech South Africa (Proprietary) Limited	Subsidiary
L&T Information Technology Services (Shanghai) Co. Limited	Wholly owned subsidiary
Larsen & Toubro Infotech Austria GmbH	Wholly owned subsidiary
L&T Information Technology Spain, Sociedad Limitada	Wholly owned subsidiary
L&T Infotech S. DE R.L. DE C.V.	Subsidiary
Syncordis Software Services India Private Limited	Wholly owned subsidiary
Syncordis S.A.	Wholly owned subsidiary
Syncordis France SARL	Wholly owned subsidiary
Syncordis Limited	Wholly owned subsidiary
Syncordis Software Services S.A.	Wholly owned subsidiary
Larsen & Toubro Infotech Norge AS	Wholly owned subsidiary
Ruletronics Systems Private Limited	Wholly owned subsidiary
Ruletronics Limited	Wholly owned subsidiary
Ruletronics Systems Inc	Wholly owned subsidiary
Nielsen + Partner Unternehmensberater GmbH	Wholly owned subsidiary
Nielsen + Partner Unternehmensberater AG	Wholly owned subsidiary
Nielsen+Partner Pte. Ltd.	Wholly owned subsidiary
Nielsen + Partner S.A.	Wholly owned subsidiary
Nielsen&Partner Pty Ltd	Wholly owned subsidiary
Nielsen&Partner Company Limited	Wholly owned subsidiary

(III) Key Management Personnel:

Name	Relationship
Mr. Sanjay Jalona	Chief Executive Officer (CEO) & Managing Director
Mr. Nachiket Deshpande *	Chief Operating Officer (COO)
Mr. Sudhir Chaturvedi	President – Sales (President) & Whole Time Director (WTD)
Mr. Ashok Kumar Sonthalia	Chief Financial Officer
Mr. Aftab Zaid Ullah **	Chief Operating Officer (COO) & Whole Time Director

* Appointed as COO w.e.f. 12 December, 2018

** Ceased to be WTD w.e.f. 30 August, 2018 and ceased to be COO w.e.f. 30 November, 2018.

Notes forming part of accounts

(IV) 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 Realty Limited	Fellow Subsidiary
L&T Metro Rail (Hyderabad) Ltd	Fellow Subsidiary
L&T Electricals and Automation Saudi Arabia Company LLC	Fellow Subsidiary
L&T Power Development Limited	Fellow Subsidiary
Larsen and Toubro ATCO Saudia LLC	Fellow Subsidiary
L&T Capital Markets Limited	Fellow Subsidiary
L&T Special Steels and Heavy Forgings Private Limited	Fellow Subsidiary
L&T Electrical & Automation FZE	Fellow Subsidiary
L&T Seawoods Limited	Fellow Subsidiary
Larsen Toubro Arabia LLC	Fellow Subsidiary
Tamco Switchgear (Malaysia) SD	Fellow Subsidiary
Larsen & Toubro (East Asia) Sdn. Bhd.	Fellow Subsidiary
L & T Electrical & Automation FZE	Fellow Subsidiary
Larsen & Toubro Kuwait Construction General Contracting Company, with Limited Liability	Fellow Subsidiary
L&T Technology Services LLC	Fellow Subsidiary
L&T Electrical & Automation Saudi Arabia Company Limited LCC	Fellow Subsidiary
L&T Saudi Arabia LLC	Fellow Subsidiary
L&T Infrastructure Development Projects Limited	Joint venture of Holding Company

(V) Details of transactions between the Company and other related parties are disclosed below.

(₹ in Mn)

Transaction	Holding company	
	2018-19	2017-18
Sale of services/product	1,372	1,180
Sale of assets	-	4
Purchases of services / products	79	99
Overheads charged by	510	543
Overheads charged to	38	70
Trademark fees paid	241	191
Trade receivable	234	185
Interim dividend	1,622	1,150
Contributions to PF	338	265
Final dividend paid	1,894	1,394

Notes forming part of accounts

(₹ in Mn)

Transaction	Joint venture of Holding Company	
	2018-19	2017-18
Sale of services / products	30	17
- L&T Infrastructure Development Projects Limited	30	10
- L&T - MHI Boilers Private Limited	-	3
- L&T Deccan Tollways Limited	-	4

(₹ in Mn)

Transaction	Fellow subsidiaries	
	2018-19	2017-18
Sale of services / products	817	415
- L&T Technology Services Ltd.	559	128
- L&T Hydrocarbon Engineering Limited	76	87
- L&T Thales Technology Services Private Limited	35	68
Sale of assets	-	1
-L&T Technology Services Ltd.	-	1
Purchases of services / products	702	649
- L&T Technology Services Ltd.	699	644
Overheads charged by	80	54
- Larsen & Toubro (East Asia) SDN BHD.	23	50
- L&T Technology Services Limited	55	2
Overheads charged to	166	215
- L&T Technology Services Limited	136	195
- L&T Valves Limited	21	1
Commission charged	2	3
Trade receivable	96	95
Trade payable	67	60

(₹ in Mn)

Transaction	Fellow subsidiaries	
	2018-19	2017-18
Sale of services / products	1,824	1,659
- Larsen & Toubro Infotech GmbH	533	376
- L&T Infotech Financial Services Technologies Inc.	320	310
- Larsen & Toubro Infotech South Africa (Proprietary) Limited	158	213
- Larsen & Toubro Infotech Canada Limited	551	373
- L&T Information Technology Spain, Sociedad Limitada	230	375
Purchases of services / products	993	444
- Larsen & Toubro Infotech LLC	67	68
- Larsen & Toubro Infotech Canada Limited	785	310
Overheads charged by	126	1
- Larsen & Toubro Infotech GmbH	29	-
- L&T Information Technology Spain, Sociedad Limitada	23	-
- L&T Infotech Financial Services Technologies Inc.	0	1
- L&T Information Technology Services (Shanghai) Co. Ltd.	42	-
- Syncordis Limited	15	-
Overheads charged to	227	227
- Larsen & Toubro Infotech Canada Limited	24	73
- Larsen & Toubro Infotech GmbH	67	35
- Larsen & Toubro Infotech South Africa (Proprietary) Limited	13	2
- L&T Information Technology Spain, Sociedad Limitada	87	80



Notes forming part of accounts

Transaction	(₹ in Mn)	
	Fellow subsidiaries	
	2018-19	2017-18
Commission charged	-	2
- Larsen & Toubro Infotech South Africa (Proprietary) Limited	-	2
Sale of Assets	6	-
- Syncordis Software Services India Private Limited	6	-
Dividend received	408	579
- L&T Infotech Financial Services Technologies Inc.	328	393
- Larsen & Toubro Infotech GmbH	80	98
- Larsen & Toubro Infotech LLC	-	88
Loan to Subsidiary	6	-
- Ruletronics Systems Private Limited	6	-
Trade receivable	677	482
Trade payable	14	24
Guarantees given (Refer note 34)	3,608	3,456

(VI) Outstanding material balances with related parties*

Party	Nature	(₹ in Mn)	
		Amount (Payable) / Receivable	
		2018-19	2017-18
L&T Thales Technology Services Private Limited	Trade receivable	9	23
L & T Hydrocarbon Engineering Limited	Trade receivable	24	21
L&T Technology Services Limited	Trade (payable)/receivable	(66)	(54)
L&T Finance Limited	Trade receivable	28	4
L&T Metro Rail Hyderabad Ltd	Trade receivable	12	4
L&T Infotech Financial Services Technologies Inc.	Trade receivable	122	56
L&T Information Technology Spain, Sociedad Limitada	Trade receivable	108	147
Larsen & Toubro Infotech South Africa (Proprietary) Limited	Trade receivable	155	152
Larsen & Toubro Infotech GmbH	Trade receivable	112	114
Larsen & Toubro Infotech Canada Limited	Trade receivable	152	(0)
L&T Infotech S. DE R.L. DE C.V.	Trade (payable)	(7)	2
L&T Infotech LLC	Trade (payable)	(7)	(23)

* 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.

(VII) Managerial remuneration

	(₹ in Mn)	
	2018-19	2017-18
(i) Short term employee benefits	188	176
(ii) Contribution to funds	16	13
(iii) Share based payments (on employee stock options granted)	103	-

	(₹ in Mn)	
	2018-19	2017-18
Mr. Sanjay Jalona	99	86
Mr. Nachiket Deshpande	109	-
Mr. Sudhir Chaturvedi	72	63
Mr. Aftab Zaid Ullah	15	29

Notes forming part of accounts

43 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.

The Company has identified segments as Banking, Financial Services & Insurance (BFSI), Manufacturing (MFG), Energy & Utilities (E&U), High-Tech, Media & Entertainment (HIME) and CPG, Retail, Pharma & Others (CRP & Others). The Company has presented its segment results accordingly. The reportable segment information for the corresponding previous year has been restated to reflect the above changes to facilitate comparability.

I) The revenue and operating profit by segment is as under:

	(₹ in Mn)	
	2018-19	2017-18
Segment revenue		
Banking, Financial Services & Insurance	40,050	31,341
Manufacturing	14,650	11,867
Energy & Utilities	10,043	8,488
High-Tech, Media & Entertainment	10,663	7,535
CPG, Retail, Pharma & Others	13,666	9,833
Revenue from operations	89,072	69,064
Segment results		
Banking, Financial Services & Insurance	9,374	5,994
Manufacturing	2,684	1,597
Energy & Utilities	1,902	1,403
High-Tech, Media & Entertainment	1,290	1,044
CPG, Retail, Pharma & Others	2,281	1,340
Segment results	17,531	11,378
Unallocable expenses (net)*	300	897
Other Income	3,290	5,254
Finance costs	43	138
Depreciation & amortisation expense	881	913
Profit before tax	19,597	14,684

* Unallocated expenses includes customer settlement expense which is in relation to one time commercial settlement entered by the Company with one of its clients on 27 March 2018.

II) Segmental reporting of revenues on the basis of the geographical location of the customers is as under:

Geography	(₹ in Mn)	
	2018-19	2017-18
	Revenue from operations	
North America	60,236	46,973
Europe	13,545	11,927
India	6,933	5,326
APAC	2,533	1,849
ROW	5,825	2,989
Total	89,072	69,064

Notes forming part of accounts

44 DUES TO MICRO ENTERPRISES AND SMALL ENTERPRISES:

	As at 31-03-2019	As at 31-03-2018
i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	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.

- 45 Amount required to be spent by the Company on Corporate Social Responsibility (CSR) related activities during the year 2018-19 is ₹ 222 Mn. The amount recognised as expense in the statement of profit & loss on CSR related activities during the year ended 31 March 2019 is ₹ 224 Mn, which comprises of:

(₹ in Mn)

Particulars	Disclosed under	In cash	Yet to be paid in cash	Total
General purposes	Miscellaneous expenses in Note No 31	208	16	224

46 Events occurring after the reporting period:

The Board of Directors at its meeting held on May 2, 2019, has recommended final dividend of ₹ 15.50 per equity share (Face value ₹ 1) for the financial year ended 31 March 2019.

- 47 The company is not required to transfer any amount to Investor Education and Protection Fund.
- 48 In case of figures mentioned as '0' in the financial statements, it denotes figures less than a million.
- 49 Previous year's figures have been regrouped/reclassified wherever applicable to facilitate comparability.
- 50 The financial statements were approved by the Board of Directors on May 2, 2019.

As per our report attached

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

Sanjay Jalona
Chief Executive Officer & Managing Director
DIN : 07256786

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

Padmini Khare Kaicker
Partner
Membership No: 044784

Ashok Kumar Sonthalia
Chief Financial Officer

Manoj Koul
Company Secretary & Compliance Officer

Mumbai
May 02, 2019



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, 2019 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, 2019, 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	<p>Accuracy of recognition, measurement, presentation and disclosures of revenue and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers". Further, onerous obligations in respect of fixed price contracts involves critical estimates.</p> <p>New revenue accounting 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.</p> <p>The application of the new 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. Further, in case of fixed price contracts, estimated efforts is a critical estimate to determine revenues. This estimate has a high inherent uncertainty as it requires consideration of progress of the contract and efforts required to complete the remaining performance obligations.</p>
Principal Audit Procedures	<p>We assessed the Company's process in relation to overall revenue recognition process. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> • Relating to implementation of the new revenue accounting standard specifically, those relating to identification of the distinct performance obligations and determination of transaction price. • Recording of efforts incurred and estimation of efforts required to complete the performance obligations. • 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 new revenue accounting standard. • Tested the access and application controls pertaining to time recording, allocation and control management systems which prevents unauthorised changes to recording of efforts incurred.

Principal Audit Procedures	<ul style="list-style-type: none"> • Selected a sample of continuing and new contracts and performed the following procedures which included enquiry and observation, reperformance and inspection of evidence in respect of operation of controls: <ul style="list-style-type: none"> o Read, analysed and identified the distinct performance obligations in these contracts. o Compared such performance obligations with that identified and recorded by the Company. o 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. o Samples in respect of revenue recorded for time and material contracts were tested though a review of approved time sheets including customer acceptances, subsequent invoicing and historical trend of collections and disputes. o 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. o Performed a comparison of actual efforts incurred with estimated efforts to identify significant variations and verify whether those variations have been considered in estimating the remaining efforts to complete the contract. o Reviewed unbilled revenues to identify possible delays in achieving milestones, which require change in estimated efforts to complete the remaining performance obligations. • Performed analytical procedures towards: <ul style="list-style-type: none"> o reasonableness of revenue disclosed by type and service offerings. o Reasonableness of incurred and estimated efforts. • 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.
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Migration to new information systems

Key Audit Matter	<p>During the year, Information Systems used for managing and recording transactions w.r.t. revenue, HRMS and treasury operations were changed/upgraded.</p> <p>The nature of business operations of the Company/Group requires a high degree of reliance on the Information Technology systems. The audit approach relies on the effectiveness of automated controls and controls around interface of different systems. In a scenario of migration to new information systems during the year, robustness of IT general and application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner. As a part of audit, we need to ensure that the Company/Group has implemented necessary preventive and detective controls across critical IT applications and infrastructure, which are most relevant from the perspective of financial reporting.</p>
Principal Audit Procedures	<p>We have reviewed the information systems migration process and Information Technology General Controls (ITGC) with the assistance of IT audit specialists, our procedures included:</p> <ul style="list-style-type: none"> • Testing General IT Controls: Testing general IT controls around system access, change management and computer operations within specific applications pertinent to the financial statements. We assessed whether appropriate policies are in place and adhered to through inspection of supporting evidence. Also, assessed the operation of controls over changes or transactions and testing manual compensating controls, such as reconciliations between systems and other information sources, through re-performance or inspection. • Testing Data Migration: We reviewed the management's processes around systems migration in order to ascertain how controls in existing information systems are mapped into new information systems. We also independently tested completeness, validity and accuracy of transaction and master data migrated to new information system. • Extended scope: Where general IT controls and compensating manual controls were inadequate or ineffective, we performed additional substantive testing, such as using extended sample sizes and performing data analysis to test the integrity of the transactional level data pertinent to the Company's financial statements.

Assessment of provisions and contingent liability in respect of compliance with various laws and regulations as applicable

Key Audit Matter	<p>Adequacy of provisioning and assessing contingent liabilities in respect of compliance with local and international laws and regulations including Income tax assessments</p> <p>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 complex matter and a high degree of professional judgment.</p> <p>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.</p>
Principal Audit Procedures	<ul style="list-style-type: none"> • 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 o 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.

Impairment testing of Goodwill in Consolidated financial statements

Key Audit Matter	<p>Auditing standards require at least an annual testing of carrying value of goodwill. Value of Goodwill is result of management's estimate of future cash flows from the relevant entity/cash generating unit.</p> <p>As required by Ind AS 36 Impairment of Assets, the Company/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.</p>
Principal Audit procedures	<ul style="list-style-type: none"> • 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 procedure: <ul style="list-style-type: none"> o 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, using our valuation expertise. <p>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.</p>

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.

Those 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 twelve subsidiaries included in the Consolidated financial statements, whose financial statements reflect total assets (before consolidation adjustments) of ₹ 9,902 million as at March 31, 2019, total revenue (before consolidation adjustments) of ₹ 8,061 million and total cash flow of ₹ 310 million for the year ended March 31, 2019. 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 twelve subsidiaries whose financial statements reflect total assets (before consolidation adjustments) of ₹ 828 million as at March 31, 2019 as well as total revenue (before consolidation adjustments) of ₹ 505 million and total cash flow of ₹ 221 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, 2019 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, 2019, 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;
- ii. The Group 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;

- 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, 2019.

For **B. K. Khare & Co.**
Chartered Accountants
Firm's Registration Number - 105102W

Mumbai
May 2, 2019

Padmini Khare Kaicker
Partner
Membership No.: 044784

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, 2019

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, 2019 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, 2019, 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 in India, whose financial 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

Mumbai

May 2, 2019

Consolidated Balance Sheet

as at 31 March 2019

(₹ million)

Particulars	Note No.	As at 31-03-2019	As at 31-03-2018
ASSETS			
Non-current assets			
(a) Property, plant and equipment	5	3,052	2,508
(b) Capital work-in-progress	5	32	10
(c) Goodwill	5	4,947	2,763
(d) Other intangible assets	5	1,300	1,535
(e) Intangible assets under development	5	83	58
(f) Financial assets			
(i) Investments	6	1	1
(ii) Loans	7	473	387
(iii) Other financial assets	8	1,606	721
(g) Deferred tax assets (net)	9	1,545	1,921
(h) Income tax assets (net)		841	822
(i) Other non-current assets	10	1,111	1,127
Total Non-Current Assets		14,991	11,853
Current assets			
(a) Financial assets			
(i) Investments		17,402	12,643
(ii) Trade receivable	11	18,263	13,962
(iii) Unbilled revenue	12	5,582	8,365
(iv) Cash and cash equivalents	13	3,499	3,323
(v) Other bank balances	14	651	310
(vi) Loans	15	71	238
(vii) Other financial assets	16	1,703	1,720
(b) Income tax assets (Net)		37	-
(c) Other current assets	17	4,493	1,084
Total Current Assets		51,701	41,645
TOTAL ASSETS		66,692	53,498
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	18	174	172
(b) Other equity			
(i) Other reserves	19	10,105	9,561
(ii) Retained earnings	19	38,659	28,865
(iii) Non-controlling interests	19	8	13
Total Equity		48,946	38,611
Liabilities			
Non-current liabilities			
(a) Financial liabilities	20	936	1,042
(b) Deferred tax liabilities (net)	9	56	132
(c) Provisions	21	291	279
Total Non-Current Liabilities		1,283	1,453
Current liabilities			
(a) Financial liabilities			
(i) Trade payables			
- Due to micro and small enterprises	22	2	-
- Due to other than micro and small enterprises	22	4,667	3,792
(ii) Other financial liabilities	23	6,730	5,851
(b) Other current liabilities	24	2,582	1,643
(c) Provisions	25	2,108	1,844
(d) Income tax liabilities (Net)		374	304
Total Current Liabilities		16,463	13,434
TOTAL EQUITY AND LIABILITIES		66,692	53,498
Significant accounting policies	2		
Other notes to accounts	33-45		

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

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

Padmini Khare Kaicker
Partner
Membership No: 044784

Ashok Kumar Sonthalia
Chief Financial Officer

Manoj Koul
Company Secretary & Compliance Officer

Mumbai
May 02, 2019

Consolidated Statement of Profit and Loss

for the year ended March 31, 2019

(₹ million)

Particulars	Note No.	April 18-March 19	April 17-March 18
Income from operations			
Revenue from operations	26	94,458	73,065
Other income	27	3,023	4,261
Total income		97,481	77,326
Expenses:			
Employee Benefit Expense	28	54,668	43,289
Operating expenses	29	19,573	16,845
Finance costs	30	106	157
Depreciation and Amortisation	5	1,472	1,563
Other expenses		1,384	1,057
Total Expenses		77,203	62,911
Profit before tax		20,278	14,415
Tax expense			
Current tax (net)	31	4,875	3,654
Deferred tax	31	248	(363)
		5,123	3,291
NET PROFIT FOR THE PERIOD		15,155	11,124
OTHER COMPREHENSIVE INCOME	32	378	(835)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		15,533	10,289
Profit Attributable to :			
Owners of the Company		15,159	11,120
Non- Controlling interests		(4)	4
		15,155	11,124
Total Comprehensive Income Attributable to :			
Owners of the Company		15,538	10,283
Non- Controlling interests		(5)	6
		15,533	10,289
Basic			
Basic earning per equity share		87.67	64.93
Diluted			
Diluted earning per equity share		86.43	63.48
Significant Accounting Policies	2		
Other notes to accounts	33-45		

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

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

Padmini Khare Kaicker
Partner
Membership No: 044784

Ashok Kumar Sonthalia
Chief Financial Officer

Manoj Koul
Company Secretary & Compliance Officer

Mumbai
May 02, 2019

Consolidated Cash Flow Statement

for the year ended on March 31, 2019

(₹ million)

Particulars	April 18 - March 19	April 17 - March 18
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit after tax	15,155	11,124
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation and amortisation	1,472	1,563
Income tax expense	5,123	3,291
Expense recognised in respect of equity settled stock option	281	400
Realised income from current investment in mutual funds	(743)	(516)
Unrealised income from current investment in mutual funds	(247)	(222)
Interest received	(19)	(23)
Interest expense	106	157
Unrealised foreign exchange (gain)/loss, Net	368	(1)
Bad debts and provision for doubtful debts (net)	253	-
Net loss/(gain) on sale of property, plant and equipment	13	6
Operating profit before working capital changes	21,762	15,779
Changes in working capital		
(Increase)/decrease in trade receivables & unbilled revenue	(1,442)	(5,523)
(Increase)/decrease in other receivables	(3,985)	(230)
Increase/(decrease) in trade & other payables	2,366	1,993
(Increase)/decrease in working capital	(3,061)	(3,760)
Cash generated from operations	18,702	12,019
Income taxes paid	(4,751)	(3,581)
Net cash (used in)/generated from operating activities	13,951	8,438
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(1,566)	(1,019)
Sale of fixed assets	35	37
(Purchase)/sale of current investments	(4,512)	(3,016)
Payment towards contingent consideration pertaining to acquisition of business	(65)	-
Payment towards business acquisition	(2,092)	(1,147)
Interest received	19	23
Realised income from current investment in mutual funds	743	516
Net cash (used in)/generated from investing activities	(7,438)	(4,606)

(₹ million)

Particulars	April 18 - March 19	April 17 - March 18
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	3	3
Deposit under Credit support agreement received/(paid)	(589)	(407)
Interest paid	(16)	(138)
Dividend paid	(4,499)	(3,034)
Tax on dividend paid	(842)	(500)
Net cash (used in)/generated from financing activities	(5,943)	(4,076)
Net increase/(decrease) in cash and cash equivalents	570	(244)
Cash and cash equivalents at beginning of the period	3,633	3,795
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(53)	82
Cash and cash equivalents at end of the period	4,150	3,633

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 02, 2019

Sanjay Jalona

Chief Executive Officer & Managing Director
DIN : 07256786

Ashok Kumar Sonthalia

Chief Financial Officer

Sudhir Chaturvedi

President - Sales & Whole-time Director
DIN: 07180115

Manoj Koul

Company Secretary & Compliance Officer

Consolidated Statement of Changes in Equity

for the year ended on March 31, 2019

₹ million

Particulars	Share Capital	Share application money pending allotment	General Reserve	Share Premium	Retained Earnings	Employee Stock option outstanding	Deferred employee compensation expense	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	0	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)
Any Other changes (to be Specified)	2	(0)	-	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

for the year ended on March 31, 2018

₹ million

Particulars	Share Capital	Share application money pending allotment	General Reserve	Share Premium	Retained Earnings	Employee Stock option outstanding	Deferred employee compensation expense	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, 2017	171	0	4,501	1,498	21,384	1,511	(945)	3,081	264	(22)	31,443	8	31,451
Employee Stock Compensation Expense			2			83	(83)				2		2
Net Profit for the year					11,120						11,120	4	11,124
Other Comprehensive Income								(1,056)	160	62	(835)	1	(834)
Dividends (Including DDT)					(3,639)						(3,639)		(3,639)
Any Other changes (to be Specified)	1	(0)		321		(378)	562				507		507
Balance as on March 31, 2018	172	0	4,503	1,819	28,865	1,216	(466)	2,025	424	40	38,598	13	38,611

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

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Membership No: 044784

Ashok Kumar Sonthalia
Chief Financial Officer

Manoj Koul
Company Secretary & Compliance Officer

Mumbai
May 02, 2019

Notes forming part of Consolidated accounts

1. Company overview

Larsen & Toubro Infotech Limited ('the Company') together with its subsidiaries shall mean Larsen and Toubro Infotech Limited ('Group'). The Group 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, Maharashtra, India. The Company's equity shares are listed on the National Stock Exchange 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/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 the management of the Group 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 consolidated 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).

The financial statements of Indian subsidiaries have been prepared in compliance with 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. Financial statements of foreign subsidiaries have been prepared in compliance with the local laws and applicable Accounting Standards. Necessary adjustments for differences in the accounting policies, if any, have been made in the consolidated financial statements.

Amounts in the consolidated 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.

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 in the 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 statement of financial position and statement of profit and loss, as prescribed in Schedule III to the Act, are presented by way of notes forming part of financial statements along with the other notes required to be disclosed under the notified Accounting Standards.

c. Operating cycle for current and non-current classification

The Group identifies asset/liabilities as current if the same are receivable/payable within twelve months else the same are considered as non-current.

d. Principles of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Control is achieved when the company is exposed to or has rights to variable returns from its involvement with the investee and can affect those returns through its power over the investee. Specifically, the company controls an investee if and only if the company has:

- i) Power over the investee,
- ii) Exposure or rights to variable return from its involvement with the investee, and
- iii) Ability to use its power over the investee to affect its returns.

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 and



Notes forming part of Consolidated accounts

- iv) Size of the company's holding of voting rights relative to the size and dispersion of holdings of other investees with voting rights.

The company re-assesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the company obtains control over the subsidiary and ceases when the company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in consolidated financial statements from the date the company gains control until the date the company ceases to control the subsidiary. The Company for convenience, may designate a date at the beginning or end of the month as a date on which it gains control, unless events between the convenience date and the actual date of gaining control result in material changes in the amounts recognized.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If an entity of the Company uses accounting policies other than those adopted in the consolidated financial statements for like transactions and other events in similar circumstances, appropriate adjustments are made to that entity's financial statements in preparing the consolidated financial statements to ensure conformity with the company's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to the same reporting date as that of the Company, i.e., year ended on 31 March 2019. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial statements of the subsidiaries, unless it is impracticable to do so.

Consolidation procedure followed is as under:

- i) Items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries are combined like to like basis. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date,
- ii) The difference between carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary is subject to adjustment of goodwill, and
- iii) Intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Company are eliminated subject to impact of deferred taxes. Profit or loss and each component of other comprehensive income (OCI) are attributable to equity holders of the parent of the Company and to the non-controlling interest, even if this results in the non-controlling interests having deficit balance.

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction. If the company loses control over a subsidiary, it:

- i) Derecognizes the assets (including goodwill) and liabilities of the subsidiary,
- ii) Derecognizes carrying amount of any non-controlling interest,
- iii) Derecognizes the cumulative translation differences recorded in equity,
- iv) Recognizes the fair value of consideration received,
- v) Recognizes the fair value of any investments retained,
- vi) Recognizes any surplus or deficit in profit or loss and
- vii) Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the company had directly disposed of the related assets or liabilities,

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. 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

Effective April 1, 2018, the Group adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as at April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The Group has evaluated its major contracts with customer and there has been no material impact on adoption of Ind AS-115. Refer note 2(f) – Significant accounting policies – Revenue recognition in the Annual report of the Company for the year ended March 31, 2018, for the revenue recognition policy as per Ind AS 18 and Ind AS 11.



Notes forming part of Consolidated accounts

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 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.

g. Other income

- 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 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) 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.

Notes forming part of Consolidated accounts

iii) Defined benefit plans:

The provident fund scheme managed by trust, employee's 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 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.

(iv) 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.

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.

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.

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.



Notes forming part of Consolidated accounts

l. Leases

i) Finance lease

Assets acquired under leases where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalized at the inception of the lease at the lower of the fair value and the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, to obtain a constant periodic rate of interest on the outstanding liability for each period.

ii) Operating lease

Assets acquired under leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the profit and loss account on accrual basis.

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

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 the Indian Rupee. The functional currency of Indian subsidiaries is the 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 group are prepared in the 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 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 recognized when the Group becomes a party to the contractual provisions of the instrument.

l) Initial measurement

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Notes forming part of Consolidated accounts

III) Subsequent measurement

i) Non-Derivative financial assets

A) Financial assets at amortized cost

Financial assets at amortized 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 amortized 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 the financial asset 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

- i) Collecting contractual cash flows and selling financial assets and
- ii) 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. Any financial asset which does not meet the criteria for categorization as at amortised cost or as Financial assets at fair value through other comprehensive income is classified as Financial assets fair valued through profit and loss.

ii) Non-Derivative financial liability

Financial liabilities at amortized 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 recognized in a business combination which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the Balance

Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

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 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 effective portion of changes in the fair value of derivative hedging instruments designated as cash flow hedges.

A) Cash flow hedges

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 hedging instrument designated as fair value hedges are recognized in statement of profit or 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 expires.



Notes forming part of Consolidated accounts

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. (Refer note 8 for applicable tax rates in various jurisdiction).

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 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 interest, commitment charges, finance charges in respect of assets acquired on finance lease and exchange differences arising from foreign currency borrowings, to the extent they are regarded as an adjustment to interest 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. 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

Notes forming part of Consolidated accounts

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.

v. 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").

3. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Group has not applied as they are effective from April 1, 2019:

(Ind AS) 116 – Leases

The Ministry of Corporate Affairs notified Ind AS 116 "Leases" in respect of accounting periods commencing on or after April 1, 2019 superseding Ind AS 17 "Leases".

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognize a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognize the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in

Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Group will adopt Ind AS 116, effective annual reporting period beginning April 1, 2019. The Group has chosen the modified retrospective application of Ind AS 116. Consequently, the Group will not restate the comparative information, instead, the cumulative effect of initially applying this Standard will be recognized as an adjustment to the opening balance of retained earnings as on April 1, 2019.

The Group will make use of the practical expedient available on transition to Ind AS 116 not to reassess whether a contract is or contains a lease. Accordingly, the Group will therefore not apply the standard to contracts that were not previously identified as containing a lease applying Ind AS 17, before April 1, 2019.

The Group will elect to use the exemptions proposed by the standard on lease contracts for which the lease terms ends within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value. The Group has leases of certain office equipment that are considered of low value.

On preliminary assessment, for leases other than short-term leases and leases of low value assets, the Group will recognize a right-of-use asset of INR 6,704 Mn and a corresponding lease liability of INR 7,691 Mn with the cumulative effect of applying the standard by adjusting retained earnings net of taxes.

Ind AS 12 Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Group does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity must use judgement, to determine whether each tax treatment should



Notes forming part of Consolidated accounts

be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Group does not expect any significant impact of the amendment on its financial statements.

Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Group does not expect this amendment to have any impact on its financial statements.

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Group does not expect this amendment to have any significant impact on its financial statements.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings. The Group does not expect this amendment to have any impact on its financial statements.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Group does not expect this amendment to have any impact on its financial statements.

Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, its re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Group will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

Notes forming part of Consolidated accounts

4(I) 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 31 March 2019	Proportion of ownership as at 31 March 2018
		(%)	(%)
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	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	-
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 Support Services S.A.	Luxembourg	100	100
16 Ruletronics Systems Inc #	USA	100	-
17 Ruletronics Limited #	UK	100	-
18 Ruletronics Systems Private Limited**	India	100	-
19 Nielsen + Partner Unternehmensberater GmbH #	Germany	100	-
20 Nielsen + Partner SA	Luxembourg	100	-
21 Nielsen + Partner Unternehmensberater AG	Switzerland	100	-
22 Nielsen + Partner Pte Ltd	Singapore	100	-
23 Nielsen & Partner Pty Ltd	Australia	100	-
24 Nielsen + Partner Co Ltd	Thailand	100	-

Larsen & Toubro Infotech GmbH has acquired control of "Nielsen + Partner Unternehmensberater GmbH", Germany and that of "Ruletronics Systems INC", USA & "Ruletronics Limited", UK on 01 February 2019

* Larsen and Toubro Infotech Norge AS was incorporated in Norway with date of incorporation as 20 November 2018

** The Company has acquired control of "Ruletronics Systems Private Limited" on 01 February 2019

Notes forming part of Consolidated accounts

4(III) 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 comprehensive income	Amount	As % of consolidated comprehensive income	Amount
A - Parent								
- Larsen & Toubro Infotech Limited	96.30%	47,134	97.33%	14,751	68.37%	259	96.63%	15,009
Subsidiaries								
B - Indian								
1. Syncordis Software Services India Private Limited	0.04%	20	0.04%	6	0.00%	-	0.04%	6
2. Ruletronics Systems Private Limited	0.08%	38	-0.03%	(4)	0.00%	-	-0.03%	(4)
Sub Total	0.12%	58	0.01%	2	0.00%	-	0.01%	2
C - Foreign								
1. Larsen & Toubro Infotech Canada Limited	0.36%	177	0.45%	68	0.08%	0	0.44%	68
2. Larsen & Toubro Infotech GmbH	7.33%	3,588	0.34%	52	5.13%	19	0.46%	71
3. Larsen & Toubro Infotech LLC	0.07%	33	0.02%	4	0.33%	1	0.03%	5
4. L&T Infotech Financial Services Technologies Inc.	5.02%	2,458	4.98%	755	5.44%	21	4.99%	775
5. Larsen And Toubro South Africa (Proprietary) Limited	0.06%	31	-0.08%	(12)	-1.76%	(7)	-0.12%	(19)
6. L&T Information Technology Services (Shanghai) Co. Ltd.	-0.01%	(4)	0.00%	(0)	0.00%	0	0.00%	(0)
7. Larsen & Toubro Infotech Austria GmbH	0.01%	3	-0.03%	(4)	-0.03%	(0)	-0.03%	(4)
8. L&T Information Technology Spain, Sociedad Limitada	0.05%	25	-0.05%	(7)	-0.28%	(1)	-0.05%	(8)
9. L&T Infotech S. DE. R.L. DE C.V., Mexico	-0.01%	(6)	-0.06%	(9)	0.04%	0	-0.06%	(9)
10. Larsen & Toubro Infotech Norge AS	0.00%	0	0.00%	0	-0.01%	(0)	0.00%	(0)
11. Syncordis S.A. Luxembourg	0.43%	213	0.44%	67	-2.29%	(9)	0.38%	58
12. Syncordis France SARL	0.01%	5	-0.32%	(48)	-0.05%	(0)	-0.31%	(48)
13. Syncordis Limited, UK	-0.09%	(45)	-0.30%	(46)	0.18%	1	-0.29%	(45)
14. Syncordis Support Services S.A.	0.02%	12	0.07%	10	-0.13%	(0)	0.06%	10
15. Ruletronics Systems INC, USA	0.08%	41	0.01%	2	-0.30%	(1)	0.01%	1
16. Ruletronics Limited, UK	0.14%	67	0.04%	6	-0.59%	(2)	0.03%	4
17. Nielsen + Partner Unternehmensberater GmbH	0.30%	149	0.04%	6	-1.79%	(7)	-0.01%	(1)
18. Nielsen + Partner SA, Luxembourg	0.10%	47	0.02%	2	-0.59%	(2)	0.00%	0
19. Nielsen + Partner Unternehmensberater AG, Switzerland	0.04%	21	0.05%	7	-0.20%	(1)	0.04%	6
20. Nielsen + Partner Pte Ltd, Singapore	0.19%	93	0.02%	3	-1.20%	(5)	-0.01%	(1)
21. Nielsen + Partner Pty Ltd, Australia	0.01%	5	0.02%	3	-0.05%	(0)	0.02%	3
22. Nielsen + Partner Co Ltd, Thailand	0.00%	(2)	0.00%	0	0.36%	1	0.01%	2
Sub Total	14.12%	6,910	5.66%	858	2.27%	9	5.58%	866
Total A+B+C	110.54%	54,103	103.00%	15,611	70.64%	267	102.22%	15,878
Less : CFS adjustments and eliminations	10.54%	5,157	3.01%	456	-29.36%	(11)	2.22%	345
Total share	100.00%	48,946	100.00%	15,155	100.00%	378	100.00%	15,533
Minority Interest		8		(4)		(2)		(5)
Total		48,938		15,159		380		15,538



Notes forming part of Consolidated accounts

5 CONSOLIDATED FIXED ASSETS - As of 31st March 2019

(₹ in Mn)

Fixed and intangible assets	'Gross Block				Depreciation/Amortization				Net Block		
	As at 1-Apr-18	Pursuant to acquisition of business Refer Note 39	Additions	Deductions	Foreign currency translation reserve	As at 31-Mar-19	For the year	On deductions	Foreign currency translation reserve	As at 31-Mar-19	As at 31-Mar-18
Tangible assets- own											
Leasehold land	10	-	-	-	-	10	0	-	-	0	10
Buildings	126	-	0	-	-	126	8	-	-	32	94
Leasehold improvements	413	-	126	3	(0)	536	59	1	(0)	167	369
Plant and machinery	726	-	149	18	(0)	857	87	10	0	308	549
Computers	1,445	8	736	6	(3)	2,180	305	4	1	1,187	993
Computers b. Leased	-	-	-	-	-	-	-	-	-	-	-
Office equipments	632	4	121	5	(1)	751	113	3	(0)	437	314
Furniture and fixtures	798	0	132	15	0	915	282	9	0	378	537
Vehicles	333	-	40	56	-	317	45	31	(0)	131	186
Capital work in progress	-	-	-	-	-	-	-	-	-	-	32
Total Of tangible assets	4,483	12	1,304	103	(4)	5,692	722	58	1	2,640	3,084
Intangible assets											
Goodwill on acquisition	347	-	-	-	6	353	-	-	-	-	353
Goodwill on consolidation	2,416	2,208	-	-	(30)	4,594	-	-	-	-	4,594
Software	5,883	1	301	-	61	6,246	554	-	39	5,389	857
Customer contracts	1,233	183	-	-	13	1,428	196	-	5	985	443
Intangible assets under development	-	-	-	-	-	-	-	-	-	-	83
Total of intangible assets	9,879	2,392	301	-	49	12,621	750	-	44	6,374	6,330

1. Impairment upto 31-03-2019 - NIL



Notes forming part of Consolidated accounts

5 CONSOLIDATED FIXED ASSETS - As of 31st March 2018

(₹ in Mn)

Fixed and intangible assets	Gross Block				Depreciation/Amortization				Net Block			
	As at 1-Apr-17	Pursuant to acquisition of subsidiary/business	Additions	Deductions	Foreign currency translation reserve	As at 31-Mar-18	Pursuant to acquisition of subsidiary/business	For the year	On deductions	Foreign currency translation reserve	As at 31-Mar-18	As at 31-Mar-17
Tangible assets												
Leasehold land	10	-	-	-	-	10	-	-	-	-	10	10
Buildings	126	-	-	-	-	126	16	8	-	-	102	110
Leasehold improvements	350	-	67	4	-	413	61	48	-	-	304	289
Plant and machinery	677	-	58	10	1	726	154	85	8	0	495	523
Computers	1,145	16	277	4	11	1,445	587	7	2	6	885	558
Office equipments	522	-	112	3	1	632	209	120	2	0	327	313
Furniture and fixtures	706	-	94	4	2	798	177	106	2	1	282	529
Vehicles	335	-	52	54	-	333	89	51	23	-	117	246
Capital work in progress	-	-	-	-	-	-	-	-	-	-	-	9
Total Of tangible assets	3,871	16	660	79	15	4,483	1,293	7	37	8	1,975	2,518
Intangible assets												
Goodwill on acquisition	332	-	-	-	15	347	-	-	-	-	347	332
Goodwill on consolidation	661	1,755	-	-	-	2,416	-	-	-	-	2,416	661
Software	5,436	1	305	-	141	5,883	3,964	-	733	99	4,796	1,472
Customer contracts	1,009	181	-	-	43	1,233	633	-	124	27	784	376
Business rights	98	-	-	98	-	-	98	-	98	-	-	-
Intangible assets under development												4
Total of intangible assets	7,536	1,937	305	98	199	9,879	4,695	-	857	126	5,580	4,356
												2,845

1. Impairment upto 31 March 2018 - NIL

2. AugmentIQ Data Sciences Private Limited [AugmentIQ] has been amalgamated with the Company from the appointed date of 1 April 2017.

3. The Company acquired Syncordis S.A. Luxembourg, along-with its fully owned subsidiaries Syncordis SARL, France, Syncordis Ltd. UK, Syncordis PSF S.A., on 15 December 2017 & Syncordis Software Services India Private Limited on 11 December 2017. The Company has used cut-off date of November 30, 2017 as the acquisition date for convenience, since the transactions from 1 December 2017 till the dates of acquisition of respective entities were not material.



Notes forming part of Consolidated accounts

5 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 31-03-2019		As at 31-03-2018	
	Balance Useful Life	Carrying Amount	Balance Useful Life	Carrying Amount
Software	Upto 5 years	857	Upto 5 years	1,086
Customer contracts	Upto 5 years	443	Upto 5 years	449
		1,300		1,535

6 NON CURRENT INVESTMENTS

(₹ in Mn)

	As at 31-03-2019	As at 31-03-2018
2500 equity shares of USD 1 each in Larsen and Toubro LLC	1	1
	1	1

7 NON CURRENT LOANS

(₹ in Mn)

	As at 31-03-2019	As at 31-03-2018
Security Deposit		
Unsecured, considered good	473	387
	473	387

8 OTHER NON CURRENT FINANCIAL ASSETS

(₹ in Mn)

	As at 31-03-2019	As at 31-03-2018
Forward contract receivable	1,606	721
	1,606	721

9 Deferred tax liabilities or assets for the year ended 31 March 2019

9(i) Deferred tax assets

(₹ in Mn)

	Deferred tax asset/ (liability) as at March 31 2018	Current year (charge) / credit to profit & loss A/c	(Charge) / credit to other comprehensive income	Foreign currency translation reserve	Charge pursuant to acquisition of subsidiary	Deferred tax asset/ (liability) as at 31 March 2019
Deferred tax liabilities						
Deferred taxes on derivative instruments	(500)	(163)	15	-	-	(648)
Branch profit tax	(683)	-	-	-	-	(683)
Unrealized gains on investments	(53)	3	-	-	-	(50)
Others	(1)	30	-	(1)	(62)	(34)
	(1,237)	(130)	15	(1)	(62)	(1,415)
Deferred tax assets						
Provision for doubtful debts and advances	82	40	-	-	-	122
Provision for employee benefits	225	24	-	-	-	249
Depreciation / amortization	217	113	-	-	-	330
Capital loss on buyback of shares by L&T Infotech Financial Services Technologies Inc.	63	(21)	-	-	-	42
Others	41	48	-	(1)	-	88
MAT credit	2,530	(401)	-	-	-	2,129
	3,158	(197)	-	(1)	-	2,960
Net deferred tax assets/(liabilities)(A)	1,921	(327)	15	(2)	(62)	1,545



Notes forming part of Consolidated accounts

9(ii) Deferred tax liabilities

(₹ in Mn)

	Deferred tax asset/ (liability) as at 31 March 2018	Current year (charge) / credit to profit and loss a/c	(Charge) / credit to other comprehensive income	Foreign currency translation reserve	Charge pursuant to acquisition of subsidiary	Deferred tax asset/ (liability) as at 31 March 2019
Deferred tax liabilities						
Depreciation / amortization	(164)	72	-	(2)	-	(94)
	(164)	72	-	(2)	-	(94)
Deferred tax assets						
Non capital losses and deferred expenses	32	7	-	0	-	39
	32	7	-	0	-	39
Others	-	0	-	-	(1)	(1)
Net deferred tax assets/(liabilities)(B)	(132)	79	-	(2)	(1)	(56)
Net deferred tax assets/(liabilities)(A+B)	1,789	(248)	15	(4)	(63)	1,489

9 Deferred tax liabilities or assets for the year ended 31 March 2018

9(iii) Deferred tax assets

(₹ in Mn)

	Deferred tax asset/ (liability) as at March 31 2017	Current year (charge) / credit to profit & loss A/c	(Charge) / credit to Other comprehensive income	Foreign currency translation reserve	Charge pursuant to acquisition of subsidiary	Deferred tax asset/ (liability) as at 31 March 2018
Deferred tax liabilities						
Deferred Taxes on Derivative Instruments	(871)	137	234	-	-	(500)
Branch Profit Tax	(542)	(141)	-	-	-	(683)
Unrealised gains on investments	-	(53)	-	-	-	(53)
Others	(1)	-	-	-	-	(1)
Total	(1,414)	(57)	234	-	-	(1,237)
Deferred tax assets						
Provision for doubtful debts and advances	51	31	-	-	-	82
Provision for employee benefits	153	72	-	-	-	225
Depreciation / amortization	71	146	-	-	-	217
Capital Loss on buyback of shares by L&T Infotech Financial Services Technologies Inc.	-	63	-	-	-	63
Others	(3)	45	-	(1)	-	41
MAT credit	2,576	(46)	-	-	-	2,530
Total	2,848	311	-	(1)	-	3,158
Net deferred tax assets/(liabilities)(A)	1,434	254	234	(1)	-	1,921

9(iv) Deferred tax liabilities

(₹ in Mn)

	Deferred tax asset/ (liability) as at 31 March 2017	Current year (charge) / credit to profit and loss a/c	(Charge) / credit to Other comprehensive income	Foreign currency translation reserve	Charge pursuant to acquisition of subsidiary	Deferred tax asset/ (liability) as at 31 March 2018
Deferred tax liabilities						
Depreciation / amortization	(194)	101	-	(7)	(64)	(164)
	(194)	101	-	(7)	(64)	(164)
Deferred tax assets						
Non capital losses and deferred expenses	23	8	-	1	-	32
	23	8	-	1	-	32
Net deferred tax assets/(liabilities)(B)	(171)	109	-	(6)	(64)	(132)
Net deferred tax assets/(liabilities)(A+B)	1,263	363	234	(7)	(64)	1,789

Notes forming part of Consolidated accounts

10 OTHER NON-CURRENT ASSETS

(₹ in Mn)

	As at 31-03-2019	As at 31-03-2018
Capital advances	7	4
Deferred contract costs	315	-
Prepaid expenses	240	193
Advances recoverable other than in cash	549	930
	1,111	1,127

11 TRADE RECEIVABLES

(₹ in Mn)

	As at 31-03-2019	As at 31-03-2018
Unsecured, considered good		
Due from related parties (refer note 40)	376	308
Due from others	18,007	13,732
Less : Allowance for doubtful trade receivables	(120)	(78)
	17,887	13,654
Unsecured, Credit impaired	401	267
Less : Allowance for doubtful trade receivables	(401)	(267)
	18,263	13,962

Allowance for doubtful trade receivables movement

(₹ in Mn)

	As at 31-03-2019	As at 31-03-2018
Balance at the beginning of the year	345	230
Additions during the year, net	230	116
Uncollectable receivables charged against allowances	(23)	(31)
Exchange gain/(loss)	(31)	30
Balance at the end of year	521	345

12 UNBILLED REVENUE

(₹ in Mn)

	As at 31-03-2019	As at 31-03-2018
Unbilled revenue *	5,582	8,365
	5,582	8,365

* Unbilled revenue as of 31 Mar 2019 has been classified as financial asset where the contractual right to consideration is unconditional upon passage of time.

13 CASH & CASH EQUIVALENT

(₹ in Mn)

	As at 31-03-2019	As at 31-03-2018
Cash on hand	1	0
Balances with bank		
- in current accounts		
Overseas	2,428	2,171
Domestic	190	428
- in deposit accounts	341	46
Remittance in transit	539	678
	3,499	3,323



Notes forming part of Consolidated accounts

14 OTHER BANK BALANCES

	(₹ in Mn)	
	As at 31-03-2019	As at 31-03-2018
Fixed deposit with bank with more than 3 months	518	230
Earmarked balances with banks (Unclaimed dividend)	8	4
Cash and bank balance not available for immediate use	125	76
	651	310

15 CURRENT LOANS

	(₹ in Mn)	
	As at 31-03-2019	As at 31-03-2018
Security deposits		
Unsecured, Considered good	71	238
	71	238

16 OTHER CURRENT FINANCIAL ASSETS

	(₹ in Mn)	
	As at 31-03-2019	As at 31-03-2018
Advances to employees	312	136
Forward contract receivable	1,378	1,580
Others	13	4
	1,703	1,720

17 OTHER CURRENT ASSETS

	(₹ in Mn)	
	As at 31-03-2019	As at 31-03-2018
Prepaid expenses	906	775
Advances recoverable other than in cash	305	304
Deferred contract costs	183	-
Unbilled revenue*	3,096	-
Advances to vendors	3	5
	4,493	1,084

* Classified as non financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

18 SHARE CAPITAL

(I) Share capital authorized, issued, subscribed and paid up:

	(₹ in Mn)	
	As at 31-03-2019	As at 31-03-2018
Authorized :		
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		
173,510,084 equity shares for ₹1 each	174	172
(Previous year 171,999,263 of ₹1 each)		
EQUITY SHARE CAPITAL	174	172

(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.

Notes forming part of Consolidated accounts

(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 31-03-2019	
Larsen & Toubro Limited	129,784,034	74.80%
	As at 31-03-2018	
Larsen & Toubro Limited	142,693,637	82.96%

(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 31 March 2019 and 31 March 2018 as given below:

(₹ in Mn)

	As at 31-03-2019	As at 31-03-2018
Issued, subscribed and fully paid up equity shares outstanding at the beginning	171,999,263	170,571,113
Add: Shares issued on exercise of employee stock options	1,510,821	1,428,150
Issued, subscribed and fully paid up equity shares outstanding at the end	173,510,084	171,999,263

(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	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
i	Grant Price	₹5	₹5	₹2	₹2	USD 2.4	USD 2.4	₹1	₹1
ii	Grant Dates	01 April 2001 onwards		01 October 2001 onwards		15 March 2007 onwards		10 June 2016 onwards	
iii	Vesting commences on	01 April 2002 onwards		01 October 2002 onwards		15 March 2008 onwards		10 June 2017 onwards	
iv	Options granted & outstanding at the beginning of the year	21,345	36,720	685,302	1,450,725	39,000	47,000	2,850,140	3,596,300
v	Options reinstated during the year	-	-	-	-	-	-	-	-
vi	Options granted during the year	-	-	-	-	-	-	359,400	129,300
vii	Options allotted/exercised during the year	9,130	3,375	615,091	673,315	6,000	8,000	880,600	743,460
viii	Options lapsed/cancelled during the year	375	12,000	12,021	92,108	-	-	212,080	132,000
ix	Options granted & outstanding at the end of the year	11,840	21,345	58,190	685,302	33,000	39,000	2,116,860	2,850,140
x	Options vested at the end of the year out of (ix)	11,840	21,345	58,190	447,852	33,000	39,000	102,360	312,600
xi	Options unvested at the end of the year out of (ix)	-	-	-	237,450	-	-	2,014,500	2,537,540
xii	Weighted average remaining contractual life of options (in years)	-	-	-	1	-	-	4.7	5

(VI) The aggregate number of equity shares allotted as fully paid up by way of bonus shares in immediately preceding five years ended 31 March 2019 are Nil (previous period of five years ended 31 March 2018 - Nil)

(VII) The aggregate number of equity shares issued pursuant to contract, without payment being received in cash in immediately preceding five years ended 31 March 2019 - Nil (previous period of five years ended 31 March 2018 - Nil)

(VIII) During the year ended 31 March 2019, the amount of interim dividend distributed to equity shareholder was ₹12.50 per share at face value of ₹1 (previous year ₹ 8.00 per share at face value of ₹1)

Notes forming part of Consolidated accounts

(IX) The number and weighted average exercise price of stock options are as follows:

Particulars	2018-19		2017-18	
	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	3,595,787	2.90	5,130,745	2.73
ii Options reinstated during the year	-	-	-	-
iii Options granted during the year	359,400	1.00	129,300	1.00
iv Options allotted during the year	1,510,821	2.09	1,428,150	2.35
v Options Lapsed/cancelled during the year	224,476	1.06	236,108	1.59
vi Options granted & outstanding at the end of the year	2,219,890	3.50	3,595,787	2.90
vii Options vested at the end of the year out of (v)	205,390	28.02	820,797	9.03

(X) Weighted average share price at the date of exercise for stock options exercised during the year is ₹ 1,617 per share (previous year ₹ 850 per share).

(XI) Weighted average fair value of options granted during the year is ₹ 1,649.62 (previous year ₹ 644.71).

(XII) 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	2018-19	2017-18
i	Weighted average risk-free interest rate	7.49%	6.69%
ii	Weighted average expected life of options	3 years	3 years
iii	Weighted average expected volatility	17.72%	17.88%
iv	Weighted average expected dividends over the life of option	₹108.91	₹115.33
v	Weighted average share price	₹ 1,650.48	₹ 645.55
vi	Weighted average exercise price	₹1	₹1
vii	Method used to determine expected volatility	The expected volatility has been calculated entirely based on historic volatility IT Index.	The expected volatility has been calculated entirely based on historic volatility IT Index.

19 OTHER EQUITY

		(₹ in Mn)	
		2018-19	2017-18
I)	General reserve		
	Opening balance	4,503	4,501
	Add: Employee stock compensation outstanding	0	2
		4,503	4,503
II)	Hedging reserve		
	Opening balance (net of taxes)	2,025	3,081
	Add: Movement in forward contracts receivable	1,173	1,477
	Less: Amount reclassified to profit or loss	(1,090)	(2,966)
	Less: Deferred tax related to above	135	433
		2,243	2,025
III)	Share premium		
	Opening balance	1,819	1,498
	Add: Additions during the year	379	321
		2,198	1,819
IV)	OCI - Remeasurement of net defined benefit plans(Net of Tax)		
	Opening balance	40	(22)
	Add: Additions during the year	41	62
		81	40

Notes forming part of Consolidated accounts

(₹ in Mn)

		2018-19	2017-18
V)	Employee stock option outstanding		
	Opening Balance	1,216	1,511
	Add: Additions during the year	593	83
	Less: Deductions during the year	(477)	(378)
	(a)	1,332	1,216
	Deferred employee compensation expense		
	Opening balance	(466)	(945)
	Add: Additions during the year	(593)	(83)
	Less: Deductions during the year	400	562
	(b)	(659)	(466)
	(a)+(b)	673	750
VI)	Foreign currency translation reserve		
	Opening balance	424	264
	Add: Transfer to other comprehensive income	(17)	160
		407	424
VII)	Retained earnings		
	Opening balance	28,865	21,384
	Add: Profit for the year	15,159	11,120
	Less: Dividend (including dividend distribution tax)	(5,365)	(3,639)
		38,659	28,865
		48,765	38,386
VIII)	Non controlling interest		
	Opening Balance	13	8
	Add: Net Profit for the year	(4)	4
	Add: Transfer to Other Comprehensive Income	(1)	1
		8	13

20 OTHER NON CURRENT FINANCIAL LIABILITY

(₹ in Mn)

	As at 31-03-2019	As at 31-03-2018
Liability for customer settlement	-	204
Other financial liabilities	70	-
Payable for acquisition of business	866	838
	936	1,042

21(I) NON CURRENT PROVISIONS

(₹ in Mn)

	As at 31-03-2019	As at 31-03-2018
Post-retirement medical benefit	180	168
Others	111	111
	291	279

21(III) 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 1-4-2018	4	107	111
ii	Additional provision during the year	-	-	-
iii	Provision used during the year	-	-	-
iv	Provision reversed during the year	-	-	-
v	Balance as at 31-03-2019	4	107	111

Notes forming part of Consolidated accounts

22 TRADE PAYABLES

(₹ in Mn)

	As at 31-03-2019	As at 31-03-2018
Due to related parties (Refer Note 40)	69	60
Due to micro & small enterprises	2	-
Due to others	1,436	1,396
Accrued expenses	3,162	2,336
	4,669	3,792

23 OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Mn)

	As at 31-03-2019	As at 31-03-2018
Unclaimed dividend	8	4
Employee liabilities (others)	4,626	3,826
Gratuity liability	188	128
Credit Support Agreement Deposit	1,029	1,617
Liability for customer settlement	215	219
Payable for acquisition of business	575	-
Others	89	57
	6,730	5,851

24 OTHER CURRENT LIABILITIES

(₹ in Mn)

	As at 31-03-2019	As at 31-03-2018
Unearned & deferred revenue	576	272
Other payables	2,006	1,371
	2,582	1,643

25 CURRENT PROVISIONS

(₹ in Mn)

	As at 31-03-2019	As at 31-03-2018
Compensated absences	2,106	1,841
Post retirement medical benefits	2	2
Other provisions	-	1
	2,108	1,844

26 REVENUE FROM OPERATIONS

Revenue consists of the following:

(₹ in Mn)

Particulars	2018-19	2017-18
Fixed price & maintenance	57,212	42,651
Time & Material	37,246	30,414
	94,458	73,065

Revenue disaggregation as per industry vertical and geography has been included in segment information (Refer note 41).

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 Group expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically 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.

Notes forming part of Consolidated accounts

The aggregate value of performance obligations that are completely or partially unsatisfied as at 31 March 2019, other than those meeting the exclusion criteria mentioned above, is ₹ 61,710 Mn. The Group expects to recognize revenue of around 60% of these 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, 2019
Balance at the beginning of the year	2,603
Invoices raised during the period	(2,840)
Reclassified to receivable during the year	(10)
Revenue recognised during the year	3,335
Translation exchange difference	8
Balance at the end of the year	3,096

Changes in unearned and deferred revenue is as follows:

	(₹ in Mn)
	Year ended March 31, 2019
Balance at the beginning of the year	272
Revenue recognised during the period from opening contract liability	(265)
Invoices raised during the period	561
Translation exchange difference	8
Balance at the end of the year	576

27 OTHER INCOME

	(₹ in Mn)	
	2018-19	2017-18
Income from current investment in mutual funds	990	737
Interest received	19	23
Foreign exchange gain *	1,785	3,428
Profit on sale of fixed assets	-	2
Miscellaneous income	229	71
	3,023	4,261

* The foreign exchange gain reported above includes ₹ 1,090 Mn (previous year ended 31 March 2018 ₹ 2,966 Mn) gain on derivative instruments which are designated as cash flow 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.

28 EMPLOYEE BENEFIT EXPENSES

	(₹ in Mn)	
	2018-19	2017-18
Salaries including overseas staff expenses	50,627	39,754
Share based payments to employees	281	400
Staff welfare	490	439
Contribution to provident and other funds	670	542
Contribution to superannuation Fund	41	45
Contribution to gratuity fund	178	155
Contribution to Social Security & other funds	2,381	1,954
	54,668	43,289

Notes forming part of Consolidated accounts

29 OPERATING EXPENSES

	(₹ in Mn)	
	2018-19	2017-18
Consultancy charges	7,256	5,360
Cost of equipment, hardware and software packages	3,639	3,471
Travelling and conveyance	3,270	2,375
Rent and establishment expenses	1,941	1,842
Repairs and Maintenance	885	815
Recruitment expenses	536	359
Miscellaneous expenses	385	438
Telephone charges and postage	333	365
Power and fuel	310	330
Rates and taxes	294	254
Allowance for doubtful debts and advances	253	133
Less : Provision written back	(23)	(17)
Advertisement	219	222
Communication expenses	189	192
Insurance charges	63	58
Bad debts	23	31
Customer Settlement Expenses *	-	617
	19,573	16,845

* Customer settlement expenses are in relation to one time commercial settlement entered by the Company with one of its clients on March 27, 2018.

30 FINANCE COST

	(₹ in Mn)	
	2018-19	2017-18
Interest on deposits with respect to credit support agreement	42	133
Notional interest on financial liability *	63	20
On others	1	4
	106	157

* Contingent consideration payable on business acquisitions.

31(II) CURRENT TAX (NET)

	(₹ in Mn)	
	2018-19	2017-18
Current Tax	4,879	3,754
Provision for earlier year (written back)/off	(4)	(100)
	4,875	3,654

31(III) DEFERRED TAX

	(₹ in Mn)	
	2018-19	2017-18
Deferred tax charge/(credit)	(152)	(409)
MAT utilization (net)*	400	46
	248	(363)

* MAT credit for year ended 31 March 2018 of ₹ 59 Mn net off reduction in MAT for year ended 31 March 2017 ₹ 106 Mn due to Ind AS transitional deductions as per section 115JB of Income Tax Act 1961.

Notes forming part of Consolidated accounts

31 (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 as follows:

(₹ in Mn)

	2018-19	2017-18
Profit before income taxes	20,278	14,415
Enacted tax rates in India	34.94%	34.61%
Computed expected tax expense	7,086	4,989
Tax effect due to non-taxable income for Indian tax purposes	(2,035)	(1,918)
Overseas taxes	380	446
Capital losses carried forward	-	(133)
Effect of allowances of eligible expenses	(513)	(774)
Effect of non-deductible expenses	687	772
Effect of deferred taxes	(153)	(410)
Others	(329)	319
Tax expense as per statement of profit and loss	5,123	3,291

32 STATEMENT OF OTHER COMPREHENSIVE INCOME

(₹ in Mn)

	2018-19	2017-18
Items that will not be reclassified to profit or loss		
Defined benefit plan actuarial gain/(loss)	55	80
Income tax on defined benefit plan actuarial gain/(loss)	(14)	(18)
	41	62
Items that will be reclassified to profit or loss		
Net changes in fair value of cash flow hedges	83	(1,489)
Income tax on net changes in fair value of cash flow hedges*	134	433
Foreign currency translation reserve	120	159
	337	(897)
	378	(835)

* includes deferred tax adjustment pertaining to earlier years of ₹ 124 Mn.

33 CONTINGENT LIABILITIES

(₹ in Mn)

	As at 31-03-2019	As at 31-03-2018
1. Income tax liability that may arise in respect of which the Group is in appeal*	2,373	2,391
2. Service tax refund disallowed, in respect of #	126	92
3. Claims including potential claims \$	5	-
	2,504	2,483

* Out of contingent Tax liability disclosed above, ₹ 2,168 Mn (including interest of ₹ 185 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

The Company had filed 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.

\$ Represents potential liability on account of contribution to provident fund in terms of the recent judgement of the Honourable Supreme Court of India dated February 28, 2019 holding that contribution is payable on allowances that are fixed and uniformly applicable. In the opinion of management, there is uncertainty and lack of clarity regarding the period of applicability of the judgement. The Company has disclosed the liability as contingent in accordance with the judgement from the date of pronouncement.



Notes forming part of Consolidated accounts

34 Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for: ₹ 49 Mn (previous year ₹ 178 Mn).

35 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 recognized 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 recognized as expense in the period in which such loss occurs. Further, an amount of ₹ Nil has been provided 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	
	2018-19	2017-18
a) Present value of defined benefit obligation		
- Wholly funded	916	798
- Wholly unfunded	1	-
b) Fair value of plan assets as on	729	670
Amount to be recognized as liability or (asset) (a-b)	188	128
Net liability/(asset)-current	188	128
Net liability/(asset)- non current	-	-

(₹ in Mn)

	Post-retirement medical benefit plan	
	2018-19	2017-18
a) Present value of defined benefit obligation		
- Wholly funded	-	-
- Wholly unfunded	180	170
b) Fair value of plan assets	-	-
Amount to be recognized as liability or (asset) (a-b)	180	170
Net liability/(asset)-current	2	1
Net liability/(asset)- non current	178	169

Notes forming part of Consolidated accounts

(₹ in Mn)

	Provident fund plan	
	2018-19	2017-18
A.		
a) Present value of defined benefit obligation		
- Wholly funded	7,176	5,865
- Wholly unfunded	-	-
b) Fair value of plan assets	7,220	5,914
Amount to be recognized as liability or (asset) (a-b)*	[44]	[49]
B.		
Amounts reflected in the balance sheet		
Liability	101	78
Assets	-	-
Net liability/(asset)#	101	78
Net liability/(asset)-current	101	78
Net liability/(asset)- non current	-	-

* Asset is not recognized in the balance sheet

Employer's and employee's contribution for March 2019 paid in April 2019

III) The amounts recognized in statement of profit and loss are as follows:

(₹ in Mn)

	Gratuity plan	
	2018-19	2017-18
Current service cost	170	135
Past service cost	-	13
Administration expenses	-	-
Interest on net defined benefit liability / (asset)	6	7
(Gains) / losses on settlement	-	-
Total expense charged to profit and loss account	176	155

(₹ in Mn)

	Post-retirement medical benefit plan	
	2018-19	2017-18
Current service cost	63	43
Past service cost	-	[7]
Administration expenses	-	-
Interest on net defined benefit liability / (asset)	13	12
(Gains) / losses on settlement	-	-
Total expense charged to profit and loss account	76	48

(₹ in Mn)

	Provident fund plan	
	2018-19	2017-18
Current service cost	348	271
Interest cost	538	440
Expected return on plan assets	[538]	[440]
Total expense for the year included in staff cost	348	271

Notes forming part of Consolidated accounts

IV) The amounts recognized in statement of other comprehensive income (OCI) are as follows:

(₹ in Mn)

	Gratuity plan		Post retirement medical benefit plan	
	2018-19	2017-18	2018-19	2017-18
Opening amount recognized in OCI	2	28	(49)	3
Re-measurements during the period due to:				
Changes in financial assumptions	26	8	15	(32)
Changes in demographic assumptions	(6)	-	(33)	-
Experience adjustments	(27)	(10)	(48)	(20)
Actual return on plan assets less interest on plan assets	18	(24)	-	-
Closing amount recognized in OCI	13	2	(116)	(49)

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	
	2018-19	2017-18
Opening balance of defined benefit obligation	798	684
Current service cost	170	135
Past service cost	-	13
Interest on defined benefit obligation	56	43
Re-measurements due to:		
Actuarial loss/(gain) arising from change in financial assumptions	26	8
Actuarial loss/(gain) arising from change in demographic assumptions	(6)	-
Actuarial loss/(gain) arising on account of experience changes	(27)	(10)
Benefits paid	(102)	(75)
Liabilities assumed / (settled)	-	-
Liabilities extinguished on settlements	-	-
Closing balance of defined benefit obligation	916	798

(₹ in Mn)

	Post-retirement medical benefit plan	
	2018-19	2017-18
Opening balance of defined benefit obligation	170	174
Current service cost	63	43
Past service cost	-	(7)
Interest on defined benefit obligation	13	12
Re-measurements due to:		
Actuarial loss/(gain) arising from change in financial assumption	15	(32)
Actuarial loss/(gain) arising from change in demographic assumptions	(33)	-
Actuarial loss/(gain) arising on account of experience changes	(48)	(20)
Benefits paid	-	-
Closing balance of defined benefit obligation	180	170

Notes forming part of Consolidated accounts

(₹ in Mn)

	Provident fund plan	
	2018-19	2017-18
Opening balance of defined benefit obligation	5,865	4,910
Add : Interest cost	538	440
Add : Current service cost	348	271
Add : Contribution by plan participants	832	599
Add/(Less) : actuarial (gains)/losses	-	-
Less: Assets acquired/(settled)	478	287
Liabilities assumed on acquisition/ (settled on divestiture)	-	-
Less : Benefits paid	(885)	(642)
Closing balance of defined benefit obligation	7,176	5,865

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	
	2018-19	2017-18	2018-19	2017-18
Opening balance of the fair value of the plan assets	669	527	5,915	4,939
Employer's contributions	128	157	338	265
Expected return on plan assets	51	36	538	440
Administration expenses	-	-	-	-
Actuarial gains/(loss)	-	-	116	312
Re-measurements due to:				
Actual return on plan assets less interest on plan assets	(18)	24	-	-
Contribution by plan participants	-	-	720	602
Benefits paid	(102)	(75)	(885)	(642)
Assets acquired/(settled)	-	-	478	(1)
Assets distributed on settlements	-	-	-	-
Closing balance of plan assets	728	669	7,220	5,915

The Company expects to contribute ₹ 188 Mn (₹ 128 Mn in 2017-18) 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:

	Gratuity plan	2018-19	2017-18
		Provident fund plan	
Government of India securities	Scheme with LIC	23.63%	23.05%
State government securities		23.99%	20.03%
Corporate bonds		20.91%	17.27%
Fixed deposits under Special Deposit Scheme framed by central government for provident funds		5.18%	5.74%
Public sector bonds		21.99%	28.45%
Mutual Funds		4.12%	3.01%
Others		0.18%	2.45%

Notes forming part of Consolidated accounts

VIII) Principal actuarial assumptions at the balance sheet date :

	(₹ in Mn)	
	2018-19	2017-18
(i) Discount rate		
For gratuity	7.15%	7.60%
For post -retirement medical benefits	7.15%	7.60%
(ii) Annual increase in healthcare costs	5.00%	5.00%
(iii) Attrition rate :	Varies between 8% to 19%	Varies between 2% to 18%
(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 31 March 2019

	(₹ in Mn)	
Maturity profile	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

As on 31 March 2018

	(₹ in Mn)	
Maturity profile	Gratuity	Post-Retirement medical benefit liability
Expected benefits for year 1	106	2
Expected benefits for year 2	101	2
Expected benefits for year 3	100	3
Expected benefits for year 4	98	3
Expected benefits for year 5	94	4
Expected benefits for year 6	89	5
Expected benefits for year 7	83	5
Expected benefits for year 8	76	6
Expected benefits for year 9	74	7
Expected benefits for year 10 and above	640	1,186

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 Consolidated accounts

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 recognized 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:

	Period ended 31 March 2019	Period ended 31 March 2018
Discount Rate		
Impact of increase in 100 bps on defined benefit obligation	-17.32%	-17.38%
Impact of decrease in 100 bps on defined benefit obligation	22.72%	22.74%
Healthcare costs rate		
Impact of increase in 100 bps on defined benefit obligation	18.08%	17.71%
Impact of decrease in 100 bps on defined benefit obligation	-14.33%	-14.09%
Life expectancy		
Impact of increase by 1 year on defined benefit obligation	0.69%	0.57%
Impact of decrease by 1 year on defined benefit obligation	-0.72%	-0.59%

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 31 March 2019		Period ended 31 March 2018	
	Discount rate	Salary escalation rate	Discount rate	Salary escalation rate
Impact of increase in 100 bps on defined benefit obligation	-6.30%	7.04%	-6.08%	6.80%
Impact of decrease in 100 bps on defined benefit obligation	7.09%	-6.39%	6.82%	-6.19%

36 Financial instruments by category

i) Carrying value of financial instruments by categories are as follows:

(₹ in Mn)

	As at 31-03-2019					As at 31-03-2018				
	Fair value through P&L (FVTPL)	Fair value through OCI (FVTOCI)	Amortized cost	Total carrying value	Fair value	Fair value through P&L (FVTPL)	Fair value through OCI	Amortized cost	Total carrying value	Fair value
Financial assets										
Investments	17,403	-	-	17,403	17,403	12,644	-	-	12,644	12,644
Trade receivables	-	-	18,263	18,263	18,263	-	-	13,962	13,962	13,962
Unbilled revenue	-	-	5,582	5,582	5,582	-	-	8,365	8,365	8,365
Cash and cash equivalents	-	-	3,499	3,499	3,499	-	-	3,323	3,323	3,323
Other bank balances	-	-	651	651	651	-	-	310	310	310
Loans	-	-	544	544	544	-	-	625	625	625
Derivative financial instruments	240	2,744	-	2,984	2,984	(50)	2,351	-	2,301	2,301
Other financial assets	-	-	325	325	325	-	-	395	395	395
Total	17,643	2,744	28,864	49,251	49,251	12,594	2,351	26,980	41,925	41,925



Notes forming part of Consolidated accounts

(₹ in Mn)

	As at 31-03-2019					As at 31-03-2018				
	Fair value through P&L (FVTPL)	Fair value through OCI (FVTOCI)	Amortized cost	Total carrying value	Fair value	Fair value through P&L (FVTPL)	Fair value through OCI	Amortized cost	Total carrying value	Fair value
Financial liability										
Trade payables	-	-	4,669	4,669	4,669	-	-	3,888	3,888	3,888
Other financial liabilities	-	-	7,666	7,666	7,666	-	-	7,148	7,148	7,148
Total	-	-	12,335	12,335	12,335	-	-	11,036	11,036	11,036

II) Fair value hierarchy used by the Group for valuation of financial assets and liabilities recognized 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 or indirectly.

Level 3- Inputs for assets or liabilities that are not based on observable market data

(₹ in Mn)

	As at 31-03-2019				As at 31-03-2018			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Investments	17,402	-	1	17,403	12,643	-	1	12,644
Derivative financial instruments	-	2,984	-	2,984	-	2,301	-	2,301
Total	17,402	2,984	1	20,387	12,643	2,301	1	14,945

There have been no transfers among Level 1, Level 2 and Level 3 during the years ended March 31, 2019 and March 31, 2018.

III) Financial risk management

The Group is exposed to foreign currency risk, interest rate risk, credit or counterparty risk and liquidity risk.

i) Currency risk

Primary market risk to the Group is foreign exchange risk.

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 operations are principally in foreign currencies and the maximum exposure is in US dollars.

The Board of Directors has approved the Group's financial risk management policy covering management of foreign currency exposures. The treasury department monitors the foreign currency exposures and takes appropriate forward and option covers to mitigate its risk. The Group hedges its exposure on a net basis (i.e. expected earnings in foreign currency less expected expenditure in related currency). These hedges are cash flow hedges as well as hedges not designated as cash flow hedges.

The Group does not enter into hedge transactions for either trading or speculative purposes. The outstanding forward and option contracts at the year end their maturity profile and sensitivity analysis are as under.

Fair value of forward contracts designated as cash flow hedges of USD-INR as at 31 March 2019 and 31 March 2018 was ₹ 78,938 Mn and ₹ 49,722 Mn respectively. Outstanding number of contracts as at 31 March 2019 were 535 and 31 March 2018 were 266

A. Notional value of hedged contracts is given as below:

(₹ in Mn)

Currency	As at 31-03-2019		As at 31-03-2018	
	Amount in USD Mn	Amount in INR Mn	Amount in USD Mn	Amount in INR Mn
USD-INR	1,192	87,015	730	52,945

Notes forming part of Consolidated accounts

- B)** The foreign exchange forward and option contracts designated as cash flow hedges mature maximum within 36 months. The table below analyses the derivative financial instrument into relevant maturity Comparying based on the remaining period as of the balance sheet. 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)	
USD INR Contracts	As at 31-03-2019	As at 31-03-2018
Not later than twelve months	40,570	26,192
Later than twelve months	46,445	26,753
Total	87,015	52,945

C) Value-at-Risk (VaR)

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 375 Mn as at 31 March 2019 and ₹ 287 Mn as at 31 March 2018.

Actual future gains and losses associated with the Group's investment portfolio and derivative positions may differ materially from the sensitivity analyses performed as of March 31, 2019 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.

ii) Interest risk

The Group has no interest rate risk in case of borrowings as on 31 March 2019. However the Group invests its surplus funds in Debt mutual funds. The Group mitigates the risk of counter-party failure by investing in mutual fund schemes with large assets under management and having investments in debt instruments issued with sound credit rating.

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 Group's profit after tax by ₹ 174 Mn in 2018-19 (₹ 126 Mn in 2017-18).

iii) Credit risk

The principal credit risk that the Group 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 Group makes adequate provision for non-collection of trade receivable. Further, the Group has not suffered significant payment defaults by its customers.

In addition, for delay in collection of receivable, the Group has made provision for Expected Credit loss ('ECL') based on ageing analysis of its trade receivable. These range from 1.5% for dues outstanding up to six months to 19.2% for dues outstanding for more than 36 months for 2018-19 (Previous year 1.5% and 19.2% for dues outstanding up to 6 months and for more than 36 months respectively). No provision has been made on trade receivables in not due category.

ECL allowance for non-collection and delay in collection of receivable and unbilled revenue, on a combined basis were ₹ 177 Mn and ₹ 78 Mn for the financial years 2018-19 and 2017-18 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)	
	2018-19	2017-18
Opening balance	78	65
Impairment loss recognized or (reversed)	99	13
Closing balance	177	78

The percentage of revenue from its top five customers is 29% for 2018-19 (36.8% for 2017-18).



Notes forming part of Consolidated accounts

The counter-party risk that Group is exposed to is principally for financial instruments taken to hedge its foreign currency risks. The counter- parties are mainly banks and the Group has enter 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 Group's treasury department monitors the cash flows of the Group and surplus funds are invested in non- speculative financial instruments that are usually highly liquid funds.

The Group has no borrowings as on 31 March 2019 but it has credit facilities with banks that will help it in generating funds for the business if required.

The contractual maturities of financial assets and financial liabilities is as follows:

(₹ in Mn)

	As at 31-03-2019			As at 31-03-2018		
	Within a year	More than one year	Total	Within a year	More than one year	Total
Trade payables	4,669	-	4,669	3,888	-	3,888
Other financial liabilities	6,106	1,042	7,148	6,106	1,042	7,148
Total	10,775	1,042	11,817	9,994	1,042	11,036

(₹ in Mn)

	As at 31-03-2019			As at 31-03-2018		
	Within a year	More than one year	Total	Within a year	More than one year	Total
Investments	17,402	1	17,403	12,644	1	12,645
Trade receivables	18,263	-	18,263	13,962	-	13,962
Unbilled revenue	5,582	-	5,582	8,365	-	8,365
Cash and cash equivalent	3,499	-	3,499	3,323	-	3,323
Other bank balances	651	-	651	310	-	310
Loans	71	473	544	238	387	625
Derivative financial instruments	1,378	1,606	2,984	1,580	721	2,301
Other financial assets	325	-	325	396	-	396
Total	47,171	2,080	49,251	40,818	1,109	41,927

37 LEASES

I) Finance leases

In accordance with Ind AS 17 "Leases", the assets acquired under finance leases are capitalized and a loan liability is recognized for an equivalent amount. Consequently depreciation is provided on such assets. Lease rentals paid are allocated to the liability and the interest is charged to the consolidated statement of profit and loss. The group does not have any finance leases.

II) Operating leases

The Group has taken certain premises, office equipment and employee cars under non-cancellable operating leases. The rental expense in respect of operating leases was ₹ 1,941 Mn. (previous year ₹ 1,842 Mn) and the future rentals payable are as follows:

(₹ in Mn)

	2018-19	2017-18
Minimum lease payments		
- Payable not later than 1 year	1,568	1,065
- Payable after 1 year but not later than 5 years	4,318	3,311
- Payable after 5 years	1,115	502
	7,001	4,878

Notes forming part of Consolidated accounts

38 BASIC AND DILUTED EARNINGS PER SHARE (EPS) AT FACE VALUE OF ₹1

	2018-19	2017-18
Profit after tax (₹ in Mn)	15,159	11,120
Weighted average number of shares outstanding	172,912,774	171,250,145
Basic EPS (₹)	87.67	64.93
Weighted average number of shares outstanding	172,912,774	171,250,145
Add: Weighted average number of potential equity shares on account of employee stock options	2,468,945	3,927,388
Weighted average number of shares outstanding	175,381,719	175,177,533
Diluted EPS (₹)	86.43	63.48

39i) ACQUISITION - NIELSEN + PARTNER GROUP

On 01 February, 2019, the Group has acquired 100% stake in Nielsen+Partner Unternehmensberater GmbH, Hamburg, Germany, along with its fully owned subsidiaries viz. Nielsen+Partner Unternehmensberater AG, Switzerland, Nielsen+Partner Pte. Ltd., Singapore, Nielsen+Partner S.A. Luxembourg, Nielsen+Partner Pty Ltd., Australia, Nielsen+Partner Co. Ltd., Thailand. Nielsen + Partner is a global implementation specialist for the Temenos Wealthsuite, providing services around digital banking platforms to customers across Banking and Financial Services

Assets acquired and liabilities recognized on the date of acquisition are as follows:.

	(₹ in Mn)
	Total
Assets	
Non-current assets:	
Customer Relationships	183
Property, Plant & Equipment	6
Other non-current assets	24
Current assets:	
Trade receivables	244
Cash and bank balances	201
Other current assets	12
Total Assets	669
Non-current Liabilities:	
Deferred Tax Liabilities	(64)
Current Liabilities:	
Trade payables	(38)
Provisions	(161)
Total Liabilities	(262)
Net Assets acquired (B)	407

Calculation of Goodwill:

	(₹ in Mn)
	Total
Purchase consideration:	
Cash (A)	1,864
Present Value of Contingent consideration payable over future years (B) *	351
Purchase consideration paid (C=A+B)	2,215
Less: Fair value of net assets acquired	407
Goodwill	1,808

* Gross amount of contingent consideration payable is ₹ 402 Mn.

Goodwill is attributable to future growth of business out of synergies from this acquisition and assembled workforce and is not deductible for tax purpose.

These entities have reported revenue of ₹ 188 Mn and profit after tax of ₹ 21 Mn from the date of acquisition till 31 March 2019.

Out of ₹ 244 Mn Trade receivables acquired, ₹ 163 Mn have been collected during the year.

Notes forming part of Consolidated accounts

ii) Acquisition - Ruletronics

On 01 February, 2019, the Group has acquired 100% stake in Ruletronics Limited, UK, Ruletronics Systems Inc, US and Ruletronics Systems Private Limited, India. Ruletronics is a silver implementation partner of Pega Systems, which is a leader in intelligent business process management, customer relationship management and process automation.

Assets acquired and liabilities recognized on the date of acquisition are as follows:

(₹ in Mn)

Particulars	Ruletronics Limited, U.K.	Ruletronics Systems Inc, USA	Ruletronics Systems Private Limited, India	Total
Assets				
Non-current assets:				
Property Plant & Equipment	0.72	0.37	2.58	3.67
Other non-current assets	-	-	0	0
Current assets:				
Trade receivables	57	42	31	131
Cash and bank balances	36	3	4	43
Other current assets	8	-	22	30
Total Assets	103	45	60	208
Non-current liabilities:				
Deferred tax Liability	-	-	0	0
Other non-current liabilities	-	-	-	-
Current Liabilities:				
Trade payables	14	4	3	21
Other current liabilities	26	1	14	41
Total Liabilities	40	5	17	62
Net Assets acquired (B)	63	40	43	146

Calculation of Goodwill:

(₹ in Mn)

	Ruletronics Limited, U.K.	Ruletronics Systems Inc, USA	Ruletronics Systems Private Limited, India	Total
Purchase consideration:				
Cash (A)	137	71	28	236
Deferred consideration payable over future years (B)	-	-	25	25
Present value of contingent consideration payable over future years (C) *	155	129	-	284
Purchase consideration paid (D=A+B+C)	291	201	54	546
Less: Fair value of net assets acquired	63	40	43	146
Goodwill	228	161	11	400

* Gross amount of contingent consideration payable is ₹ 328 Mn

Goodwill is attributable to future growth of business out of synergies from this acquisition and assembled workforce and is not deductible for tax purpose.

These entities have reported revenue of ₹ 76 Mn and profit after tax of ₹ 3 Mn from the date of acquisition till 31 March 2019.

Out of ₹ 131 Mn trade receivables acquired ₹ 70 Mn have been collected during the year.

Notes forming part of Consolidated accounts

40 RELATED PARTY DISCLOSURE:

(I) Key Management Personnel:

Name	Relationship
Mr. Sanjay Jalona	Chief Executive Officer (CEO) & Managing Director
Mr. Sudhir Chaturvedi	President – Sales & Whole time Director
Mr. Ashok Kumar Sonthalia	Chief Financial Officer
Mr. Nachiket Deshpande*	Chief Operating Officer (COO)
Mr. Aftab Zaid Ullah**	Chief Operating Officer (COO) & Whole Time Director (WTD)

* Appointed as COO w.e.f. 12 December 2018

** Ceased to be COO w.e.f. 30 November 2018 and ceased to be WTD w.e.f. 30 August 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 Realty Limited	Fellow Subsidiary
L&T Metro Rail (Hyderabad) Ltd	Fellow Subsidiary
L&T Electricals and Automation Saudi Arabia Company LLC	Fellow Subsidiary
L&T Power Development Limited	Fellow Subsidiary
Larsen and Toubro ATCO Saudia LLC	Fellow Subsidiary
L&T Capital Markets Limited	Fellow Subsidiary
L&T Special Steels and Heavy Forgings Private Limited	Fellow Subsidiary
L&T Electrical & Automation FZE	Fellow Subsidiary
L&T Seawoods Limited	Fellow Subsidiary
Larsen Toubro Arabia LLC	Fellow Subsidiary
Tamco Switchgear (Malaysia) SD	Fellow Subsidiary
Larsen & Toubro (East Asia) Sdn. Bhd.	Fellow Subsidiary
L & T Electrical & Automation FZE	Fellow Subsidiary
Larsen & Toubro Kuwait Construction General Contracting Company, with Limited Liability	Fellow Subsidiary
L&T Technology Services LLC	Fellow Subsidiary
L&T Electrical & Automation Saudi Arabia Company Limited LCC	Fellow Subsidiary
L&T Saudi Arabia LLC	Fellow Subsidiary
L&T Infrastructure Development Projects Limited	Joint venture of Holding Company



Notes forming part of Consolidated accounts

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. Details of transactions between the Group and other related parties are disclosed below.

(₹ in Mn)

Transaction	Holding company	
	2018-19	2017-18
Sale of services / products	1,372	1,180
Sale of assets	-	4
Purchases of services / products	79	99
Overheads charged by	510	543
Overheads charged to	38	70
Trademark fees paid	241	191
Trade receivable	234	185
Interim dividend	1,622	1,150
Contributions to PF	338	265
Final dividend paid	1,894	1,394

(₹ in Mn)

Transaction	Joint venture of Holding Company	
	2018-19	2017-18
Sale of services / products	30	17
- L&T Infrastructure Development Projects Limited	30	10
- L&T MHPS Boilers Private Limited	-	-
- L&T Deccan Tollways Limited	-	3
- L&T Sambalpur - Rourkela Tollway Limited	-	4

(₹ in Mn)

Transaction	Fellow subsidiaries	
	2018-19	2017-18
Sale of services / products	919	549
- L&T Technology Services Limited	661	252
- L&T Hydrocarbon Engineering Limited	-	87
- L&T Thales Technology Services Private Limited	-	68
Sale of assets	-	1
- L&T Technology Services Limited	-	1
Purchases of services / products	707	649
- L&T Technology Services Limited	705	644
Overheads charged by	73	62
- Larsen & Toubro East Asia	23	50
- L&T Technology Services Limited	48	11
Overheads charged to	231	225
- L&T Technology Services Limited	153	205
- L&T Valves Limited	21	1
Trade receivable	142	95
Trade payable	69	32

Notes forming part of Consolidated accounts

(III) Outstanding material balances with related parties*

(₹ in Mn)

Party	Nature	Amount (Payable) / Receivable	
		2018-19	2017-18
L&T Metro Rail (Hyderabad) Ltd	Trade receivable	12	4
L&T Thales Technology Services Private Limited	Trade receivable	9	23
Larsen & Toubro LLC	Trade receivable	-	16
L & T Hydrocarbon Engineering Limited	Trade receivable	24	21
L&T Technology Services Limited	(Trade payable)	(20)	(26)
L&T Finance Limited	Trade receivable	28	4

* 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.

(IV) Managerial remuneration

(₹ in Mn)

	2018-19	2017-18
(i) Short term employee benefits	188	176
(ii) Contribution to funds	16	13
(iii) Share based payments (on options granted)	103	-

(₹ in Mn)

	2018-19	2017-18
Mr. Sanjay Jalona	99	86
Mr. Sudhir Chaturvedi	72	63
Mr. Nachiket Deshpande	109	-
Mr. Aftab Zaid Ullah	15	29

41 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)

	2018-19	2017-18
Segment revenue		
Banking, Financial Services & Insurance	44,645	34,515
Manufacturing	14,963	12,269
Energy & Utilities	10,112	8,556
High-Tech, Media & Entertainment	10,921	7,823
CPG, Retail, Pharma & Others	13,817	9,902
Revenue from operations	94,458	73,065
Segment results		
Banking, Financial Services & Insurance	11,021	7,332
Manufacturing	2,696	1,630
Energy & Utilities	1,897	1,405
High-Tech, Media & Entertainment	1,290	1,065
CPG, Retail, Pharma & Others	2,243	1,334
Segment results	19,147	12,766

Notes forming part of Consolidated accounts

	(₹ in Mn)	
	2018-19	2017-18
Segment revenue		
Unallocable expenses (net)*	314	892
Other Income	3,023	4,261
Finance costs	106	157
Depreciation & amortization expense	1,472	1,563
Profit before tax	20,278	14,415

* Unallocable expenses for FY 17-18 included ₹ 617 Mn towards customer settlement expenses are in relation to one time commercial settlement entered by the Company with one of its clients on 27 March 2018.

II) Segmental reporting of revenues on the basis of the geographical location of the customers is as under:

Geography	(₹ in Mn)	
	Revenue from operations	
	2018-19	2017-18
North America	63,060	49,691
Europe	16,059	13,128
India	6,823	5,326
APAC	2,577	1,850
ROW	5,939	3,070
Total	94,458	73,065

42 Events occurring after the reporting period:

The Board of Directors at its meeting held on 02 May 2019, has recommended final dividend of ₹ 15.50 per equity share (Face value ₹1) for the financial year ended 31 March 2019

43 The Group is not required to transfer any amount to Investor Education and Protection Fund.

44 Previous year's figures have been regrouped/reclassified wherever applicable to facilitate comparability.

45 The financial statements were approved by the Board of Directors on 02 May 2019.

As per our report attached

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

Sanjay Jalona
Chief Executive Officer & Managing Director
DIN : 07256786

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

Padmini Khare Kaicker
Partner
Membership No: 044784

Ashok Kumar Sonthalia
Chief Financial Officer

Manoj Koul
Company Secretary & Compliance Officer

Mumbai
May 02, 2019



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