

LTI/SE/STAT/2020-21/42

August 14, 2020

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

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

Dear Sirs,

Subject: **Transcripts of 24th Annual General Meeting of Larsen & Toubro Infotech Limited ('LTI')**.

Please find attached the transcripts of 24th Annual General Meeting of LTI held on July 18, 2020 for your information and records.

Thanking You,

Yours sincerely,

For Larsen & Toubro Infotech Limited

Manoj Koul
Company Secretary & Compliance Officer

Encl: As above

Larsen & Toubro Infotech Ltd.

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



Let's Solve

“Larsen & Toubro Infotech Limited (‘LTI’)
Transcript of 24th Annual General Meeting”

July 18, 2020



Let's Solve

LTI 24th AGM - July 18, 2020

PARTICIPANTS:

MR. A. M. NAIK	– NON-EXECUTIVE FOUNDER CHAIRMAN
MR. S. N. SUBRAHMANYAN	– NON-EXECUTIVE VICE CHAIRMAN
MR. SANJAY JALONA	– CHIEF EXECUTIVE OFFICER & MANAGING DIRECTOR
MR. R. SHANKAR RAMAN	– NON-EXECUTIVE DIRECTOR
MR. SUDHIR CHATURVEDI	– PRESIDENT (SALES) & WHOLE-TIME DIRECTOR
MR. NACHIKET DESHPANDE	– CHIEF OPERATING OFFICER & WHOLE-TIME DIRECTOR
MR. SAMIR DESAI	– INDEPENDENT DIRECTOR AND CHAIRMAN OF NOMINATION & REMUNERATION COMMITTEE
MR. M. M. CHITALE	– INDEPENDENT DIRECTOR AND CHAIRMAN OF AUDIT COMMITTEE
MR. ARJUN GUPTA	– INDEPENDENT DIRECTOR
MR. SANJEEV AGA	– INDEPENDENT DIRECTOR
MR. SUDIP BANERJEE	– INDEPENDENT DIRECTOR
MRS. ARUNA SUNDARARAJAN	– INDEPENDENT DIRECTOR AND CHAIRMAN OF STAKEHOLDERS' RELATIONSHIP COMMITTEE
MR. ASHOK KUMAR SONTHALIA	– CHIEF FINANCIAL OFFICER
MR. MANOJ KOUL	– COMPANY SECRETARY & COMPLIANCE OFFICER
MRS. PADMINI KHARE KAICKER	– PARTNER, M/s. B. K. KHARE & CO, STATUTORY AUDITOR
MRS. NAINA DESAI	– SECRETARIAL AUDITOR

AND OTHER KEY EXECUTIVES, SENIOR MANAGEMENT AND SHAREHOLDERS

WELCOME ADDRESS:

A. M. Naik
(4:30 pm IST) : Dear Shareholders, good evening. I welcome you all at the 24th Annual General Meeting of Larsen & Toubro Infotech Limited and thank you for joining with us today. During this unprecedented time of COVID-19, I hope you and your families are safe and doing well.

The time is 4:30 p.m. (IST) and it is now time to commence the meeting. We have the requisite quorum present for this meeting. I welcome all the Board Members including Mrs. Aruna Sundararajan who recently joined the Board of Directors of the Company. I now request my colleagues joining the meeting through video conference to kindly introduce themselves.

Mr. S. N. Subrahmanyan, Vice-Chairman and Non-Executive Director.

S. N. Subrahmanyan : Hello, S. N. Subrahmanyan here, joining from Pali Hill, home office of the Chairman, Bombay.

A. M. Naik : Mr. Sanjay Jalona, Chief Executive Officer and Managing Director.

Sanjay Jalona : Good evening everyone, this is Sanjay Jalona, joining from my home in New Jersey.

A. M. Naik : Mr. Shankar Raman

R. Shankar Raman : Good evening everyone, this is Shankar, joining from L&T House, Mumbai.

A. M. Naik : Mr. Sudhir Chaturvedi

Sudhir Chaturvedi : Good afternoon everyone, this is Sudhir, joining from my home office in London.

A. M. Naik : Mr. Nachiket Deshpande

Nachiket Deshpande : Good afternoon all, Nachiket Deshpande, joining from Pune.

A. M. Naik : Mr. M. M. Chitale, Independent Director and Chairman of the Audit Committee.

M. M. Chitale : Good afternoon, this is Mukund Chitale, joining this AGM from my residence in Mumbai.

A. M. Naik : Mr. Samir Desai, Independent Director and Chairman of Nomination & Remuneration Committee.

Samir Desai : This is Samir Desai, joining from my home in Florida, USA.

A. M. Naik : Mr. Sudip Banerjee, Independent Director

Sudip Banerjee : Good afternoon everyone, this is Sudip Banerjee, joining from my home office in Bangalore.

A. M. Naik : Mr. Sanjeev Aga, Independent Director

Sanjeev Aga : Good afternoon everyone, this is Sanjeev Aga, joining from my Mumbai home.



Let's Solve

LTI 24th AGM - July 18, 2020

- A. M. Naik** : Mr. Arjun Gupta, Independent Director
- Arjun Gupta** : Good afternoon, Arjun Gupta, joining from America.
- A. M. Naik** : Mrs. Aruna Sundararajan, Independent Director and Chairperson of Stakeholders Relationship Committee.
- Aruna Sundararajan** : Good afternoon everyone, I am joining this meeting from my home in Idukki, Kerala.
- A. M. Naik** : Thank you, all my colleagues, Directors.
I also have with me, Mr. Ashok Sonthalia, our Chief Financial Officer of the Company.
- Ashok Sonthalia** : Hi, good afternoon everyone.
- A. M. Naik** : Mr. Manoj Koul, Company Secretary and Compliance Officer of the Company.
- Manoj Koul** : Hi, good evening, this is Manoj Koul here.
- A. M. Naik** : We are also having Mrs. Padmini Khare from B. K. Khare as the Statutory Auditors and Mrs. Naina Desai, Secretarial Auditor and the LTI leadership team joining from their locations.
- Before we commence the proceedings, may I request Manoj Koul, Company Secretary to give necessary instructions.

PROCEEDINGS:

- Manoj Koul** : Thank you, Chairman Sir. I would appreciate Members' kind attention to the following important points:
1. All the members have been put on 'Mute mode' by the Host, to avoid any disturbance coming from the background.
 2. At commencement of Question and Answer session, Host will unmute the audio of the Speaker once the Chairman calls out his/her name.
 3. Members are requested to keep their questions brief and limit their interaction to 2 minutes so that maximum number of speakers can be accommodated. Members seeking clarification specific to the annual report contents shall be responded by the Management of the Company over email.
 4. Members joining through Webex application and who could not register themselves as Speakers, may post their questions in the 'Question and Answer' tab available during the Question and Answer session on Webex platform, by providing their names, Folio No/Client ID and email ID followed by the question to the 'Host'.
 5. Members may please note that based on the reasons of business exigency, the Board of Directors of the Company have decided that the 'Special Business items' included in the notice convening this Annual General Meeting are unavoidable.
 6. In accordance with the Circulars, passed by the Ministry of Corporate Affairs and SEBI, the appointment of proxies has been dispensed with, for the meeting which held through Video Conferencing Mode. Hence, register of proxies for this current AGM will not available for inspection to the Members.
 7. Statutory registers like Register of Contracts and Register of Directors & Key Managerial Personnel and their Shareholding are available for inspection electronically during the proceedings of this meeting on the NSDL e-voting platform.

Now, I request our Hon'ble Chairman Sir to kindly commence the proceedings of the meeting. Over to you Chairman, Sir.

CHAIRMAN'S SPEECH:

A. M. Naik : Let me commence with my speech.

Dear Members,

This is the first time for the Company to host its Annual General Meeting, virtually. On behalf of the Board, I thank you all for your participation here today.

These are unique and challenging circumstances that have had a profound impact on our businesses, day-to-day lives and the way we work. Your Company has done an admirable job in adapting to this new reality by quickly transitioning to the new ways of working and enabling its clients globally to do so as well.

This is a defining moment that has drastically altered business scenarios and changed market dynamics by altering end-customer priorities. In this transformed business landscape, LTI has operated with two clear priorities – employee's safety and fulfilling the commitments with the client. It is the client-obsession that has led your Company to grow consistently and faster than the industry, for the fourth successive financial year.

During the financial year 2019-20, your Company enhanced its capabilities in exponential technologies like Artificial Intelligence, Machine Learning, Intelligent Automation, Industrial IoT, and Advanced Analytics. To augment its capabilities in these technologies, your Company made four acquisitions during the calendar year 2019 – Powerupcloud Technologies, Nielsen+Partner, Ruletronics, and Lymbyc.

We have gained several important industry recognitions – key among which are being included in NSE's coveted Nifty Next 50 Index and featuring among the top 5 IT brands of India in the Brand Finance's 'India 100 - 2020' report.

LTI has inherited a solid foundation of ethics and values from L&T Group. Building upon this heritage, the Company has constantly redefined itself with changing times, to enhance client satisfaction, reliability, and brand value. Today, the focus is on exponential technologies, with speed, innovation and contributing to society that we operate in.

Thank you once again for your continued support and confidence in LTI. I wish everyone good health and safe passage through these challenging times.

PROCEEDINGS:

A. M. Naik : The electronic copy of annual report for the financial year 2019-20 and the notice convening the 24th AGM was dispatched to all the members on their registered email. Therefore, I take the notice convening this meeting as read.

The independent auditor's reports on the Company's consolidated and standalone financial statements and the secretarial auditor's report for the financial year 2019-20 are unqualified and do not contain any adverse remark on the Company's operations.

The Company had provided remote e-voting facility, on NSDL platform, from Wednesday, 15th July 2020 (9:00 am) to Friday, 17th July 2020 (upto 5:00 pm) to the Members to allow them to cast their votes on the resolutions set-out in the notice convening this AGM.

Electronic voting facility is also activated and made available during the meeting on the NSDL platform, to enable the members who have not casted their votes through remote e-voting to exercise their voting rights at this meeting.

Mr. Alwyn D'souza, Practicing Company Secretary, has been appointed as Scrutinizer, to scrutinize the e-voting process.

The voting results will be declared within 48 hours based on Scrutinizer's report.

Members may note that in a prime time, in the most difficult situation the Company has ever faced, we have recommended a final dividend of Rs.15.50/- per share, aggregating to Rs.28.00/- dividend per share for the financial year 2019-20.

Since all the resolutions set out in the AGM Notice have already been put to vote during the remote e-voting period, no motion will be moved with respect to proposed resolutions as set out in the notice convening this AGM.

SPEAKER SHAREHOLDERS AND QUESTION AND ANSWER SESSION:

A. M. Naik : Now I, as well as my colleagues, shall be glad to answer your questions.
Shareholders who have registered themselves as speaker will be invited one after the other. After I call out name of the speaker shareholder you will be unmuted. You are requested to turn on your video before you begin to speak. I also request the speakers not to repeat the questions already asked and please confine your questions to matters relating to businesses to be transacted at this AGM and restrict their speech to a maximum 2 minutes.

Now I call the first speaker Mr. Aspi Bhesania.

Aspi Bhesania (Speaker 1) : Am I visible Sir?

Manoj Koul : Yes, you are visible

Aspi Bhesania (Speaker 1) : Sir at the outset, I congratulate the Management for showing excellent results for Q1 when other IT companies are struggling. Can you share secret for achieving such good results inspite of lockdown?

A. M. Naik : We shall stand for the remaining year.

Aspi Bhesania (Speaker 1) : Sir, INR 18 Crore was contributed to PM CARES fund. I would request you to do charity through your employees who will reach out to the real needy. Sir, can we expect Mindtree to merge during the current year?

This is the 24th AGM. So, you have entered the silver jubilee year. So, how do you propose to celebrate? I am not asking for a dividend, but you preserve the resources and acquire good company. Thank you and all the best.



Let's Solve

LTI 24th AGM - July 18, 2020

- A. M. Naik** : Okay. Speaker Number 2 is Mr. Dinesh Bhatia.
- Dinesh Bhatia (Speaker 2)** : Can you hear me? Its Dinesh Bhatia speaking.
- Manoj Koul** : We can hear you.
- Dinesh Bhatia (Speaker 2)** : Firstly, I would like to congratulate to Chairman Sir and full team that even in this COVID situation the results of the Company are very good and there is growth. The revenue in last year was INR 9,445 crores, which has increased by INR 1,433 crores in the current year and even though profit after tax has increased only slightly, but other companies are still struggling. Even though there is only a slight change in the profit which is INR 1,520 crores in current year as compared to INR 1,515 crores in last year. I believe that, even during such COVID pandemic the profit of the Company is good and final dividend of INR 15.50 that has been declared. I thank you and your team. I am happy that the resolutions related to the appointment of Directors showcases best Directors of the Company. The new Women Director who has been appointed in May 2020, has also received many awards including "The digital women of the year" from IAMA in 2019. I congratulate her for this. Because of appointment of such good Directors, I am happy that our Company will grow. Our share price in March-April which became very low and came down from INR 2,000 to INR 1,200-1,300, but after appointment of the new Woman Director, the Company's share price is now around INR 2100-2200. This shows the growth of our Company.
- A. M. Naik** : Current share price is around INR 2,300.
- Dinesh Bhatia (Speaker 2)** : Yes, around INR 2,310 which shows the growth of our Company and share market is mirror of the Company, so I am very happy. I support all the six resolutions that are considered today. I have attended at least eight Video conferences, but the video conferencing that has been arranged by your secretarial team is very good. Picture clarity and video is also very good. Thank you to you and your team for this. Namaskar.
- A. M. Naik** : Thank you.
- Mrs. Neha Khandekar
- Neha Khandekar (Speaker 3)** : Hi, good afternoon everyone. Very happy to see everyone is safe and sound. I have just 2 questions. My first question is related to CSR. I would like to know apart from the contribution which is made towards PM CARES fund by the Company, is there any other kind of contribution made towards relief for COVID-19? That was my first question.
- Second question is related to US visa challenge. So, due to the recent changes announced by USA relating to H1B visa, I would like to know do you see any impact on LTI Business? So, these are the 2 questions I have. Thank you so much.
- A. M. Naik** : What is the second question?
- Neha Khandekar (Speaker 3)** : Related to US visa challenge. Sir, I would like to know do you see any impact on LTI business because of this change?



Let's Solve

LTI 24th AGM - July 18, 2020

A. M. Naik : Well, I think I can reply to your one part of question. In the Prime Minister CARE fund, LTI contributed around INR 18 crores in overall L&T Group commitment of INR 150 crores. On top of it, L&T Group has been spending INR 500 crores per month to support its employees, lot of them who are working from home. Besides this, LTI has contributed in various ways in addition to Prime Minister CARES fund. The next question that you asked, I would request Nachiket to reply.

Nachiket Deshpande : Thank you, Sir. So, Neha as you know our onsite-offshore ratio is lowest amongst the industry. So, the size of the problem for us in US is not that large. Also, for the last few years we have been hiring locally in most of the geographies that we operate in. So, there is some impact but because of the H1B regulation changes as well as some of the procedural changes, the scale of that is not that big.

Neha Khandekar (Speaker 3) : Thank you so much and wish you all a safe and prosperous journey ahead. Thank you.

A. M. Naik : Mrs. H. S. Patel

H. S. Patel (Speaker 4) : Good afternoon Sir. This is Mr. Patel. Very good afternoon to all the Board of Directors and the Management.

Sir, I have couple of questions. The Company has a huge cash reserve of around INR 350 crores and more. How does the Management propose to utilize the cash reserve in such difficult situation? Cash flow from investment activity is negative. I wanted to know for what purpose is it negative in terms of our realization of current investment? Also, the reasons for the same.

My second question would be, what is the average employee cost and what is the profit which we earn per employee? What percentage does American market hold in our total revenue and how much profit do we derive on the same?

Are there any plans to merge L&T Infotech with L&T Technology since both are into IT domain and consolidate at a group level? Thank you so much Sir for the opportunity and I support and propose all your resolutions. Thank you.

A. M. Naik : I will reply the last question first. First of all, LTTTS is an engineering company and addresses to the need of the customers with various R&D and product development design, while LTI is a pure play IT Company. Because of that, we had separated this out to give a focus separately to engineering and IT and we intent to keep it that way until at least I can see in the near future. The remaining question, I will ask Mr. Ashok Sonthalia our CFO to answer.

Ashok Sonthalia : Chairman Sir, I will answer after all the questions have been asked including Mr. Patel's questions.

A. M. Naik : Mr. Shailesh Mahadevia

Shailesh Mahadevia (Speaker 5) : Respected Chairman, distinguished Directors and Members who are present for this meeting. Sir let me quickly appreciate the good work done by our Company during the year. Firstly, the report is exhaustive and transparent. We are running a Mosaic academy which is for continuous learning. We are going to be one of the break-away enterprises which means we will progress faster than the rest of the competitors. Sir, all the Directors are present,

which is a rare thing in Video conference. And sir, we are enjoying ISO: 45001:2018 for the first time which is for occupational health and safety which shows our concern for all our employees. Sir lastly, we have received a number of awards which is the proof of our success. And lastly before I ask questions, I must appreciate the assistance given by the Secretarial Department which has made it possible for me to join in this meeting in a very comfortable way.

Now Sir, my questions very quickly because you are giving only 2 minutes. My first question is - Why we are not giving integrated reporting which is now internationally accepted as a way of reporting? All our business is mainly concerned with all foreign countries and with foreign companies. Sir, my suggestion is to accept this from the next year.

Sir my second question is regarding foreign exchange income and outgo. Income INR 9,530 Crore and outgo INR 4,607 Crore. Sir, I would like to know what are the main heads for which we are spending money in foreign exchange? Sir, we are making great use of new technologies, one of them is 5G. Sir this technology has not yet been used in India. I believe because of spectrum problem. Sir, can you explain to us what the comparative advantages are between 4G and 5G which is likely to come in India and which is being enjoyed in foreign countries.

Sir, our digital revenue is about 40%. How soon and how fast we will be increasing this ratio as it is not only rewarding but it is beneficial to the whole economy. Sir, then we have a number of patents. I would like to know whether they are product patents or process patents?

Sir my next question is regarding the attrition rate. One of the biggest problems of all IT companies is the attrition rate. We are taking so many efforts to retain our staff but still the problem persists.

And Sir, lastly, I would request you to give glossary explaining various terms in business which are being used and every year new words are being added which we rarely understand in the first year. So, you should add glossary in the report and abbreviations. You are using so many abbreviations throughout the report. All of you are familiar with it but we as shareholders are not familiar with these abbreviations all the time. These things will help us considerably in enjoying and appreciating the report which is being prepared with such great effort. Sir, with this, I wish our organization every success which of course is a way of life for our Company and I'm sure you will continue to do so and also contribute to the national interest. Thank you, Sir.

A. M. Naik : Thank you. I think your questions have been quite a few and it will be answered by our CFO, Company Secretary and wherever required I will request our CEO to speak. For the time being, CFO and Company Secretary possibly will be able to address all your questions. We will come to the end and then take all the questions for answering together.

Mr. Nitin Mahashabde

Nitin Mahashabde (Speaker 6) : Good evening Mr. Chairman, this is Nitin Mahashabde. First of all, congratulations to you, the Board of Directors and the Management team for the excellent results in quarter 1, even with the challenges posed by the COVID pandemic.

Sir, my question is related to the COVID-19 pandemic, as it has impacted not only the individuals but also the industries and the economy, at large. So, I would like to know what steps the Company has taken to identify the impact of COVID-19 on financials and the second one is what steps has LTI taken in addressing needs of the society during COVID-19. Thank you so much sir.

A. M. Naik : I request our CEO, Sanjay, to answer at the end. Your question will be answered by him.

Mr. Priyadarshan Naik.

Priyadarshan Naik (Speaker 7) : Good afternoon, am I audible?

A. M. Naik : Yes, you are.

Priyadarshan Naik (Speaker 7) : Good afternoon Sir. First of all, congratulations on fantastic performance, being part of the NIFTY Next 50 Index, 6th largest company, preferred partner of new enterprises and FY20 15% growth. Fantastic Sir, outstanding, nothing could be better.

I have 3-4 questions. The first one is about work from home (WFH). I was very happy to read in the report about OFH, GFH, PFH (productive from home) and so on and the 5X5X5 we care initiative. Sir, the problem is the tangible assets - the property, plant and equipments. As it is, they were INR 305 crore last year it has become INR 100 crores approximately, increased by 32% spent on development centre, ITSH, infrastructure assets and so on. Sir, Infosys and Wipro have suddenly realized the virtues of work from home. I don't feel that even LTI will be able to have work from office all the time, a real time. There is bound to be several advantages in WFH as we go along. Now this INR 100 crores will have to be depreciated, amortized and all this is going to be perhaps not in FY20 but in subsequent years. I think your Q1 consolidated net that fell by 2.6%, so perhaps its already showing. So outstanding work is getting affected because of development centres, IT assets and infrastructure and so on. So that was my first point.

The second point is the trade receivables. I have seen a 27% growth in FY20 from INR 1,826 crores to INR 2,312 crores. Similarly, the impairment, the unbilled revenues that's also from INR 558 crores to INR 442 crores - so a 26% growth. Sir, INR 600 crores this adds upto. Its, wonderful that our Company is debt free, so it immediately doesn't affect you. You don't need cash. But Sir, your own finance cost have gone up 8 times in FY20 from INR 10 crores you have spent INR 83 crores in lease liabilities, financial liabilities and so on. Sir all this is affecting the margin. Infact even last year, the FY20, your margin had come down by 12.2%. This margin had come down despite the off-shore revenue increasing by 2%. So, Sir this is another issue you could give me your views on.

The next point is Annexure-F. I have counted 26 subsidiaries out of which 12, about 50% are showing red. Sir, AMN Sir's Company, how can there be any red mark in the balance sheet. I am sure you will find a way out of this. Thank you so much sir. Wonderful job, great, really appreciate it. Proud to be with L&T Infotech as a shareholder. One final word of appreciation for the people who chose the webex platform and the courtesy which they showed the shareholders, highly appreciable, specially when I compare with yesterday the way Karvy conducted it. Thank you very much Sir. Great. Wonderful. Thank you. Namaskar.

A. M. Naik : Thank you very much. I will request our CEO to speak on some of the issue you raised, and he will ask our COO and Chief of Sales and CFO to support him wherever required.

Priyadarshan Naik (Speaker 7) : Thank you, Sir. Thank you



Let's Solve

LTI 24th AGM - July 18, 2020

- A. M. Naik** : Now Mr. Beruz Pouredahi
- Beruz F. Pouredahi (Speaker 8)** : Respected Chairman and distinguished Directors, my name is Beruz Feramroz. Sir at the outset, we are very happy that we could attend your AGM virtually. Sir we would like to know that how many countries.... (there was connectivity issue)
- Manoj Koul** : Mr. Beruz? Can you please repeat? We were not able to hear you because you have muted yourself. Mr. Beruz?
- Harsh Gala (Host)** : Chairman Sir, we will try to connect him later on, we can proceed with the next speaker please.
- A. M. Naik** : Mrs. Nita Kewalramani
- Nita Kewalramani (Speaker 9)** : Good evening sir. First of all, congratulations for such an excellent robust performance for the quarter considering the tough times we are going through. I have a few questions here.
- First of all, I am very happy with the dividend rate given by the Company this year. I would like to know that how much funds did the Company have to shell out to give the payout for the dividend in this current year financial year 2020.
- How much is the percentage of women employees in the Company? Being a woman, I would like to know that.
- How are you managing to win new deals with all the travel restrictions in place and how is the pipeline shaping up? Thank you these are my questions to you.
- A. M. Naik** : Madam, our women ratio is 31% and that number has gone up and we intend to bring up to 40% in maybe 2-3 years' time. Our focus is to take more and more women. Any other question?
- Nita Kewalramani (Speaker 9)** : Okay. Lastly, how are you winning new deals with all the travel restrictions in place and how is the pipeline shaping?
- A. M. Naik** : Well, I think our CEO will answer that part.
- Sanjay Jalona** : Sir, why don't I answer all these questions towards the end.
- A. M. Naik** : Okay.
- Nita Kewalramani (Speaker 9)** : Thank you.
- A. M. Naik** : Mr. Ravi Kumar Naredi
- Ravi Kumar Naredi (Speaker 10)** : Hello, Chairman. Are you listening me Sir?
- A. M. Naik** : Yes, we can hear you, but we cannot see you.



- Ashok Sonthalia** : Mr. Ravi, why don't you put on your video also.
- Ravi Kumar Naredi (Speaker 10)** : Eminent Board of Directors, employees of Company and fellow shareholders. There is so much headwinds going on due to COVID-19, H1B Visa in USA. How you see current year and next one-year time work from home? What is our Company policy and how much percentage we are doing at present? Our Company have good human capital how many more can we add in next 12 months?
- Sir, due to COVID and headwinds, what are chances of operating profit margin and net profit margin in current year? We are having huge accumulating funds, so, do you have any plans for inorganic acquisition in near future? Due to COVID, you may get good companies at right price now. Sir, we have acquired Mindtree, so any plan to merge Mindtree with LTI. Thank you, Sir.
- A. M. Naik** : Last one I will answer. Mindtree verticals, of different industry are not the same as LTI and we want to bring both the companies independently for some time to come. I think they both are doing well, as you can see how the shares have performed of both the Companies. At the appropriate time, we will give you a long notice if we are going to do any restructuring between the two companies but in the meantime, all the synergetic efforts are being put by two companies to address common clients.
- Mr. Anil Parekh
- Harsh Gala (Host)** : Anil Sir, you have been unmuted. You can continue speaking.
- I think we are not able to hear Mr. Anil Parekh. Chairman Sir, Beruz Sir has again joined, I am unmuting him.
- Beruz F. Pouredehi (Speaker 8)** : Respected Chairman and distinguished Directors, my name is Beruz. Sir at the outset, I would like to know in how many countries we are operating? How many nationalities employees we are having? Whether we are operating in China? How many employees are stationed in China?
- A. M. Naik** : LTI is operating in 31 countries but does not have significant exposure in China.
- Beruz F. Pouredehi (Speaker 8)** : Sir, thanks to Mr. Manoj Koul and Mr. Harsh Gala who have taken very prompt initiative in registering my name. Sir, we would like to know TCS, Tech Mahindra, Wipro they are ahead of us. When are we going to overtake them? Sir, we would like to know what CSR activities we are doing? Whether we are doing anything for Nirali Hospital at Powai? Whether we are having any reserves assigned for pandemic situation? Sir, how many employees totally we are having and how many employees are working from home? Whether any employees are reporting to office? Whether you are operating from Powai Chairman's office or Ballard Estate Chairman's office that we would like to know?
- A. M. Naik** : We have an office of Chairman as well as the office of CEO at Ballard Estate and at Andheri along with nearly 1,000 very important employees. That's from where we operate. But right now, we are operating from different places and being very effective in any case.
- Beruz F. Pouredehi (Speaker 8)** : Sir, we would like to know how many total employees we are having who are covered under Section 197 and drawing salary more than 1 crore? How has H1BVisa in USA affected us? Sir, Donald Trump elections are coming, he wants to give Local people employment. . Sir, we

support all your resolutions and we wish the Company all the best and we hope to see much more dividend.

A. M. Naik : Okay. Thank you.

Manoj Koul : So, Mr. Beruz at the end we will respond to your queries. Thank you very much.

Harsh Gala (Host) : Chairman Sir, we were able to connect to Anil Parekh once again. Anil Sir you can speak.

Chairman Sir, I think there is some issue with his end. We can continue ahead. We have completed with the speakers.

A. M. Naik : Okay. The questions which came by E-mail will be replied over E-mail only. Are there any other questions as we were proceeding on this meeting?

Harsh Gala (Host) : Sir, they are being collated. Can we play a Company presentation for 2 minutes till the time we collate the answers?

A. M. Naik : Okay. Please go ahead with the video.

VIDEO PRESENTATION PLAYED

A. M. Naik : Sanjay?

Sanjay Jalona : Yes Sir.

A. M. Naik : I will speak for 2 minutes and hand over to you.

Sanjay Jalona : Yes Sir.

A. M. Naik : Somebody asked I think Ms. Nita Kewalramani. How much we have spent and how much is our outflow on dividend? It is INR 522 crores and represents payout ratio of 35%. Then, how are you managing to win new deals. That Sanjay and Sudhir will answer. L&T has any further plans to divest LTI Shares? by Mr. Nitin Mahashabde. We have no plans to divest in near future as you can see, we have no debt, and there is no need therefore to increase the equity for the time being. Sanjay will you want to reply now?

Sanjay Jalona : Yes Sir. Namaskar Everyone. It is a great pleasure and honor to have you with us today. I will just consolidate few of the questions that you have asked. First one, was with regards to COVID-19 pandemic and how are we dealing with the situation. Since the outbreak of this health crisis, we have been proactive in reaching out to our customers and ensured that they can count on us, during these difficult times. We have developed our 3 x 3 strategy to respond to this crisis holistically. Our strategy covers three key aspects: ensuring client success; customer first thinking; resilience in operations and protecting our P&L. In each of these three cases, we have defined act-now and plan-now. We have developed defence and offensive playbooks and set up war rooms as well as win rooms for programmatic execution of our strategy. We have seen a great response from our customers. Our deal rooms are very busy. Our win rooms are very busy answering the pipeline. During the most difficult time, with the lockdown, we were even able to open one Fortune 500 new customer in Q1. It's a testimony that we are able to wok this well. What is also positive is that during these times, you can actually get the best of the organizations to come to represent you in customer

situations and we have cases where 60-70 people get on a video conference such as this and make sure that the best of LTI is being represented in front of the customers.

Now with regards to your second question. There are lot of questions on what is the outlook for the year? While we expect to be in the industry leadership quadrant in FY21 as well, we are conscious of demand pressures in FY21 following the pandemic. We have seen about 5% decline in revenue in Q1FY21, which we were able to contain, because of robustness of momentum and pipeline.

Our Q1 performance was driven by the resilience of our diversified portfolio. This was supplemented by the fact that LTI has near zero exposure to Travel, Hospitality and a limited footprint in Retail. We continue to win large deals, add new logos and work with Global Fortune 500 clients. We have not seen material delay in any of our ramp-ups and we continue to meet client expectations. Cloud acceleration has been a common theme across all verticals. Both new and age-old companies are adopting digital ways of working and that unlocks a world of opportunities for us. However, we also need to acknowledge that there are a lot of moving parts and many “unknowns” today given the unprecedented and extraordinary situation caused by pandemic.

The number of people impacted by virus continue to spike in several geographies even as we speak today. Having said that, based on what we know of our customer situation, pipeline and large deal momentum, we believe Q1 was the tough and Q2 would be flat with a positive bias. What we can certainly say today that we remain committed to lead with our expertise and create a niche for ourselves as a leading global organization that is powering the break-away enterprises across industry. With some project deferrals and soft client spending, there is expected to be near term margin pressure as well which cannot be quantified currently and hence, we cannot issue margin guidance for FY21 as well. Thank you would request now Ashok to answer finance related questions please.

Ashok Sonthalia : Thank you, Sanjay. Namaskar shareholders and the speakers. I would also like to thank Mr. Shailesh Mahadevia for the good suggestions. Shailesh Ji to inform you that while you talked about integrated reporting, Management of LTI has been working on this and from the next year hopefully you will see our report as an integrated report, we have already started working on that. Second suggestion also we have taken note of, where you are talking to add abbreviations and glossary in the Annual report. We will ensure that from next year the Annual Report has that. One thing which you talked about is where do we spend our foreign exchange? We have many employees who are situated in US, Europe and other overseas geographies. We have many offices and delivery centres' outside India. Typical foreign exchange expense are salaries of these employees, rent of the offices and certain allied expenses. You talked about digital revenue being 41% and how it is expected to go? I think you have been tracking us and 3 years before this number was about 22%. From 22% we have come down to 41%. Digital part of portfolio grows faster than the non-digital part, so this percentage is expected to keep going up in the coming months and years.

Now I am moving to some other financial questions which are raised by Mr. Priyadarshan Naik on our working capital situation and DSO. Your observation is right, in FY20, our receivables have gone up. So, in terms of number base if you look at, the increase is only by 3 days, as business grow some working capital is required, but we are very mindful of that and we are continuously focusing on that and if you would have looked at our Quarter 1 result, in fact, DSO had come down by 7 days and quarter 4 also of the last year it came down by 4 days. We are mindful of that and we are working on that.

You also asked that some of the subsidiaries why they are making loss? In IT Services, you know in some of the places we open subsidiaries just to put our people for delivering client services and they are really very small subsidiary and managing those subsidiaries in the initial year of formation is normally more than what we make through the client servicing. So, the initial period in small subsidiary will be in red, but I would request and suggest that you look at LTI at consolidated level because subsidiaries are not driving business on their own they are just delivering which business is won by LTI and they are opened in certain geography. These were some of the financial questions. I think I have covered most of them.

Details about CSR activity. I think LTI is focusing on 3 E's they stand for Environment, Empowerment and Education and our all CSR activities are devoted around that. In the current year around pandemic, we have been working in through contributing in PM CARES fund and elsewhere also. With the help of our technology we are trying to fight COVID-19 and certain applications and solutions have been developed by LTI. The last question which I would like to answer is regarding huge cash reserve which we have and what we plan to do? Yes, your Company is a healthy cash generating Company and we have been adding to that reserve. While we have been distributing dividend, healthy dividend, please look at us as a growth Company and we require some funds for our growth and on periodical basis for suitable M&A activities also. Company's ROE is still very healthy at 30% and if we come to a stage where cash accumulation is hurting ROE, Board will take appropriate decision on dividends or any other acts. I think that's all financial questions.

A. M. Naik : I suppose most of the questions have been answered and if some are missed, please write to the Company Secretary and we will respond. I authorize now, Mr. Manoj Koul, our Company Secretary to declare the voting results, intimate the same to Stock Exchanges and get it uploaded on the Company's website. The E-voting will remain open for 15 minutes from the end of this meeting. The members who have not yet voted may now cast their vote on the NSDL E-voting platform. I would like to thank all the shareholders and Directors who have stayed with us and joined upto the end of this meeting. Again, I wish all of you to stay safe and stay well. Wish you all the best.

I now declare the proceedings of this meeting as closed and wishing to you again all the best of health to all of you.

Manoj Koul
(5:35 pm IST) : Thank you, Chairman. We conclude this meeting. Please note that the E-voting platform will be available for another 15 minutes and after that it will be closed. Thank you.