

LTI/SE/STAT/2021-22/39

June 21, 2021

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

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

Dear Sirs,

Sub: e-Copy of Notice of 25th Annual General Meeting ('AGM') and Integrated Annual Report FY2020-21

Please refer to our letter no. LTI/SE/STAT/2021-22/36 dated June 17, 2021, intimating about the 25th AGM of the Company, scheduled on **Saturday, July 17, 2021 at 4:00 p.m. (IST)** through Video Conference (VC) or other Audio-Visual Means (OAVM).

Pursuant to Regulation 34(1) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and in compliance with the applicable provisions of the Companies Act, 2013 and General Circular No. 20/2020 dated May 5, 2020 read with General Circular No. 02/2021 dated January 13, 2021, issued by the Ministry of Corporate Affairs and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, we enclose herewith the Notice of the 25th AGM and the Integrated Annual Report for FY2020-21 of the Company, which is being sent today to the shareholders through electronic mode, whose email IDs are registered with the Company/ Depositories. The 25th AGM Notice and the Integrated Annual Report for FY2020-21 are also made available on the Company's website, www.Ltinfotech.com/investors

Details and instructions to attend, vote and view the proceedings of the 25th AGM has been provided in the 25thAGM Notice.

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

Thanking You,

Yours sincerely,

For Larsen & Toubro Infotech Limited

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

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





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

Notice

NOTICE IS HEREBY GIVEN THAT the Twenty Fifth (25th) Annual General Meeting ('AGM') of the members of **Larsen & Toubro Infotech Limited** will be held on **Saturday, July 17, 2021 at 4:00 p.m. (IST) through Video Conference (VC) or Other Audio Visual Means (OAVM)**, to transact the businesses as mentioned below. The venue of the meeting shall be deemed to be the Registered Office of the Company at L&T House, Ballard Estate, Mumbai-400001.

ORDINARY BUSINESS

- 1. ADOPTION OF AUDITED STANDALONE FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021, 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, 2021, 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 standalone financial statements of the Company comprising of the Balance Sheet as at March 31, 2021, the Statement of Profit & Loss and the Cash Flow Statement for the year ended on that date together with the Notes forming part thereof and Annexures thereto alongwith the Report of the Board of Directors and Auditor's thereon, 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, 2021, 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, 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 ₹ 25/- per equity share of face value of Re.1 each be and is hereby approved for the financial year 2020-2021."

- 3. RE-APPOINTMENT OF MR. S.N. SUBRAHMANYAN (DIN: 02255382), DIRECTOR LIABLE TO RETIRE BY ROTATION**

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

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013 ('Act') read with rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. S. N. Subrahmanyam (DIN: 02255382), who retires by rotation at this Annual General Meeting and being eligible for such re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

- 4. RE-APPOINTMENT OF MR. 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 the provisions of Section 152 of the Companies Act, 2013 ('Act') read with rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. 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

5. RE-APPOINTMENT OF MR. SANJEEV AGA (DIN: 00022065) AS AN INDEPENDENT DIRECTOR OF THE COMPANY FOR A SECOND TERM OF FIVE YEARS

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ('Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Articles of Association and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, Mr. Sanjeev Aga (DIN: 00022065), who was appointed as an Independent Director and whose term expires on November 8, 2021 and who has submitted a declaration that he meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who is eligible for re-appointment, and in respect of whom the Company has received a notice in writing from a Member under the provisions of Section 160 of the Act, signifying her intention to propose Mr. Aga's candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years commencing from November 9, 2021 including and upto November 8, 2026.

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

6. RE-APPOINTMENT OF MR. SUDHIR CHATURVEDI (DIN: 07180115) AS A 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 Sections 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Articles of Association of the Company and based on the recommendation of Nomination and Remuneration Committee and approval of Board of Directors, consent and approval of the Members, subject to the approval of the Central Government, be and is hereby accorded for re-appointment of Mr. Sudhir Chaturvedi (DIN: 07180115) as a Whole-time Director of the Company for a period of five years effective from November 9, 2021 till November 8, 2026, on the terms and conditions including the payment of remuneration as set out in the Explanatory Statement forming part of the Notice convening this AGM.

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

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the tenure of Mr. Sudhir Chaturvedi as Whole-time Director, the remuneration as provided in the Explanatory Statement forming part of this Notice or the revised remuneration as approved by the Board of Directors, from time to time, to be paid to Mr. Chaturvedi 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

Pune
May 4, 2021

Notes:

- a) **Explanatory Statement:** An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('Act') with respect to Special Businesses under Item Nos. 5 & 6 and Ordinary Businesses under Item Nos. 3 & 4, as set out above is annexed hereto. The Board of Directors have considered and decided to include the Item Nos. 5 & 6 as Special Businesses, as they are unavoidable in nature. Further, disclosures as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India ('SS-2') with respect to details of Directors who are proposed to be re-appointed under Item Nos. 3 to 6 are also provided in the Explanatory Statement to this Notice.
- b) **Procedure for attending the AGM through Video Conference (VC) or Other Audio Visual Means (OAVM):** In view of the continuing restrictions on the movement of people alongwith the guidelines to follow social distancing due to second wave of COVID-19 pandemic and pursuant to the General Circular No. 02/2021 dated January 13, 2021 read with General Circular No. 20/2020 dated May 5, 2020, issued by the Ministry of Corporate Affairs (hereinafter these circulars collectively referred to as 'MCA Circulars') and SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by the Securities and Exchange Board of India ('SEBI Circulars') and in compliance with the provisions of the Act and SEBI Listing Regulations, the Company will conduct its 25th AGM on **Saturday, July 17, 2021 at 4:00 p.m. (IST)** through video conferencing facility ('VC facility') through National Securities Depository Limited ('NSDL') e-voting platform, as provided below:
- VC facility will be available on **Saturday, July 17, 2021 from 3:45 p.m. (IST)** onwards on **first-come-first-served basis and will close after 15 minutes** of the conclusion of AGM.
 - VC Facility will allow atleast first 1000 members to attend and participate at the 25th AGM on first-come-first-served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, Auditors, etc. can attend this AGM without any restriction on account of first-come-first-served principle.
 - Members may note that since the meeting is being held through VC facility, attendance slip and route map are not annexed to the Notice convening the 25th AGM.
 - Members attending the 25th AGM through VC facility shall be counted for quorum under Section 103 of the Act.
 - The transcript of the meeting will be made available on the Company's website <https://www.lntinfotech.com/investors/>
 - Detailed procedure for joining the 25th AGM is provided under **ANNEXURE-1** to this Notice.
- c) **Appointment of Proxy:** Section 105 of the Act read with Rule 19 of the Companies (Management and Administration) Rules, 2014 provides for appointment of proxy to attend and vote at a general meeting on behalf of the member who is not able to physically attend the AGM. Members may kindly note that the 25th AGM is being held through VC facility and in accordance with the MCA Circulars and SEBI Circulars, the physical attendance of Members has been dispensed with, hence the facility for appointment of proxies will not be available to the Members for attending the 25th AGM. Accordingly, the proxy form is not annexed to the Notice of 25th AGM.
- d) **Corporate Representation:** Corporate shareholders/Institutional shareholders intending to send their authorised representative(s) to attend and vote at the 25th AGM to be held through VC Facility, are requested to send scanned copy of the relevant Board Resolution/ Authority Letter together with attested specimen signature of the duly authorised representative(s), at krupa@krupajoisar.com with a copy to evoting@nsdl.co.in, from the registered email address.
- e) **Record Date:** Members may note that **Friday, July 2, 2021** has been fixed as the record date for determining entitlement of members for the final dividend for the financial year 2020-21 ('FY21'), as recommended by the Board of Directors and if approved at this AGM.
- f) **Dividend:**
- (i) Pursuant to Finance Act, 2020, dividend income is taxable in the hands of Members effective from April 1, 2020, hence the Final Dividend, as recommended by the Board of Directors of the Company and if approved at this AGM, shall be paid after deducting tax at source ('TDS') in accordance with the provisions of the Income Tax Act, 1961 at the prescribed rates, within 30 days from the date of declaration;
 - to all the Members in respect of equity shares held in physical form whose names appear as Members in the Company's Register of Members, after giving effect to valid share transmission or transposition request lodged with the Company, on or before close of business hours on **Friday, July 2, 2021**; 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 National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL'), before close of business hours on **Friday, July 2, 2021**.

- (ii) Members holding shares in physical form are therefore requested to kindly update their Permanent Account Number (PAN) with Link Intime India Private Limited, Company's Registrar and Share Transfer Agent ('Company's RTA') at rnt.helpdesk@linkintime.co.in and can refer **ANNEXURE-2** to this Notice, while members holding shares in demat form are requested to update PAN with their Depository Participant(s).
- (iii) For withholding of TDS at applicable tax rates, please refer **ANNEXURE-3** to this Notice on "TDS Instructions on Dividend Distribution".
- (iv) For members whose bank details are not updated before the close of business hours on **Friday, July 2, 2021** or if, the Company is unable to pay the dividend to any member directly in his bank account through electronic clearing services, the Company shall dispatch the dividend drafts/cheques to such members by post.

g) **Updating Members' Record (Bank Details, e-mail ID, change of address, etc.):**

FOR MEMBERS	PROCESS
Holding shares in Physical Form	Kindly fill up 'Form to update Shareholder Information' annexed as ANNEXURE-2 to this Notice and also available on Company's website https://www.lntinfotech.com/investors/ and send to Company's RTA at rnt.helpdesk@linkintime.co.in , on or before Friday, July 2, 2021 .
Holding shares in DEMAT Form	Kindly send your request to your Depository Participant(s) at the earliest, since the details as would be furnished by the Depository Participant(s) as on Friday, July 2, 2021 will be considered by the Company.

- h) **Unclaimed Dividend:** Members who wish to claim dividends, which have remained unclaimed from FY16 to FY21, may send a written request to Corporate Secretarial Department at Investor@Lntinfotech.com or the Company's RTA at rnt.helpdesk@linkintime.co.in or their address at C-101, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai-400 083, Maharashtra, India, for revalidation and encash them before the due dates. Details of unclaimed dividends are available on the Company's website, <https://www.lntinfotech.com/investors/>

- i) **Dematerialization Request:** Pursuant to Regulation 40 of the SEBI Listing Regulations, transfer of securities held in physical mode has been discontinued from April 1, 2019. Members may kindly note that SEBI vide Circular No. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated December 2, 2020 read with Circular No. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/166 dated September 7, 2020, has fixed March 31, 2021 as the cut-off date for re-lodgment of transfer requests and has mandated that such transfers shall only be issued in demat mode. Therefore, Members who are still holding share certificate(s) in physical form are advised to dematerialize their shareholding to facilitate transfers and avail other benefits of dematerialization, which includes easy liquidity, electronic transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries. Members may refer the Investor FAQs available on the Company's website, <https://www.lntinfotech.com/investors/>, for procedure on dematerialization of shares.

- j) **Nomination:** Members who have not yet registered their nomination are requested to register by following the below process:

FOR MEMBERS	PROCESS
Holding shares in Physical Form	Kindly fill the Nomination Form available on the Company's website https://www.lntinfotech.com/investors/ and send it to the Company's RTA at rnt.helpdesk@linkintime.co.in
Holding shares in DEMAT Form	Kindly fill the Nomination Form available on the Company's website https://www.lntinfotech.com/investors/ and send to your Depository Participant(s) .

- k) **Electronic Dissemination of Notice and Integrated Annual Report:** Electronic copy of the Integrated Annual Report for FY21 and Notice of 25th AGM are being sent to all the Members whose e-mail IDs are registered with the Company/Depository Participant(s) for communication purposes. Members who have not registered their e-mail ID may get the same registered by following the instruction mentioned at (g) above. In accordance with the MCA Circular No. 02/2021 dated January 13, 2021 read with MCA Circular No. 20/2020 dated May 5, 2020 and relaxation granted by SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, hard copy of the Integrated Annual Report for FY21 and Notice of 25th AGM will neither be posted nor made available through courier delivery. Members may also note that the Integrated Annual Report for FY21 and Notice of 25th AGM of the Company are available on the Company's website, <https://www.lntinfotech.com/investors/> and also on the websites of BSE Limited and National Stock Exchange of India Limited, and on website of NSDL at <https://www.evoting.nsdl.com>

l) **Inspection of Documents:** Besides statutory registers maintained under Section 170 and Section 189 of the Act, the electronic copy of all the documents referred in the Notice of the 25th AGM and the Explanatory Statement thereto, shall be made available for inspection to the members upon login at NSDL e-voting platform at <https://www.evoting.nsdl.com>, during the remote e-voting period and during the 25th AGM.

m) **Member Queries with respect to Integrated Annual Report for FY21 or businesses as stated in the Notice of 25th AGM:**

FOR MEMBERS	PROCESS
Registration as Speaker	<p>(i) Members who wish to ask questions or express their views at the AGM may register themselves as a 'Speaker' during the remote e-voting period i.e. from Wednesday, July 14, 2021 at 9:00 a.m. (IST) to Thursday, July 15, 2021 at 5:00 p.m. (IST), as under:</p> <ul style="list-style-type: none"> • After you have successfully logged in by following the procedure provided in ANNEXURE - 1 to AGM Notice, you will see the homepage of e-voting. • Click on Company's EVEN number and then click on the link, 'Speaker Registration'. • You will be prompted to provide your name, DPID/Client ID/Folio Number, Mobile Number and e-mail ID. • Add the required details and then click on 'Submit'. <p>(ii) Alternatively, Members may also send their request by providing their name, demat account number/folio number from their registered e-mail ID to investor@lntinfotech.com on or before Thursday, July 15, 2021, to register themselves as a 'Speaker'.</p>
Facility for Non-Speakers	<p>(iii) Members who wish to receive information with respect to Company's Integrated Annual Report for FY21 or has questions regarding the financial statements and the matters to be placed at the 25th AGM, can send their request by providing their name, demat account number/folio number from their registered e-mail ID to Investor@Lntinfotech.com at least 48 hours in advance before the start of the meeting i.e. by Thursday, July 15, 2021 before 4:00 p.m. (IST).</p> <p>(iv) In case of any query during the meeting, Members may utilize the 'Q&A' option available in the meeting room, and post questions along with their details (DPID/Client ID/ Folio No, registered e-mail ID and mobile number), to enable the Company to respond to their queries either at the meeting, if time permits, or subsequent to the meeting.</p>

Members may note that the Company reserves the right to restrict the number of questions and number of speakers during the AGM, depending upon availability of time and for conducting the proceedings of the meeting smoothly. However, the Company will suitably respond to the questions which have remained unanswered during the meeting, over email.

n) **E-voting:**

- In accordance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, SS-2 and Regulation 44 of the SEBI Listing Regulations, the Company has provided the facility of voting through electronic means including 'Remote e-voting' (e-voting other than at the AGM) to transact the businesses mentioned in the 25th AGM Notice. Necessary arrangements have been made by the Company with NSDL to facilitate 'Remote e-voting' as well as e-voting at the AGM to be held through VC facility. Members shall have an option to vote either through Remote e-voting or voting through electronic means at the AGM. The Company has appointed Ms. Krupa Joisar (Membership No. FCS 11117 and Certificate of Practise No. 15263) 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 Member/ Beneficial Owner as on the '**cut-off date**' i.e. **Saturday, July 10, 2021**.
- A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depository Participant(s) as on the '**cut-off date**' only shall be entitled to avail the facility of Remote e-voting or e-voting at the AGM.
- The procedure for e-voting on the day of the AGM is same as the remote e-voting instructions provided under **ANNEXURE-1** to this Notice.
- Any person who becomes a Member of the Company after sending of the Notice and Integrated Annual Report for FY21 and holds equity shares as on the '**cut-off date**' shall also follow the same procedure as is mentioned in **ANNEXURE-1** to this Notice. A person who is not a Member as on the '**cut-off date**' should treat this Notice for information purpose only.
- Members present at the 25th AGM through VC facility and who have not casted their vote on resolutions set out in the 25th AGM Notice through Remote e-voting, and who are not otherwise barred from doing so, shall be allowed to vote through e-voting facility during the 25th AGM. However, the Members who have exercised their right to vote by Remote e-voting may attend the 25th AGM but shall not be entitled to cast their vote again.

- Once the vote on a resolution is casted, Members shall not be allowed to change it subsequently or cast the vote again.
 - Members can opt for only one mode of voting i.e. either through Remote e-voting or e-voting at the 25th AGM. If a Member casts votes by both modes, then voting done through Remote e-voting shall prevail.
 - In case of jointholders attending the 25th AGM through VC Facility, only such jointholder who is higher in the order of names will be entitled to vote.
- o) **Declaration of Voting Results:** The Scrutinizer after the conclusion of AGM will submit the report of the total votes casted 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 two working days of the conclusion of the AGM to the Stock Exchanges as required under Regulation 44(3) of the SEBI Listing Regulations.

The results declared along with the Scrutinizer's report, will be posted on the Company's website, <https://www.lntinfotech.com/investors/> and on the website of NSDL, <https://www.evoting.nsdl.com/> and will also be displayed on the Notice Board of the Company at its Registered Office as well as Corporate Office immediately after the declaration of the result and simultaneously will be forwarded to National Stock Exchange of India Limited and BSE Limited.

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

The following statement sets out the material facts relating to Ordinary Businesses under Item Nos. 3 & 4 and Special Businesses under Item Nos. 5 & 6 of the accompanying Notice

Item No. 3

Although the explanatory statement for Item No. 3 is not mandatory, this statement is provided for reference purpose only to the Members.

In terms of provisions of Section 152(6) of the Companies Act, 2013, Mr. S.N. Subrahmanyam has been determined as the Director liable to retire by rotation at this 25th Annual General Meeting of the Company to be held on July 17, 2021. Brief profile of Mr. Subrahmanyam and details as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings, is given as under:



S. N. Subrahmanyam
Non-Executive –
Vice Chairman

Qualification & Expertise: Mr. S.N. Subrahmanyam (61 years) is a post-graduate in business management with a degree in civil engineering. He has vast experience in Design and Build (D&B) contracts, PPP Projects, Engineering and Construction Industry. He possesses expertise in strategy & planning; governance, Legal, Risk & Compliance; Finance & Accounts; Global Experience/International Exposure; Information technology; Stakeholder Engagement & Industry Advocacy; Contributor & Collaborator and Client Management, as per skill matrix identified and approved by the Board. He was appointed on the Board of Directors of the Company on January 10, 2015.

Awards & Recognitions: In 2020, SNS was ranked as the Top CEO (Sell Side) & 3rd Best CEO (Overall) in the All-Asia Executive Team Survey conducted by Institutional Investor and recognised as the CEO of the Year by the leading Indian news channel, CNBC-Awaaz.

For more details kindly refer -
<https://www.lntinfotech.com/leader/s-n-subrahmanyam/>

DIRECTORSHIPS HELD IN OTHER PUBLIC COMPANIES (EXCLUDING FOREIGN AND PRIVATE COMPANIES)		MEMBERSHIPS/ CHAIRMANSHIPS IN AUDIT COMMITTEE & STAKEHOLDERS' RELATIONSHIP COMMITTEE IN OTHER PUBLIC COMPANIES	
1.	Larsen & Toubro Limited		
2.	L&T Technology Services Limited		
3.	L&T Metro Rail (Hyderabad) Limited		
4.	L&T Realty Developers Limited		NIL
5.	Mindtree Limited		
6.	Mindtree Foundation		
NO. OF BOARD MEETINGS ATTENDED DURING FY21	DETAILS OF REMUNERATION	SHAREHOLDING AS ON MARCH 31, 2021	RELATIONSHIPS BETWEEN DIRECTORS INTER-SE
5 of 5	NIL	160,000 Equity shares	NIL

Based on the performance evaluation, the Board recommends the Ordinary resolution set out at Item No. 3 of this Notice for approval of the Members of the Company.

Except Mr. S. N. Subrahmanyam 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. 3 of this Notice.

Item No. 4 & 6

In terms of provisions of Section 152(6) of the Companies Act, 2013, Mr. Sudhir Chaturvedi has been determined as the Director liable to retire by rotation at this 25th Annual General Meeting of the Company to be held on July 17, 2021. Further, Mr. Sudhir Chaturvedi was appointed as a Whole-time Director at the 21st Annual General Meeting held on August 24, 2017, for a period of five years, with effect from November 9, 2016 upto and including November 8, 2021.

Based on the skill, experience, knowledge and leadership qualities demonstrated by Mr. Sudhir Chaturvedi and upon recommendation of Nomination and Remuneration Committee ('NRC'), the Board of Directors of the Company at its meeting held on May 4, 2021, subject to approval of the Members of the Company and Central Government, approved re-appointment of Mr. Sudhir Chaturvedi as a Whole-time Director of the Company for a further period of five years with effect from November 9, 2021 upto and including November 8, 2026 on the following terms and conditions:

A) Remuneration

Particulars	Remuneration w.e.f. November 9, 2021 Amount (per annum)
Base Salary	GBP 5,00,214
Variable Compensation	
(i) Discretionary Incentive	Upto GBP 163,013
(ii) Discretionary Bonus	Upto GBP 54,338
Total	Upto GBP 717,565

The above remuneration has been revised w.e.f. July 1, 2021, which is within the limits approved by the shareholders in the 22nd AGM held on August 22, 2018 and no revision is proposed at the date of re-appointment except the annual increment as mentioned in the notes below.

NOTES:

- The remuneration including base salary and variable compensation mentioned above payable to Mr. Sudhir Chaturvedi, is subject to an annual increment upto 4% (Four percent), as may be decided by the Board of Directors, upon recommendation of the Nomination and Remuneration Committee, from time to time. 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.
- Variable Compensation will be based on the achievement of the milestones/goals, laid out in the variable compensation plan as may be set out annually.
- The Board of Directors may in its sole discretion grant additional stock options in favour of Mr. Sudhir Chaturvedi provided the total remuneration including base salary, variable compensation and value of additional stock options for that financial year shall not exceed the limits prescribed under Section 197 read with Schedule V of the Companies Act, 2013, without further approval of the shareholders.
- Since Mr. Sudhir Chaturvedi is based in United Kingdom (UK), hence the remuneration is denominated in Great Britain Pounds (GBP).

B) Additional benefits not included in Total Remuneration:

- Will 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 applicable in UK.
- Will be eligible for Leave encashment as per Company's leave policy, applicable in UK.
- 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, to be entered into between the Company and Mr. Sudhir Chaturvedi post Members' approval, with respect to his re-appointment as Whole-time Director of the Company and containing terms and conditions of his re-appointment, will be available for inspection during the period as mentioned in point (l) given in notes forming part of this 25th AGM Notice.

Brief profile of Mr. Sudhir Chaturvedi and details as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings, is given as under:



Sudhir Chaturvedi

Whole-time Director &
President Sales

Qualification & Expertise: Mr. Sudhir Chaturvedi (51 years) has double MBAs in Marketing & Finance and has over 27 years of industry experience across Sales, Business Development, Consulting and Delivery Operations. He possesses expertise in Strategy & Planning; Governance, Legal, Risk & Compliance; Finance & Accounts; Global Experience/International Exposure; Information Technology; Stakeholder Engagement & Industry Advocacy; Contributor & Collaborator, as per skill matrix identified and approved by the Board. He was appointed on the Board of Directors of the Company on November 9, 2016.

Awards & Recognitions: Awarded as the top 100 most influential BAME leaders in UK Tech sector by Inclusive Tech Alliance & as one of the top 10 Highly Commended Disrupters.

For more details kindly refer -

<https://www.lntinfotech.com/leader/sudhir-chaturvedi/>

DIRECTORSHIPS HELD IN OTHER PUBLIC COMPANIES (EXCLUDING FOREIGN AND PRIVATE COMPANIES)		MEMBERSHIPS/ CHAIRMANSHIPS IN AUDIT COMMITTEE & STAKEHOLDERS' RELATIONSHIP COMMITTEE IN OTHER PUBLIC COMPANIES	
NIL		NIL	
NO. OF BOARD MEETINGS ATTENDED DURING FY21	DETAILS OF REMUNERATION	SHAREHOLDING AS ON MARCH 31, 2021	RELATIONSHIPS BETWEEN DIRECTORS INTER-SE
5 of 5	Details of remuneration is provided in the Explanatory Statement as stated above.	119,430 Equity shares	NIL

Mr. Chaturvedi, being Non-Resident Indian does not fulfill the condition of being a 'Resident in India' as prescribed under part I of Schedule V of the Act. Accordingly, approval of Central Government will also be required for re-appointment of Mr. Sudhir Chaturvedi as a Whole-time Director of the Company, upon receiving approval of the Members of the Company.

Mr. Chaturvedi has provided declaration that he is not disqualified from being re-appointed as a Whole-time Director in terms of Section 164 of the Act.

The Board considers that re-appointment of Mr. Sudhir Chaturvedi as a Whole-time Director of the Company would be of immense benefit to the Company and hence, it recommends the ordinary resolutions set out at Item Nos. 4 & 6 of this Notice for approval of the Members of the Company.

Except for Mr. Sudhir Chaturvedi who is an appointee under these resolutions, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolutions set out at Item Nos.4 & 6 of this Notice.

Item No. 5

The Members at its 21st Annual General Meeting held on August 24, 2017, approved appointment of Mr. Sanjeev Aga as an Independent Director of the Company for a term of five years with effect from November 9, 2016 upto November 8, 2021.

On the recommendation of the Nomination and Remuneration Committee ('NRC'), the Board of Directors of the Company at its meeting held on May 4, 2021, approved re-appointment of Mr. Sanjeev Aga (DIN: 00022065) as an Independent Director of the Company for a further period of five years with effect from November 9, 2021 upto November 8, 2026, subject to approval of the Members of the Company.

In terms of Section 160 of the Companies Act, 2013 ('the Act'), the Company has received a notice in writing from a Member signifying her intention to propose the candidature of Mr. Sanjeev Aga as an Independent Director for a second term of five years. Brief profile of Mr. Sanjeev Aga

and details as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings, is given as under:



Sanjeev Aga

Independent Director

Qualification & Expertise: Mr. Sanjeev Aga (69 years) is a post-graduate from the Indian Institute of Management, Kolkata and graduate with Honours in Physics with four decades of diverse and vast experience across consumer and services, entertainment and light engineering, to telecommunications. Mr. Aga possesses expertise in Strategy & Planning; Governance, Legal, Risk & Compliance; Finance & Accounts; Global Experience/International Exposure; Information Technology; Stakeholder Engagement & Industry Advocacy; Contributor & Collaborator, as per skill matrix identified and approved by the Board. Mr. Aga engages in advisory and Board roles for corporates and not-for-profit organizations. He was appointed on the Board of Directors of the Company on November 9, 2016.

Awards & Recognitions: In 2009, Indra Innovation named him 'CEO of the year' and in 2010 Tele.Net felicitated him for Outstanding Contribution to the Telecom Sector. In 2010, Forbes Magazine shortlisted Mr. Aga for the Person of the Year. The Scindia School conferred upon Mr. Aga the Madhav Award 2014 for the Old Boy Of Eminence.

For more details kindly refer -
<https://www.lntinfotech.com/leader/sanjeev-aga/>

DIRECTORSHIPS HELD IN OTHER PUBLIC COMPANIES (EXCLUDING FOREIGN AND PRIVATE COMPANIES)		MEMBERSHIPS/ CHAIRMANSHIPS IN AUDIT COMMITTEE & STAKEHOLDERS' RELATIONSHIP COMMITTEE IN OTHER PUBLIC COMPANIES	
1. Larsen & Toubro Limited		Audit Committee:	
2. UFO Moviez India Limited		UFO Moviez India Limited – Chairman	
3. Pidilite Industries Limited		Larsen & Toubro Limited – Member	
4. Mahindra Holidays & Resorts India Limited		Mahindra Holidays & Resorts India Limited – Member	
		Pidilite Industries Limited – Member	
		Stakeholders' Relationship Committee:	
		Pidilite Industries Limited – Chairman	
NO. OF BOARD MEETINGS ATTENDED DURING FY21	DETAILS OF REMUNERATION (Commission excl. sitting Fees)	SHAREHOLDING AS ON MARCH 31, 2021	RELATIONSHIPS BETWEEN DIRECTORS INTER-SE
5 of 5	FY21 : ₹ 1.33 Million	NIL	NIL

Mr. Sanjeev Aga has given a declaration to the Board that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI Listing Regulations. Accordingly, in the opinion of the Board of Directors of the Company, Mr. Sanjeev Aga fulfills the conditions of re-appointment as an Independent Director as prescribed under the Act and SEBI Listing Regulations. Further, as per the performance evaluation carried out by the Nomination and Remuneration Committee, Mr. Sanjeev Aga possesses the skills, experience and expertise required in the context of the business of the Company.

A copy of the draft letter of re-appointment of Mr. Sanjeev Aga as an Independent Director setting out the terms and conditions of re-appointment will be available for inspection during the period as mentioned in point (l) given in notes forming part of this 25th AGM Notice.

The Board considers that Mr. Aga's re-appointment is independent of the management of the Company and his association with the Company will benefit the Company and accordingly, the Board recommends the Special resolution set out at Item No. 5 of this Notice for approval of the Members of the Company.

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

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

Manoj Koul

Company Secretary and Compliance Officer
 Membership No. ACS 16902

Pune
 May 4, 2021

**ANNEXURE 1-TO AGM NOTICE
INSTRUCTIONS FOR REMOTE E-VOTING AND ACCESS TO 25TH AGM**

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

- A.** The Remote e-voting period begins on **Wednesday, July 14, 2021 at 9:00 a.m. (IST) and ends on Friday, July 16, 2021 at 5:00 p.m. (IST)**. During this period, shareholders holding shares either in physical form or in dematerialized form, as on the 'Cut-off date' i.e. **Saturday, July 10, 2021** may cast their vote electronically by logging to NSDL website at <https://www.evoting.nsdl.com/>

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

- B.** Detailed steps on the process and manner for Remote e-voting/e-voting at the AGM and to access the VC facility at the AGM, is given below:

STEP 1

A. PROCEDURE TO LOGIN FOR INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE

Type of share-holders	Login Method
Individual Share-holders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> If you are already registered under NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the Remote e-Voting period or joining virtual meeting & voting during the meeting. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Share-holders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to 'Easi/Easiest' are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the e-Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective e-Voting service provider i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

HELPDESK FOR TECHNICAL ISSUES RELATED TO LOGIN THROUGH NSDL/CDSL FOR INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 or 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B. PROCEDURE TO LOGIN FOR

- **SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE (OTHER THAN INDIVIDUAL SHAREHOLDERS)**
- **SHAREHOLDERS HOLDING SECURITIES IN PHYSICAL MODE**

1. Visit the e-Voting website of NSDL. Open web browser by typing the URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL e-Services i.e. IDeAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDeAS login. Once you log-in to NSDL e-Services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****
b) For Members who hold shares in demat account with CDSL	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 116160 then user ID is 116160001***

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your e-mail ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your e-mail ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your e-mail ID is not registered, please follow steps mentioned below in process for those shareholders whose e-mail IDs are not registered

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

STEP 2

HOW TO CAST VOTE ELECTRONICALLY ON NSDL E-VOTING SYSTEM

1. After successful login at Step 1, you will see the homepage of e-Voting. Click on e-Voting and then on Active Voting Cycles.
2. After you click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "**EVEN 116160**" of Larsen & Toubro Infotech Limited to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

HOW TO ACCESS THE 25TH AGM THROUGH VC FACILITY

1. After successful login at Step 1, you will see the homepage of e-Voting. Click on Company's EVEN number and then on "**VC/OAVM**" link placed under "**Join General Meeting**".
2. You will then see the homepage of webex meeting. Enter your first name, last name and email address (of your choice) and click on 'Join Event'. If you are not able to join the meeting and are getting an error that password is incorrect, please clear your browsing cache or cookies and try again.
3. You will be prompted to join through browser or join through the 'Cisco Webex Meetings application' ('Webex application').
4. For better experiencing the proceedings of the 25th AGM of the Company, Members are requested to download the Webex application.
5. For downloading the Webex application on desktops/laptops click on <https://www.webex.com/downloads.html/> while the application can be downloaded on smartphones by visiting the 'Google play store' for android users and 'App Store' for iOS users.
6. If you have not installed the Webex application, a new tab will open wherein you will need to select either 'add Webex to Chrome' or 'Run a temporary application'. Click on 'Run a temporary application' an exe file will be downloaded. Click on this file which will run the application and join the meeting by clicking on 'Join event'.

7. Members Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

PROCEDURE FOR PROCURING USER ID AND PASSWORD FOR SHAREHOLDERS WHO HAVE NOT REGISTERED THEIR E-MAIL ID

1. In case shares are held in physical mode, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Investor@Lntinfotech.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Investor@Lntinfotech.com. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively, shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and e-mail ID correctly in their demat account in order to access e-Voting facility.

MEMBERS HAVING ANY QUERIES WITH RESPECT TO NSDL LOGIN OR JOINING THROUGH WEBEX BEFORE OR DURING THE MEETING, MAY KINDLY CONTACT BELOW MENTIONED HELPLINE NUMBERS

- Queries related to NSDL login/e-Voting/joining VC facility: Dial on toll free no.: 1800-222-990 or send an email at evoting@nsdl.co.in or contact Ms. Pallavi Mhatre, Manager and Mr. Anubhav Saxena, Assistant Manager at 022-49142500.
- Queries related to technical issues w.r.t. Webex: Kindly call on +91 9821478581 or +91 8433722733 or send an email to Webexadmin@Lntinfotech.com

GENERAL GUIDELINES FOR SHAREHOLDERS

1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
2. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 or 1800 22 44 30 or send a request to at evoting@nsdl.co.in or at 022-49142500.

ANNEXURE-2 TO AGM NOTICE

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

Form for Updation of Shareholder Information

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

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

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

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

Bank Details:

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

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

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

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

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

Place:

Date: **Signature of Sole / First holder**

Instructions:

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

Particulars	Benefits/ Advantages
Updation of Bank Details, E-mail ID and Contact Number with respective Depository Participant (DP) for Equity Shares held in Dematerialised mode and in case of Equity Shares held in Physical mode, with the Registrar and Share Transfer Agent in this Annexure.	<ol style="list-style-type: none"> Updation of E-mail ID and Contact Number will facilitate the Company to send all communications and documents promptly, efficiently and seamlessly from time to time. Elimination of possibility of loss of Dividend Cheques in transit and minimization of risk of misappropriation.

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

ANNEXURE-3 TO AGM NOTICE

TDS Instructions on Dividend Distribution

Title	Description												
Applicability	In Compliance with the Finance Act, 2020, for any dividend distribution to shareholders on or after April 1, 2020 tax will be deducted at source ('TDS') by the Company. No TDS will be deducted for the exempted category of shareholders, provided they furnish the requisite documents with the Company's Registrar and Share Transfer Agent (RTA) on or before 'Cut-off date'												
Cut-off Date	12 Mid-Night July 2, 2021 ¹												
Exempted Category	<ul style="list-style-type: none"> a) LIC/GIC/The New India Assurance Company Ltd / United India Insurance Company Ltd / The Oriental Insurance Company Limited / National Insurance Company Ltd and Other Insurance Companies in respect of any shares owned by it or in which it has full beneficial interest; b) A "business trust" as defined in section 2(13A), by a special purpose vehicle referred to in Explanation to section 10(23FC); c) Government; Reserve Bank of India; a corporation established by or under a Central Act which is, under any law for the time being in force, exempt from income-tax on its income; mutual funds; d) Any person for, or on behalf of, the New Pension System Trust referred to in section 10(44); Alternative Investment Fund (Category I&II) or any other exempted entity; e) Resident shareholders, furnishing valid Form 15G & Form 15H; f) In case of non-resident shareholders, no TDS shall be deducted subject to furnishing of valid self-attested documentary evidence like copy of registration, order or notification issued by the Indian Income Tax Authority; g) Any other person as may be notified by the Central Government in the Official Gazette in this behalf. 												
Lower TDS / Withholding tax rates	<ul style="list-style-type: none"> a) In case of Resident shareholders: TDS shall be deducted at the rate prescribed in the Lower Tax Withholding Certificate issued by competent tax authority, if same is submitted with RTA before the cut-off date. b) In case of non-resident shareholders (including FII/FPI): TDS as per Income Tax Act or Tax Treaty rate, whichever is beneficial shall be applied, provided the non-resident shareholder submits the following specified documents: <ul style="list-style-type: none"> i) Self-attested copy of PAN; ii) Self- attested copy of TRC for FY 2021-22, issued by the tax authority of the country of which shareholder is resident; iii) Self-declaration in Form 10F; and iv) Self-declaration on 'No-Permanent Establishment in India', in the format enclosed with this Annexure. 												
TDS Rates for FY 2021-22	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 33%;"></th> <th colspan="2" style="text-align: center; border-bottom: 1px dotted black;">Resident Shareholders²</th> <th style="text-align: center; border-bottom: 1px dotted black;">Non-Resident Shareholders</th> </tr> <tr> <td></td> <th style="text-align: center; border-bottom: 1px dotted black;">With PAN</th> <th style="text-align: center; border-bottom: 1px dotted black;">Without PAN/Invalid PAN</th> <th style="text-align: center; border-bottom: 1px dotted black;"></th> </tr> </thead> <tbody> <tr> <td></td> <td style="text-align: center;">10%</td> <td style="text-align: center;">20%</td> <td style="text-align: center;">20% (Plus applicable Surcharge & Cess)³</td> </tr> </tbody> </table>		Resident Shareholders²		Non-Resident Shareholders		With PAN	Without PAN/Invalid PAN			10%	20%	20% (Plus applicable Surcharge & Cess) ³
	Resident Shareholders²		Non-Resident Shareholders										
	With PAN	Without PAN/Invalid PAN											
	10%	20%	20% (Plus applicable Surcharge & Cess) ³										

Title	Description
Higher rate of TDS incase of Non-filing of income tax return*	<p>TDS needs to be deducted at higher rates in case of specified persons w.e.f July 1, 2021:</p> <p>a) Higher of below rate shall be applicable:</p> <p>i) Twice the rate specified in the relevant provision of the Act; or</p> <p>ii) at twice the rate or rates in force; or</p> <p>iii) at the rate of 5%.</p> <p>b) Specified person means-</p> <p>i) a person who has not filed the returns of income for two years immediately prior to the year in which tax is required to be deducted, for which the time limit of filing return of income has expired; and</p> <p>ii) the aggregate of TDS and TCS (Tax collected at source) in his case is INR 50,000 or more in each of these two years.</p> <p>c) This does not apply on payments to Non-residents who do not have a permanent establishment in India.</p> <p>d) Where the specified person does not hold a valid PAN as well as not filed the return; the tax shall be deducted at the higher rate between both the provisions.</p>

*Government is yet to prescribe mechanism to determine applicability of the above provisions and once notified, same will be applied.

Higher rate of TDS in case of Non-Linking of Aadhar & PAN	<p>a) An Individual shareholder who is eligible to obtain Aadhaar number is required to link PAN with AADHAR on or before June 30,2021.</p> <p>b) PAN shall become inoperative if the Individual shareholder has not linked PAN-AADHAR on or before the above date & all the consequences under the Income Tax Act, 1961 for not furnishing PAN shall apply.</p>
Reporting of Dividends paid under Statement of Financial Transactions (SFT)	<p>a) W.e.f April 1, 2021, Dividend paid by a company is a reportable transaction under Statement of Financial Transactions (SFT).</p> <p>b) Accordingly, the Shareholder details such as Name, Permanent Account Number (PAN), Registered Email address, dividend amount would be reported under SFT.</p>

- ¹ Please note that no communication with respect to document submission shall be accepted after the cut-off date.
- ² No TDS shall be deducted, if aggregate dividend distributed or paid or likely to be distributed or paid during the financial year to resident individual shareholder does not exceed INR 5,000.
- ³ In case of non-resident shareholders, for whom tax is withheld as per Income Tax Act, the applicable surcharge & cess for FY22 shall be as tabulated under:

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

In addition to the surcharge rates as mentioned above, 'Health & Education Cess' of 4% shall be applicable for the FY22 for non-resident shareholders.

General Notes:

- I. Tax rates that are applicable to shareholders depend upon their residential status and classification. All shareholders are thereby requested to update the residential status and category in their respective Demat accounts if the shareholding is in demat form or with Company's RTA, if the shareholding is held in physical form, as may be applicable before the **Cut-off date**.
- II. Application of any exemption from TDS/ lower / beneficial rate of tax is subject to submission of the requisite & valid documents with RTA before the cut-off date and also verification of the submitted documents by the Company. If the documents submitted by the shareholder are found incomplete or ambiguous, exemption/lower/beneficial rate of tax shall not be applied. Shareholders have option to claim refund of excess tax deducted from their respective Tax Authorities, in case the Company had deducted tax at source at higher rate due to non-submission / incomplete submission of documents with the RTA. No claim shall lie against the Company for such taxes deducted.
- III. In case the requisite documents are submitted by the shareholders through his/her registered email, the company has full right to demand for the original documents and the shareholders undertakes to abide by such request. Documents received by Registered Post or from registered e-mail ID will only be accepted.
- IV. TDS certificates will be emailed to the shareholder's registered e-mail ID in due course. Shareholders can also view the credit of TDS in their respective Form 26AS.
- V. In case dividend income is assessible in the hands of a person other than the registered shareholder as on the cut-off date, the registered shareholder shall furnish a declaration, to the satisfaction of RTA / Company, containing the name, address and PAN of the person to whom the tax credit is to be given along with reasons for giving credit to such person.
- VI. In case of joint shareholders, the shareholder named first in the Register of Members shall furnish the requisite documents for claiming any beneficial tax rate applicability.
- VII. The referred documents can be submitted with Company's RTA before the cut-off date at <https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html> or at the following address or through email from your registered e-mail ID:
M/s. Link Intime India Private Limited
Kind Attention: Mr. Jayprakash VP
C-101, 247 Park, L.B.S. Marg,
Vikhroli West,
Mumbai-400 083,
Maharashtra, India
E-mail ID: rnt.helpdesk@linkintime.co.in
- VIII. Shareholders can contact Company for any query related to dividend on Investor@Lntinfotech.com

FORMAT OF DECLARATION FOR NO-PERMANENT ESTABLISHMENT IN INDIA

Date:

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

Subject: Self-declaration for Indian Financial Year (FY) 2021-22 with respect to availment of tax treaty benefits in relation to receipt of dividend income from Larsen & Toubro Infotech Limited.

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

- I / We, _____ (full name of the shareholder), having Permanent Account Number (PAN) under the Indian Income Tax Act, 1961 ('the Act') _____ (mention PAN), and holding _____ (mention number of shares held) number of shares of the Company as on the record date. I / We am / are a tax resident of _____ (country name). A copy of the valid tax residency certificate for the period April 1, 2021 to March 31, 2022, is attached herewith.
- I / We am / are tax resident of the _____ (country name) as defined under Article ___ of the tax treaty between India and _____ ('the applicable tax treaty'). I / We am / are eligible to be governed by the provisions of the applicable tax treaty as modified by the "Multilateral Instrument (MLI)" and meet all the necessary conditions to avail the benefits under the applicable tax treaty.
- I / We do not have any Permanent Establishment ('PE') or fixed base in India as construed under relevant Articles of the applicable tax treaty nor do we have any PE or business connection in India as construed under the relevant provisions of the Act.
- As required to claim the benefits of the lower tax rate under the applicable tax treaty in relation to the dividend income to be received by me / us from the Company, I / We specifically confirm that I / We am / are the beneficial owner of the above referred equity shares of the Company and the dividend income receivable from the Company in relation to the said shares.

I / We further declare that I / We have the right to use and enjoy the dividend received/ receivable from the above shares and such right is not constrained by any contractual and/ or legal obligation to pass on such dividend to another person.

- I / We specifically confirm that my affairs / affairs of _____ (full name of the shareholder) were arranged such that the main purpose or the principal purpose thereof was not to obtain tax benefits available under the applicable tax treaty.
- Further, our claim for relief under the tax treaty is not restricted by application of Limitation of Benefit clause, if any, thereunder.

This declaration is valid for the period 1 April, 2021 to 31 March, 2022.

I / We confirm that the above is true to the best of our knowledge and I / We shall be solely responsible for any adverse income-tax consequences (tax, including interest and penalty) arising under Income Tax Act, 1961 in relation to the dividend income to be received from the Company. Further, I / We agree and undertake: (1) to indemnify the Company in relation to any Income tax consequences (tax, including interest and penalty) arising under the Income Tax Laws if any of the above is questioned and held otherwise by the Income Tax Authorities; (2) to provide all the necessary documentation as sought by the Income Tax Authorities in this regard.

For.....[Mention the name of the payee]

Authorised Signatory

Name:

Designation:

Place:

Date:

Note:

- a) In case of any Authorised Signatory being other than Director/ Managing Director, please attach the valid Power of Attorney authorising the individual as an Authorised Signatory.
- b) In case of a Company, issue on a letter head.
- c) The shareholders are required to provide a Declaration strictly as per the specified format given above, failing which the Company reserves the right to deny the Treaty benefits.

Solving for The Great Restructuring



LTI Integrated Annual Report 2020-21



To get a copy of this report online, please log on to www.lntinfotech.com/investors/

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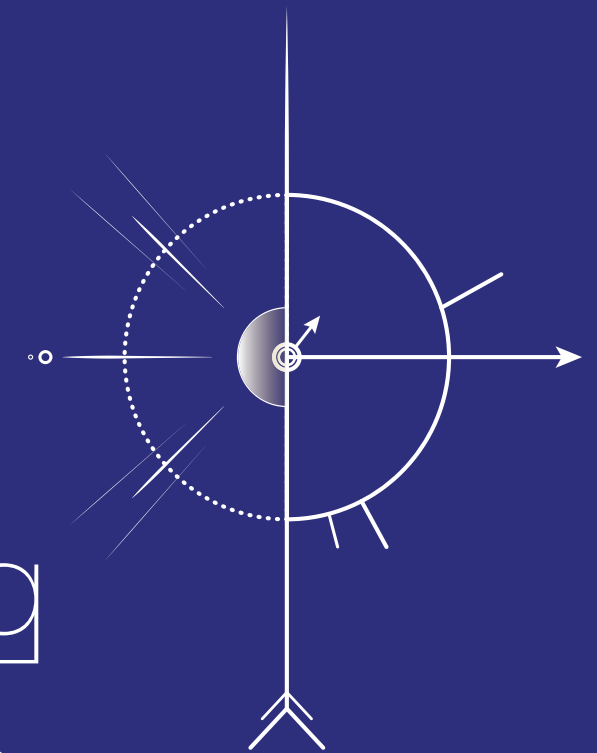
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The Great Restructuring

In the last 100 years, there have been three mega economic turning points – the Great Depression of the 1930s, the Great Recession of the early 21st century, and what we call the Great Restructuring witnessed during the current pandemic.



The Great Restructuring has impacted every industry, every region, and every enterprise. It necessitates:

- 'Direct-to-customer' connects in every industry
- A new operating model that is natively digital
- Workplace modernization to redefine the way organizations engage with employees and enable collaboration
- Data privacy and security for a zero-trust security model

We believe to succeed in an era of the Great Restructuring, an enterprise must:

- Leverage the power of cloud to remove all constraints to scaling up. That is, be the [Unlimited Enterprise](#)
- Democratize data and democratize decisions. That is, be the [Data-driven Enterprise](#)
- Build a simplified and modern transaction core to reimagine enterprise processes. That is, be the [Intelligent Enterprise](#)

At LTI, we are committed to partnering with our clients and [Solving for the Great Restructuring](#)

About the Report

Our first Integrated Report aims to provide a cohesive view of our performance on various financial and non-financial parameters.

The objective of this report is to offer greater transparency and meaningful disclosures to all our stakeholders. It is in line with the International Integrated Reporting Framework published by the International Integrated Reporting Council (IIRC). This report provides qualitative and quantitative disclosures of our organization's financial as well as non-financial performance between April 1, 2020 and March 31, 2021. It showcases our detailed value creation model, performance against the six capitals, governance, risk management, and outlook, as per the IIRC framework.

Reporting Principles

Along with the <IR> Framework, the report is in line with the applicable requirements and principles of the following:

- Companies Act, 2013 (and rules made thereunder)
- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- Secretarial Standards issued by the Institute of Company Secretaries of India
- Indian Accounting Standards prescribed by the Institute of Chartered Accountants of India
- The disclosures in the report also draw inspiration from the Global Reporting Initiative (GRI) framework and the principles of the United Nations Sustainable Development Goals (UN SDGs)

Reporting Scope and Boundary

This report covers the performance of all our business verticals across our global operations. This includes operations in over 31 countries across the globe.¹

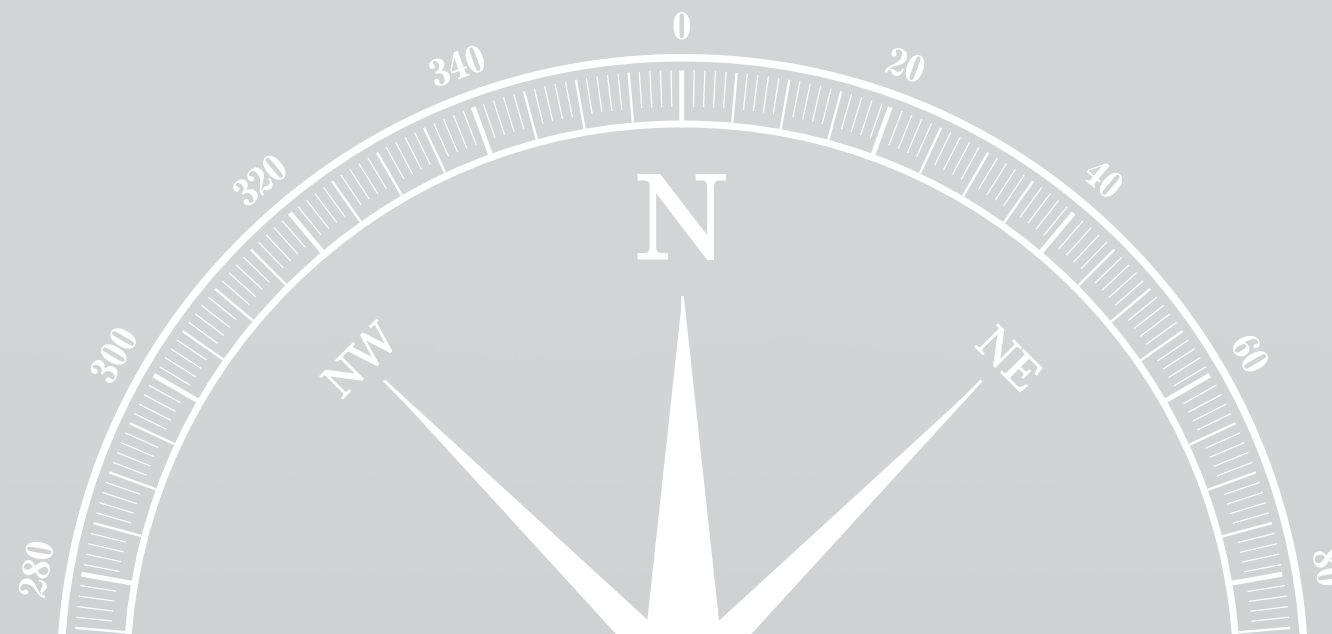
Approach to Materiality

This report presents our approach and performance on the issues that are material to us and our stakeholders.

Our material topics cover key stakeholder concerns, that can substantively affect the organization's ability to create value over the short, medium and long term. These have been identified based on our interaction with our internal and external stakeholders.

Forward-Looking Statements

This report contains forward-looking statements that describe our projections and expectations, based on reasonable assumptions and past performance. These are subject to change in light of developments in the industry, geographical market conditions, government regulations, laws and other incidental factors. These statements must not be used as a guarantee of our future performance, as the underlying assumptions could change materially.



¹The non-financial information (except the data relevant to Natural Capital and CSR activities) covers our global operations.

Chairman's Message



Dear Shareholders,

I am writing to you at a time when the world is contending with one of the gravest threats in a century. Successive 'waves' of the COVID-19 pandemic have impacted almost every aspect of our lives. Amid this unprecedented crisis, I am heartened by the strength and resilience demonstrated all along by Team LTI across the globe. It gives me cause to remain hopeful about the prospects ahead.

Although the progressive rollout of vaccines is a cause for optimism, we need to remain vigilant, recognizing that many parts of the world are still reeling under the threat of the virus and its multiple mutations. The constraints imposed because of the pandemic continue to affect the global economy adversely, signaling the collective challenges we continue to face, and underscoring the need to fight the specter together.

We began the previous financial year 2020-21 in an uncertain scenario, but quickly transitioned into the emerging reality, marked by new imperatives and opportunities. During the year, your Company continued to deliver on its commitment to clients while ensuring the safety of its employees. Despite all the hurdles faced during this difficult year, your Company remained resolutely focused on ensuring business continuity and fulfilling client commitments.

This was a landmark year in more than one way – your Company was honored with several awards; featured in notable analyst reports; recorded high client satisfaction; moved the needle on digital; pioneered several offerings; ensured momentum on

We began the previous financial year 2020-21 in an uncertain scenario, but quickly transitioned into the emerging reality, marked by new imperatives and opportunities.

new deals; and posted laudable growth. Your Company ensured great momentum for its offerings, continued to push from being a challenger to a leader in the Cloud, Data and Analytics space.

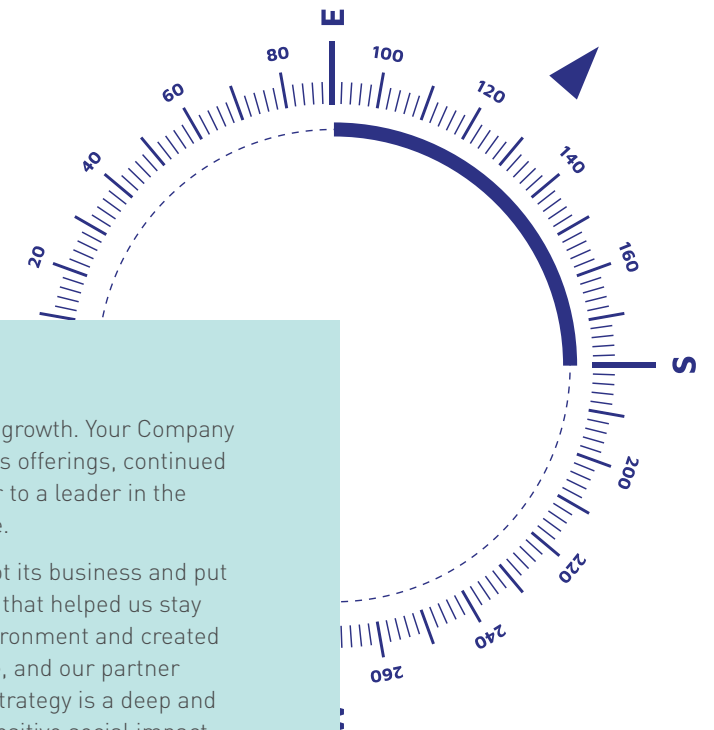
Your Company was quick to pivot its business and put to action a new growth strategy that helped us stay relevant in this challenging environment and created value for our clients, our people, and our partner ecosystem. Underpinning this strategy is a deep and sustained attempt to create a positive social impact.

I am grateful to you, our valued shareholders, for your unwavering faith in your Company's business strategy and execution approach. I also acknowledge once again, the role played by LTI's leadership team and the cooperation extended by my colleagues on the Board. I am certain that your Company will emerge stronger from this crisis caused by the virus. We are entering the new fiscal with a robust foundation, powerful strategy, and confidence that better times are ahead.

I wish you and your families a safe and healthy future.

A. M. Naik
Founder Chairman

Your Company was quick to pivot its business and put to action a new growth strategy that helped us stay relevant in this challenging environment and created value for our clients, our people, and our partner ecosystem.



CEO and MD's Message



Dear Shareholders,

When I wrote to you last year, we were navigating early stages of a crisis unlike any we had witnessed before. As I write to you this year, I hope we are witnessing the beginning of the end of this challenging and exhausting period. The scale and depth of tragedy during last few months is difficult to fathom. Many of us have experienced anxiety and grief of unbearable proportions. My thoughts, prayers and wishes remain with you and your loved ones.

Navigating this stressful time has not been easy. Thousands of LTItes across the globe were affected and we are still mourning the loss of our friends and colleagues who succumbed to the pandemic. It is our spirit of unflinching grit and resilience that has helped us overcome these difficulties. As we navigate what seem like the final stages of this crisis, we continue to focus on the safety of our employees and their families. During last few weeks, we have vaccinated thousands of LTItes and their families and we are supporting our communities with relief and recovery efforts. At the same time, we also remain focused on fulfilling our commitment to clients and ensuring uninterrupted service to support their operations.

The pandemic has led to a global disruption exposing the vulnerability of our entire ecosystem. These disruptions have affected every industry and every company in every country and they have also accelerated technology adoption. Many industries that have been resistant to change are now looking to breakaway to the next phase. The transformation of this scale happens once in a century. If we zoom out and look at our lives during the last 100 years, there have been three mega economic events with a lasting global impact – the Great Depression in the first half of the 20th century, the Great Recession in the early 21st century, and the pandemic-led, **the Great Restructuring**. The depth and breadth of change is mindboggling, and we are looking at history being written. Every aspect of our personal and professional life is altered forever. The way we interact, collaborate, learn, deliver, and expect value will never be the same again.

If we zoom out and look at our lives during the last 100 years, there have been three mega economic events with a lasting global impact – the Great Depression in the first half of the 20th century, the Great Recession in the early 21st century, and the pandemic-led, the Great Restructuring.

This Great Restructuring is comprehensive, and every enterprise must adapt or cede its position. Retail and CPG companies must rethink go-to-market channels, Banking and Insurance companies must reassess risk, Manufacturing companies must reconfigure supply chains, Healthcare companies must reinvent customer engagement, and every company in every sector must reimagine community responsibility. For an enterprise to capitalize on the post-pandemic boom in this decade, it is important for them to understand and effectively leverage the Great Restructuring.

For your Company, it has been a year of persevering and adapting. We continued to build on our solid fundamentals, drive growth momentum and reinforced our partnerships – to help clients recover. As I turn around and look at this period of confusion and chaos, I feel relieved we chose two simple priorities to focus on – delivering on client commitment and ensuring employee safety. This fundamental clarity helped us quickly adapt to new ways, and pioneer innovative solutions like **xFH, SafeRadius, Canvas** and **Grit Alliance**. These are helping us pave our future as much as they are helping our customers steer through this change. LTI has performed well and continues to set the benchmark for entire industry. I am pleased to share with you that our focus and determination has helped your Company deliver one more year of industry-leading growth under these very peculiar circumstances. LTI's financial year 2020-21 revenue grew **9.5%** and the net profit is up **27.5%**.

For your Company, it has been a year of persevering and adapting. We continued to build on our solid fundamentals, drive growth momentum and reinforced our partnerships – to help clients recover.

During the year, your Company continued to build momentum around Cloud, Data and Analytics. The year accelerated technology trends and the developments have helped several technology transformations leapfrog and advance. Today, digital accounts for nearly half of your Company's revenue. Over the last five years, LTI has been on a transformational journey that is setting benchmarks for others to follow. Your Company yet again topped the Everest Group's IT Services Challenger 2021 List, strengthened alliance with IBM, SAP, Temenos, Snowflake, AWS, Microsoft, Google to name a few, recognized as a Great Place to Work in the USA, Top employer in UK & Ireland, and also emerged as the fastest growing brand among the Top 25 global IT players.

This year we also strengthened our commitment toward celebrating diversity and fostering inclusion at LTI through our formalized DEI charter called - **LTI Belong**. We remain committed to extending an environment of equal opportunity to all candidates, employees and partners where they can achieve their full potential, feel valued and appreciated for who they are.

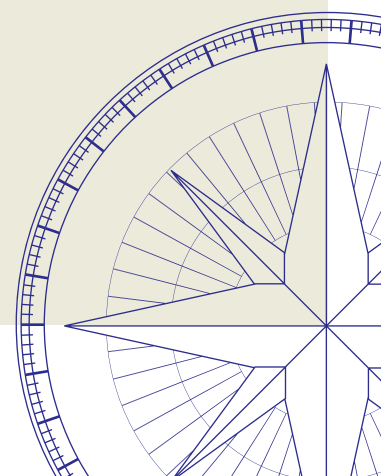
All this has been possible because of the grit of 34,000+ LTItes. This crisis has tested our capability and spirit and I am happy to mention that every time we found ways to serve clients, support communities around us and seized the chance to make the business and society better than before. Knowing that gives me confidence that the world will rally again, we will have a chance to do more than return to normal – Let's strive to return to a better normal!

Thank you for your belief in LTI and for your continued trust and support through this difficult phase. Your confidence inspires us to get ahead and stay ahead.

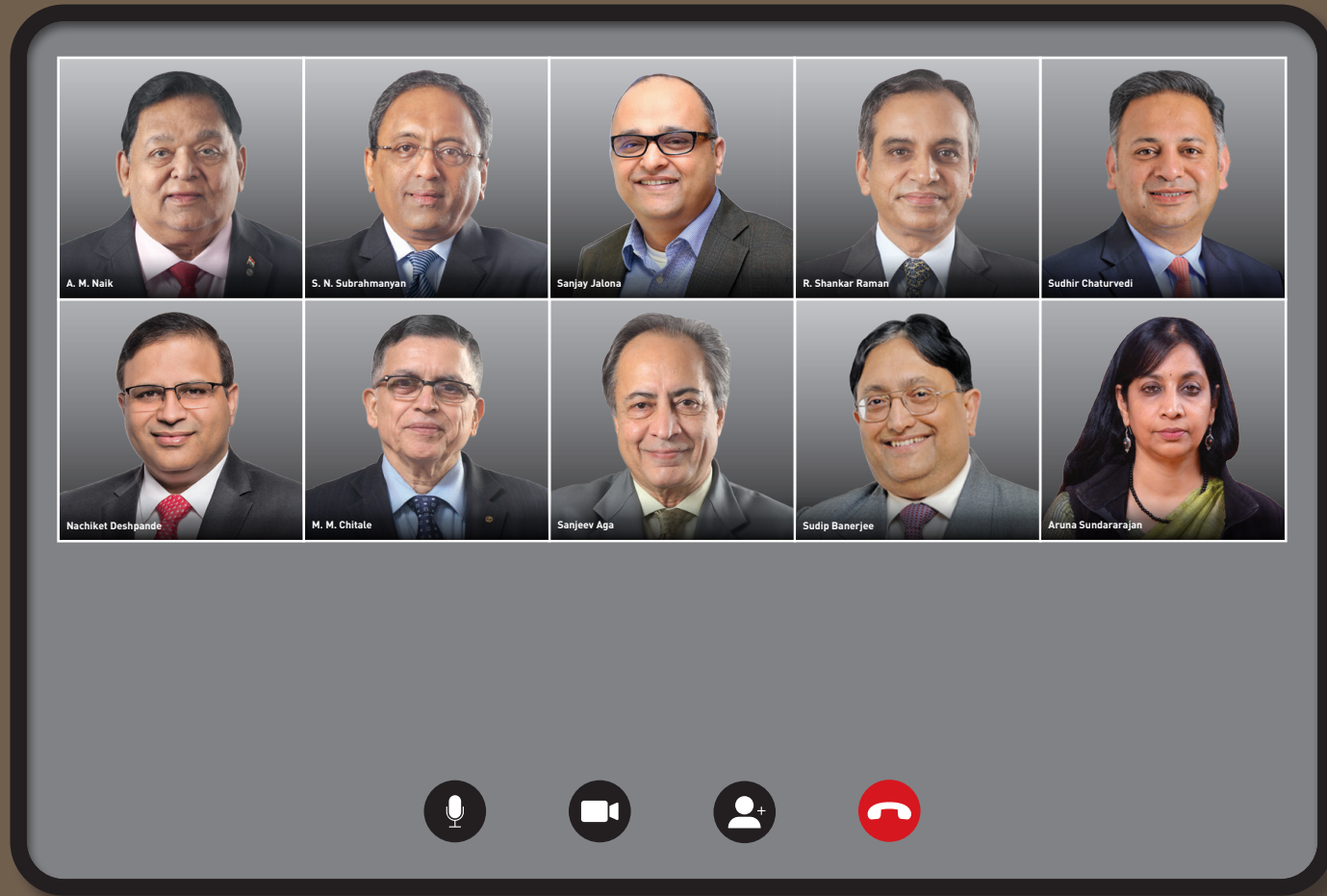
I wish you unlimited happiness and health in the months and years ahead.

Let's Solve.

Sanjay Jalona
CEO and Managing Director



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
Whole-time Director and President Sales

Nachiket Deshpande
Whole-time Director and Chief Operating Officer

M. M. Chitale
Independent Director

Sanjeev Aga
Independent Director

Sudip Banerjee
Independent Director

Aruna Sundararajan
Independent Director

Corporate, Vertical and Regional Heads

Sanjay Jalona
Chief Executive Officer and Managing Director

Sudhir Chaturvedi
Whole-time Director and President Sales

Nachiket Deshpande
Whole-time Director and Chief Operating Officer

Anil Rander
Chief Financial Officer

Peeyush Dubey
Chief Marketing Officer

Manoj Koul
Company Secretary and Compliance Officer

Ajay Tripathi
Chief Human Resources Officer

Arun Sankaranarayanan
Nordic Region

David Altoff
Insurance and Healthcare, Americas

Deepak Khosla
Emerging Markets

Dibyendu Halder
Media and Entertainment, Americas

Harsh Naidu
Banking and Financial Services, Americas

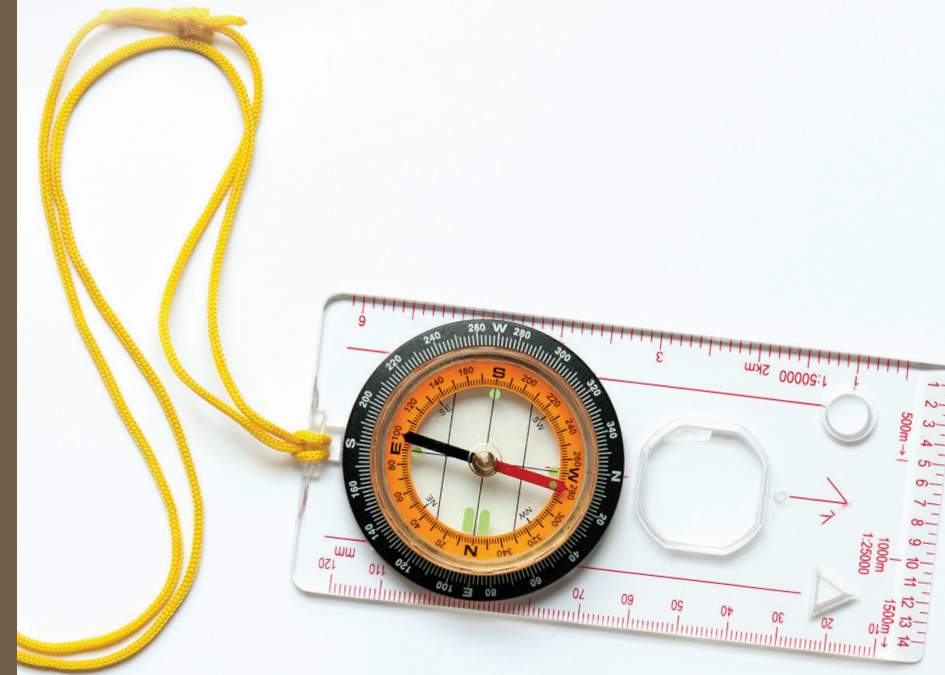
Rajesh Pandya
Life Sciences, Americas

Ramesh Kannan
Oil and Gas, Americas

Rohit Kedia
Manufacturing Americas and Intelligent Enterprise Unit

Siddharth Bohra
Retail, CPG, Hi-Tech, Utilities, Americas and Data Products, Cloud Unit

Srini Rao
Europe and South Africa



The Unlimited Enterprise

The post-pandemic world would necessitate faster time-to-market, simplified innovation, easier scalability, and reduced risk. Organizations can accomplish these objectives by leveraging cloud-based platforms effectively to scale without restrictions – or be the **Unlimited Enterprise**.

LTI's Cloud Unit helps digital enterprises innovate, experiment and scale to market demands quickly. Our well-designed outcome-based engagements empower enterprises to take that big leap towards Digital.

LTI's Cloud Offerings

Cloud Adoption Strategy

Help businesses build a purposeful cloud adoption strategy in line with their business needs

Migration and Modernization

Help customers adopt cloud from rapid migration (lift and shift) to application modernization on cloud

Cloud Managed Services

24*7*365 support for cloud infrastructure including applications, data, and enterprise workloads

ERP on Cloud

ERP cloud consultants to help on SAP migration, SAP S/4 HANA upgrade or JDE migrations to cloud

Data and Analytics on Cloud

Adopt cloud-based data platforms like Redshift, Snowflake, and build/visualize data insights on cloud

Cloud-Native Engineering

Build serverless scalable cloud-native applications on cloud and transform the way you do your business

AI, ML & IoT on Cloud

Harness the power of new technologies by adopting AI, ML, IoT solutions for your business

Security on Cloud

9-layered cloud security protection framework with world-class cybersecurity IPs like CloudEnsure

Data-driven Enterprise

Many decisions across organizations are still being made based on the instincts, rather than data-driven insights. With the Great Restructuring, democratization of data and democratization of decisions has to be the top priority for every organization – they have to be a **Data-driven Enterprise**.

LTI's Data Products enable organizations to undertake quantum leaps in business transformation and bring an insights-driven approach to decision-making. It helps deliver pioneering Analytics solutions at the intersection of physical and digital worlds.

LTI's Data Products

Mosaic Decisions

For ease of data orchestration and data processing to deliver use cases at speed and scale

Mosaic AI

To build, manage, operationalize and consume AI/ML for enterprises

Mosaic Agnitio

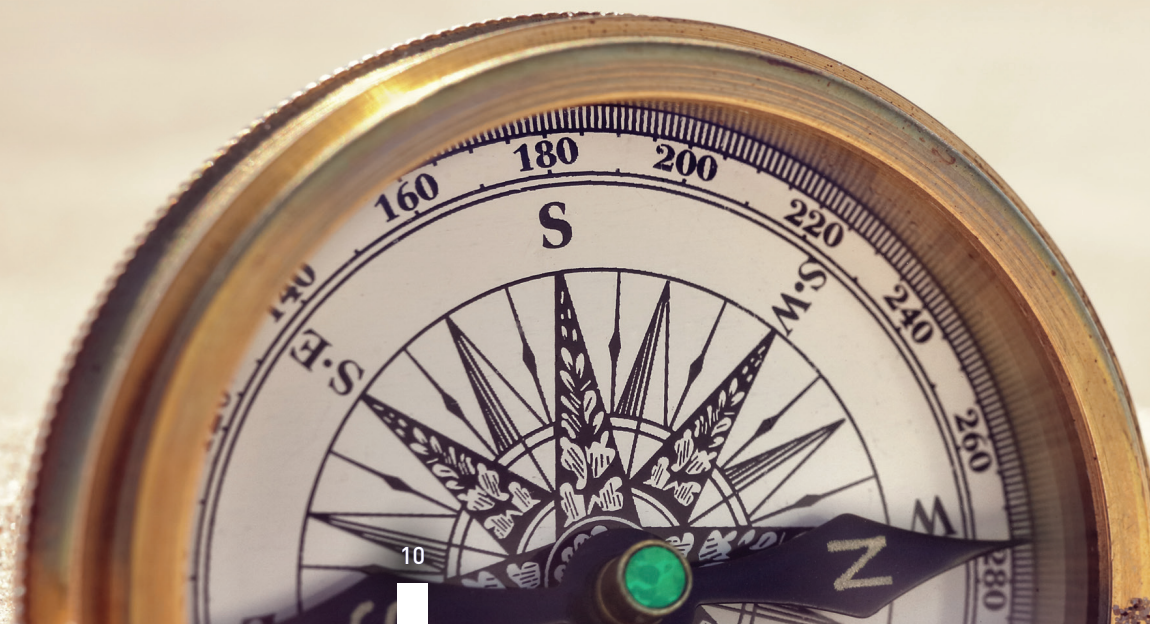
For extracting data from unstructured documents and images to enable Intelligent Automation and Knowledge Mining

Mosaic Catalog

For discovering and managing enterprise information assets

Leni

For interactive and investigative intelligence, allowing every user to ask and consume complex insights without human intervention



Intelligent Enterprise

The rise of exponential technologies has paved the way for new business opportunities. Digitizing the Core can help enhance business process efficiency, boost customer satisfaction, and reduce costs, ultimately leading to establishing the **Intelligent Enterprise**.

With deep technology expertise and thorough understanding of business domains, LTI enables leading global companies to leverage established and emerging enterprise applications to design intelligent, autonomous, simplified, intuitive, connected and liquid business processes.

Representative Offerings

Modernize

Ensuring return on current investments through Mosaic-based automation

Optimize

Revitalizing applications without having to worry about the underlying architecture

Digitize

Accelerating innovation through simplified transaction core, industry cloud solutions, intelligent technologies, and enterprise data platform



Corporate Social Responsibility

Through its 1Step CSR program, LTI has been solving for society with programs focused on Relief and Response, Building Resilience, and Virtual Volunteering.



Relief and Response

- Contributing toward COVID Relief - Oxygen plants at Government and Trust run Hospitals across Maharashtra, Karnataka, Telangana and Tamil Nadu
- Awareness sessions on COVID protocol, Arogya Setu application, registration for vaccination across our CSR programs
- Ensuring children get nutrition in the absence of mid-day meals that were being provided during school hours
- Assistance to specially abled youth to enable them register for vaccination



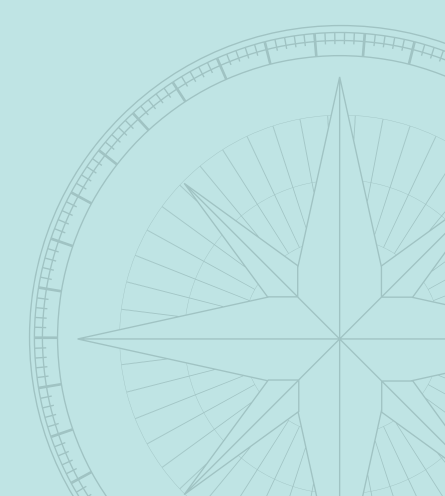
Virtual Volunteering

- LTI employees are volunteering to conduct virtual learning sessions and quizzes for children, as schools remain closed due to the pandemic
- Volunteers are conducting COVID safety norms awareness and sessions on responsible use of technology for students
- Soft skills, communications and mock interview sessions to enable youth secure jobs

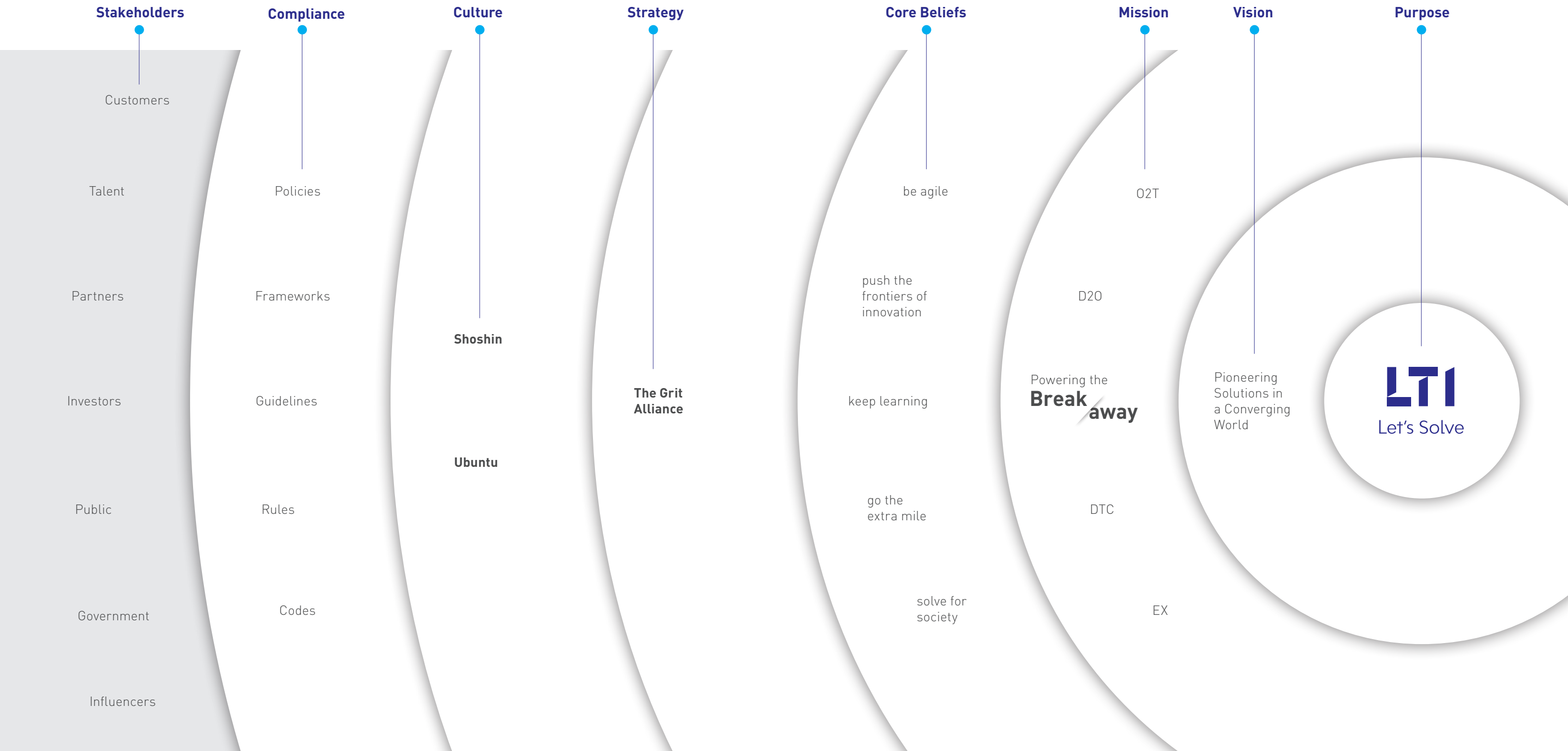


Building Resilience

- Engaging migrant labor who have lost their job due to the pandemic and moved back to villages
- Enhancing livelihood opportunities for migrant labors who have returned to their villages during COVID-19
- Supporting Dabbawallas in Mumbai whose livelihood has been affected due to the lockdown

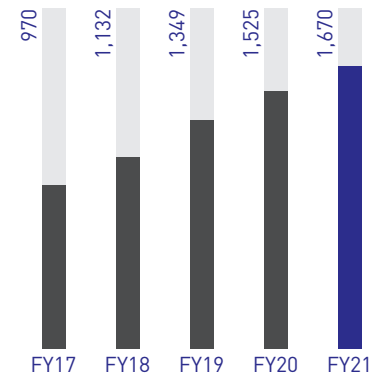


Soul of LTI



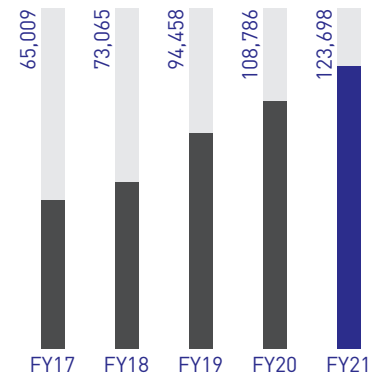
Key Highlights

Revenue (USD)



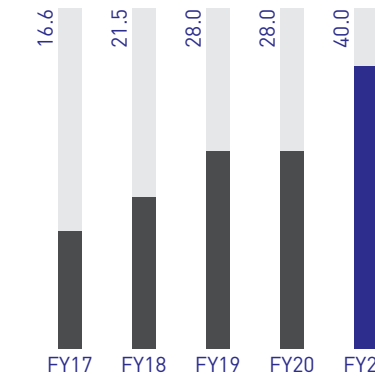
■ Revenue (USD Million)

Revenue (₹)



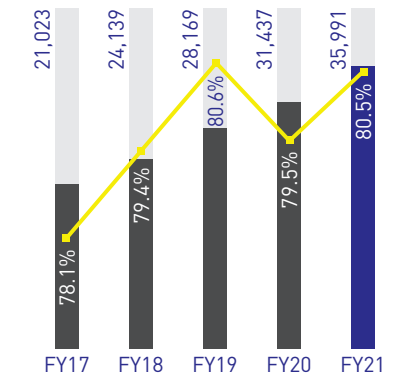
■ Revenue (₹ Million)

Dividend Per Share (DPS)



■ DPS (₹/Share)

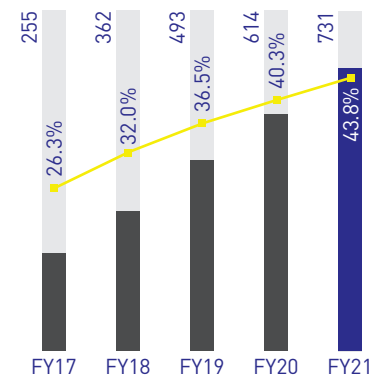
Employee Metrics



■ Headcount

— Utilization (incl. trainees)

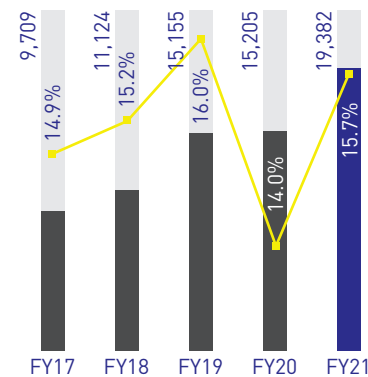
Digital Revenue



■ Digital Revenue (USD Million)

— Digital (% of Total Revenue)

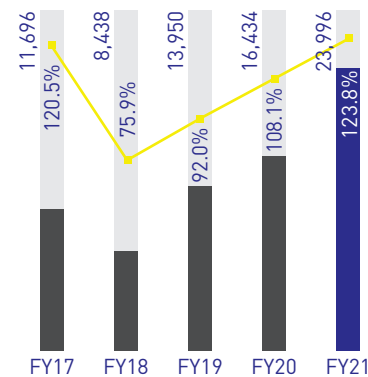
Profit After Tax (PAT)



■ PAT (₹ Million)

— PAT Margin

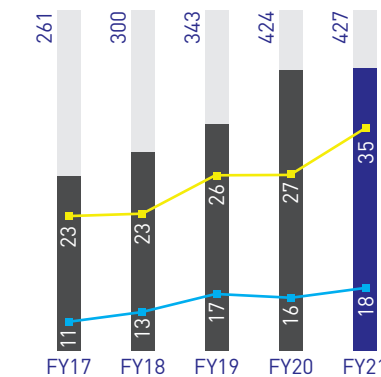
Operating Cash Flow (OCF)



■ OCF (₹ Million)

— OCF to PAT (%)

Client Metrics



■ Total Customers

— USD 20 Million+ Customers

— USD 10 Million+ Customers



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

Whole-time Director and
President Sales

Nachiket Deshpande

Whole-time Director and
Chief Operating Officer

M. M. Chitale

Independent Director

Sanjeev Aga

Independent Director

Sudip Banerjee

Independent Director

Aruna Sundararajan

Independent Director

Board Committees

Audit Committee

1. M. M. Chitale - Chairperson
2. R. Shankar Raman
3. Aruna Sundararajan

Nomination and Remuneration Committee

1. Sanjeev Aga - Chairperson
2. A. M. Naik
3. Aruna Sundararajan

Stakeholders' Relationship Committee

1. Aruna Sundararajan - Chairperson
2. Sanjay Jalona
3. Sudhir Chaturvedi

Corporate Social Responsibility Committee

1. Sanjay Jalona - Chairperson
2. Sudhir Chaturvedi
3. Sudip Banerjee

Risk Management Committee

1. Sanjeev Aga - Chairperson
2. Nachiket Deshpande
3. Anil Rander

Strategic Investment Committee

1. A. M. Naik - Chairperson
2. S. N. Subrahmanyam
3. R. Shankar Raman
4. Sanjay Jalona

Other Information

Registered Office

L&T House, Ballard Estate
Mumbai 400 001

Corporate Office

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

Statutory Auditors

B. K. Khare & Co.

Registrar and Share Transfer Agent

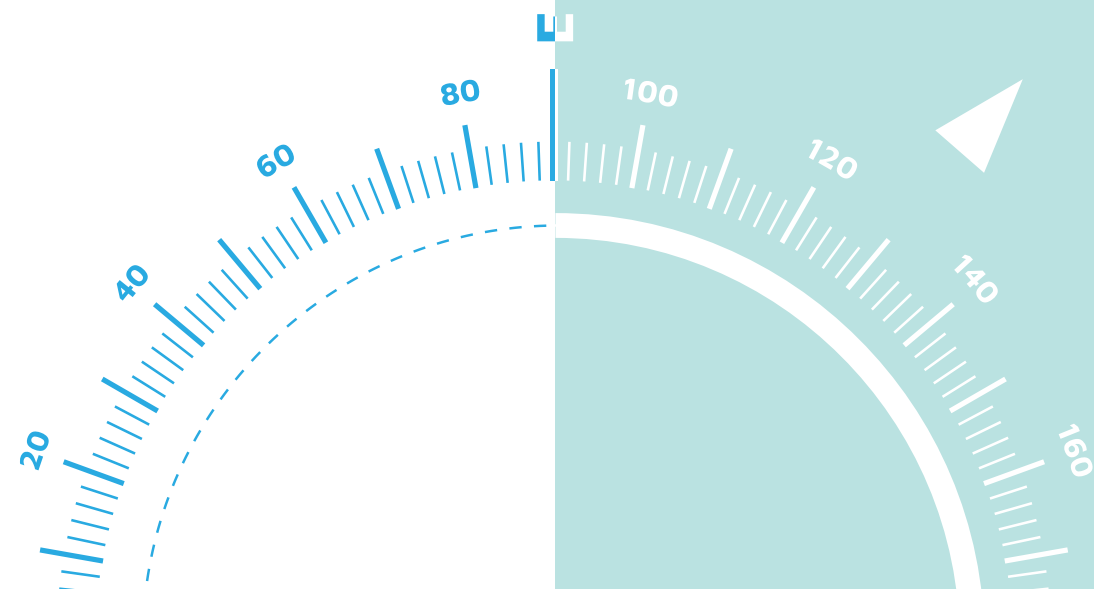
Link Intime India Private Limited

Bankers

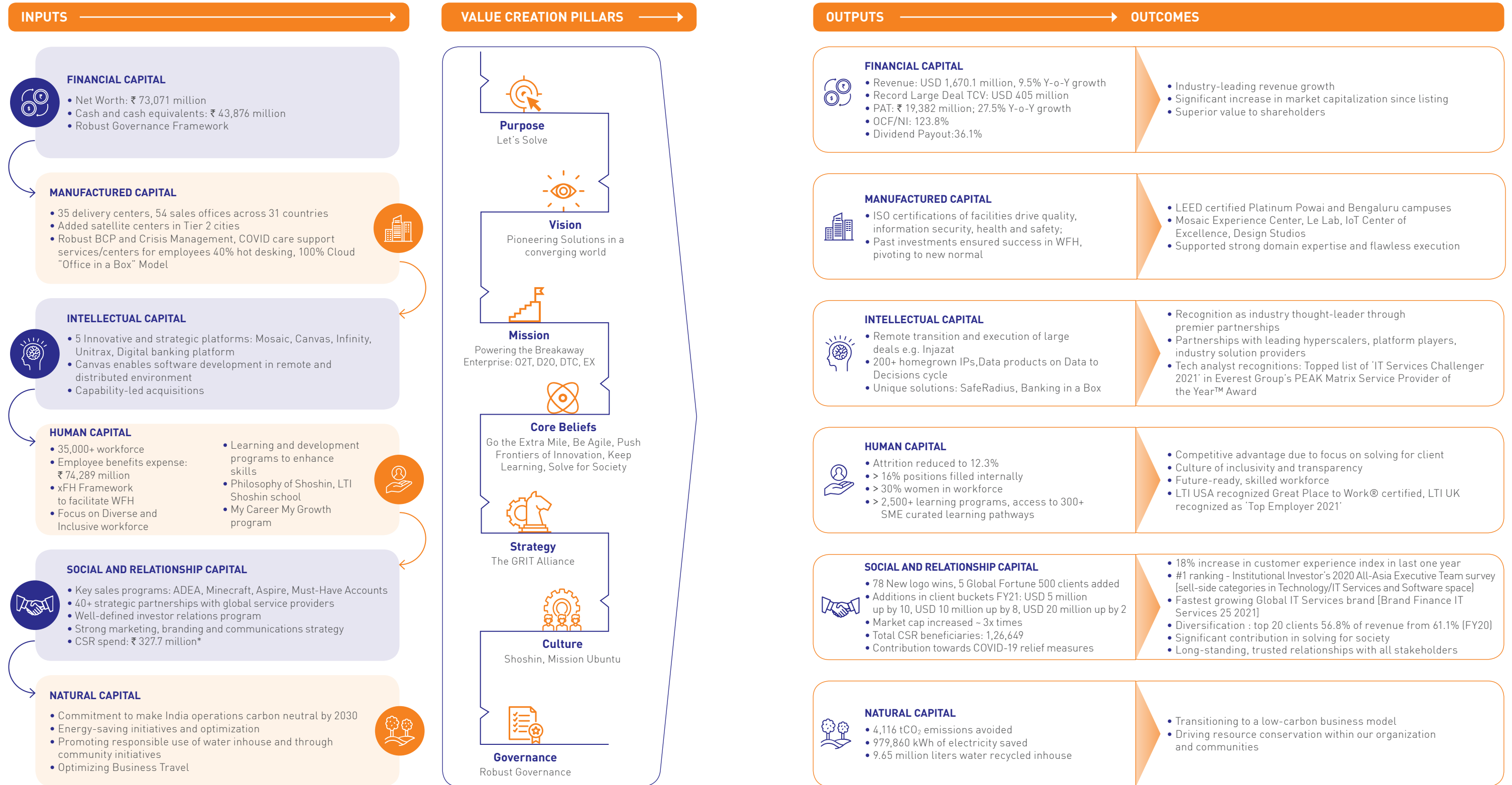
Citibank N.A.
Standard Chartered Bank
Barclays Bank PLC
ICICI Bank Limited
HSBC

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Value Creation Model



* Includes contribution of ₹180 million towards PM CARES Fund in FY20. For more details, refer Annual Report on CSR Activities for FY21, part of this Report.

O2T (Operate to Transform) D2O (Data-Driven Organization) DTC (Digitizing the Core) EX (Experience Transformation)

How We Solve

External Operating Environment

Major past events of the last 100 years like the Great Depression and the Great Recession have altered the course of history. We believe the pandemic to be the 'Great Restructuring' which is fundamentally changing the way we interact, collaborate, learn, deliver and expect value. This tumultuous shift is comprehensive enough to cover all industries, companies, countries, and individuals.

The need of the moment for every industry is to reimagine their operating

models to survive and stay relevant. Companies that will adopt game changing technologies and reshape every aspect of their organization with rapid pace and agility are likely to emerge as winners. They will outgrow competitors to become breakaway enterprises.

LTI Approach to Create, Sustain and Grow Value

Creating value

We look towards partnering with these enterprises to help them navigate through these transformations. Thus

aligning with our 'Let's Solve' purpose and vision to be a next-generation IT company pioneering solutions in a converging physical and digital world.

To enable this, we have brought together all our experience and innovation to execute with more creativity and speed. Our consulting-led strategy – The Grit Alliance – is enabling us to harness these unfolding opportunities for a better future for our company and for our clients. Our Go to Market themes are finding even greater resonance and are facilitating companies to become breakaway leaders.

Sustaining Value

Our promoter, the L&T Group, is one of India's leading conglomerates with an impeccable reputation. We have inherited our engineering DNA and an innovative mindset, domain expertise, and large program management capabilities from them. These strengths and rich heritage on one hand provide us with unmatched brand reputation and trust, and on the other hand encourage us to imbibe virtuous risk management and robust corporate governance practices. This works in tandem with a business strategy built around an outcome-oriented approach.

Growing Value

We are facilitating and delivering amplified outcomes to our clients by embracing the concept of 'Shoshin' or beginner's mind that has openness, eagerness and lack of preconceptions. In the beginner's mind, there are many possibilities; in the expert's mind, there are few. While we continue to build on our expertise, which remains critical to our growth, we are also focusing on being open to continuous learning and finding new solutions to old problems and evolving as a learning company.

Effective Interplay of Six Capitals to Create Value

At the heart of our commitment towards client delivery is our Human Capital. Its essence lies in understanding the uniqueness of every employee focused on maximizing their strengths and developing their potential. We continue to invest in our people and sharpen our Human Capital through programmatic capability building focused on re-skilling and training in relevant competencies. We are also creating a diverse and inclusive workforce to encourage thought and creative diversity.

Our Human Capital facilitates enhancement of our Intellectual Capital by developing vertical-centric platforms, IPs and frameworks and building and augmenting key partnerships. We have also strengthened our Intellectual Capital by acquiring unique market-leading capabilities through acquisitions.

Our Human and Intellectual Capital through various processes, infrastructure and Manufactured Capital helps create incredible business

outcomes and Financial Capital for our clients as well as for ourselves.

Our Financial Capital is reflected in our industry leading revenue growth, stable profit margins and 6x growth in our market capitalization since listing. This in turn attracts superior Human Capital to our company.

Social & Relationship Capital is a crucial success driver for a service-based company like ours. Our communities, customers, suppliers, shareholders are critical to our business continuity and social license to operate. We are building long-term, transparent and trust-based relationships with them through continuous engagement.

Our growing operations have proportional impact on our environmental footprint and dependency on natural resources. One of the key attributes that we, at LTI, have been inculcating is climate and resource resilience. We are strengthening our Natural Capital through reduction in resource use and waste generation, and enhancing resource productivity which in turn is driving our operational efficiency.

Our 4 essential plays

Operate to Transform

Leveraging automation in everyday operations and solving for unstated needs

Data-Driven Organization

Harnessing the power of analytics

Experience Transformation

for customers and employees

Digitizing the Core

by leveraging real-world knowhow of the client's industry domain

Outcome for customers
Breakaway Leadership



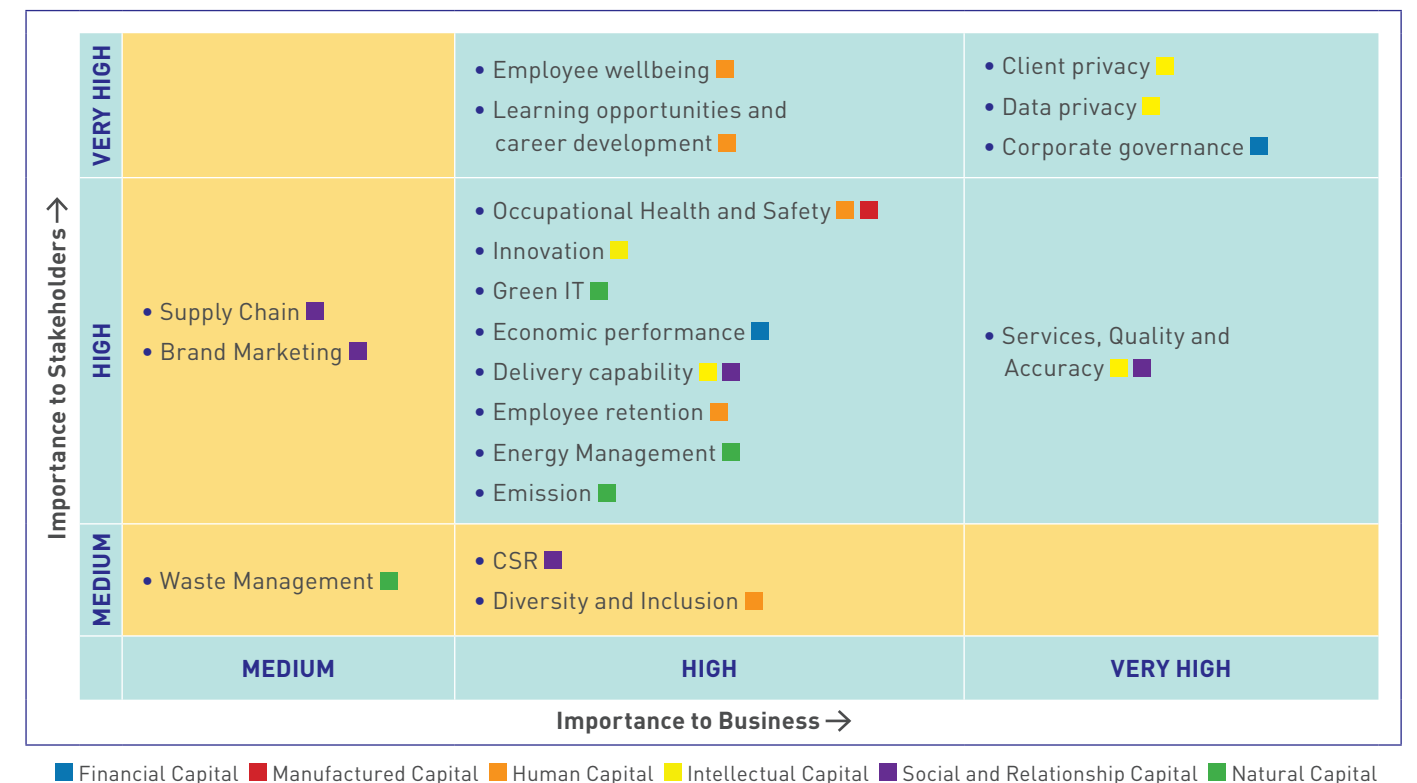
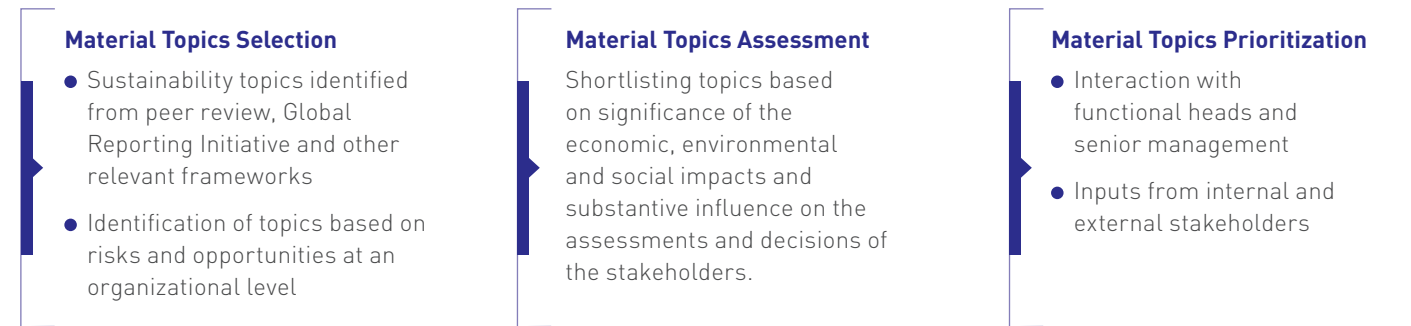
Stakeholder Engagement

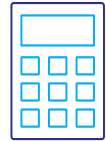
Our stakeholders are a central part of our value creation story. Over the years, we have developed a robust stakeholder engagement mechanism to build and maintain long-lasting relationships. We have identified seven key stakeholder groups that we periodically engage with through various communication channels. We have also instituted systems to capture, address and resolve the concerns raised by our stakeholders, with the overarching aim of strengthening our relationships with them. Further, detailed stakeholder interactions are conducted every two to three years to identify and address the changing expectations of our stakeholders. We conducted a detailed materiality assessment exercise in FY19, the results of which were reviewed in FY20 to ensure their relevance in the changing business landscape. The material topics were reviewed and approved by our management. Material topics remain the same and we continue to report progress and performance in FY21.

Key Stakeholders	Why they are important to us	Communication Channels	Frequency
Clients	Our entire business revolves around the needs of the clients. They are the end users of our services and our operations are designed to meet their expectations	<ul style="list-style-type: none"> Client satisfaction survey Community Initiatives Customer visits Media and Digital communication 	Annual As required
Employees	Our most valuable resources, contributing to delivery excellence and profit	<ul style="list-style-type: none"> Employee forums Leadership forums Employee surveys Workplace platform Unified helpdesk 	As required As required As required As required As required
Investors	Providers of capital	<ul style="list-style-type: none"> Investor meet Website AGM Media and Digital communication Annual report Sustainability report Earnings calls Investor Meetings 	Annual As required Annual As required Annual Annual Quarterly As required
Suppliers	Integral part of value chain for smooth functioning of our operations	<ul style="list-style-type: none"> Vendor meetings 	Annual
NGOs/ Communities	Communities form the pillars upon which our clients' success is built, and our NGO partners are instrumental in helping us make a difference	<ul style="list-style-type: none"> Face-to-face meeting Focused group discussions 	Quarterly Monthly
Regulators	Enforce policies which impact our operations and long-term business objectives	<ul style="list-style-type: none"> Public policy advocacy 	As required
Academic Institutions	Provide us with the required human capital and collaborate with us for projects	<ul style="list-style-type: none"> Recruitment drives 	Periodically

Materiality Assessment

We periodically assess our short, medium and long-term risks and opportunities, which form an integral part of our business strategy. We identify material topics that provide insight into our stakeholder concerns as well as the internal and external risk factors that impact our business. This helps in prioritizing topics of material importance to our stakeholders and us. We also ensure that these topics are thoroughly reviewed to keep abreast with industry knowledge as well as the global business environment.





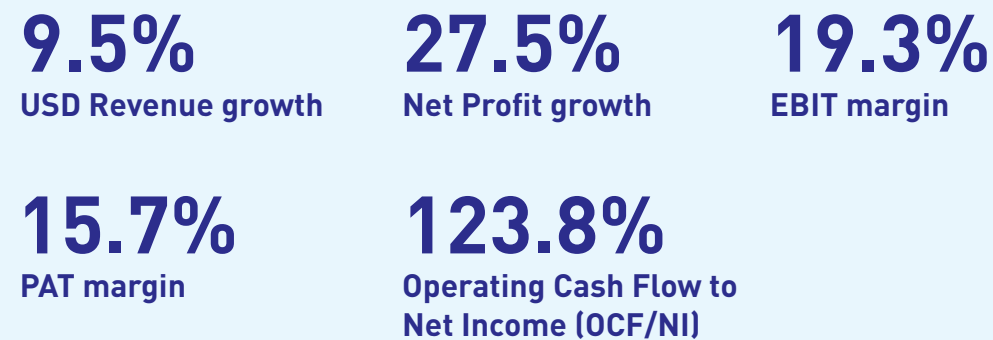
Financial Capital

Our constant endeavor is to optimize returns for providers of our financial capital. Our financial capital is generated from business operations, financing activities and strategic planning, which we invest in various growth opportunities.

SDGs Impacted



Highlights FY21



Creating Value for our Stakeholders

We strive to deliver quality services and cater to the evolving needs of clients. Our growth figures corroborate our efforts towards delivery excellence. On a consolidated basis, economic value generated (revenue from operations and other income) for FY21 increased by about 13% to reach ₹ 126,442 million, compared to ₹ 112,078 million in FY20.

A snapshot of our value creation and distribution (in million) is depicted below:



Particulars	FY21	FY20	FY19
Income from operations	123,698	108,786	94,458
Other income	2,744	3,292	3,023
Employee Benefit expense	74,289	65,166	54,668
Other expense (includes CSR spend)	26,271	26,883	22,535
Government Tax	6,500	4,824	5,123
Dividend Paid	5,319	4,864	4,499
Tax on Dividend paid	-	815	842
Retention for growth	14,063	9,526	9,814

Industry-Leading Growth Powered by our Digital Offerings

Since our inception, we have been committed to create superior value for all our stakeholders. We have delivered on that commitment with a 6x growth in market capitalization since our Initial Public Offering (IPO) in FY17.

Despite the challenges posed by the COVID-19 pandemic, the ability to adapt and the resilience of our business model, enabled us to post industry-leading growth in FY21.

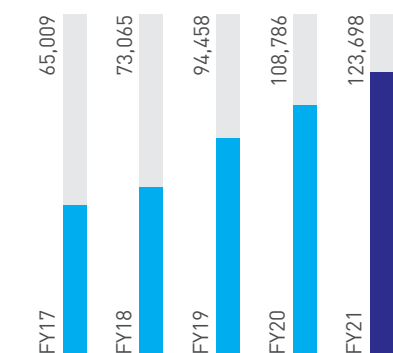
Revenue for FY21 stood at USD 1,670.1 million, growing at 9.5% y-o-y against the backdrop of a constant currency growth of 8.8%. This helped us conclude the year with a 4-year CAGR in USD revenue of 14.6%. In rupee terms, the full-year revenue stood at ₹ 123,698

million, registering a y-o-y growth of 13.7% and a 4-year CAGR of 17.4%.

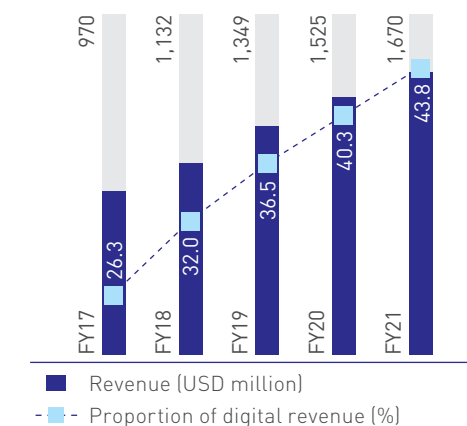
Much of this growth has been empowered by our digital offerings,

which accounted for over 25% of our revenue in FY17, increasing to over 40% in FY21, thus, clocking a CAGR of over 30% over the past 4 years.

Revenue (₹ million)



Revenue and Proportion of Digital Revenue



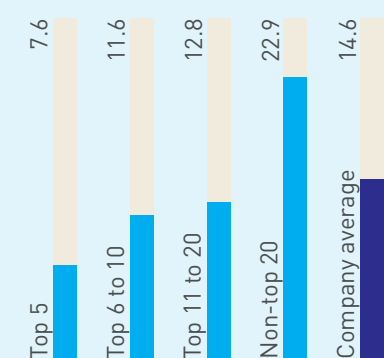
Partnering with our Clients

We have achieved a consistent track record of growth by leveraging enduring relationships with our clients across industries. We have a history of high client retention, and continue to derive a significant proportion of our revenue from repeat business, built on the successful execution of prior engagements. In the year FY21, we generated 95.9% of our revenue from existing clients, compared to 94.3% in FY20.

Through our 'Minecraft' program, we have been focusing on reducing client concentration and growing contributions from clients beyond our top 20 accounts. Riding on the back of this focus, the 4-year CAGR growth from our non-top 20 clients is above the average company growth rate.

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.

CAGR (%) between FY17 and FY21



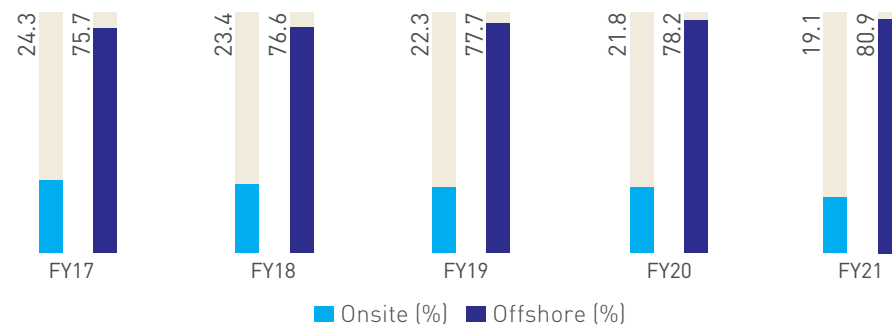
Stable Profit Margins and Healthy Cash Flows

Our industry-leading revenue growth has been accompanied by stable margins as well. Significant investments in exponential technologies, coupled with rising protectionism, localization, and wage inflation, caused margin headwinds in some of our operating years. 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 expansion plans. Our employee benefit expenses increased by 14.0% to ₹ 74,289 million for the year ended March 31, 2021, compared to ₹ 65,166 million for the year ended March 31, 2020. This increase is majorly attributable to an increase in employee count in line with business growth, changes to employee mix, and increments. This has also resulted in a higher contribution to the provident fund, social security, and

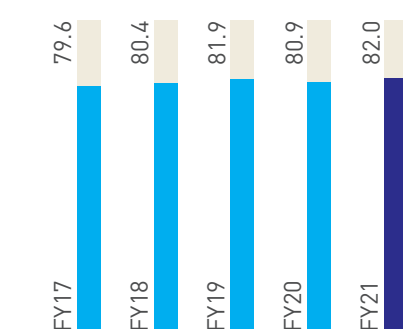
payroll taxes. Stability in our margins has been sustained by our focus on various operational levers and our consistent hedging strategy.

We have been working on improving our operating levers over the past few years. While our headcount has increased from about 20,000 to over 30,000, with a CAGR of over 14% over the past 4 years, our utilization has also improved from 78.1% in FY17 to 80.5% in FY21. Our onsite ratio has come down from over 24% to about 19% during the same period. Our subcontracting cost is among the lowest in the industry and we would strive to use it strategically going forward. In light of the COVID-19 crisis, we are focusing on protecting our P&L and conserving cash. We acted swiftly to review, identify and defer non-critical capex, initiate rent renegotiations, and drive efficiency in procurement. To achieve our longer-term margin goals, we have set up win rooms and war rooms to achieve enterprise-wide efficiency as we recalibrate our cost structure to operate in this new normal.

Effort mix (Onsite v/s Offshore)



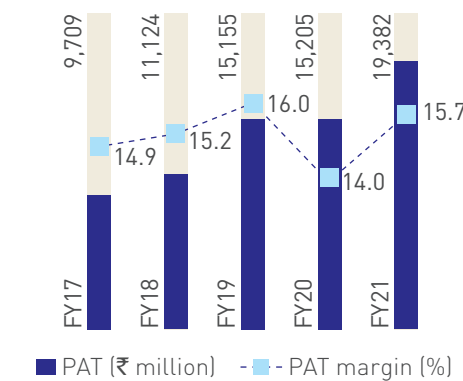
Utilization (Ex-trainees) (%)



We have put in place an active foreign exchange hedging policy to mitigate the risks associated with foreign exchange fluctuations. Our hedging policy runs on a net exposure basis, typically for a period of up to three years.

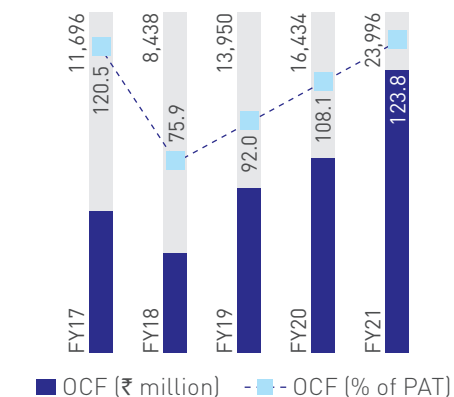
For FY21, our operating margin stood at 19.3% compared to 16.1% in FY20. Our full-year PAT stood at ₹ 19,382 million, helping us deliver a full-year PAT margin of 15.7% and a 4-year CAGR of 18.9%.

PAT Performance



For the full year, the net cash flow from operations stood at ₹ 23,996 million at 123.8% conversion of the net income as we remained rigorously focused on our collections. We have a comfortable liquidity position apart from having access to bank lines and overdraft facilities. Our long-term AAA rating from CRISIL reflects our established market position in several segments that we operate in, as well as our strong financial risk profile marked by a debt-free balance sheet, healthy cash-generating ability, and robust liquidity. We had cash and liquid investment of ₹ 43,876 million as on March 31, 2021.

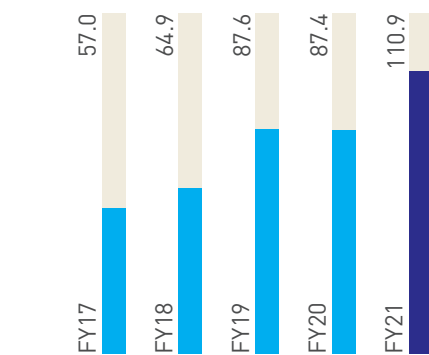
Operating Cash Flow



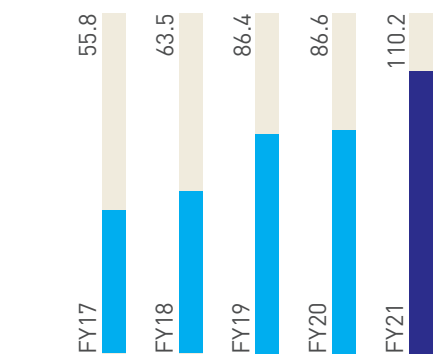
Creating Shareholder Wealth

Our consistent double-digit revenue growth and stable profit margins have helped us double our EPS from FY17. Earnings per share and diluted EPS for the full year stood at ₹ 110.98 and ₹ 110.26 per share respectively. The Board of Directors recommended a final dividend of ₹ 25 per share, bringing the total FY21 dividend payment to ₹ 40 per share, including an interim dividend of ₹ 15 per share. Dividend paid out in FY20 was ₹ 28 per share. Further, our dividend payout ratio for FY21 stood at 36.1%.

Earnings Per Share (₹)



Diluted EPS (₹)



Going forward, we are going to focus on capability building through organic and inorganic means.

Our philosophy on capability-led acquisitions remains consistent, in line with the 6 tuck-in acquisitions executed since our listing. Our key priority is to create a diverse and inclusive workforce to encourage thought and creative diversity. Re-skilling and localization of our workforce remain a vital investment area.

Focus areas going forward

Further, we would also be focusing on bolstering our sales team to strengthen our recently announced cloud and data business units.

We will be investing in post-COVID workplaces, wherein we focus on taking the work where talent is located, rather than bringing talent where our centers are located. We will also be setting up satellite centers across tier 2 cities to empower post-COVID workplaces.

Manufactured Capital

Manufactured Capital represents our physical infrastructure of office space, IT hardware and telecommunication equipment, among others. We are continually investing in upgrading it to enhance the seamlessness of our business operations and deliver better value to clients in line with their evolving expectations.

Highlights FY21

LEED Platinum certified

Powai and Bengaluru campuses

₹3,857 Million*
Tangible Assets

Setting up new DC
Hartford (US)

₹1,797 Million*
Investment in Infrastructure

New footprints in Tier 2 cities in response to pandemic

Noida, Mysuru, Coimbatore and Nagpur

*As on March 31, 2021



Delivering Excellence with Robust Physical Infrastructure

Having a significant footprint worldwide across 31 countries, we ensure our workspaces are continuously upgraded to deliver high-impact services to customers across sectors. We endeavor to create a smart workplace to encourage seamless collaboration and enhance productivity.

1. Delivery Centers (DC) and Sales Offices

- 35 DCs and 54 sales offices globally with state-of-the-art infrastructure providing best-in-class facilities and services to culturally diverse clients across the globe
- Setting-up a new DC at Hartford, USA
- Footprint, majorly within Special Economic Zones, is spread across 5 cities in India
- Revisited infrastructural set-up due to pandemic by adding new footprints in Tier 2 cities like Noida, Nagpur, Coimbatore and Mysuru

2. LTI Design Studios

- 6 Design Studios now fully virtually enabled
- Facilitates incorporating human empathy into products, services, and process along with delivery of compelling experiences by fusing the principle of design with technology
- Ensures meaningful client interactions through workshops and co-ideation sessions

3. Greener and Leaner Operations

- Commitment to Carbon Neutrality for India operations by 2030
- Sustained investments in energy-efficient equipment, replacement of old or inefficient conventional equipment, renewable energy, etc.
- LTI Headquarters at Powai – a Platinum rated Green Building by USGBC and awarded the 'Excellence Award' by IGBC in the 'Performance Challenge 2020 for Green Built environment'

4. IT Infrastructure

a. Cloud Connectivity

- All existing applications on cloud resulting in higher productivity and collaboration
- Healthy mix of IaaS, PaaS and SaaS offerings to cater to varied enterprise needs
- Cloud-agnostic application development and DevOps ensuring seamless experience across devices and location

b. Rewired Network

- Invested in network rewiring for optimal performance and supporting critical business applications hosted on the cloud, on-prem and network-sensitive applications
- Installed Wide Area Network (WAN) across 14 locations in India leading to 3x increase in network bandwidth
- Leveraged the latest technologies to refresh network switches at offshore locations as part of the SD-LAN project

c. Data Protection and Information Security

- ISO 27001, SOC 1, SOC 2 etc. compliant unified framework
- Robust data protection and threat prevention mechanism supported by enterprise-wide Data Leak Prevention (DLP), next-generation firewalls with built-in threat detection and prevention capabilities and Web Application Firewall (WAF) to protect sensitive data from any compromise/breach

+ Read more Pg. 54

Environment-related initiatives
Natural Capital

LTI Staying a Step Ahead of Pandemic

The new normal

The COVID-19 pandemic has unleashed an unprecedented social and economic crisis globally. It has brought about several years of change, triggering a new normal in terms of how businesses are operated, products and services consumed, transactions done as well as in lifestyles. Needs and expectations of all stakeholders including employees, customers, investors and communities have greatly changed.

The pandemic has also accelerated the adoption of digital technologies as lockdowns and social distancing have necessitated businesses to become more flexible and adopt remote ways of working. In these times, it has become essential for businesses to be more agile and resilient. Companies who had already embraced digital and agile methodologies greatly benefited in terms of readiness to deal the challenges as well as being well-positioned to leverage new opportunities

that emerged during the pandemic and are likely to emerge post it.

LTI's Digital Readiness

At LTI, our past investments in digital technologies and data privacy as well as focus on setting-up a robust business continuity management framework have been three key pillars that enabled us to tide the pandemic. It facilitated us to successfully enable remote working and seamlessly pivot to the new normal.

Pillar 1: Digital Technologies

Our sustained investments in adopting best digital technologies and infrastructure has been a key driver in enabling a high level of flexibility to our distributed workforce across the globe.

The **cloud native** approach, whereby 100% of our production and non-production enterprise systems have been moved to cloud, ensured remote availability of operations and applications for uninterrupted services. Our **mobile-first approach** to 45+ enterprise apps has further enhanced agility, giving more flexibility and control to the users. **Pervasive collaboration technologies** like WebEx, MS Teams, Workplace and other bespoke inhouse tools helped maintain effective communications with minimal disruption of operations.

Pillar 2: Business Continuity Management

Our robust enterprise business continuity and resilience program is designed to mitigate risk, protect our staff, safeguard client services, ensure continuity of critical business functions and sustain customer confidence. It outlines core procedures for the recovery of operations in scenarios of staff unavailability, complete loss of a single production site, loss of technology services and global pandemics.

Additionally, Business Continuity Plans (BCPs) for each of our Delivery teams and Business Enabling Units ensured rapid availability of critical business processes and IT systems. This was supplemented by an in-house Business Impact Analysis (BIA) tool.

Pillar 3: Focus on Data Privacy

Data Privacy is extremely vital to our daily operations as we work with some of the leading global clients. We ensure highest compliance by having a designated Data Protection Officer and Data Protection Office and engaging external experts to keep privacy policies and procedures updated. We have implemented the principles of data protection along with the privacy by design controls, including technical and organizational measures for the privacy and protection of the personal data of our stakeholders. A well-defined privacy governance framework is in place for monitoring, managing and handling organization-wide privacy risks.

Cloud Native
All production and non production enterprises systems have been 100% on cloud

Mobile first approach with
More than 45 Enterprise Apps

Pervasive collaboration in place
0365, Teams, Workplace

Key enabling IT investments

Responding with Resilience to Reinforce Business

The pandemic and health emergencies in India has forever changed the way we interact, collaborate, learn and deliver. Through the pandemic, our primary focus was safeguarding the business interests of our clients, while ensuring the health and safety of our employees.

Our Business Continuity and Crisis Management Plans, which guided these efforts, were activated across all locations worldwide. We formed and deployed various teams including well-trained crisis management teams formed at enterprise, location and business unit levels who worked collaboratively to come up with comprehensive plans for manage the crisis.

We also undertook various measures to strengthen our competitive positioning during these times. These include:

Creating Distributed Workplace

In our Indian operations, the work that was delivered from 16 DCs spread across 10 cities switched almost overnight to a model of 32,000 DCs (every employee's home) spread across hundreds of cities. Despite this, project deliveries remained seamless alongside data privacy. Considering the effectiveness of this model, we have brought rapid and innovative changes in workplaces by optimizing office spaces in Mumbai, Pune and Hyderabad. To facilitate a distributed workforce, we have switched to about 40% hot-desking

across our offices in FY21, and intend to increase it overtime.

In addition, we developed an 'office-in-a-box' model to extend office environment to the home setup in a secure and uninterrupted manner. It allows us the flexibility to implement strict security controls and extend a seamless offshore DC experience to newer offices, thus enabling our journey to become more distributed.

Digitalizing Design Studios

Our Design Studios continued leveraging the principles of Design through our U-First (User First) methodology to curate compelling and meaningful experiences for our customers. The collaborative efforts and creative co-ideation was achieved using digital platforms that helped us conduct virtual workshops with digital walls. These design assets further helped accelerate and enhance the entire U-First design cycle.

Stepping up Security Measures

As we transitioned to WFH across locations with almost zero loss in productivity, adequate measures were taken for security and confidentiality. IT teams were made available 24x7 to guarantee technical support remotely. Cloud proxy controls were implemented to enforce uniform internet content filtering and security controls, even from outside the enterprise network perimeter environment. Further, Work From Anywhere (WFX) compliance review was done across all accounts

and projects. This involved seeking clients' approvals for remote working, ensuring reasonable security controls to meet contractual compliance including in personal assets through LTI virtual desktop (VDI).

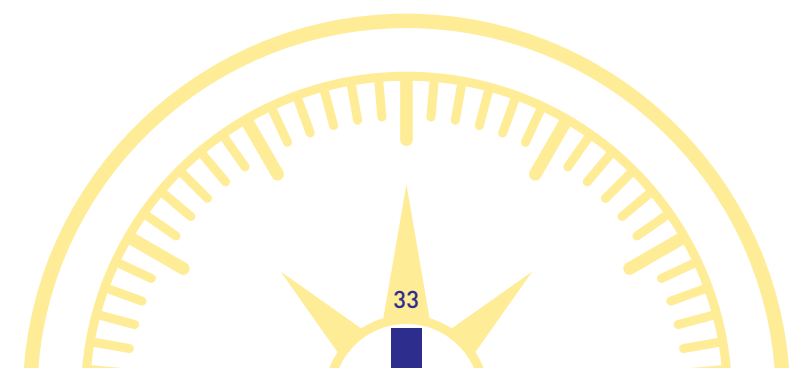
Ensuring Effective Communication and Awareness

We used our Crisis Notification System (CNS) for emergency communication and notification purposes. A global helpline as well as an email channel was set up to answer queries and concerns around COVID-19. Awareness was spread through an Intranet page. Moreover, a dedicated COVID-19 Dashboard was created to provide a holistic view to the Senior Management on the pandemic situation across various geographies. The HR and communication teams have constantly been supporting and engaging with employees to ensure their physical and emotional wellbeing.

Pioneering for Employee Safety

Our focus on employee safety has helped pioneer innovative solutions like SafeRadius. A GDPR-compliant application powered by LTI MOSAIC. SafeRadius allows us to manage the hybrid working model with our employees. It helps in planning seating arrangements, rostering, availing transportation facility, preventing accidental congregation and ensuring social distancing in the workplace. It has been nominated for Aegis Graham Bell Award, in the Combat COVID-19 - Innovative Lockdown Management Solution (Corporate) category.

SDGs Impacted





Intellectual Capital

Highlights FY21

200+
Homegrown IPs

5
Strategic Platforms

43.8%
Digital revenue

Top rated
Partnerships with Hyperscalers

LTI topped list of
'IT Services Challenger 2021'
in Everest Group's PEAK Matrix Service Provider of the Year™ Award

Intellectual Capital refers to our collective knowledge as an organization and the investments we make in processes and people development which gives us our edge. Our multiple decades of knowledge, people competencies, novel assets along with a culture of innovation forms its core foundation. These capabilities are further institutionalized into new ways of working, frameworks and processes to drive thought leadership and innovation in the organization. They are encapsulated in the form of ingenious home-grown solutions and core platforms that enable us to deliver to our clients and help them solve complex problems. An ecosystem of strategic partnerships and alliances, academia and start-ups augment our capabilities and indigenous IP development and have been a driving force behind the success of our clients.



SDGs Impacted



Building the Right Foundation and Capabilities

Culture of Innovation

At the core of our efforts to spur innovative solutions lies the culture of 'beginner's mind' or Shoshin which seeks to encourage fresh perspectives. We challenge assumptions and reward curiosity to explore possibilities and offerings best suited for our clients. This, combined with the L&T Group's engineering DNA, has helped us power industry leaders of the present and future.

Employee Development

People, being the flag bearers of our evolving intellectual capital, we are providing them regular training and adopting modern ways to enhance their capabilities and stay ahead of Curve. In FY21, our average training hours per employee more than doubled. We curated and aggregated 90,000+ pieces of training and courses on our learning platforms and, most significantly, discovered 200 new learning pathways as employees consumed them remotely.

+ Read more Pg. 42

Employee Skill Training
Human Capital

Innovation Spaces

We have established several physical and virtual spaces that facilitate in driving an inclusive and innovative culture. They augment the strong domain and technology expertise of our people, thus enhancing our innovation index and enabling high performance.

Our enhanced capabilities aligned with evolving digital landscape strengthens our leadership position, culminating in several significant digital transformation deals and new logo wins.

INNOVATION SPACES

Design Studios

Creative spaces that leverage the principles of design through U-First (User First) methodology to curate compelling and meaningful experiences for customers.

+ Read more Pg. 31

Industry 4.0 Center of Excellence (CoE)

Created in alliance with USA-based PTC Inc. to showcase Industrial Internet of Things (IIoT) solutions developed on its ThingWorx® platform to global customers.

It uses real-time data from multiple facilities of ours to provide real-world experience in addition to simulations.

LTI MediaLab

A virtual lab built on Google Cloud for developing NextGen media technology works like Broadcast, Web, OTT, Mobile, Publishing and the Edge.

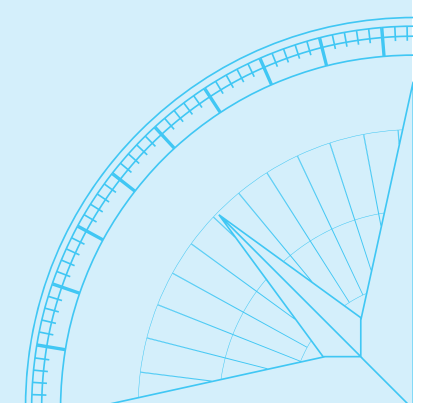
Some of the proof of concepts are centered around Intelligent Content Services – Content-Aware Deduplication, Perceptual Similarity, Image Analysis and Publishing Analysis.

Mosaic Experience Center

It gives a first-hand experience of our digital transformation capabilities to clients such as evaluating the impact REDaxis, FastLane and WealthDecisions® solutions on business.

'Le LAB' (Innovation Center)

Aims to provide an interactive environment to help design practical solutions based on technologies such as Connected Devices, Automation and Big Data.



Ways of Working

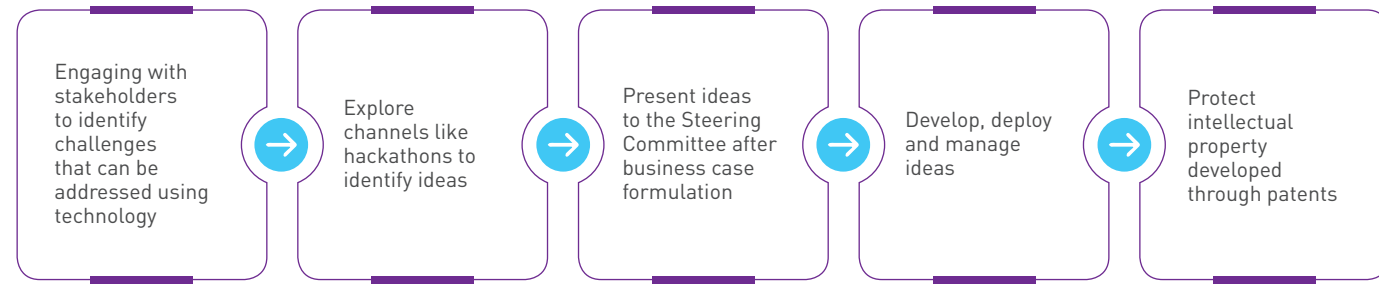
Our **New Ways of Working (NWO)** approach is focused on developing and implementing holistic solutions to solve complex problems involving technology and experiences. Its services and platform teams comprises ~120 technical practitioners and tech architects, who drive thought leadership and build innovative platforms.

Some of the Resources Developed and used as part of the NWO are:

- **Innovative Client Experiences (ICE)**, which has helped us deliver meaningful experiences by mapping and analyzing our clients' journeys and remodeling them to ensure greater productivity and cost efficiency.
- **Design-Driven Delivery (D3)**, supported by Agile and DevOps methodologies, enables us to design and deliver client-focused services and solutions.

NWO is supported by a robust **Capability Maturity Framework (CMF)** that evaluates continuously evolving information technology (IT) capabilities. Based on this, several high maturity-enabled projects, new high maturity models, and new methodologies and frameworks for Cloud, Analytics, Data, IIoT and SAP (Agile) have been developed. These continued efforts to improve IT capabilities have culminated in the retention of our Level 5 status on Capability Maturity Model Integration (CMMI).

Approach to Innovation

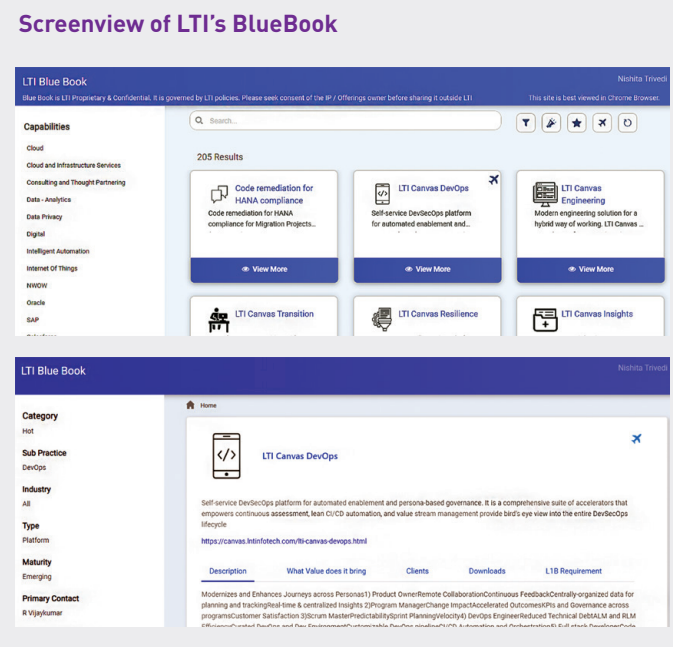


Driving Excellence and Competitive Edge with IP development

Continuous investment is a crucial element of our IPs and platform portfolio enhancement strategy. We have devised 200+ innovative IPs and 5 core platforms that help us deliver excellent services and, consequently, industry-leading revenue growth.

Driving convenience and efficiency in navigating IPs

At LTI, we have established a robust asset base of 200+ IPs. Further, to ensure we are able to provide our clients the right IPs, we have established BlueBook - our own internal marketplace. It is a convenient and efficient way to navigate across our 200+ IPs in one place. It comprises an advanced and intuitive user interface, power search and filters, ratings, case studies and much more. It is a single-source platform to get updates and the most trending tools to help track usage and improve efficiency. Some of the new integrations done in BlueBook are DelEx module (COMPASS) for user ratings to decide the best IPs and iVizon Next module for L1B visa processing. Further, integration of trainings under LTI Shoshin school is underway.



Canvas Engineering

A modern software engineering platform which enables remote working through persona-based VDI / WVD creation using automation. It brings together various processes, tools and methodologies to drive technology and business outcomes for teams operating in a distributed environment. It uses AI to conceptualize, design, build and maintain software in a modern context, thus driving productivity and enabling developer experience, intuitive processes and curated tech stack.

Canvas has the following six different solutions:

- **LTI Canvas DevOps** – A self-service platform for automated enablement and persona-based governance. It is a comprehensive suite of accelerators that empowers continuous assessment, lean CI/CD automation, value stream management and cloud integration.
- **LTI Canvas Resilience** – A platform that enables application performance and resilience under chaotic conditions by using AI-led insightful correlation analytics.
- **LTI Canvas Insights** – An AI-powered Agile and DevOps platform that goes beyond brute force automation and pockets of SME knowledge. It incorporates an end-to-end

correlation engine, impact analysis, predictive insights engine, knowledge transition and management in remote working.

- **LTI Canvas CX** – It helps in measuring and enhancing digital customer experience by evaluating 120+ parameters and has sentiment analysis embedded with design thinking techniques. It performs automated application evaluation, business process visualization and persona-based digital touch-point analysis based on several parameters.
- **LTI Canvas Studio** – A rapid application development tool integrated with leading open source industry standard IDEs, it enables creating ready-to-deploy, end-to-end cloud applications, based on 12-factor-app principles, using a

choice of modern UI and backend technologies using low code principles

- **LTI Canvas Transition** – A persona-driven, one-stop governance platform for transparent, real-time tracking and reporting of transition. It has multi-channel compatibility and offers 20+ comprehensive pre-set reports.

To improve predictable delivery in Data and Analytics, 'Services-As-Software' accelerators have been developed on it to transform data on cloud journey. Key accelerators are Canvas Polarsled – Snowflake implementation accelerator, Canvas Sunshine – Azure Implementation Accelerator, Canvas ADAPT – GCP implementation Accelerator, Canvas SmartShift – AWS implementation Accelerator, Canvas BI Convert – converts reports from one BI platform to another.

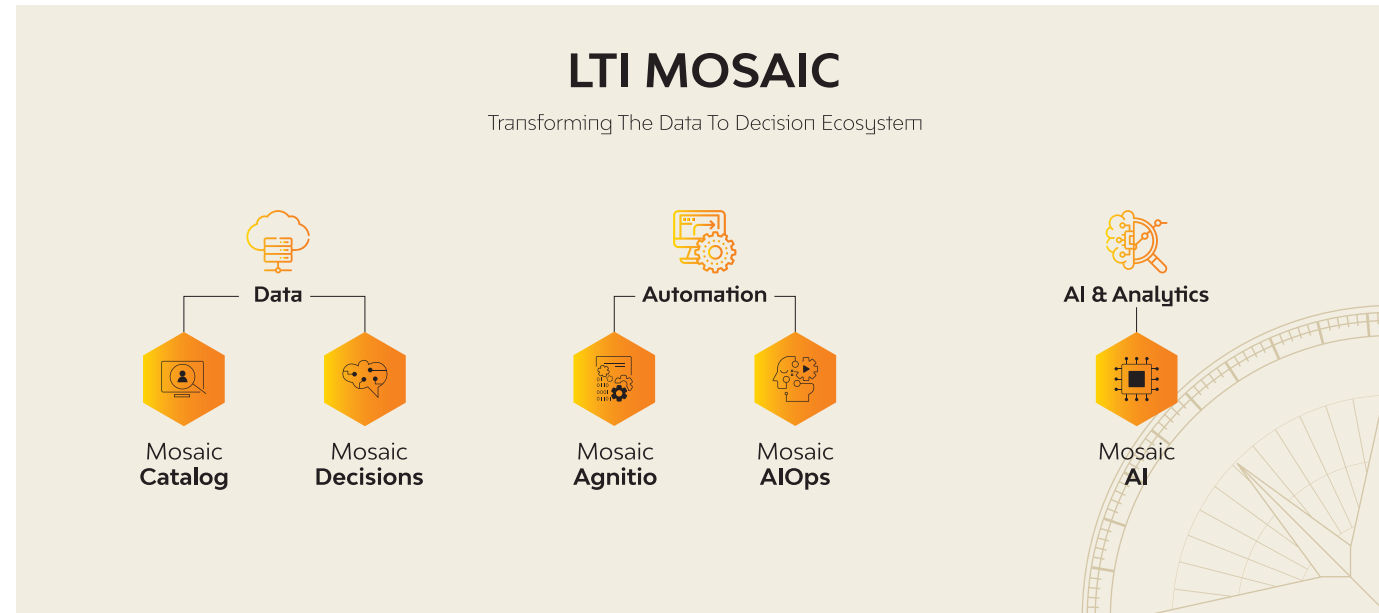
Staying Ahead with Strategic Platforms

Our clients are operating in an evolving and competitive landscape. To help them take the lead and build a competitive edge, we have developed platforms focused on the areas of productivity, data, cloud and Artificial Intelligence (AI).

MOSAIC

A converged platform, which offers data engineering, advanced analytics, knowledge-led automation, IoT connectivity and improved solution experience to users. Providing the right tools and technology across such varied fields, Mosaic suite of products are amongst the best and most

comprehensive Data-to-Decisions platforms. It enables organizations to make quantum leaps in business transformation by bringing an insights-driven approach to decision-making and delivering pioneering analytics solutions at the intersection of physical and digital worlds.



LTI Leni and LTI Mosaic recognized in the Forrester Tech Tide™: Enterprise Business Insights and Analytics, Q1 2021

LTI recognized in The Forrester Wave™ : Specialized Insights Service Providers, Q2 2020

“LTI leverages its strong product engineering background to pivot to insights services. ... It has built a strong portfolio of insight assets with Mosaic, a converged platform for data and analytics services, and Leni, a front-end, self-service application.”

- The Forrester Wave™: Specialized Insights Service Providers, Q2 2020

Leni

A virtual analyst that allows users to conversationally access information and insights. It solves across the entire spectrum of descriptive to predictive business insights, leveraging deep learning, Natural Language Processing (NLP), data visualization and predictive analytics.

In FY21, we launched its new version – Leni 3.0 – with new features such as Nudges (autonomous intelligence) and LXAI (Leni explainable AI), along with generational upgrades on its core features such as NLP-based search analytics and business summaries powered by Natural-language generation (NLG). Leni 3.0 brought the opportunity to work with Forrester in co-creating the concept of Investigative Intelligence - a free form data exploration capability, with no limitations on data access, transparency and action-oriented insights, all delivered via self-service mode.

Infinity

It is a complete suite of modern engineering tools, processes and culture which helps accelerate cloud adoption and transformation journeys by bringing together several key constructs across cloud lifecycle to deliver amplified outcomes.

The platform brings industry leading capabilities for application telemetry, intelligent monitoring, automated resolution, predictive problem management and real-time dashboards. Through its innovative design, the Infinity platform aims to deliver 10X business value by accelerated feature development via DevSecOps, double speed-to-value and reduction of Total Cost of Ownership (TCO) by half.

Unitrax®

A flagship product of LTI Canada, it is a comprehensive system that helps maintain investor records in an efficient and effective manner. This SaaS-based solution caters to the record-keeping needs of fund managers, banks and insurance providers. Used by over 190 clients, it is enabling better management of portfolios, enhancing productivity by minimizing redundancy and data entry errors, and lowering operational costs.

Digital Banking Platform

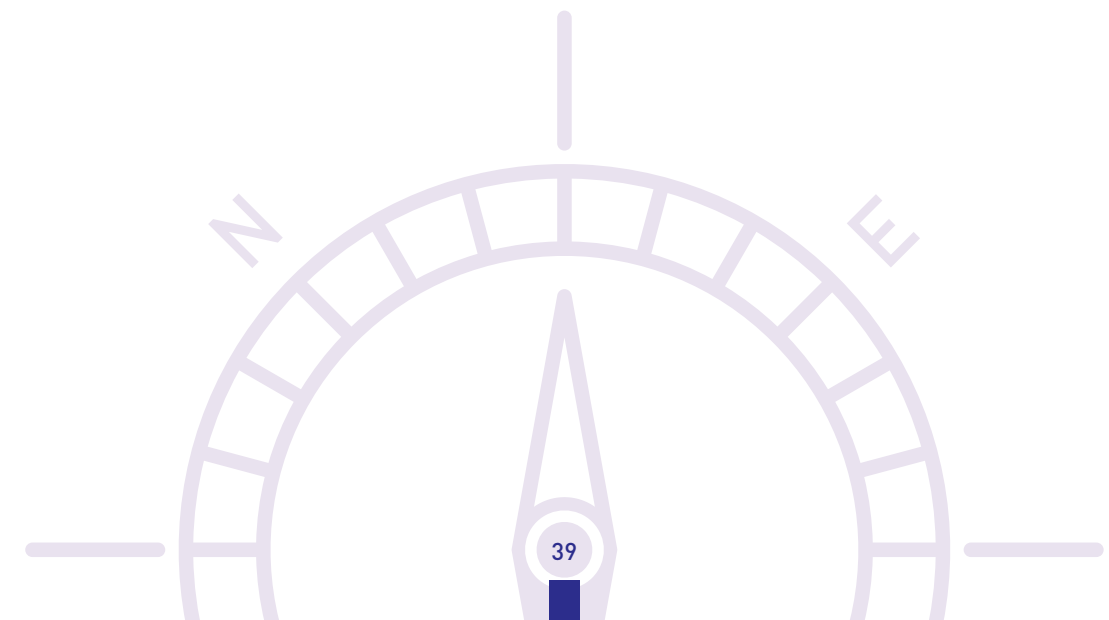
Powered by Temenos, it is a comprehensive banking software that provides “digital to core” banking capabilities, with infinity front-end solutions as well as a comprehensive financial crime mitigation capability. It aims to modernize legacy core banking

systems in the Nordic region, enabling financial institutions to be more agile and scalable while reducing operating costs. It also facilitates faster launch of new products and services.

The Platform provides end-to-end integration with Temenos Transact, Temenos Infinity, Temenos Payments, Temenos Financial Crime Mitigation. It also facilitates fintech solutions like regulatory reporting, authentication, KYC solutions, card services, and payment solutions available on Temenos Marketplace. The implementation and managed services will be provided along with our fully-owned subsidiary, Syncordis Consulting, a leading Temenos expert in the European region for over 15 years.

Publications

Our tacit knowledge and point of views are captured in various thought leadership papers and publications which further enhance our Intellectual Capital. We saw over 200 publications – whitepapers, blogs, and podcasts released this year with topics ranging from innovative work done in various domains, PoVs on emerging next-gen trends to blogs on some of the in-house frameworks and concepts developed like xFH strategy, Future of work, etc.



Recent Developments in IPs and Analyst Recognition Won

Developments in IPs

Mosaic AIOps: A unique Cognitive AI platform that allows enterprise IT transformation through the adoption of AI-led IT operations. It serves as an end-to-end platform to capture asset telemetry data through integrations with monitoring tools.

RapidAdopt: A cloud assessment framework that enables organizations to assess their cloud readiness through a range of analytical questions and dimensions. It helps fast-track cloud adoption by recommending deployment model as well as the migration path to be undertaken.

Mosaic Agnitio: A state-of-the-art, new-age framework processes unstructured data available in documents and images. It leverages deep learning to extract the required data to automate a business process with AI-led data extraction. This advanced knowledge curation and document intelligence allows creation of knowledge nuggets for consumption in business flows, making way for quantum leaps in digital transformations.

SAP EC&O: A SAP S/4HANA solution preconfigured for Engineering, Construction and Operations (EC&O) needs, capturing vast intricacies pertaining to multiple dimensions during planning and execution of large-scale EC&O projects. It is a part of our strategy to develop sector and function-specific offerings to cater to global market needs.

Analyst Recognitions in FY21

▶ LTI recognized as a Leader in Artificial Intelligence for IT Operations (AIOps) – Mid Market in the ISG Provider Lens™ Intelligent Automation – Solutions and Services Report, US 2020

▶ LTI recognized as a Leader and Rising Star in the ISG Provider Lens™ Next-Gen Private/Hybrid Cloud – Data Center Services and Solutions Report, Nordics 2020

▶ Intelligent Document Extraction solution, LTI Mosaic Agnitio, recognized in Forrester's August 2020 report 'More Options, More Confusion – The Paradox of Intelligent Document Extraction'

▶ LTI recognized in Gartner 2020 Magic Quadrant for SAP S/4HANA Application Services, Worldwide

Building an Ecosystem of Innovation

We supplement our offerings by acquiring technology-led start-ups that align with our strategies as well as partnering with other industry hyperscalers and solution providers.

Relationship with Globally Leading Hyperscalers



Premier Partner with benefits including a Named Partner Advisor, proactive outreach, priority access to meeting room space at its flagship event NEXT, dedicated premier level quarterly webcasts and special usage benefits of the cloud platform for our customers.



3 years global strategic collaboration focused on helping enterprises accelerate their cloud adoption journey and drive global business growth in the areas of Migration and Modernization, Data Analytics, SAP, and IoT.



A certified Azure Expert Managed Services Provider with proven real-world proficiency and skills in datacenter lift-and-shift, born-in-cloud new applications, and supporting hyper scale cloud implementations.

Strategic Alliances



Strengthening Partnerships in FY21

Snowflake

- Elite level partner
- Maiden partner for Snowcase - a program that will be launched to develop and market industry-specific solutions for accelerating cloud data transformation journey of enterprises

Microsoft

- GOLD competency in App Integration in recognition of integrating unique applications and solutions into various Microsoft products
- SILVER competency in security led by ability to meet latest security compliance, regulations and helping customers comply with them, protect information, implement identity and access management and defend against cyber-security threats

ServiceNow

- 'Elite' (highest) level partner in the sales, services and managed services category

MuleSoft

Won the Partner Kick-Off Certification Champion contest in India demonstrating our ability to quickly ramp up certified capacity to ensure successful delivery of MuleSoft projects

IBM

- Platinum tier partner
- Attained two key competencies – 'Application modernization services' and 'Banking and Financial services Build'

Collaboration with Start-ups and Academia

We have developed the New Innovative LTI Ecosystem (NILE) to create a culture of open innovation through start-ups and academia engagements. Our Strategy and Innovation team has onboarded many start-ups to support the client deals and projects. It has given us an edge by delivering faster and de-risked adoption of new technologies.

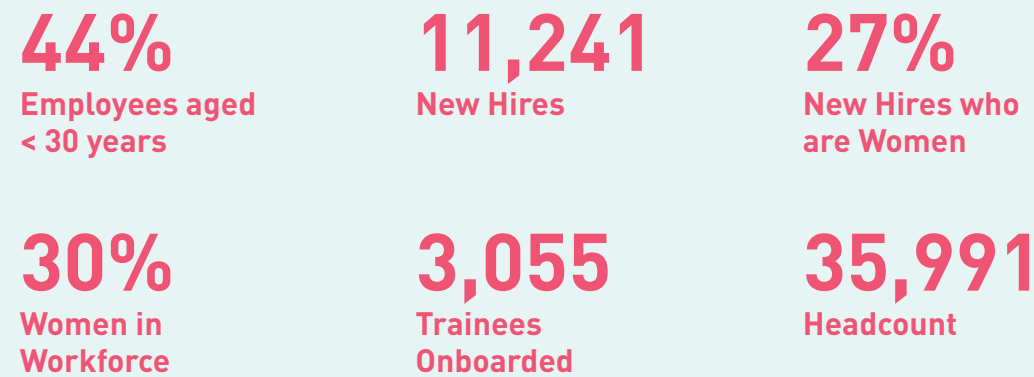
Our University Alliance program aims to create strong collaborations with academia and research institutes for researching and co-innovating to complement our client offerings and focusing on next-gen research aimed at creation of new disruptive products and models in the future. Few of the focus areas in these open innovation engagements have been in fields of Data, Artificial Intelligence, 5G, Augmented and Virtual reality etc.



Human Capital

Human Capital refers to our employees and their commitment and motivation towards achieving organizational goals. This is critical to creating value for our clients and ensuring the long-term sustainability of our business. We strive to foster a people-centric culture that enables high performance. Our unwavering focus on engaging, developing and retaining talent, while promoting inclusivity, diversity and transparency, is central to our business strategy.

Highlights FY21



An Agile, Diverse and Performance Driven Workforce

At LTI, we promote a performance-driven and customer-centric work culture to help clients achieve their business goals. A diverse and highly talented workforce are key for us to achieve this. Focused on this, we imbibe policies and practices within the organization to create a diverse and inclusive workforce to encourage thought and creative diversity. We are also running multiple learning

and development programs to ensure our people can effectively deliver right solutions to clients.

Driving Diversity and Inclusion

Diversity, Equity and Inclusion are more than just policies and headcounts; it is an important part of life at LTI. We respect the unique needs and perspective of all employees and strive to provide them with ample opportunities to prove their potential

in finding unique solutions. All diversity and inclusion initiatives are institutionalized under 'LTI Belong'. It encapsulates how we go from Diversity to Inclusion to Belonging. LTI Belong is committed to creating an environment of equal opportunity to all candidates, employees and partners where they can achieve their full potential, feel valued and appreciated for who they are.

The LTI Belong framework is based on 3Ws – Workforce, Workplace and World.

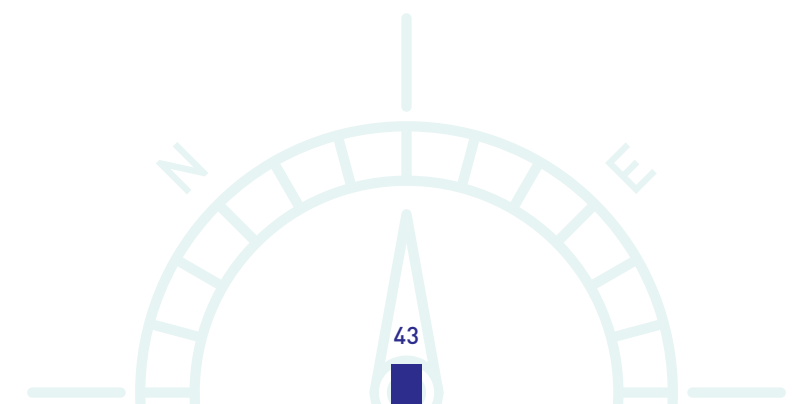
Diversity and Inclusion at LTI

By category

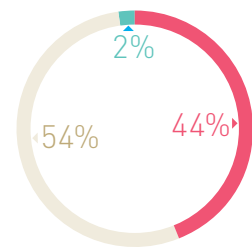
Category	Male	Female	Others	Total
Trainee	1,770	1,292		3,062
Junior Management	3,960	786		4,746
Senior Management	1,509	215		1,724
Consultants	16,117	8,148	2	24,267
Others	1,762	429	1	2,192
Total	25,118	10,870	3	35,991

By region

Category	Male	Female	Others	Total
India	20,267	9,926		30,193
North America	3,117	611	2	3,730
Europe (including Nordics)	869	193		1,062
ROW	865	140	1	1,006
Total	25,118	10,870	3	35,991



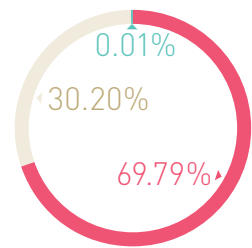
Age-wise Breakup



< 30 yrs	15,568
30 to 50 yrs	18,872
> 50 yrs	757

Note: *The age-wise breakdown of our workforce only includes on-roll employees, and not those employed by LTI's subsidiaries.

Gender-wise Breakup



Male	25,118
Female	10,870
Others	3

Building a Skilled, Future-ready Workforce

We are running several learning and development (L&D) programs to enhance skills of our people in line with the evolving digital landscape. It helps them stay relevant and motivated to deliver quality services to our customers, thus contributing to the organization's success.

Some of our key L&D Initiatives include:

iAchieve Series (iAchieve and iAchieve plus): Scope - Levels 1 and 2

It enables readiness and smooth transition of an employee to a manager by providing guidance on building leadership skills. This program is a proactive approach of focusing on competencies that are needed for a manager to be successful and enables them to build a team that is accountable, engaged and operating at peak performance.

iLead Series: Scope (Levels 3 and 4)

It enables first time leads (iLead) and managers (iLead Plus) to boost their readiness and sharpen their skills to lead teams effectively and take on managerial roles. These flagship programs, spanning 3 months, are facilitated on our digital platform – Facebook@Work. It has ensured higher employee engagement and coverage across all geographies.

Graduate Engineer Trainees (GET) Communication Skills Training Program

This 8-week program covers various facets of behavioral and communication skills to enable new hires effectively transition their campus to corporate journey. It provides them opportunity to develop new skills and have the prospect for career progression. Launched in June 2020, so far there have been 16 batches covering 2,200+ employees fetching 70,000+ learning hours.

Talent Central

It is an AI-based platform that uses domain intelligence to help identify, retain and grow the right talent. It enables demand-supply cross pollination by generating 'Richness Index' to understand the closest match to the job requirement. The learning module enriches the skill profile and promotes capability building through proactive reskilling. Contextual gap aggregation aids in faster curriculum design and personalized learning. This portal comprises of global data and is process compliant.

L&D Fresher Induction in FY21

We undertake multiple L&D initiatives to enable new hires get ready for the job. Keeping in mind the pandemic scenario that necessitated remote induction and the requirements of evolving digital world, we undertook several new initiatives including:

- Commenced virtual learning from April 2020 to facilitate remote learning of new hires
- Mandated codility certifications for all trainees before deployment
- Introduced top-up trainings to provide advanced project-based learning that helps in reduction of trainee billing time
- Increase in trainee learning performance with inclusion of Learning Before Joining Program, Mock Client Interviews, SME interactions, Hands-On experience through virtual lab environment

Key highlights of learning and developments in FY21

Programs conducted

2,500+
Learning Programs

344+
Competency-based Programs
(129 behavioral/leadership, 15 freshers' training, 200+ job family wise learning pathways comprising of a series of courses)

Average Annual Training Hours per Employee

Employee category	Technical training	Behavioral training	Leadership training
Senior Management	4.67	1.53	0.09
Junior Management	9.64	2.41	1.89
Consultant	15.61	0.95	0.58
Trainee	356.67	27.32	0

The ongoing pandemic had posed several challenges for the entire industry. While we had to recalibrate our methods and processes to adapt to these unforeseen changes, we were steadfast in our resolve to not let it affect the development of our employees. In fact, being galvanized by our 'Let's Solve' motto, we have been able to more than double our average annual training hours in FY21 when compared to FY20 across all grades.

Promoting Continuous Learning with LTI Shoshin School

Our belief to 'Keep Learning' is at the core of everything we do. Our newly launched initiative LTI Shoshin School's framework is centered around the same philosophy. It creates an ecosystem that brings multiple learning content together and provides a standardized learning experience, thereby promoting a culture of continuous learning.

A one-stop learning platform, it provides access to 300+ SME curated learning pathways for all technical, functional, behavioral and leadership skill development requirements with content from best learning providers. Powered by the latest AI & ML engine, this smart learning platform provides enhanced and personalized learning experience using new-age learning principles. It enables employees to track, share, curate and measure learning from any source such as live and online courses, articles, blogs, videos, podcasts, work experience, skills, and events. Within 6 months of its launch, the platform is accessed by 93% active users at LTI.

Shaping and Streamlining Career Driving Organizational Growth My Career My Growth

The program is designed to guide employees in their current and future role/s with the flexibility to take charge of their own career. Facilitating understanding of leadership, functional and professional competencies required for a specific role, it helps employees determine career progression potential and set milestones along with providing development opportunities to achieve them.

It is designed to help them navigate through the various career opportunities and empower them to influence their own career progression.

Global Career Progression Framework (GCPF)

The program is designed to streamline career progression framework and ensure a unified organizational career path across all levels, globally. This was necessary for a rapidly growing global organization operating across various continents. This will help prepare LTI for growth and the next stage of our expansion plan.

In FY19, we started work on designing this new career progression framework. It came into effect from November 2020, replacing our current hierarchy, and is applicable to all

LTIes globally. During this exercise, each LTIe was mapped to a Job family, aligned to a career track and provided with a new grade and title.

With well-defined growth paths for each career stream, LTI GCPF caters to realities of today and ambitions of tomorrow. It enables faster progression on a globally comparable yardstick.

Outcome

One immediate benefit of GCPF is the ubiquitous gradation system globally. This has made transfer related activities from one country to another very simple, smooth and predictable. It is also enabling employees to streamline their learning and growth journey.

Further, because of transparency in hierarchy and a clearly defined growth path, it is helping in better retention of talent as well as to attract right talent as we grow.

Digitalizing Learning and Development

We, at LTI, have been leveraging technology for driving our learning programs. With the pandemic, we smoothly transitioned all classroom-based interventions to virtual mode and leveraged technology across all facets of training.

Some of our key initiatives towards Digitalizing L&D include:

- Launched online learning portal - LTI Shoshin School was launched for employees to access world-class content on leadership, technical and behavioral skills. We also, introduced multiple learning pathways to drive these competencies within the organization
- All our training programs such as GET Communication Skills Training, Monthly Behavioral Webinars, Leadership programs and iLead are conducted virtually and are fully leveraging technology
- Introduced My Career My Growth initiative as a microsite within LTI where employees have access to view all job families, career guides, career paths, competencies and career talks by influential leaders within the organization. This was followed by developing CDP tool - Career Development Plan on Success Factors

Succession Planning

Identification and development of future leaders is an important part of our HR strategy to equip the LTI Leadership pipeline for all contingencies by preparing high-potential employees for role advancement. This is classified into three broad levels as follows:

1. CEO Level – Leaders of Tomorrow:

It is a mentoring program chaired by the CEO. Structured in collaboration with industry experts and designed as a journey, the program provides a holistic learning experience to nurture and develop leaders.

Following are the components of this experiential learning journey:

- Assessment and development of professional competencies and behaviors
- 360 degree feedback from managers, peers and clients
- Leadership coaching for self-reflection and discovery
- Mentoring sessions to actionize Individual Development Plan (IDP) and realize limitless potential

2. Business Unit (BU) level Program:

We identify high potential employees at BU level for key roles at Senior Manager and Director levels. This is supported with IDPs, leadership, personality and competency-based assessments. Identified employees must undergo intense mentoring modules to equip themselves to take on additional/ expanded responsibilities and deliver exceptionally in their current roles.

Ensuring Health and Wellbeing

Employee health and wellbeing has always been a core focus area for LTI. We run employee benefit programs, under the arc of medical requirements, covering our global employees and their families.

In our non-US Health Expatriate insurance program, which covers expat employees in many geographies, there was a need for wider access and more exhaustive network. Accordingly, program administrators were upgraded, providing members access to a much larger network of medical service providers and support for making cashless claims, thus improving their overall ease, efficiency and experience. Additionally, we have also enhanced the coverage for pre-existing ailments, making it amongst the best in the industry.

Our employee benefit programs also focus on safeguarding and supporting employees globally during pandemic. We undertook to cover medically prescribed treatments for COVID-19 under health insurance programs.

We also have an ongoing partnership with one of the leading Employee Assistance Program (EAP) service providers in India for the wellness of employees. They provide confidential and voluntary assistance around personal as well as workplace concerns. This program at LTI is called "Help Yourself". This initiative encourages a task-oriented and caring organizational culture.

These proactive measures to address problems early can prevent complications, leads to greater employee productivity and improved quality of life for them and their families.

Understanding Employee needs

In FY21, we rolled out Leena – an AI-powered chatbot to help HR leadership understand the pulse of the employees. Leena reaches out to employees proactively without any human interventions to collect the data in an empathetic and responsive manner, asking questions based on their

tenure. Basis the interaction, the AI mechanism helps identify success and improvement areas across engagement drivers, segments and topics. This helps HR leadership to not only analyze and identify potential areas of challenge in the organization, but also go down to an individual level to solve issues proactively and make informed decisions.

22,000
Employee interactions conducted by Leena in FY21 covering 79% workforce



HR Excellence Recognized across Global Platforms

Our work in developing and promoting talent has been recognized on multiple forums in FY21. These include:

1

In FY21, LTI USA has been recognized as a Great Place to Work (GPTW) certified workplace. GPTW being a leading authority that benchmarks organizations for employee experience basis feedback from them. We were rated highly on being a safe workplace that treats all employees fairly.

2

LTI won the coveted 'Companies with Great Managers' title in 2020 organized by People Business and The Economic Times to identify, recognize and reward organizations with 'Great Managers' in India. Program enables participant organizations to compare and benchmark themselves and their managers across the industry. Additionally, two of our Managers won the individual category of Great Managers Award from among 5,000+ nominated managers from over 100 organizations. One of our HR Managers won the Top Young HR Leader Award 2020.

3

LTI UK recognized as the 'Top Employer 2021' by Top Employers Institute which in over 25 years has certified over 1,600 organizations in 119 countries/regions.

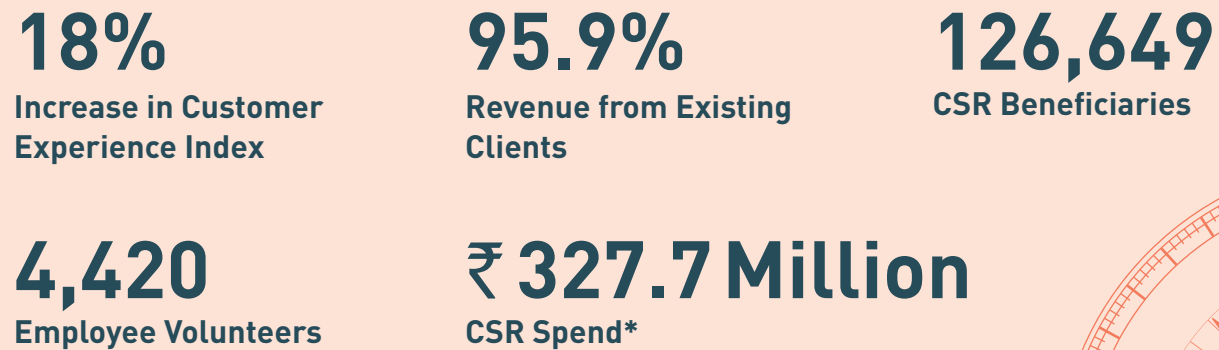
SDGs Impacted



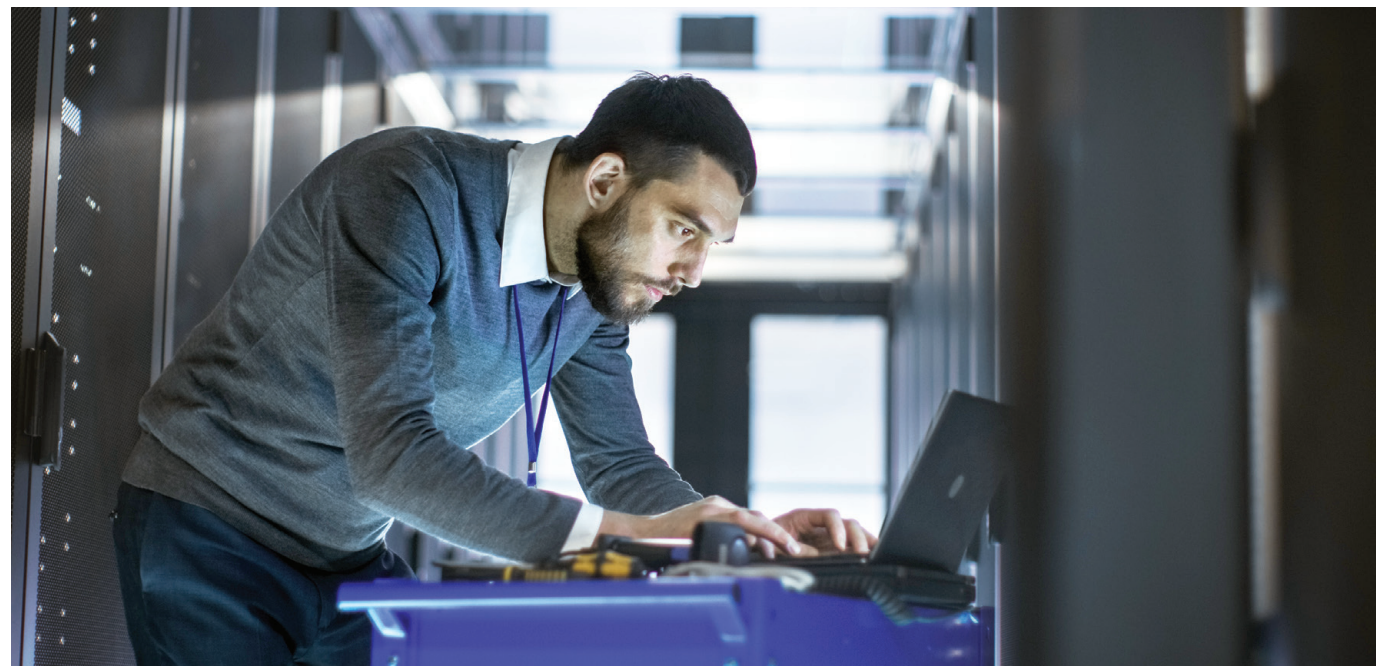
Social and Relationship Capital

Social and Relationship Capital represent the lasting relations that we have with our stakeholders including customers, supply chain, alliances and communities. They form an integral part of our decision-making process as we continually engage with them to understand their needs and expectations. For service-based companies like ours, building and maintaining long-term relationships with stakeholders is a key success driver.

Highlights FY21



*Includes contribution of ₹ 180 million towards PM CARES Fund in FY20. For more details, refer Annual Report on CSR Activities for FY21, part of this Report



At LTI, we believe that we have a responsibility to think and act in the interest of all our stakeholders. We are undertaking initiatives to help our clients win in a changing world while ensuring superior experiences. Considering identification of vulnerable stakeholders and our impact on them is crucial for shared value creation over the longer term. We have taken the path of inclusive development to address societal issues and engage with the disadvantaged, vulnerable and marginalized stakeholders. During the pandemic, we strengthened our social and relationship capital by enhancing

client experience through collaboration and communication as well as building sustained communities through our CSR programs.

Enhancing Client Experience

Our success is interlinked with that of our clients, and so, we strive to create a win-win scenario. We are enabling digital transformation for clients across the spectrum of size, vertical, and location to make them future-proof and resilient. Our partnerships and associations are integral to accomplishing this, by supporting us with knowledge and tools needed to solve for our clients.

Brand and Marketing

Our marketing and communications strategy is designed to cement our reputation as the partner of choice for the breakaway enterprise. Brand management is integral to achieving client advocacy and maintaining reputation for any business. At LTI, we launched our new brand identity in FY17, to position ourselves as a leading

partner in solving clients' challenges in the evolving digital landscape. The tagline 'Let's Solve' and the core idea 'Pioneering Solutions in a Converging World' demonstrate how we design, innovate and invest in solutions to aid clients' digital transformation journeys. During FY21, no cases of non-compliance concerning marketing communications by LTI were reported.



Our Approach to Ensuring Client Satisfaction

- Brand and Marketing - Staying true to our brand identity of 'Let's Solve', effectively engaging with existing and prospective clients
- Active engagement - Understanding and meeting client needs
- Alliances and Associations - Enhancing our capabilities to meet the ever-evolving needs of our clients

Recognition for our Brand in FY21

- Ranked the fastest growing Global IT Services brand as per Brand Finance IT Services 25 2021 report
- Also among the Top 50 Brands in India as per Brand Finance India 100 2021 report
- Finalist in 2020 Gartner Communications Award in 'Lean Team of the Year' category

Active Engagement

Client relationships are at the core of our business. We strive to build not just trust, but trust with resilience. Some of the sales and marketing programs that we have implemented since our listing have helped us to expand our client base over the years:

- "ASPIRE" to win large deals
- "Minecraft" to grow our top accounts
- "Must-have accounts"
- "Analytics and Digital in Every Account" (ADEA)

Minecraft has been the vanguard of our account mining and has helped us diversify revenues from our Top 20 clients from about 67% in FY17 to about 61% in FY20 and about 57% in FY21. New logos have always been a source of growth for LTI. In spite of COVID, we continued our new logo momentum in the past year by adding 78 new logos. 5 of those were Global Fortune 500 clients taking our total Global Fortune 500 client count to 71.

Our revenue growth in FY21 has been broad-based and supported by additions in several client buckets. Our USD5 million bucket is up by 10,

USD10 million bucket is up by 8, and our USD20 million bucket is up by 2.

Our engagement efforts include actively seeking client feedback, which has allowed us to augment our offerings and help establish LTI as a market leader. Our annual Client Satisfaction Survey, which is a third party conducted survey allows clients to rate us on satisfaction, loyalty, advocacy and value for money. Other than that, feedback is sought every six months at an account, engagement, employee and project level and insights are used to enhance offerings and ensure continuous improvement.

Top Client Satisfaction Delivered

We work with a third party to conduct a Client Satisfaction Survey on an annual basis. The consulting firm engages with our client organizations' CXOs and senior and middle management to gain insight on parameters like satisfaction, loyalty, advocacy and business value for money.

FY21 Survey Highlights

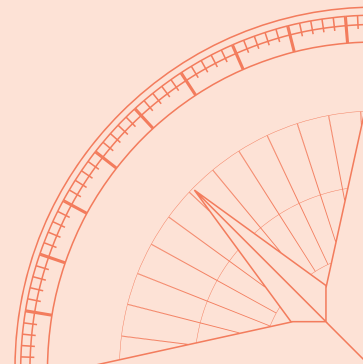
897
Respondents
↑23%

18%
Increase in Customer
Experience Index

80%
Respondents Delighted
with LTI's Remote Delivery
during the Pandemic

Scored well
on Responsiveness and Client Engagement

Differentiator
Customer-centricity followed by partner mindset is our key differentiator



Ensuring Uninterrupted Communications with Clients during COVID-19 Crisis

Frequent and relevant communication have played a key role in minimizing service interruptions in the wake of the COVID-19 crisis. With clients, we adopted a multi-channel communication approach, aimed at keeping them updated at all times. Our Communications Team proactively devised a comprehensive, multi-level approach to keep the clients informed. Throughout the pandemic, the team continues to work with the CEO and the global sales teams to apprise our stakeholders of our business continuity plan. During the recent sudden surge in COVID cases across India, our CEO himself has written to all our customers about the situation and LTI's response to the same. This was continued at the customer level, with our account managers proactively reaching out to their respective clients to keep them abreast of measures for business continuity and employee safety, and promptly answer specific queries about their engagements. This forthcoming approach has helped strengthen our relationships with clients and enabled us to support them through this crisis.

In addition to helping us reach new enterprises and industries, our communications strategy has been crucial to our client retention efforts. Combined with our focus on innovation and delivery excellence, it has helped us derive 95.9% of our revenue in FY21 from existing clients.

Alliances and Associations

Strategic collaborations are crucial to our client retention efforts giving us access to an even wider set of skills and expertise to tap into, including white spaces which help us win deals. We collaborate with over 40 partner organizations to power breakaway enterprises.

Our acquisitions have also helped us in accelerating innovation and delivering breakthrough solutions to clients. Our acquisitions of Lymbyc, Powerupcloud and Nielsen+Partner have enhanced our AI, cloud and Temenos offerings. Ruletronics has helped our clients elevate their customer engagement efforts, and earned us a 'Gold' partnership with Pega.

Further, we have created an Open Innovation ecosystem, which is a curated network of the best emerging and proven partners in academia and industry. It connects over 9,000 start-ups, top-notch educational institutions, and 700,000+ experts to convert ideas into disruptive business offerings. Collaboration with peers through association with various industry bodies is also done to harness our collective knowledge for technological progress.

Well-defined Investor Relations Program

We also have a robust investor outreach program through which we engage with a broad range of investors both domestically and overseas. Our communication is

centered around ensuring that our investment proposition is well understood by all our investors. In FY21, the company was quick to embrace virtual interactions for its investor outreach, including meetings, virtual NDRs and conferences as well as its first virtual analyst day and Annual General Meeting. We also continue to hold quarterly earnings calls to communicate our progress and quarterly numbers to the market.

Our efforts in this area are reflected in our market capitalization increasing by 3x times in FY21. We were also ranked #1 in the Institutional Investor's 2020 All-Asia Executive Team survey in the sell-side categories in Technology/IT Services and Software space. LTI was also the Only IT Company from India Included in the 'Most-Honored' List 2020.

Supply Chain

Our commitment to creating shared value also extends to our partners, whose products and services are instrumental to our success. Our Supplier Code of Conduct applies to vendors, service providers, agents, subcontractors, consultants and business partners. It aims to ensure good Environmental, Social and Governance practices across our value chain.

Local sourcing is another important focus area of our supply chain practices. Wherever possible, we procure our non-IT products from local businesses. It helps in uplifting the communities within which we function and also reduces our supply chain cost, time to market and environmental footprint.

We have also undertaken automation of internal procurement processes to improve efficiency and transform our Procurement Department into "less paper" operations. This includes use of data management system to digitally store all purchase orders related documents of RFP and Reverse / Forward Auctioning platform.

Impact created in FY21

344,020
hours

Virtual Learning hours for Students in Rural India

35,275
Students Benefited

SDGs Impacted

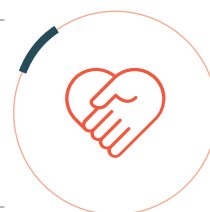


Creating Shared Value with the Communities

We focus on undertaking CSR initiatives that are scalable and self-sustaining to ensure holistic and long-term development of communities. Our CSR activities are focused around the areas of education, empowerment and environment, which our dedicated CSR team undertake in association with Non-Governmental Organizations (NGOs) engaged in the respective fields to have deeper impact. We also encourage employee volunteerism to create a social chain.

CSR roadmap

126,649
Lives Touched
FY21



200,000
Lives
Target FY30

Supporting Communities during the Pandemic

With vulnerable sections of community deeply impacted by the pandemic, we are leveraging our reach to help them navigate it. Our COVID-19 response is in line with our commitment to solving for society.

Some of our efforts towards this end include:

- Supporting relief efforts to combat COVID-19
- Creating a technology-enabled marketplace to ensure uninterrupted income generation for women artisans
- Capacity-building of our NGO partners
- Raising awareness about COVID-19 precautionary measures among the specially abled
- Supporting young innovators and start-ups that are working to overcome the public health and supply chain challenges posed by the pandemic
- Creating virtual classrooms to ensure uninterrupted learning and skill development

Enabling High-Quality Education

Education enables socioeconomic mobility, better quality of life and overall development of individuals and societies at large. It also provides businesses like ours access to a skilled talent pool for solving the problems of the future. Our efforts are aimed at enhancing access to high-quality education.

In FY21, owing to the new normal, our CSR efforts were structured to provide digital and experiential learning environment conducive for students at home. We ensured its delivery to remote parts of the country by using technology-based solutions. Experimental learning platforms helped students to prepare science and technology-based projects for responding to COVID-19 situation and resolve community issues. Support of Happiness kits made a big difference for the students as well as the community since meals were distributed to the households due to closure of schools.

LTI's 1Step volunteers continued to give back to the society and played a vital role by conducting awareness session on COVID-19, Aarogyasetu application, social distancing, cyber security and teaching academic subjects.

Empowering the Marginalized

We believe that empowering marginalized groups is key to reducing socioeconomic inequality. Focused on this, we are undertaking efforts around making youth, women and people with special abilities competent, employable as well as supporting an inclusive and equal culture. Our initiatives are centered around building self-sustaining communities by equipping them with the requisite skills for the future. Training programs are designed with special consideration for the needs of the youth, women and those with special abilities.

In FY21, LTI in partnership with NGOs has customized and adopted the virtual training module to implement computer skills training along with virtual job fair to provide placement support during the pandemic. This module enables us to reach more beneficiaries beyond our geographic areas. Women empowerment has remained a key focus. Our Women Artisan's Skill Enhancement Project (WASEP) is training women from tribal communities to re-create Warli, a tribal craft from Maharashtra and further linking them to markets in partnership with UNDP. During the pandemic, they were also encouraged to handcraft and design Warli face masks. These initiatives have provided them with a source of income while ensuring survival of the art form. Over 2,000 women have been trained in Warli art products, and now earn a sustainable income.

Impact created in FY21

20,256
Youth and Women including the Specially-abled Empowered in FY21

SDGs Impacted



Driving Environment Resilience

Growing as an organization means that our dependence on natural resources and environmental footprint are likely to increase. One of the key attributes that we, at LTI, have been inculcating in the past years is climate and resource resilience. Our commitment to make our India operations carbon neutral is a step in this direction. Conserving the environment and taking action to tackle climate change is one of the key focus areas of our CSR strategy.

We truly value our employee volunteers' meaningful contribution for making the positive difference to the society. During FY21, 4,420 LTItes were a part of the 1Step initiatives, including donation drives, walking for a cause and various awareness sessions conducted virtually.

Walking for a Greener Planet

In a new initiative, we have introduced 1StepMiles app across our locations to encourage employees to record their daily footsteps. We undertake to plant one tree for every 50 kms covered by each employee.

During the year, 1,995 employees covered a total of 52,100 kms distance against which 1,042 trees were planted.

Impact created in FY21

152,025
Trees Planted across Various Locations

57,309
Benefited from Environmental Initiatives

Awards and Recognition

- Signatory to UN Women Empowerment Principles
- Greentech CSR Award for Employment Enhancing Vocational Skills in CSR
- Order of Merit SKOCH Awards 2021 for Digital Sakshar Empowerment program
- Ranked among the top 50 companies (Rating 'A') in the BW Business World India rankings for Most Sustainable Companies 2020

~2,000 acres
Land Irrigated through Water Conservation Programs

SDGs Impacted



Natural Capital

Natural Capital represents the natural resources (energy, land, water, air and elements of the associated ecosystem) that we use to conduct business. We are minimizing our environmental footprint by undertaking initiatives around climate resilience as well as ensuring efficient usage and conservation of resources with focused initiatives around energy, water and waste management, carbon neutrality and biodiversity protection.

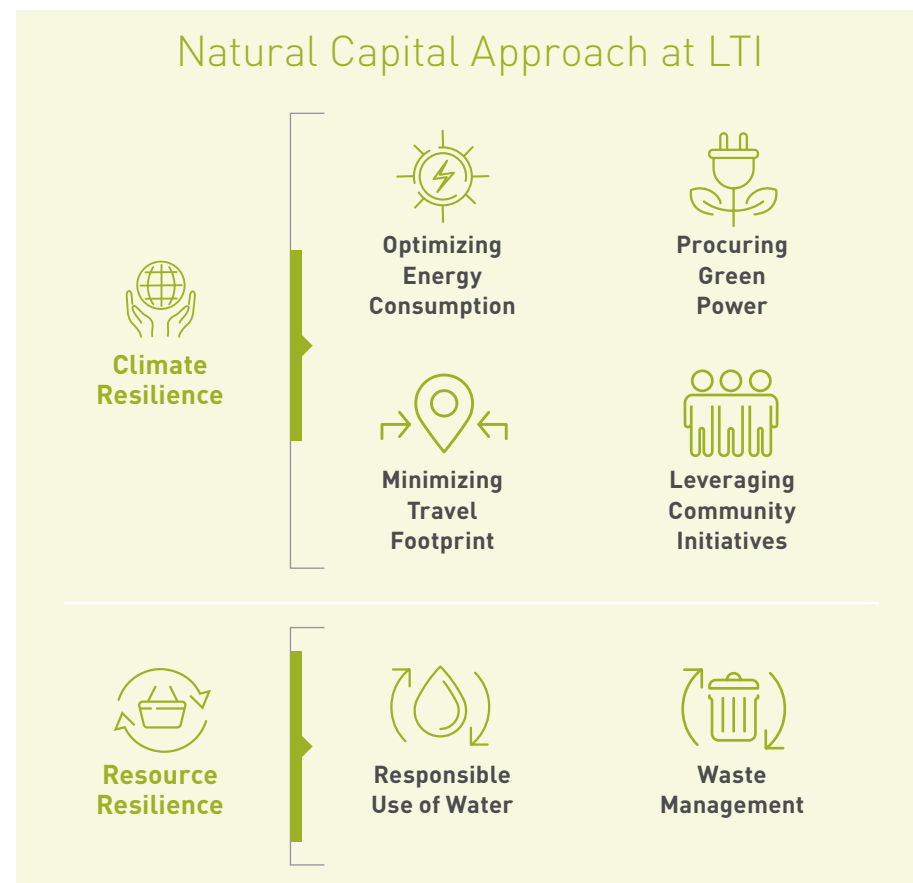
Highlights FY21

26.4%
Renewable Energy

4,116
tCO₂ Mitigation

>40%
Energy Consumption reduction due to non occupancy of office floors

9.65 ML
Water Recycled (million liters)



Climate Resilience Carbon Neutrality

Countries globally have pledged to reduce their carbon footprint at the Paris Agreement with a target of limiting global warming to 2°C. This has started a global movement for companies to adopt climate-friendly technologies and reduce their carbon footprint.

At LTI, we have set ourselves a target to achieve carbon neutrality by 2030 for our India operations with focused initiatives around conserving energy, increasing share of renewable energy, optimizing business travel and climate stewardship.

These initiatives will in turn help us to safeguard against resource scarcity by reducing dependence on fossil fuel. It will also ensure long-term sustainability of operations and provide avenues for reducing operational costs.

Target Carbon Neutral by 2030

- Conservation of Energy
- Increasing Share of Renewable Energy
- Optimizing Business Travel
- Climate Stewardship through Our Community Initiatives

Energy Conservation at LTI

Being a services company, energy consumption accounts for major source of our environment footprint. Procurement of power from national electricity grid is our key source of energy need, supplemented by diesel-powered generators as back-up. We also use fuel for food preparation in canteen.

We are strongly focused on reducing our energy consumption with initiatives around replacing old equipment with new-age technology and focusing on greater efficiency and sustainable use of energy.

Some of the key energy conservation initiatives undertaken in FY 2020-21 include:

1. Heating, Ventilation and Air-Conditioning (HVAC) System Optimization:

- Reducing main chiller operations by alternative low energy sources during non-peak hours
- Replacement of old equipment with newer technology energy-efficient chillers

GHG Emission by Source

Category	Energy Source	FY21	
		Carbon Emissions (tCO ₂)	Total Carbon Emissions (tCO ₂)
Scope 1	Diesel	146.0	153.2
	LPG	0.0	
	PNG	7.2	
Scope 2	Electricity	11,163.4	11,463
Scope 3	Bus	0.0	1,393.6
	Cab	578.6	
	Domestic Travel	92.6	
	International Travel	722.4	

2. Uninterrupted Power Supply (UPS) System Optimization:

- Reducing losses within a UPS system by managing connected load and reducing number of devices
- Replacements of obsolete equipment with efficient modular UPS systems which ensures lesser losses at lower loads

3. Replacement of Conventional Lighting Systems

- Constantly replacing conventional lights with LED fittings which are energy-efficient and have longer payback

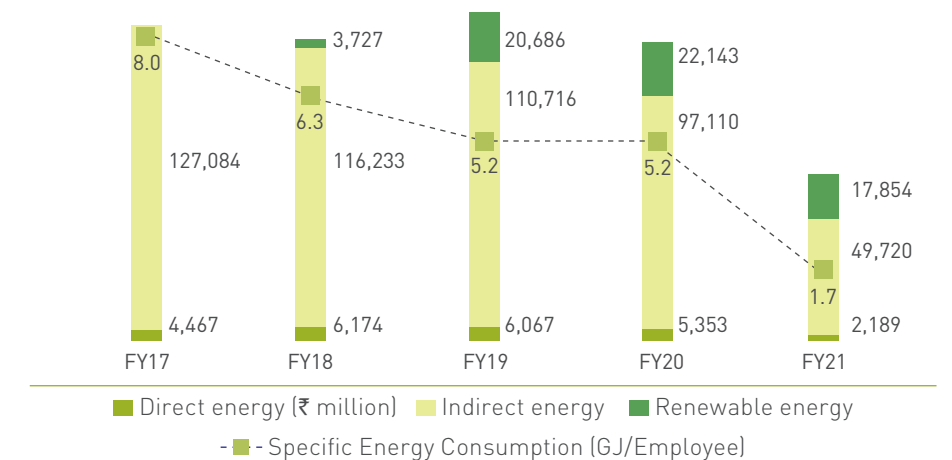
4. Sweating of Assets

- Using resources across locations by bearing only logistics cost (done at Pune where UPS system at one location was used at other)

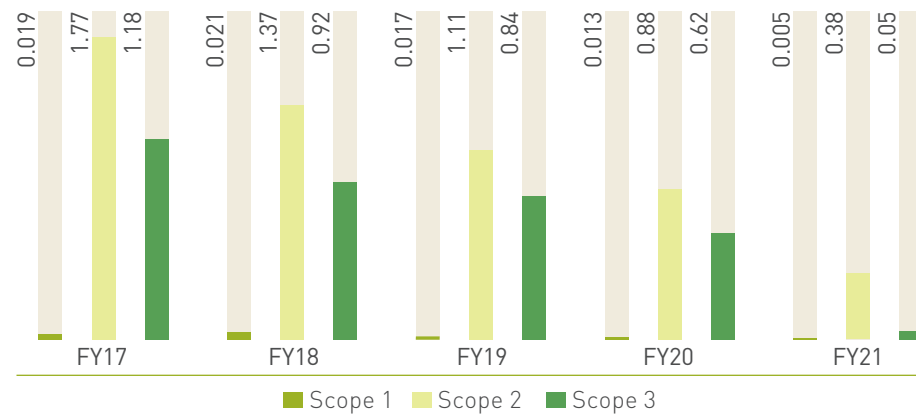
979,860 kWh

Potential Energy Savings accrued over a period of 1 year (under Normal Office Operation) from investments in Energy Conservation Initiatives in FY21

Energy Consumption by Source - GJ Calculations



Specific GHG Emissions (tCO₂/Employee)



Promoting use of Renewable Energy

We are continually increasing procurement of renewable energy and undertaking focused activities towards reducing fossil fuel consumption. This will not only facilitate decarbonization but also reduce our energy costs. While we have offices across 31 countries, they are sales or requirement-based ones with small scale operations and India operations account for majority of our overall energy consumption. To achieve

our goal of Carbon Neutrality by 2030, we have set an internal target to achieve 50% renewable energy mix which as on March 31, 2021 stands at 26.4%. Towards this, we have set up two solar energy plants – a 10 kWp plant piloted at a leased location in Mumbai and a 100 kWp plant in our Bengaluru campus. The successful pilot of establishing plant at the leased location gives scope for future execution in more such locations.

FY21 Renewable Energy Consumption Highlights

3,107.4 mWh
Electricity sourced from Solar Power

1,055.6 mWh
Electricity sourced from Wind Power

796.4 mWh
Renewable Energy Certificates (REC)

4,959.5 mWh
Total Renewable Energy Procurement

26.4%
Contribution to total Electricity Consumption

4,116.4 tCO₂
Carbon Emission Mitigated



Optimizing Business Travel

With large number of employees and frequent travels, business-related travel accounts for over 40% of our overall GHG emissions. It is also a significant cost overhead to our business. We have, therefore, taken effective measures to optimize business travel and opt for inexpensive low-carbon alternatives, wherever possible.

To reduce air travel related GHG emissions, we encourage our employees to book direct flights, and are working with airlines to procure emission offsets. Besides, we have taken advantage of the current situation of COVID-19 to reduce our non-essential travels with measures like using direct flights to avoid transit hubs and leveraging video conferencing.

Dedicated Travel Roadmap

As a part of our plan to become carbon neutral in our India operations by FY30, we have developed a dedicated roadmap for business travel. It aims at optimizing air and cab travels and using cleaner mode of public transport.



Air Travel

- Use of direct flight
- Use fuel-efficient airplanes and with biofuel capability
- Contracts with airlines to offset carbon emissions
- Usage of video conferencing / virtual meeting
- Reduce non-billable business travel



Employee Bus Travel

- Exploring transportation providers with cleaner fuel or low carbon alternatives to diesel



Employee Cab Travel

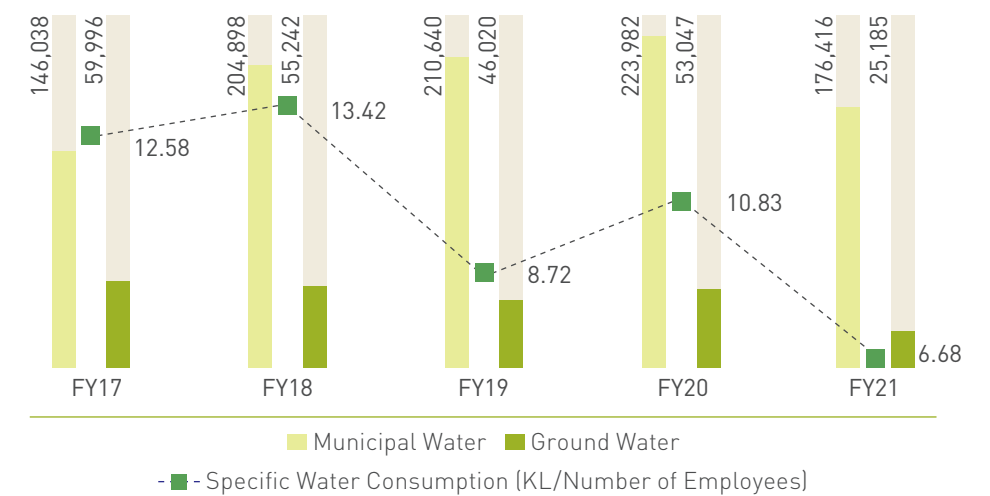
- Converted 25%+ fleet to CNG at two offices in Mumbai having higher volume of usage
- Exploring collaboration with cab aggregators to switch to electric cars
- Utilize platforms to aggregate cab rides. Presently, Workplace by Facebook is used to promote pooling of OLA rides

Waste Management

Our waste management initiatives are based around 3R – Reduce, Reuse and Recycle. We focus on reducing e-waste, paper and food waste and recycling paper waste. Due to the prevailing pandemic, offices were not occupied, and hence major focus was on water recycling at our owned sewage treatment plants. Canteen as well as domestic consumption of water was reduced radically. Water was majorly consumed for cleaning activities and in cooling. We also installed sensor-based taps to ensure optimal diffusion of water as COVID-19 necessitated increased handwashing.

We have been recycling shredded paper and discarding e-wastes in an environment-friendly way through government authorized vendors for many years now. This year due to logistical setbacks these have not been possible. However, we ensured all e-waste was stored safely and separately within the premises.

Water Consumption Trends (KL)



Waste Disposal

- E- waste Disposed – 11.238 KG
- Canteen Waste Disposed – 6.839 KG
- Paper Waste Generated – there was negligible wastage due to offices being completely shut

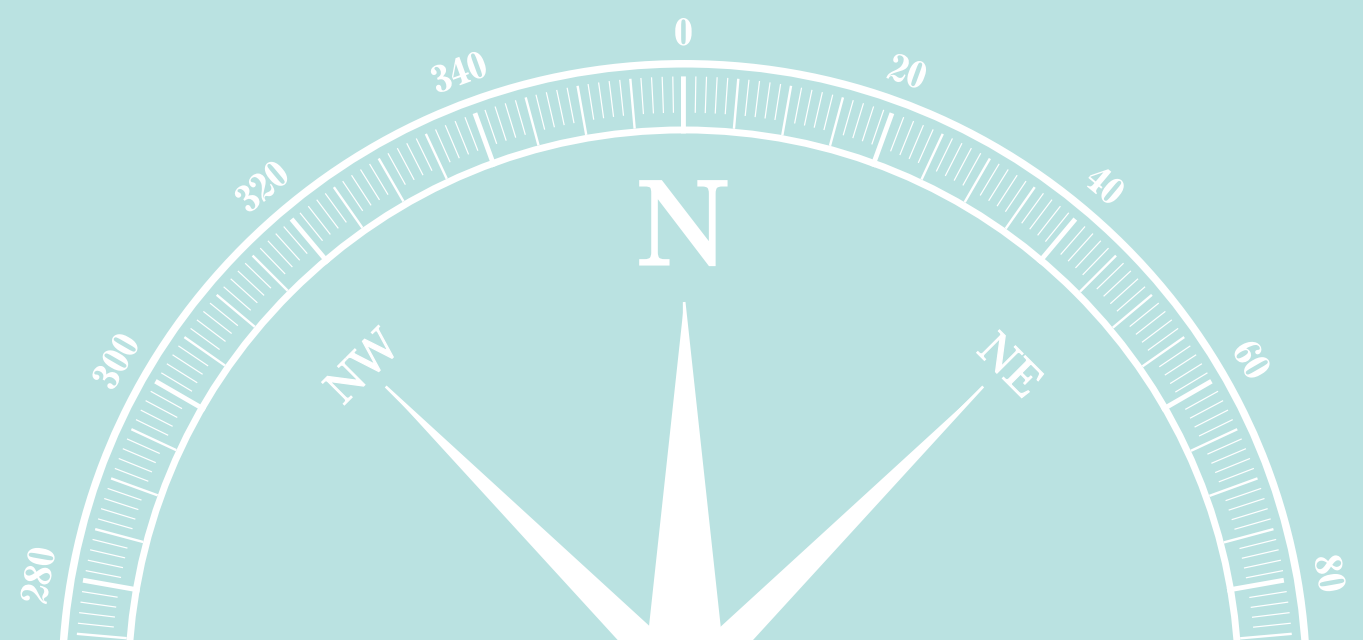
SDGs Impacted



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Management Discussion & Analysis

I. Global Economic Scenario

Global prospects remain highly uncertain one year into the pandemic. New virus mutations and the accumulating human toll raise concerns, even as growing vaccine coverage lifts sentiment. Economic recoveries are diverging across countries and sectors, reflecting variation in pandemic-induced disruptions and the extent of policy support. The outlook depends not just on the outcome of the battle between the virus and vaccines—it also hinges on how effectively economic policies deployed under high uncertainty can limit lasting damage from this unprecedented crisis.

After an estimated contraction of -3.3 percent in 2020, the global economy is projected to grow at 6 percent in 2021. The projections reflect the additional fiscal support in a few large economies and the anticipated vaccine-powered recovery in the second half of the year. Growth in the advanced economy group is projected at 5.1 percent in 2021 on the back of the United States which is expected to grow at 6.4 percent this year. This makes the United States the only large economy projected to surpass the level of GDP it was forecast to have in 2022 in the absence of this pandemic. Other advanced economies, including the euro area, will also rebound this year but at a slower pace. Among emerging markets and developing economies, China is projected to grow this year at 8.4 percent. While China's economy had already returned to pre-pandemic GDP in 2020, many other countries are not expected to do so until 2023.

Thanks to unprecedented policy response, the COVID-19 recession is likely to leave smaller scars than the 2008 global financial crisis. However, emerging market economies and low-income developing countries have been hit harder and are expected to suffer more significant medium-term loss.

A high degree of uncertainty surrounds these projections, with many possible downside and upside risks. Much still depends on the race between the virus and vaccines. Greater progress with vaccinations can uplift the forecast, while new virus variants that evade vaccines, can lead to a sharp downgrade. Large divergences in recovery speeds also raise the prospect of divergent policy stances.

Source: International Monetary Fund - World Economic Outlook: Managing Divergent Recoveries. Washington, DC, April 2021

II. Industry Overview

According to NASSCOM's CEO survey, about 71% chief executives expect global tech spend to grow over 4%. The figure is significantly higher than the previous two years — 41% and 59% in 2019 and 2020, respectively. The survey also states that the recovery in global tech spending will be led

by the digital segment. For 2021, core tech spending growth will include increased digital adoption and 'work-from-anywhere' enablement.

The priority tech spending areas for 2021 are expected to be augmented reality and virtual reality (AR/VR), mixed reality, Internet of Things (IoT), artificial intelligence (AI), robotics and cloud. There is a clear shift in focus from legacy/cost optimisation to front end customer experience. The pandemic has also changed the top three tech priorities for 2021. Though cloud and advanced analytics continue to be the focus, cyber security is the third most important area.

Large digitisation deals, followed by growth in core markets especially Europe and Continental Europe will drive growth in 2021. The survey pointed out that digital transformation deals have seen a 30% jump since the pandemic.

However, with growth coming back, access to capability and right skills will need more focus. 56% respondents said that they will increase their hiring by 10% while 39% said that they see hiring growing by over 10%. As organisations move from services to platforms, build new business models and fast track inorganic growth, new talent capabilities will be in demand. With a focus on hybrid work models, 70% CEOs expect remote workers to constitute 50% of workforce.

III. Our Business

L&T Infotech (LTI) is a global technology consulting and digital solutions company helping over 400 clients succeed in a converging world. With operations in 31 countries, we go the extra mile for our clients and accelerate their digital transformation.

Details on our strategy and how we create value are available on Page 20-23 of Annual Report.

Opportunities

a. **Banking and Financial Services:** LTI has seen strong year on year growth of 18.4% in this vertical. IT spending of the banking industry in the digital space has largely been resilient. The pandemic has accelerated digital transformation to enable enhancement of straight through processing and improvement of operational effectiveness. Banks are also dealing with COVID-19 induced buying behaviour and unprecedented liquidity in the economy due to massive global stimulus programs. As a result, technology investment in lending and wealth products are seeing a significant surge. Banks in some regions were also hit by challenges of money laundering and cyber

security. Hence, solutions around Know Your Client, Anti-Money Laundering and other regulatory requirements have been a key driver for IT spend as well.

- b. **Insurance:** The pandemic and other catastrophic losses such as those caused by hurricanes and wildfires impacted many insurers. With increased exposure, lowest ever interest rates, and increasingly sluggish economic conditions, the insurance companies faced significant economic challenges. LTI saw a 3.8% year on year de-growth in this vertical. Digital spend, however, continued to be prioritized by insurers with COVID-19 forcing companies to quickly adopt remote and digital ways of working. In addition to an increased focus on expense management, insurers are likely to prioritize on digitizing core services, aligning and reimagining insurance products to the "new normal", and hardening the organization against newly exposed cybersecurity concerns and regulatory challenges.
- c. **Manufacturing:** This sector includes Industrial Manufacturing, Automotive & Aerospace and was one of the most impacted verticals, by the pandemic, during early part of the financial year. LTI delivered a 7.1% year on year growth in this vertical. With many manufacturing facilities shutting down due to COVID-19, cost containment became top priority and led to reduced IT spend initially. The sector saw a smart recovery during the latter part of the year as factories and supply chains opened up and started to work in innovative ways. Companies in manufacturing sector have realized that digital operating models will be key to future growth eg. direct-to-customer and subscription revenue models, as opposed to distributor and product-sales led models. Therefore, digital transformation will take on greater urgency and will drive capital spend both in deploying new digital business model capabilities as well as overall digital infrastructure and readiness.
- d. **Energy and Utilities:** LTI saw a 2.8% year on year de-growth in this vertical. This sector was one of the most impacted due to a combination of COVID-19 and commodity price fall. Recovery is tepid and spends continue to be impacted. Going forward, macroeconomic conditions as well as wide availability of the vaccine should aid a bounce back in demand in the Oil & Gas space. Utilities have bounced back to near normalcy showing good growth rates.
- e. **Consumer Packaged Goods (CPG), Retail and Pharma:** LTI achieved 7.4% year on year growth in this vertical. The CPG and Retail space witnessed renewed focus on omnichannel experiences and digital investments focusing on online and physical stores, for seamless home-based

shopping. The pandemic ensured a higher push for consumer connect and optimizing B2C business models by investments in digital commerce capabilities, driving hyper-personalised customer experiences with low touch mechanisms and using new age technologies like AI/ML.

In the pharma industry, the focus is on fast-tracking drug discovery for vaccines and building a robust and receptive supply chain. As a result, R&D and Manufacturing functions took precedence to accelerate time-to-market and build scale at push button speed. AI-driven R&D to expedite drug discovery, personalised medicines by predicting individual disease trajectory, digital supply network and connected patient experience are some of the top-of-mind business priorities. Security and compliance also remain key considerations in accessing patient information.

- f. **Hi-Tech, Media and Entertainment:** The shift to working from home with the help of digital collaboration tools is likely to drive demand for high tech companies. A growing need for infrastructure to support this shift, like cloud computing for business or increased broadband consumption for consumers, will be much sought after. Media companies will continue to make heavy investments in digital technologies and focus on faster delivery of digital products by leveraging global delivery model. Apart from investing in building video streaming platforms, there will be considerable focus on applying AI/ML technologies in the area of content discovery and content management. LTI achieved 8.5% year on year revenue growth in this vertical.

Human Capital

LTI crossed the 34,000-employee mark in FY21. Our unwavering focus on engaging, developing and retaining such talent is part of every people decision we make. Given our performance for the year and to recognize the untiring effort of our employees, we have advanced our performance review cycle for FY21, for all our employees except our senior executives. We would be rolling out salary hikes effective April 1st, instead of our regular July cycle.

Further details on our human capital is available on Page 42 of Annual Report.

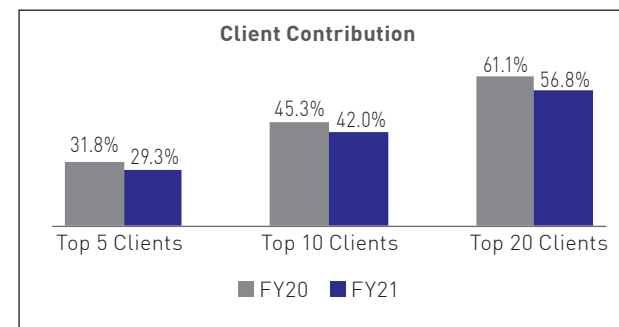
IV. Significant Factors Affecting Our Results of Operations

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

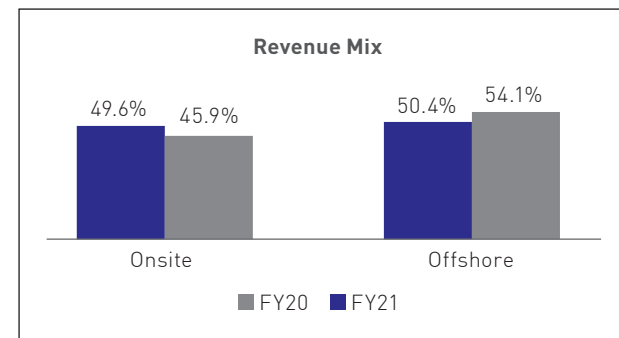
Client relationships are at the core of our business. We have a history of high client retention and continue to derive a significant proportion of our revenue from repeat business built on our successful execution of prior engagements. In the year ended March 31, 2021, we generated 95.9% of our revenue from existing clients as compared to 94.3% in the year ended March 31, 2020.

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.



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, 2021 as compared to the year ended March 31, 2020.



Employees and employee costs

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

Our total headcount increased to 35,991 as of March 31, 2021 from 31,437 as of March 31, 2020. Our attrition rate for FY21 was 12.3% as against 16.5% in FY20.

Employee benefits expenses constituted 58.8% and 58.1% of our total income in the year ended March 31, 2021 and March 31, 2020 respectively. Wage costs in India, including in the IT services industry, have historically been more competitive than wage costs in the United States, Europe and other developed economies. In addition, we continue to invest in the recruitment and retention of sales and administration staff in line with our growth and expand our markets.

Foreign currency fluctuations

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

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

Tax benefits for Indian IT companies

We have historically benefited from the direct and indirect tax benefits given by the Government for the export of IT services from SEZs. As a result, considerable portion of our profits is exempt from income tax leading to a lower overall effective tax rate than that which we would have otherwise been subjected to if we were doing business outside SEZs. During the year, additional SEZ exemptions resulting from business expansion was offset by lower SEZ exemptions for certain units on completion of first five years of SEZ where we get 100% exemption from Income tax as opposed to 50% in next five years.

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

The company continues to avail indirect tax benefits for its business carried out through software development centers registered as STPI and SEZ units.

V. Financial Conditions Consolidated

Assets

1. Tangible and Intangible Assets:

	As at 31-03-2021		As at 31-03-2020	
Property, Plant and equipment	3,857		4,031	
Right of Use Assets	6,221		7,692	
Capital work-in-progress	403		382	
Goodwill	6,574		6,368	
Other Intangible assets	2,408		1,106	
Intangible assets under development	259		210	
Total	19,722		19,789	

Property, Plant and equipment:

During year ending March 31, 2021, LTI primarily invested in IT assets to meet work from home requirements in response to pandemic apart from making investments to meet business growth. Plant, property and equipment has decreased to ₹ 3,857 Mn as at March 31, 2021 from ₹ 4,031 Mn as at March 31, 2020 since net additions are lower than depreciation during the year.

Right of Use assets:

Right of Use assets have been recognized at ₹ 6,221 Mn as on March 31, 2021. These assets are primarily related to Office premises occupied by the group across locations in India and overseas. Decrease in Right of Use assets is majorly due to depreciation for the year and surrender of few leased premises keeping in mind future capacity requirements.

Goodwill and other Intangible assets:

Increase in Goodwill is primarily due to fluctuations in exchange rates. The net increase in Other Intangible assets during the year is mainly on account of purchase of certain Rights under Licensing agreement. Intangible assets under development represent efforts spent on assets which are under development.

2. Other Non-current and current assets

Particulars	As at 31-03-2021			As at 31-03-2020		
	Non-current	Current	Total	Non-current	Current	Total
Non-Current Assets - Financial						
Investments	1,013	-	1,013	2	-	2
Loans	457	-	457	560	-	560
Other Financial Assets	1,595	-	1,595	118	-	118
	3,065		3,065	680		680
Other Non-Current Assets						
Tax assets	930	-	930	817	-	817
Other Assets	1,515	-	1,515	1,451	-	1,451
	2,445		2,445	2,268		2,268
Current Assets - Financial						
Loans	-	300	300	-	129	129
Other Financial Assets	-	1,858	1,858	-	1,613	1,613
		2,158	2,158		1,742	1,742
Other Current Assets						
Tax Assets	-	-	-	-	7	7
Other Current Assets	-	8,373	8,373	-	6,562	6,562
		8,373	8,373		6,569	6,569
	5,510	10,531	16,041	2,948	8,311	11,259

Total Other Non-Current and Current assets stood at ₹ 16,041 Mn as of March 31, 2021 as compared to ₹ 11,259 Mn as of March 31, 2020.

The increase in non-current other financial assets is mainly attributable to investment in long-term Corporate bonds and increase in marked to market gains of outstanding hedges due to rupee appreciation against USD.

The increase in other current financial asset is mainly attributable to increased marked to market gains on outstanding hedges due to rupee appreciation against USD.

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 related to such unbilled revenue for fixed price contracts of ₹ 5,335 Million included in other current assets as of March 31, 2021 as compared to ₹ 4,342 Million as of March 31, 2020 and increase in prepaid expenses.

Days of Sales outstanding of unbilled revenue (including that classified as non-financial asset) is 33 days as on March 31, 2021 as compared to 29 days as on March 31, 2020.

5. Funds Invested

	(₹ in million)	
	As at 31-03-2021	As at 31-03-2020
Investments	36,282	22,186
Cash and Cash equivalents	6,759	4,853
Other Bank Balances	835	399
Fund invested	43,876	27,438

The investments are primarily in Debt mutual funds and in equity arbitrage funds having investments in sound rated instruments & in schemes with large assets under management, thus mitigating counterparty risk. Further, the Company invested in Corporate Deposits amounting to ₹ 1,998 Million and short-term corporate bonds amounting to ₹ 542 Million. Put together, investments stood at ₹ 36,282 Million as at March 31, 2021 as against ₹ 22,186 Million as at March 31, 2020.

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.

6. Share Capital

	(₹ in million)	
	As at 31-03-2021	As at 31-03-2020
Authorized:		
260,000,000 equity shares of ₹ 1 each (Previous year 260,000,000 of ₹ 1 each)	260	260
Issued, paid up and subscribed:		
174,750,608 equity shares for ₹ 1 each (Previous year 174,126,769 of ₹ 1 each)	175	174
Equity Share Capital	175	174

The Issued, paid up and subscribed share capital increased on account of shares allotted on exercise of employee stock options during the year ended March 31, 2021.

3. Trade Receivables

Trade receivables amounted to ₹ 20,835 Million (net of provision for doubtful debts amounting to ₹ 642 Million) as at March 31, 2021, compared to ₹ 23,121 Million (net of provision for doubtful debts amounting to ₹ 630 Million) as at March 31, 2020.

Days of Sales outstanding of Trade Receivables as on March 31, 2021 is 61 days as against 77 days as on March 31, 2020.

4. Unbilled Revenue

Unbilled revenue represents value of services performed for customers not yet billed. Unbilled revenue stood at ₹ 6,071 Million as at March 31, 2021 as against ₹ 4,420 Million at March 31, 2020.

7. Other Equity

	(₹ in million)	
	As at 31-03-2021	As at 31-03-2020
Other reserves	11,294	6,336
Retained earnings	61,565	47,530
Non-Controlling interest	37	11
Other Equity	72,896	53,877

Other equity at the end of March 31, 2021 stood at ₹ 72,896 Million as against ₹ 53,877 Million at the end of at March 31, 2020. The increase in other reserves from ₹ 6,336 Million at the end of March 31, 2020 to ₹ 11,294 Million at the end of March 31, 2021 is primarily attributable to increase in hedging reserve on account of marked to market gains on outstanding hedges due to rupee appreciation against US Dollar. The increase in retained earnings from ₹ 47,530 Million at the end of March 31, 2020 to ₹ 61,565 Million at the end of March 31, 2021 is on account of Net Profit for the year, reduced by dividend paid.

8. Deferred tax assets / liabilities

	(₹ in million)	
	As at 31-03-2021	As at 31-03-2020
Deferred tax assets	546	2,222
Deferred tax liabilities	35	101

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 ₹ 546 Million as at March 31, 2021 from ₹ 2,222 Million as at March 31, 2020 mainly due to creation of deferred tax liability on increased hedging reserve during the year ended March 31, 2021 and utilization of MAT credit during the year.

9. Other Non-Current and Current liabilities

Particulars	As at 31-03-2021			As at 31-03-2020		
	Non-current	Current	Total	Non-current	Current	Total
Non-Current liabilities						
Financial Liabilities	445	-	445	2,884	-	2,884
Lease liabilities	6,375	-	6,375	7,571	-	7,571
Other non-current liabilities	479	-	479	-	-	-
Provisions	363	-	363	330	-	330
Current liabilities						
Borrowings	-	414	414	-	320	320
Trade Payables	-	8,277	8,277	-	6,950	6,950
Other Financial Liabilities	-	7,831	7,831	-	8,011	8,011
Lease liabilities	-	1,194	1,194	-	1,228	1,228
Other Liabilities	-	4,921	4,921	-	4,134	4,134
Provisions	-	3,542	3,542	-	2,588	2,588
Current income tax liabilities (Net)	-	144	144	-	81	81
Total	7,662	26,323	33,985	10,785	23,312	34,097

Total Other Non-Current and Current liabilities stood at ₹ 33,985 Million as of March 31, 2021 as compared to ₹ 34,097 Million as of March 31, 2020.

Non-current Financial Liabilities and Current Other financial liabilities as of March 31, 2021 include contingent consideration payable for acquisitions, marked to market losses on outstanding hedges and employee liabilities towards annual incentives.

Other non-current liabilities of ₹ 479 Million relates to deferred social security contribution payable after a year. 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.

Borrowings relates to working capital facility taken by an overseas subsidiary.

VI. Results of our consolidated operations

Particulars	2020-21		2019-20	
	(₹ Million)	of Total Income %	(₹ Million)	of Total Income %
Income				
Revenue from operations	123,698	97.8%	108,786	97.1%
Other income	2,744	2.2%	3,292	2.9%
Total Income	126,442	100.0%	112,078	100.0%
Expenses				
Employee benefit expenses	74,289	58.8%	65,166	58.1%
Operating expenses	20,194	16.0%	21,506	19.2%
Finance costs	788	0.6%	826	0.7%
Depreciation and Amortization	3,325	2.6%	2,730	2.4%
Other Expenses	1,964	1.6%	1,821	1.6%
Total Expenses	100,560	79.5%	92,049	82.1%
Profit before tax	25,882	20.5%	20,029	17.9%
Tax expenses				
- Current tax	6,314	5.0%	3,913	3.5%
- Deferred tax (net)	186	0.1%	911	0.8%
	6,500	5.1%	4,824	4.3%
Net Profit for the period	19,382	15.3%	15,205	13.6%
Other Comprehensive income	4,788		(4,099)	
Total comprehensive income for the period	24,170		11,106	
Profit attributable to:				
Owners of the company	19,361		15,201	
Non-controlling interests	21		4	
	19,382		15,205	
Total comprehensive income attributable to:				
Owners of the Company	24,146		11,103	
Non-controlling interests	24		3	
	24,170		11,106	
Earnings Per Share				
Basic	₹ 110.98		₹ 87.45	
Diluted	₹ 110.26		₹ 86.61	

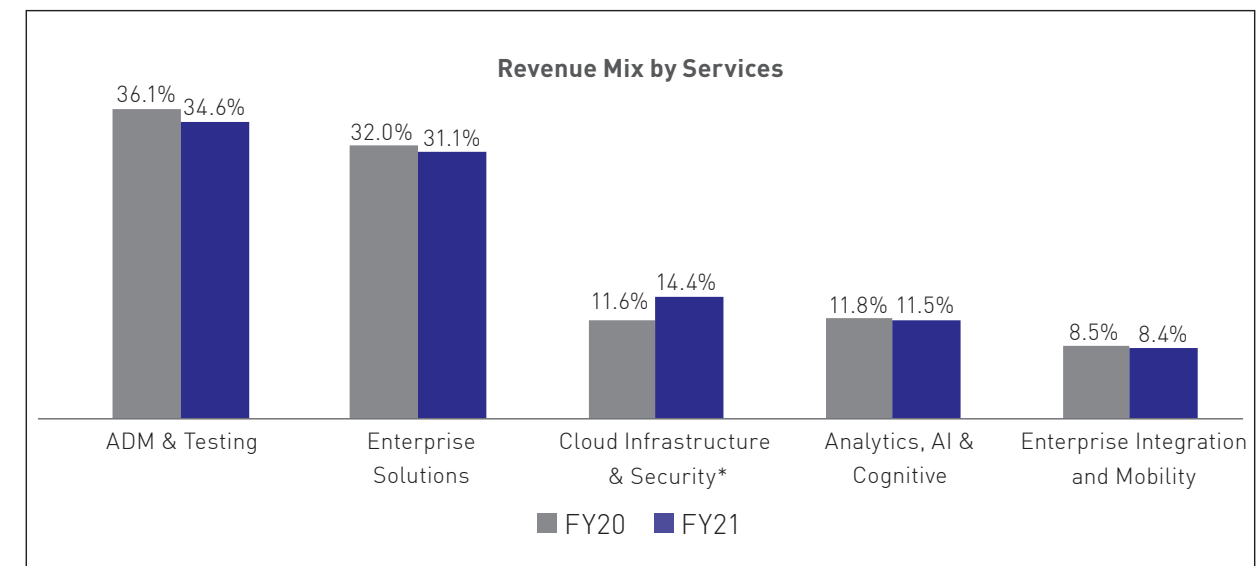
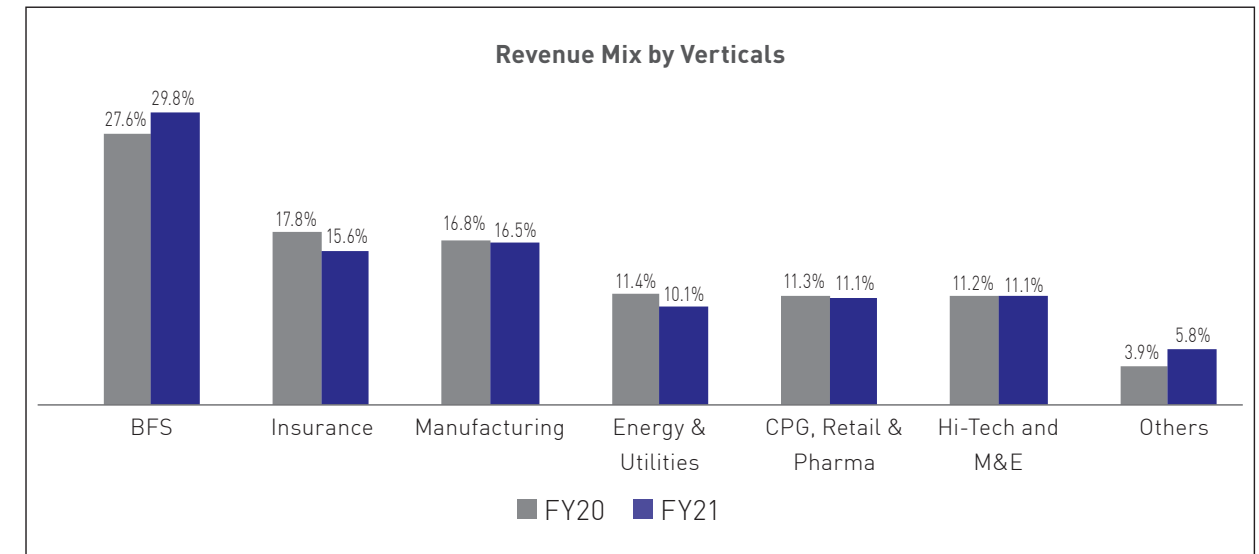
Financial Year 2020-21 Compared to Financial Year 2019-20

1. Income

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

Our total income increased by 12.8% to ₹ 126,442 Million for the year ended March 31, 2021 from ₹ 112,078 Million for the year ended March 31, 2020.

Revenue from operations



Infrastructure Management Services has been renamed as Cloud Infrastructure & Security

Our revenue increased by 13.7% to ₹ 123,698 Million for the year ended March 31, 2021 from ₹ 108,786 Million for the year ended March 31, 2020, due to growth in other verticals (growth of 69.0%), Banking and Financial Services (growth of 22.7%), Hi-Tech, Media & Entertainment (growth of 12.9%), CPG Retail & Pharma (growth of 11.6%), Manufacturing (growth of 11.2%), Energy & Utilities (growth of 0.8%) and Insurance (growth of 0.1%).

Our service revenue increased due to growth in Cloud Infrastructure & Security (growth of 41.2%), Enterprise Integration & Mobility (growth of 12.2%), Analytics, AI & Cognitive (growth of 11.1%), Enterprise Solutions (growth of 10.5%) and ADM & Testing (growth of 9.0%).

2. Other Income

Other income primarily consists of income from foreign exchange gains (or losses), investments in mutual funds, interest received and miscellaneous income. Other income for the year ended March 31, 2021 is ₹ 2,744 Million as against ₹ 3,292 Million for the year ended March 31, 2020.

Income from Investments

Income from mutual fund investments increased to ₹ 1,538 Million in the year ended March 31, 2021 compared to ₹ 1,217 Million for the year ended March 31, 2020 as a result of increase in investible surplus. Active management of duration and sharp focus on portfolio quality ensured that we continue to generate healthy returns.

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 has reduced to ₹ 62 Million for the year ended March 31, 2021 as against ₹ 1,889 Million for the year ended March 31, 2020 mainly due to sharp appreciation of ₹ against USD.

Miscellaneous income

Miscellaneous income increased to ₹ 982 Million in the year ended March 31, 2021 compared to ₹ 122 Million for the year ended March 31, 2020. The increase is mainly due to write back of certain earn outs payable towards an earlier acquisition amounting to ₹ 571 Million.

3. Expenses

Our expenses include employee benefit expenses, operating expenses, finance costs, depreciation and amortization and other expenses. Our total expenses increased by 9.2% to ₹ 100,560 Million for the year ended March 31, 2021 from ₹ 92,049 Million for the year ended March 31, 2020.

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 14.0% to ₹ 74,289 Million for the year ended March 31, 2021 from ₹ 65,166 Million for the year ended March 31, 2020. The increase is majorly due to increase in employee count in line with business growth, changes to employee mix and increments. This has also resulted

in higher contribution to the Provident fund, Social security and payroll taxes.

Operating expenses

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

Our operating expenses reduced by 6.1% to ₹ 20,194 Million for the year ended March 31, 2021 from ₹ 21,506 Million for the year ended March 31, 2020 mainly due to situational savings arising out of COVID related restrictions.

Finance costs

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

Our finance costs reduced to ₹ 788 Million for the year ended March 31, 2021 from ₹ 826 Million for the year ended March 31, 2020 primarily due to reduction in interest on contingent consideration.

Depreciation and amortization

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

Our depreciation and amortization expense increased by 21.8% to ₹ 3,325 Million for the year ended March 31, 2021 from ₹ 2,730 Million for the year ended March 31, 2020, primarily due to increased asset base including 'Right to Use Asset' which got created in earlier year.

Other Expenses

Other expenses increased by 7.9% to ₹ 1,964 Million for the year ended March 31, 2021 from ₹ 1,821 Million for the year ended March 31, 2020. Legal & professional fees increased to ₹ 1,688 Million for the year ended March 31, 2021 from ₹ 1,196 Million for the year ended March 31, 2020. The company had higher CSR expenses for the year ended March 31, 2020 as it had contributed ₹ 180 Million to PM CARES Fund for COVID-19 relief measures. The contribution towards PM CARES Fund exceeded CSR obligation for the year ending March 31, 2020 and accordingly, it has been offset against CSR obligation for the year ended March 31, 2021.

4. Profit before tax

Our profit before tax increase by 29.2% to ₹ 25,882 Million for the year ended March 31, 2021 from ₹ 20,029 Million for the year ended March 31, 2020.

5. Tax expense

Income Tax expense comprises of current tax and deferred tax. Current tax is the amount expected to be paid to the tax authorities

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

Current tax expense increased to ₹ 6,314 Million for the year ended March 31, 2021 from ₹ 3,913 Million for the year ended March 31, 2020 mainly on account of increased profits with corresponding reduction in the SEZ benefits for certain units on completion of first five years of SEZ where we get 100% exemption from Income tax as opposed to 50% in next five years.

Deferred tax expense reduced to ₹ 186 Million for the year ended March 31, 2021 as against ₹ 911 Million for the year ended March 31, 2020 primarily due lower MAT balance available for utilization.

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.

Particulars	2020-21		2019-20	
	(₹ Million)	of Total Income %	(₹ Million)	of Total Income %
Revenue from operations				
Banking, Financial Services & Insurance	56,191	45.4%	49,365	45.4%
Manufacturing	20,353	16.5%	18,275	16.8%
Energy & Utilities	12,501	10.1%	12,396	11.4%
High-Tech, Media & Entertainment	13,778	11.1%	12,166	11.2%
CPG, Retail, Pharma & Others	20,875	16.9%	16,584	15.2%
Total revenue from operations	123,698	100.0%	108,786	100.0%

Particulars	2020-21		2019-20	
	(₹ Million)	of Total Income %	(₹ Million)	of Total Income %
Segmental Results				
Banking, Financial Services & Insurance	12,519	22.3%	10,423	21.1%
Manufacturing	5,058	24.9%	3,449	18.9%
Energy & Utilities	2,629	21.0%	2,187	17.6%
High-Tech, Media & Entertainment	2,874	20.9%	1,462	12.0%
CPG, Retail, Pharma & Others	4,374	21.0%	3,321	20.0%
Total Segment Results	27,454	22.2%	20,842	19.2%

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

Particulars	2020-21		2019-20	
	(₹ Million)	of Total Income %	(₹ Million)	of Total Income %
North America	84,513	68.3%	75,044	69.0%
Europe	19,529	15.8%	17,038	15.7%
India	9,712	7.9%	7,765	7.1%
Asia Pacific	3,567	2.9%	3,044	2.8%
Rest of the world	6,377	5.2%	5,895	5.4%
Total Revenue	123,698	100.0%	108,786	100.0%

VII. Liquidity

LTI has improved its overall cash flow position during the year ended March 31, 2021 and continued to manage liquidity through internal accruals. LTI has financed its business growth through healthy cash generated from operations during the year.

The table below summarizes our consolidated cash flows:

	(₹ in million)	
	2020-21	2019-20
Net cash generated from operating activities	23,996	16,435
Net cash (used) in Investing activities	(16,560)	(6,520)
Net cash (used) in financing activities	(5,088)	(8,900)
Net increase / (decrease) in cash and cash equivalents	2,348	1,015
Cash and cash equivalents at the beginning of the period	5,252	4,150
Effect of exchange differences on translation of Foreign currency cash and cash equivalents	(6)	87
Cash and cash equivalents at the end of the period	7,594	5,252

The Company's long-term rating has been maintained by CRISIL at AAA/Stable.

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

The effect of COVID-19 has not been material on the financials of the group.

VIII. Key Financial Ratios

	2020-21	2019-20	% Change in Ratio
DSO (Billed)	61	77	-20.8%
Current Ratio	1.7	1.8	-3.0%
Operating Profit Margin (%)	19.3%	16.1%	* 19.8%
Net Profit Margin (%)	15.7%	14.0%	12.1%
Return on Net Worth	30.5%	29.5%	** 3.3%

*Improvement in Operating Profit Margin for the year ended March 31, 2021 majorly on account of situational savings (mainly travel) and depreciation of Rupee.

**Return on Net Worth for the year ended March 31, 2021 improved due to higher margins.

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

IX. Internal Controls

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

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

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

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

X. Outlook, Risks and Concerns

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

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

It has been over a year since COVID-19 was declared a global pandemic, a year of terrible loss of lives and livelihoods. Globally, communities are still confronting extreme social and economic strain as the human toll rises and millions remain unemployed. The last few weeks have witnessed a sudden surge in COVID cases across India. While vaccinations continue to be rolled out in a phased manner, the number of people impacted by the virus continues to spike. The impact of the second wave has been concentrated around the middle class and the urban affluent or those in high-rise buildings. In line with this, we are also seeing a higher number of our employees being impacted, directly or indirectly, by the on-going second wave in comparison to the first wave.

Our priority at LTI continues to be employee safety and supporting our employees. We are working to ensure medical help and financial aid to the best of our ability to our employees. We are also working with the relevant authorities to organize vaccination camps in our campuses, for our colleagues based in India.

Safety of our employees and fulfilling our promises to our clients remains our top priority. Thanks to our committed workforce, we continue meeting client deliverables and timelines. We are closely monitoring the health crisis and continue to stay connected and update our clients on the evolving situation.

Further details on our Business Continuity Plans & Processes have been outlined in the section on Manufactured Capital on Page 30 of Annual Report.

Risk	Description	Mitigation Approach
Attrition of Key Talent: Technical and Leadership	High Attrition in niche skills, top talents, and offshore consultants dominantly with tenure of 2 to 5 years	<ul style="list-style-type: none"> Multiple retention programs at organization and individual Business Unit level Competitive compensation grid for niche skills New opportunities made available through upgrade repurpose talent. Re-induct --> Engage program design to latch trainees at end of 2 years
Business Concentration	Business concentration in top accounts and geography: <ul style="list-style-type: none"> Maximum revenue for the organization being contributed by select top accounts Revenue concentration in US Geography 	<ul style="list-style-type: none"> Focus on opening new quality logos Strategic planning and focus to mine account ranked 51-100 Focus and investment to grow accounts in other geographies like UK, SA, Australia, Japan etc.
Post M&A Integration	Post M&A, there runs a risk of <ul style="list-style-type: none"> Missing revenue targets Slow Integration into LTI systems and processes Loss of key talent 	<ul style="list-style-type: none"> Establish a mechanism to review the targets on timely basis Create an integration plan template with identified SPOCs from various functions to ensure quick and seamless integration Curb attrition through setting retention bonus. Ensure freedom and flexibility to sustain entrepreneurial culture
Geo-Political	<ul style="list-style-type: none"> Geo-political risk in starting business in new Geography Changes in political conditions and regulations in a geography can affect the business in that specific country 	<ul style="list-style-type: none"> Establish a process that evaluates all risks related to starting a business in new country Subscribing to global services organization that can provide timely alerts on risk events (safety, political, economic etc.) with potential for business disruption

Risk	Description	Mitigation Approach
Execution	<ul style="list-style-type: none"> Improve delivery execution process which can help to reduce <ol style="list-style-type: none"> Non-compliance to comprehensive governance Unavailability of techniques to measure skills Unavailability of size-based estimates 	<ul style="list-style-type: none"> Improve governance through escalation risk review process, QBRs, tracking of contractual commitments Enhance project management capabilities through focused role-based trainings Enhance tool to mandate size estimation for deals with TCV 3 Mn USD and above
Rapid Change in Technology and Digital disruption	<ul style="list-style-type: none"> Potential challenge to cater to digital disruption will lead to business loss Challenges in adapting to new digital business 	<ul style="list-style-type: none"> Strengthen Digital Solution Architect (DSA) group Work with geography SMEs to strengthen go-to-market strategy Building solutioning capability for end-to-end digital transformation <ol style="list-style-type: none"> Identification of top technologies Competency development Increasing revenue from newer technologies Stronger alliance relationship Increasing revenue from IP/Solutions
Localization	<ul style="list-style-type: none"> Low local vs expats ratio in various countries where LTI is doing business 	<ul style="list-style-type: none"> All hiring/deputations in various counties to be cleared by Head - People Supply Chain wherever a local vs expats ratio is to be maintained Create a process for Localization of resources, incorporating <ol style="list-style-type: none"> Deputation cost v/s local hiring Availability of resources Business envisaged in the respective country etc.
International Mobility	<ul style="list-style-type: none"> Lack of comprehensive controls in <ol style="list-style-type: none"> Client documents and accountability Payment of salaries per prevailing wages (PW) in the US 	<ul style="list-style-type: none"> Implement tool-based control to <ol style="list-style-type: none"> Introduce stringent accountability on client documents Payment of salaries per local regulations Audit of all salaries from Jan-2017 till date; Payment of back wages if any
Litigation	<ul style="list-style-type: none"> Litigation risk can arise from commercial disputes, perceived violation of intellectual property rights, mergers and acquisitions, immigration and employment matters etc. This risk is inherent to doing business across various countries. Litigation can be lengthy, expensive, disruptive and can attract negative media attention. Litigation could also have a negative impact on the Company's ability to pursue strategic projects, joint ventures and other forms of cooperation. Litigation leading to adverse ruling could result in monetary damages or injunctive reliefs that could affect the business, in addition to reputation loss. 	<ul style="list-style-type: none"> The company has a robust framework for dealing with litigation matters appropriately. The in-house Legal function reviews critical legal positions of the Company. Services of external global law firms, taxation and compliance experts are sought wherever required. The company continues to strengthen internal processes and controls to ensure adequate compliance with all regulatory matters, contractual obligations, information security and protection of intellectual property. Where possible, legal risks are limited by using standardized general contracts. The in-house legal team support the business operations and thereby help limit risks. A Group-wide D&O Liability insurance policy as well as entity level D&O policy are in place that covers among others, the business management bodies of the Company and its subsidiaries across globe. Besides, the contracts with customers are appropriately insured to counter any adverse exposure on account of litigation

Risk	Description	Mitigation Approach
Data Privacy	<ul style="list-style-type: none"> Non-Compliance to privacy laws can attract heavy financial penalties including loss of reputation. 	<ul style="list-style-type: none"> Project planning and implementation for Data Privacy gaps closure, including data flow diagram, personal data inventory, records of processing activities (ROPA), privacy policies and processes and procedure documentation EU GDPR is being mapped to privacy laws of countries where LTI has delivery centers (Ex: Canada, US, Australia etc.)
Cyber Security	<ul style="list-style-type: none"> Lack of appropriate controls in Cyber Security may open vulnerabilities leading to <ol style="list-style-type: none"> Cyber threats and cyber attacks Non-compliance to contractual obligations Critical business data loss Impact on BCR with implications on service continuity 	<ul style="list-style-type: none"> Ensure mandatory trainings are completed within target dates Ensure data criticality, backup requirements, restoration testing plan is defined in coordination with business owner Review on contractual commitments by Information Security team and Delivery Excellence team with reconfirmation from DU Heads Investment in licenses to cover DU/PU/Subsidiaries managed assets to Implement all enterprise security controls Patching of vulnerabilities and deployment of security patches across enterprise systems within timelines

A class action lawsuit was filed in the United States, Southern District of New York against the Company alleging discrimination by an ex-employee and an ex-contractor. The Company is taking necessary actions to defend the claim. The Company is presently unable to predict the duration or the outcome of this matter.

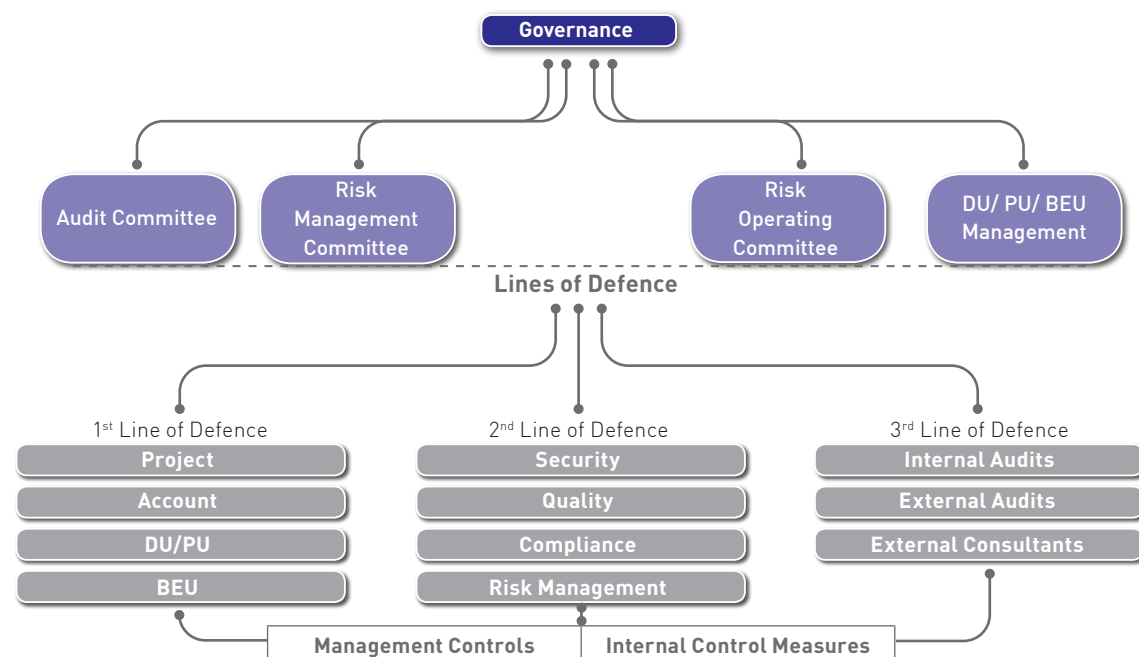
In previous year, the U.S. Department of Justice and U.S. Immigration and Customs Enforcement have initiated an investigation of the Company related to its use of U.S. non-immigrant visas for its employees, pursuant to which, the Company conveyed to the Department its willingness to cooperate in the matter. The investigation is currently under process and the Company is providing the requested details to the authorities. There is no formal charge filed in the matter as on date.

Despite the unprecedented change in LTI's operating model in light of the pandemic, the Company delivered market leading growth in FY21. We had strong growth momentum supported by record large deal TCV as we continued to execute and deliver in a challenging and changing environment. Our focus on transformational offerings across all verticals and the opportunity to create value with data, ERP and Cloud will ensure that we continue our position in the leaders' quadrant for growth in FY22.

Enterprise Risk Management

Objective

The objective of Enterprise Risk Management is to address risks in a proactive manner with an aim to sustain business growth and minimize risk exposure to the company through continuous risk identification, assessment, robust governance and mitigation strategies.



LTI's operations are spread globally and hence bring considerable complexities and risks in the operations. The risk paradigm in current business environment is changing dynamically with risks emanating from various space like Cyber Security, Data Privacy, Business Continuity, Mergers and Acquisitions, Regulatory compliances etc. In response to this, LTI has established a robust enterprise risk management framework, policy and process to ensure risks are identified from various dimensions and effectively mitigated.

The ERM Framework draws a strong Risk Governance structure with Audit Committee and Risk Management Committee comprising of members from the Board of Directors, while Risk Operating committee comprising of CXO's and Operational Leadership, chaired by Chief Operating Officer. The governance forums ensure that risk management framework and policy is effectively implemented. These forums as well have strong oversight on Enterprise risks and dwells on its management and effective mitigation. Chief Risk Officer is the sponsor for Risk Management activities in the Organization and is assisted through Head -Risk Management and ERM team.

The process is enabled through a digital platform that provides an enterprise-wide view of risks which enables a more holistic approach towards informed decision making. Risks are assessed and managed through multiple lines of defense in a top-down and bottom-up approach covering the enterprise, the business units, the functions, and the Projects.

Risk Management through Multiple Lines of Defense:

1. First line of Defense: These are the teams at ground who shall proactively self-identify the risks for the function. These are the practitioners, who are the best stakeholders to know the risk for their purview of work.
2. Second line of Defense: Second line of defense are the internal functions responsible for audits / compliance checks, who shall ensure that the risks are identified, and the required processes are adhered to. Any gaps / issues are highlight through the second line of defense.
3. Third line of Defense: These are the external partners / third party functions that shall bring in best practices / benchmark the processes against the industry best practices. These best practices are implemented in the organization to improve the operations with effective controls to minimize the associated risks.

The organization level risks and the mitigation approach of the Company is more detailed in the outlook, risks and concern section of MD&A.

Directors' Report

To the Members of

LARSEN & TOUBRO INFOTECH LIMITED

Your Directors have pleasure in presenting the Integrated Annual Report along with the Audited Financial Statements of Larsen & Toubro Infotech Limited ('LTI' or 'Company') for the year ended March 31, 2021 ('FY21').

1. Financial Results

(₹ in Million)

Particulars	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Revenue from operations	115,626	101,842	123,698	108,786
Other Income	2,247	4,217	2,744	3,292
Total Income	117,873	106,059	126,442	112,078
Less: Operating Expenditure	90,578	83,185	96,447	88,493
Less: Finance Cost	716	720	788	826
Less: Depreciation and amortization	2,669	2,084	3,325	2,730
Profit Before Tax (PBT)	23,910	20,070	25,882	20,029
Less: Provision for Tax	6,036	4,546	6,500	4,824
Profit for the year (PAT)	17,874	15,524	19,382	15,205
Less: Non-Controlling Interests	0	-	21	4
Add: Balance brought forward from previous year	47,564	38,359	47,530	38,659
Less: Transition impact of IND AS 116	0	629	0	640
Balance available for disposal which Directors appropriate as follows:	65,438	53,254	66,891	53,220
Less: Dividend (excluding tax)	5,324	4,875	5,324	4,875
Less: Tax on Dividends	0	815	0	815
Balance to be carried forward	60,114	47,564	61,567	47,530

2. Performance of the Company

On standalone basis, revenue from operations and other income for the financial year under review were ₹ 117,873 Million as against ₹ 106,059 Million for the previous financial year registering an increase of 11.14%. The profit before tax was ₹ 23,910 Million and the profit after tax was ₹ 17,874 Million for the financial year under review as against ₹ 20,070 Million and ₹ 15,524 Million, respectively for the previous financial year.

On consolidated basis, revenue from operations and other income for the financial year under review were ₹ 126,442 Million as against ₹ 112,078 Million for the previous financial year registering an increase of 12.82%. The profit before tax was ₹ 25,882 Million and the profit after tax was ₹ 19,382 Million for the financial year under review as against ₹ 20,029 Million and ₹ 15,205 Million, respectively for the previous financial year.

3. Capital Expenditure

On standalone basis, as at March 31, 2021, the gross fixed and intangible assets stood at ₹ 11,099 Million (previous year ₹ 9,728 Million) out of which assets amounting to ₹ 1,726 Million (previous

year ₹ 2,092 Million) were added during the year and the net fixed and intangible assets stood at ₹ 4,795 Million (previous year ₹ 4,563 Million).

On consolidated basis, as at March 31, 2021, the gross fixed and intangible assets stood at ₹ 25,521 Million (previous year ₹ 22,190 Million) out of which assets amounting to ₹ 3,231 Million (previous year ₹ 3,558 Million) were added during the year and the net fixed and intangible assets stood at ₹ 13,501 Million (previous year ₹ 12,097 Million).

4. Integrated Report

As a good corporate governance practice, the Company is continuously enhancing the quality of disclosures being made available to the stakeholders and accordingly, a similar step on this front has been taken by voluntarily providing an Integrated Report for the reporting financial year, which encompasses both financial and non-financial information to enable the stakeholders to take well informed decisions and have a better understanding of the Company's long term perspective, vision and value creation model.

The Integrated Report is in terms of the Guiding Principles prescribed by the International Integrated Reporting Council ('IIRC') and has details about organisation's strategy, governance framework, performance and prospects of value creation based on the six forms of capital viz. financial capital, manufactured capital, intellectual capital, human capital, social and relationship capital and natural capital.

5. 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.

6. Changes in Share Capital

During FY21, the Company allotted 623,839 equity shares of ₹ 1 each on exercise of the vested options by the eligible employees under Employee Stock Option Scheme 2015 of the Company. Accordingly, the paid-up equity share capital of the Company increased from ₹ 174.13 Million to ₹ 174.75 Million. After March 31, 2021, the Company has further allotted 11,720 equity shares of ₹ 1 each on May 4, 2021, on exercise of vested options by the eligible employees under the Employee Stock Option Scheme 2015 of the Company. The equity shares allotted under the Employee Stock Option Scheme 2015 rank pari-passu with the existing equity shares of the Company. Consequently, as on the date of this report, the paid-up equity share capital of the Company is ₹ 174.76 Million.

7. Dividend and Dividend Distribution Policy

The Directors are pleased to recommend final dividend of ₹ 25/- per equity share of face value of ₹ 1/- each. During the financial year ended March 31, 2021, the Company paid an interim dividend of ₹ 15/- per equity share. The total dividend for FY21, including the final dividend, if approved by shareholders, would amount to ₹ 40/- per equity share. The final dividend if approved by the shareholders would be paid/ payable to those shareholders whose name appear in the Register of Members as on the record date mentioned in the Notice convening the 25th Annual General Meeting ('AGM') of the Company.



is the fastest growing brand in Brand Finance IT Services 25 2021 ranking.

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

8. Human Resource

Our employees are the foundation of our success at LTI. Our employees have shown extraordinary grit and resilience in the challenging year gone by and have been the primary reason for LTI setting the growth benchmark in the industry. LTI has strengthened several development programs and built new ones during the FY21 with the vision of further fortifying and deepening the skills of our workforce of over 35000 LTItes across the globe in keeping with the evolving needs of our business.

To learn more about our efforts in the human resource development space, please refer to the 'Human Capital' section of the Integrated Report Section in this Annual Report.

9. Marketing

Brand LTI, is now four years old. Through its contemporary style and messaging, LTI has gained recognition as one of the leading global technology brands. The Company stepped up its efforts toward gaining mindshare of clients, prospects and other stakeholders by delivering crisp and consistent messaging across relevant channels. It leveraged robust marketing technology stack to remodel its outreach initiatives, given the change in customer behavior due to challenges posed by the pandemic, the Company continued to garner accolades for its efforts and initiatives.

10. Awards & Recognition

Corporate/ Marketing awards:

1. LTI is the fastest growing brand in Brand Finance IT Services 25 2021 ranking.
2. LTI ranked 75th in Business India Super 100 Annual Rankings.
3. LTI ranked 35th (Rating 'A') among the top 50 companies in the BW BusinessWorld India rankings for Most Sustainable Companies 2020.
4. LTI recognized as a Top Employer 2021 in the UK by the Top Employers Institute.
5. LTI won the Platinum award at the 7th CSR India Awards 2020 in the category 'Employment Enhancing Vocational Skills'.
6. LTI Wins 2020 SAP® Pinnacle Award as the Industry Innovation Partner of the Year.
7. LTI recognized as the 'Great Place to Work' in the USA.
8. LTI's Powai HQ building bagged the 'IGBC Performance Challenge 2020 for Green Built Environment - Excellence Award' under 'ITES Building' category, scoring 'excellent' in Energy Performance and Water Conservation.

Analyst and Advisory recognitions:

1. LTI topped the list of 'IT Services Challenger 2021' in Everest Group's PEAK Matrix Service Provider of the Year™ Awards.
2. LTI Leni and LTI Mosaic recognized in The Forrester Tech Tide™: Enterprise Business Insights & Analytics, Q1 2021.
3. LTI has received an Honorable Mention in the Gartner Magic Quadrant for Data and Analytics Service Providers, 2021.
4. LTI is a Leader in Digital Business Consulting and Digital Product Lifecycle Services in 2020 ISG Provider Lens™ Digital Business - Solutions and Service Partners report for the US.
5. LTI recognized in Forrester's Now Tech: Oracle Apps Implementation Services Providers, Q2 2020.
6. LTI recognized as a Rising Star for Managed Application Services in the ISG Provider Lens™ Salesforce Ecosystem Partners 2020 US Report.
7. LTI recognized as a Leader in ISG Provider Lens™: SIAM/ITSM 2020 Study for US Market.
8. LTI recognized in Forrester's Now Tech: IoT Consultancies in Asia Pacific, Q1 2020.
9. LTI recognized as Leader and Star Performer in Everest Group's Application and Digital Services in Capital Markets PEAK Matrix® Assessment 2021.
10. LTI positioned in 'Leaders' Quadrant within NelsonHall's Software Testing: Quality Engineering NEAT 2020.
11. LTI recognized as a Leader in Everest Group Insurance Business Model Innovation Enablement Services PEAK Matrix® Assessment 2021.
12. LTI recognized as a Leader and Rising Star in the ISG Provider Lens™ Next-Gen Private/Hybrid Cloud - Data Center Services & Solutions Report, Nordics 2020.
13. LTI recognized as a Leader in Payment Ecosystem Services in their 2020 ISG Provider Lens™ Banking Industry Ecosystem 2020 Nordics report.
14. LTI named as an Innovator in the Internet of Things (IoT) Services RadarView™ 2021 Report by Avasant.
15. LTI recognized as a Leader in Artificial Intelligence for IT Operations (AIOps) - Mid Market in the ISG Provider Lens™ Intelligent Automation - Solutions and Services Report, US 2020.
16. LTI ranked #1 for Next-Generation Data Services in the recent Everest Group Talent Readiness PEAK Matrix.



LTI Tops

LTI topped the list of 'IT Services Challenger 2021' in Everest Group's PEAK Matrix Service Provider of the Year™ Awards.

11. Infrastructure

The Company has always focused on maintaining State-of-the-art infrastructure and provided best-in-class facilities and services. Our footprint, majorly within Special Economic Zones, is spread across 5 cities in India. Prevailing pandemic situation has compelled the Company to revisit existing infrastructure and add new footprints in Tier 2 cities like Noida, Nagpur and Mysore.

As a result of the pandemic and health emergencies in the Country, LTI has adopted and implemented measures to ensure COVID appropriate behaviour for the safety and well-being of everyone within premises. The way we interact, collaborate, learn and deliver has changed forever. This brought about rapid and innovative changes in working culture due to which we have optimised office spaces in Mumbai, Pune and Hyderabad. During this year, our primary focus on Employee Safety has helped pioneer innovative solutions like Safe-Radius (an App that enables us to track health of employees and follow Social Distancing norms) which exhibits our commitment towards Digital infrastructure.

LTI Headquarters at Powai is now upgraded to a Platinum rated Green Building by U. S. Green Building Council ('USGBC') and was awarded the "Green Building Award for Continuous Performance" by Indian Green Building Council ('IGBC').

As on March 31, 2021 the total seating capacity for Indian Centres stands at 28,542.

12. Quality Initiatives

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

Company's endeavour to be unmatched in client centricity including its real time, transparent yet forward-thinking response amid the unprecedented challenges posed by the

pandemic were acknowledged and appreciated in the recently concluded CSAT survey. Client Centricity was called out as a differentiator and Company's Net Promoter Score ('NPS') showed a significant increase. All time high scores were registered across all key outcome measures-advocacy, satisfaction, loyalty and business value. Remote delivery during pandemic was also widely appreciated.

During the year, the Company instituted an independent Client Centricity Office with the objective of ensuring a positive experience for every client through close monitoring and actioning on project and account level feedback.

Company's proprietary Capability Maturity (LTI-CMF) framework was deployed in FY21 for the third consecutive year. It continued to instill a culture of self-discipline combined with strong collaboration within and across units. Prime benefits included increase in earnings via 14 new innovations platforms, frameworks, governance and analytics tools and industrialization of existing Intellectual Property and best practices. Project management using High Maturity (HM) practices also brought in significant savings.

Other benefits included generation of improvement ideas for client environment (more than 15% of the ideas were approved by client and implemented) and enrichment of the Central Knowledge Repository (myKM) with good practices, case studies and reusable components from all units.

Company's Service Management System was upgraded to the latest version of ISO 20000:2018 and strengthened with a Third-Party Risk Management Framework to ensure deeper understanding of customers' needs, better collaboration and control of third parties.

Service Management COE has been established to further enhance service quality through focussed consultancy. It is enabled by proprietary tools - ITIL Assessment framework (to assess effectiveness of ITIL process implementation), iautodoc (AI based tool for tracking contractual commitments) and Ticket Data Audit (inhouse tool to automate the ticket audits).

Company's Quality Management Systems (QMS) was enriched with Agile Development Framework (ADF) & LENI product development framework. An approach for Enterprise Architecture in the context of transforming Breakaway Enterprises, technology stack recommendations and new processes for the Life Sciences and Security domain (CDRC) were also added. Digitized role-based trainings were enhanced and extended to additional key delivery roles. The High Maturity (HM) practice got a boost with the release of new technology baselines, new HM models and BGenie-LTI's proprietary Liferay based tool which has automated the benchmarking process reducing project manager efforts by 75%.

The Company's Escalation Risk Review (ERR) framework with escalation path right up to the Chief Operating Officer was very

effective in getting timely attention at the appropriate level thus arresting possible client escalations and ensuring a positive client experience at every stage during the engagement.

Remote Auditing and Delivery Health Assessment via a mobile app to capture and report details of service performance and disruption events detail enabled senior leadership to take timely decisions during the pandemic.

"Design Driven Delivery" suitably supported by Agile and DevOps methodologies, has helped the Company to design and deliver client focused services and solutions. Agile Assessment Framework was deployed to improve the adoption of the agile best practices. Continued focus on "Extreme Automation" helped to further optimize delivery execution, improve productivity and reduce costs for us and our clients. Lean, Six Sigma, Value Stream mapping and Agile based initiatives helped to bring in around 15% improvement in productivity for many teams. Unified dashboard which provided insights into performance of all the delivery execution parameters simplified governance and resulted in elimination of manual efforts by 75%.

LTI's entry in 'BGenie statistical analysis automation' based on our proprietary tool was among top 12 finalists at the Watts Humphrey Conference organized by SPIN Chennai.

Certifications:

The Company continues to demonstrate its ability to drive its Quality, Service Management, Information Security, Environmental & Health commitments effectively and efficiently through its ISO 9001, ISO 27001, ISO 14001, ISO 20000, and ISO 45001 certification accreditations by Bureau Veritas. Compliance to ISAE 3402 for projects in the Insurance domain and for client specific engagements in the other domains across all Delivery Units was sustained. The Company continues to retain its Level 5 status on the CMMI DEV & CMMI SVC constellations. CMMI 2.0 Level 5 will be completed by 2022.

Our commitment to client centricity and culture of continuous improvement thus continues - enabled by a firm commitment to our beliefs to 'Go the Extra Mile', 'Keep Learning' & 'Push Frontiers of Innovation'.

13. Transfer to Reserves

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

14. Deposits

During the year ended March 31, 2021, 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:

- in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure;
- 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, 2021 and of the profit of the Company for the year ended March 31, 2021;
- 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;
- the Directors have prepared the annual accounts on a going concern basis;
- the Directors have laid down adequate system of internal financial controls to be followed by the Company and such internal financial controls are adequate and operating efficiently; and
- 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

During FY21, following were the changes in the Board and Key Managerial Personnel:

- Mrs. Aruna Sundararajan was appointed as an Independent Director of the Company for a period of 5 years with effect from May 19, 2020.
- Mr. Arjun Gupta ceased to be an Independent Director of the Company with effect from close of business hours of October 27, 2020, on account of completion of his term of office and opting not to seek re-appointment for the 2nd term as an Independent Director due to his personal commitments.
- Mr. Ashok Kumar Sonthalia ceased to be the Chief Financial Officer of the Company due to his resignation, with effect from close of business hours of January 25, 2021.
- Mr. Samir T. Desai ceased to be an Independent Director of the Company with effect from close of business hours of March 31, 2021, on account of completion of his 2nd and last term of office as an Independent Director of the Company.

The Board places on record its appreciation for the services rendered by Mr. Arjun Gupta and Mr. Samir T. Desai during their tenure as an Independent Director of the Company and Mr. Ashok Kumar Sonthalia during his tenure as a Chief Financial Officer of the Company.

After FY21, the Board of Directors of the Company have approved following appointment and re-appointments:

- Mr. Anil Rander has been appointed as the Chief Financial Officer of the Company, with effect from April 14, 2021.
- Mr. Sudhir Chaturvedi, President - Sales and Whole-time Director of the Company, whose term of office as Whole-time Director is coming to an end on November 8, 2021, has been re-appointed as the Whole-time Director, by the Board in its meeting held on May 4, 2021 for another term of five years w.e.f. November 9, 2021.
- Mr. Sanjeev Aga, Independent Director of the Company, whose 1st term of office is getting completed on November 8, 2021, has been re-appointed by the Board in its meeting held on May 4, 2021 for 2nd term of five years w.e.f. November 9, 2021.

The Notice convening the 25th AGM includes re-appointment of above-mentioned Directors and also the re-appointment of Mr. S. N. Subrahmanyam & Mr. Sudhir Chaturvedi, Directors of the Company, who retire by rotation and being eligible, have offered themselves for re-appointment.

Shareholders are requested to refer the 25th AGM Notice for the necessary disclosures required under the Companies Act, 2013 and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2 on General Meetings issued by the Institute of Company Secretaries of India.

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 5 (five) times during FY21. The details of the Board meetings and their attendance is provided in the Corporate Governance Report, annexed as **Annexure A** to this Report.

Pursuant to Rule 3 & Rule 4 of the Companies (Meetings of Board and its Powers) Rules, 2014, majority of the Board meetings and Committee meetings were held through Video Conference or Other Audio-Visual Means, in compliance with the said rules.

Board meeting dates are finalized in consultation with all Directors and agenda is backed up with comprehensive notes and detailed background information, which are circulated well in advance before the date of Board meeting thereby enabling the Board to have effective discussion and 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 which has been duly assessed by the Board as part of performance evaluation of Independent Directors. Further, all the Independent Directors have confirmed that they have registered their name in the Independent Directors data bank maintained by the Indian Institute of Corporate Affairs. The Independent Directors have also confirmed that, if applicable, they shall undergo the proficiency test in accordance with Rule 6(4) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

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

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 FY21, a meeting of the Independent Directors was held on October 16, 2020, to discuss inter-alia the performance evaluation of the Board, its Committees, Chairman and the individual Directors, assessment of information flow from Management to the Board and evaluation and self-assessment of the training requirements of Independent Directors.

21. Board of Directors Performance Evaluation

Similar to the previous financial year, to maintain independence and confidentiality, the performance evaluation process for FY21 was carried out with the help of an external agency in compliance with the provisions of the Companies Act, 2013 and Regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. An online annual evaluation of Board, Board Committees, Chairman and individual Directors was carried out on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc. It also covered specific criteria and the grounds on which all Directors in their individual capacity were evaluated including fulfillment of the independence criteria for Independent Directors as laid under the Companies Act, 2013 and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The online evaluation also included self-assessment of the training requirements by the Directors.

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

The performance evaluation of the Board, its Committees, Chairman and Directors was also reviewed by the Independent Directors at their meeting held on May 3, 2021 and Nomination and Remuneration Committee and the Board of Directors, at their respective meetings held on May 4, 2021, which showcased the strengths of the Board and areas of improvement from current evaluation in comparison to the evaluation findings of FY20. The observations made during FY20 were acted upon appropriately.

Overall the Board expressed its satisfaction on the performance evaluation process as well as performance of all Directors, Committees and Board as a whole.

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

22. Board Committees

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

23. Corporate Social Responsibility ('CSR')

The disclosures required to be given under Section 135 of the Companies Act, 2013 read with Rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 is provided in the Annual Report on CSR Activities for FY21, in **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, 'Business Responsibility Report' forms part as **Annexure H** to this Report, which describes the initiatives taken by the Company from an environmental, social and governance perspective.

25. Corporate Sustainability

As a fast-growing group company, LTI has inherited tenets of excellence in sustainability practices from Larsen & Toubro Limited, its Parent Company. We believe in conducting business sustainably through sound practices which are socially



Community and the Environment

LTI has a holistic approach which can be seen through the commitments which are not only business focused, but also has equal emphasis on its employees, community and the environment at large.

responsible and environment friendly. Through its community development programs, LTI works towards building resilience in underprivileged members of society. LTI's Sustainability framework leverages its core competencies to deliver greater and more sustainable impacts across its focus areas of Education, Empowerment and Environment. These are further set forth through specific objectives identified and commitments made through the sustainability roadmap. LTI has a holistic approach which can be seen through the commitments which are not only business focused, but also has equal emphasis on its employees, community and the environment at large. The objectives to achieve the desired results will in turn enhance our contribution to the overarching objectives of the United Nations Sustainable Development Goals.

The Sustainability reports are available on the Company's 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, 2021 does not contain any qualification, observation or comment or remark(s) which has/have an adverse effect on the functioning of the Company and therefore does not call for any comments from Directors. Further, the Statutory Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013.

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

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

Please refer to the Notes to accounts, for the total fees paid by the Company to Statutory Auditors for FY21, on a consolidated basis. Further, the Statutory Auditor is not providing any other service to any other group entity of the Company.

B. Secretarial Auditor

The Secretarial Audit Report issued by Ms. Naina R Desai, Practicing Company Secretary is annexed as **Annexure C** to this Report. The Secretarial Auditors' Report to the shareholders does not contain any qualification or reservation which has any material adverse effect on the functioning of the Company, except the observation/qualification w.r.t. non-fulfillment by March 31, 2021 of the vacancy created on cessation of term of office of an Independent Director on the Board of Directors of the Company with effect from the close of business hours of October 27, 2021.

The Nomination & Remuneration Committee had been successful in finalizing one person for the position of Independent Director who possessed the core skills/ expertise/ competencies as required in the context of Company's business, however, the appointment could not be considered as certain clearances required prior to the appointment were pending.

Further, the Nomination & Remuneration Committee is still evaluating potential candidates for the position of an Independent Director, however, due to surge in the second wave of Covid-19 pandemic, it has been very difficult to have physical one-to-one meetings with the identified candidates for closing the open position.

The Board and Nomination & Remuneration Committee are conscious of its compliance and governance obligations under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and are making all possible efforts to finalize and fill the vacancy at the earliest.

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 Integrated Annual Report.

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, 2021, the Board is of the opinion that the Company has sound IFC commensurate with the nature and size of its business operations and are 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 along with the measures taken by the Company under the current COVID-19 global pandemic is given in Management Discussion & Analysis/ Integrated Report section forming part of 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'). Whistle-Blower Policy and Guidelines on Vigil Mechanism are available on the Company's website, www.Lntinfotech.com/Investors

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. Further, to strengthen the Vigil Mechanism framework of the Company and to ensure timely and efficient redressal of complaints, 'Guidelines on Vigil Mechanism' are put in place laying out procedures and process flow for investigations to be conducted. The Policy also provides for adequate safeguards against victimisation of a Whistle Blower. The Audit Committee of the Company quarterly reviews complaints received under the Vigil Mechanism and during the year, no employee was denied access to the Audit Committee or its Chairman.

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 FY21, the Company has further strengthened the controls and approvals for related party transactions through automating the tracking and monitoring of related party transactions. All the related party transactions, during FY21, were in the ordinary

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

Related party transactions during FY21, were in compliance with the Companies Act, 2013, SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Accounting Standard and are disclosed in the notes forming part of the financial statements. Further, there were no material related party transactions during FY21, requiring shareholders' approval.

32. Subsidiary/ Associate/ Joint Venture Companies

As on March 31, 2021, the Company has 27 subsidiaries. During the year under review, there were following material changes:

A. Incorporation:

The Company incorporated following wholly-owned subsidiaries:

- (i) Larsen & Toubro Infotech UK Limited, incorporated in UK on August 17, 2020, with an investment amount of GBP 1,000 towards equity share capital.
- (ii) LTI Middle East FZ-LLC, incorporated in Dubai on November 25, 2020, with an initial investment amount of AED 10,000 towards equity share capital. Additionally, the Company has made an investment of AED 1,850,000 in February 2021, towards equity share capital.

B. Amalgamation:

The Board of Directors of Syncordis Software Services India Private Limited ('Syncordis') and Ruletronics Systems Private Limited ('Ruletronics'), wholly owned subsidiaries of the Company at their respective meetings held on September 28, 2020 and the Board of Director of the Company at its meeting held on October 20, 2020, approved the Scheme of Amalgamation ('Scheme') between Syncordis and Ruletronics with the Company under Sections 230-232 of the Companies Act, 2013 ('hereinafter referred as Petitioners'). The Company Scheme Petition filed by the Petitioners with Hon'ble National Company Law Tribunal ('NCLT'), Mumbai Bench on January 22, 2021 was admitted by NCLT on April 8, 2021. The appointed date for the proposed Scheme is April 1, 2021.

C. Merger of Nielsen+Partner S.A (N+P Luxembourg) with Syncordis S.A. (Syncordis Luxembourg)

During the year, N+P Luxembourg was merged with Syncordis Luxembourg, with effect from December 21, 2020 and pursuant to the common terms of merger and purchase consideration, Syncordis Luxembourg issued shares to Nielsen+Partner GmbH, sole shareholder of N+P Luxembourg, resulting in increase in the share capital of Syncordis Luxembourg from EUR 34,800 to EUR 55,392.

D. Buy Back by Larsen And Toubro Infotech South Africa Pty Limited

During FY21, Larsen And Toubro Infotech South Africa Pty Limited ('South Africa subsidiary') made an offer of buyback, of which 77,600 shares were accepted by the Company, resulting in disinvestment of Company's shareholding from 74.9% to 69.58% in its South Africa subsidiary.

In line with Regulation 16(c) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company has a policy on the identification of material subsidiaries, which is available on the Company's website, www.Lntinfotech.com/Investors. Based on same, there are no material subsidiaries of the Company as on March 31, 2021.

A statement containing the salient features of the financial statement of subsidiaries/ associate/ joint venture companies as per form AOC-1 is annexed as **Annexure F** to this Report. Further, pursuant to the provisions of Section 136 of the Act, the standalone financial statements and consolidated financial statements of the Company along with relevant documents and 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 and Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are given in the notes forming part of the financial statements provided in this Integrated 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

At LTI, ensuring regulatory compliance and adherence to standards is of utmost importance. The Company ensures that appropriate business processes and adequate tools are in place for adherence with all the statutory obligations. Regulatory Compliances which are applicable to LTI globally, are monitored/tracked through an in-house web-based tool. Audit Committee,

on quarterly basis reviews status of compliances and quarterly a certificate is presented to the Board of Directors at its meetings confirming status of compliances along with remediation plan for non-conformities, if any. Any amendments in the laws applicable to the Company are also reviewed, updated in the system and monitored by the Company. The Company also engages external consultants to review and update the compliance requirements for new geographies and also update the existing list of compliances applicable globally to LTI. Audit assurance on the Compliance Management is sought on regular basis through Company's Internal Audit team.

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

During FY21, Company has further enhanced its mechanism to monitor Sanctions Compliance by developing an in-house tool to monitor the same. Further, various organization level policy document and training modules for Anti Money Laundering, Export control regulations were reviewed and upgraded to ensure full compliances on the same.

37. Prevention of Sexual Harassment at Workplace

LTI is committed to provide a safe, secure and congenial work environment for all its employees that is free from sexual harassment. The Company has formulated a robust POSH (Prevention of Sexual Harassment at Workplace) policy with clear guidelines for reporting acts of Sexual Harassment at the workplace and procedures for resolution and redressal of complaints of Sexual Harassment. This Policy is in line with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, and in fact goes beyond to make it gender-neutral and applicable to every employee in the organization. The Policy is available on the website of the Company at www.Lntinfotech.com/investors

Awareness sessions as well as communication campaigns are conducted at regular intervals to promote a safe space for all genders and to sensitize employees in this space. Besides that, the training program on POSH has been made mandatory for all employees annually across the globe.

During FY21, the Company received two complaints on sexual harassment. All such complaints have been resolved with appropriate action taken by the Internal Complaints Committee, with no complaints pending at the end of FY21.

38. Company Policy on Director Appointment and Remuneration

Nomination and Remuneration Policy lays out role of NRC on Director's appointment and remuneration including recommendation of remuneration of the key managerial personnel and other employees and the criteria for determining qualifications, positive attributes and independence of a Director. The NRC policy is available on the Company's website, www.Lntinfotech.com/Investors

Some of the salient features of NRC Policy 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.

39. Statement under Section 197 of the Companies Act, 2013

The information 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 I** to this Report. In terms of Section 136(1) of the Act and the rules made thereunder, the Report and Accounts are being sent to the shareholders excluding the aforesaid Annexure. Any shareholder interested in obtaining copy of the same may send an email to the Company Secretary and Compliance Officer at investor@Lntinfotech.com None of the employees listed in the said Annexure are related to any Director of the Company.

40. Annual Return

The copy of annual return is available on the Company's website, www.Lntinfotech.com/Investors

41. Employee Stock Option Schemes

The Company has in place an Employee Stock Option Scheme 2015 ('ESOP Scheme 2015') to attract and retain talent. There

has been no material change in the ESOP Scheme 2015 during FY21. The ESOP Scheme 2015 is in compliance with the Companies Act, 2013 and SEBI (Share Based Employee Benefits) Regulations, 2014 and the disclosure relating to the ESOP Scheme 2015 as required under SEBI (Share Based Employee Benefits) Regulations, 2014 is 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 provided as **Annexure B** to this Report.

42. Details of significant and material orders passed by the Regulators or Courts or Tribunals

During FY21, 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 Integrated Annual Report for FY21 and the Notice of the ensuing AGM is being sent to all shareholders whose email addresses are available in demat account and registered with Company's Registrar and Share Transfer Agent. Shareholders holding shares in demat form are requested to update their email addresses with their Depository Participant(s) and for shareholders holding shares in physical form, should get their email registered/ updated with Link Intime India Private Limited, Company's Registrar and Share Transfer Agent.

44. Acknowledgements

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

For and on behalf of the Board

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

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

Date: May 04, 2021

Annexure A

Corporate Governance Report

1. Corporate Governance

1.1 Company's Philosophy on Corporate Governance

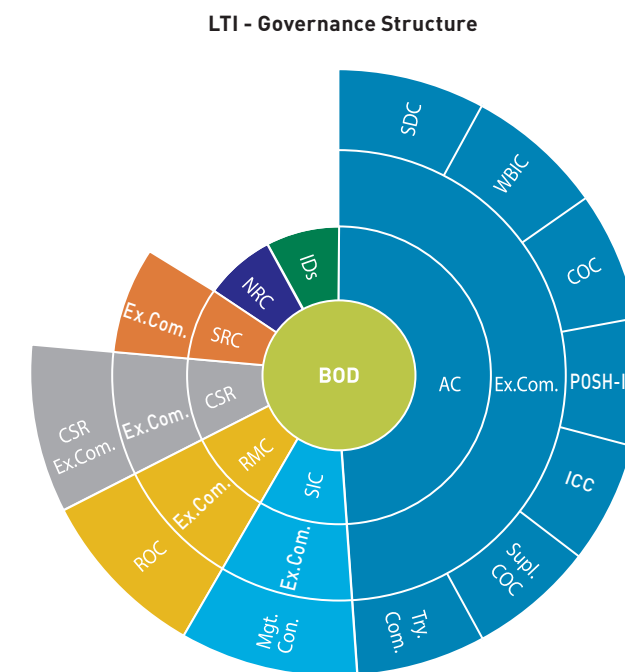
Strong leadership, effective corporate governance practices and rich legacy of values from Larsen & Toubro Limited, parent company, has been the Company's hallmark of its best corporate governance practices which are reflected in Company's culture, business strategies, fair and transparent disclosure policies, processes, commitment to values, ethical business conduct and relationship with its stakeholders. Company's corporate governance practices are further guided by Company's five beliefs "Go the Extra Mile, Be Agile, Push frontiers of Innovation, Keep Learning and Solve for Society" which is articulated in the Company's business philosophy, policies, framework, guidelines, codes and practices. Integrity and transparency are key for effective corporate governance practices to ensure that the Company gains and retains the trust of its stakeholders at all times.

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

1.2 Governance Structure

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

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



Acronyms:

- Tier 1:** **BOD:** Board of Directors
- Tier 2:** **AC:** Audit Committee, **SIC:** Strategic Investment Committee, **RMC:** Risk Management Committee, **CSR:** Corporate Social Responsibility Committee, **SRC:** Stakeholders' Relationship Committee, **NRC:** Nomination and Remuneration Committee, **IDs:** Committee of Independent Directors
- Tier 3:** **ExCom:** Executive Management Committee
- Tier 4:** **SDC:** Securities Dealing Committee, **WBIC:** Whistle Blowing Investigation Committee, **COC:** Code of Conduct Committee, **POSH IC:** Internal Committee on Prevention of Sexual Harassment at Workplace, **ICC:** Internal Compliance Committee, **Supl.COC:** Committee on Supplier Code of Conduct, **Try.Com.:** Treasury Committee, **Mgt. Con.:** Management Council, **ROC:** Risk Operating Committee, **CSR Ex.Com.:** Corporate Social Responsibility Executive Committee.

2. BOARD OF DIRECTORS

A. Board Composition & Board details

The Company has a balanced and diverse Board of Directors, which primarily takes care of the business needs and stakeholder's interests. For the majority period of FY21, the composition of the Board was in compliance as per Regulation 17 and 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') read with Section 149 of the Companies Act, 2013 ('Act'), however, the vacancy created on cessation of term of office of an Independent Director w.e.f. the close of business hours of October 27, 2020, remained unfilled till date of this report, due to reasons explained more in detail in the Directors' Report.

Details on the composition of the Board of Directors, their attendance at the Board Meetings and last Annual General Meeting held during FY21, number of other Directorships, Memberships/ Chairpersonships held by them as on March 31, 2021, are as follows:

Name of the Director	Meetings held during the year vis-à-vis Director's Tenure	Attendance at Board Meetings	Attendance at Last AGM	Directorships in other Companies ¹	No. of Committee Membership ²	No. of Committee Chairpersonship ²
Mr. A. M. Naik (Non-Executive Founder Chairman)	5	5	Y	5	0	0
Mr. S. N. Subrahmanyam (Non-Executive Vice Chairman)	5	5	Y	5	0	0
Mr. R. Shankar Raman (Non-Executive Director)	5	5	Y	9	6	0
Mr. Sanjay Jalona (Chief Executive Officer & Managing Director)	5	5	Y	0	1	0
Mr. Sudhir Chaturvedi (Whole-time Director & President-Sales)	5	5	Y	0	1	0
Mr. Nachiket Deshpande (Whole-time Director & Chief Operating Officer)	5	5	Y	0	0	0
Mr. M. M. Chitale (Independent Director)	5	5	Y	6	7	3
Mr. Sanjeev Aga (Independent Director)	5	5	Y	4	5	2
Mr. Sudip Banerjee (Independent Director)	5	5	Y	3	3	0
Mrs. Aruna Sundararajan ³ (Independent Director)	4	4	Y	0	2	1
Mr. Arjun Gupta ⁴ (Independent Director)	3	3	Y	N.A.	N.A.	N.A.
Mr. Samir T. Desai ⁵ (Independent Director)	5	5	Y	N.A.	N.A.	N.A.

Notes:

- Includes Directorships of all public limited companies whether listed or not and excludes private limited companies, foreign companies and Section 8 companies.
- 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.
- Mrs. Aruna Sundararajan was appointed as an Independent Director of the Company w.e.f. May 19, 2020.
- Mr. Arjun Gupta ceased to be an Independent Director of the Company w.e.f. the close of business hours of October 27, 2020, due to completion of his term of office as an Independent Director of the Company.

- Mr. Samir T. Desai ceased to be an Independent Director of the Company w.e.f. the close of business hours of March 31, 2021 due to completion of his 2nd and last term of office as an Independent Director of the Company.
- None of the Directors of the Company hold Directorship in more than ten public companies and none of Independent Directors are serving as Independent Directors in more than seven listed companies.
- Necessary disclosures regarding Committee positions in other Indian public companies as at March 31, 2021 have been made by the Directors.
- None of the Directors of the Company are inter-se related to each other.

Further, the details of Directorships held by Directors as on March 31, 2021 in other Listed entities (excluding Directorship in Larsen & Toubro Infotech Limited) are as follows:

Name of the Director	Name of other listed entity	Category of Directorship	
Mr. A. M. Naik	Larsen & Toubro Limited	Group Chairman	
	L&T Technology Services Limited	Non-Executive Chairman	
	Mindtree Limited	Non-Executive Chairman	
Mr. S. N. 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	
	Mindtree Limited	Non-Executive Vice Chairman	
Mr. R. Shankar Raman	Larsen & Toubro Limited	Executive Director and Chief Financial Officer	
	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	
	Mr. Nachiket Deshpande	None	
Mr. Samir T. Desai	L&T Technology Services Limited	Independent Director	
	Mr. M. M. Chitale	Larsen & Toubro Limited	Independent Director
		Atul Limited	Independent Director
		Macrotech Developers Limited	Independent Director
Mr. Sudip Banerjee	Bhageria Industries Limited	Independent Director	
	L&T Technology Services Limited	Independent Director	
	IFB Industries Limited	Non-Executive Director	
Mr. Sanjeev Aga	Kesoram Industries Limited	Independent Director	
	Larsen & Toubro Limited	Independent Director	
	UFO Moviez India Limited	Chairman and Independent Director	
	Pidilite Industries Limited	Independent Director	
Mrs. Aruna Sundararajan	Mahindra Holidays & Resorts India Limited	Independent Director	
	None	Not Applicable	

B. Board Meetings

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

Due to ongoing pandemic, majority of the Board meetings and Committee meetings during FY21 were held through Video Conferencing or Other Audio-Visual Means, in compliance with Rule 3 & Rule 4 of the Companies (Meetings of Board and its Powers) Rules, 2014. During the year under review, five Board Meetings were held on May 19, 2020, July 15, 2020, October 20, 2020, January 19, 2021 and March 17, 2021 and information as required in Part A of Schedule II under Regulation 17 (7) of SEBI Listing Regulations were placed before the Board for its consideration. Necessary quorum was present in all the meetings.

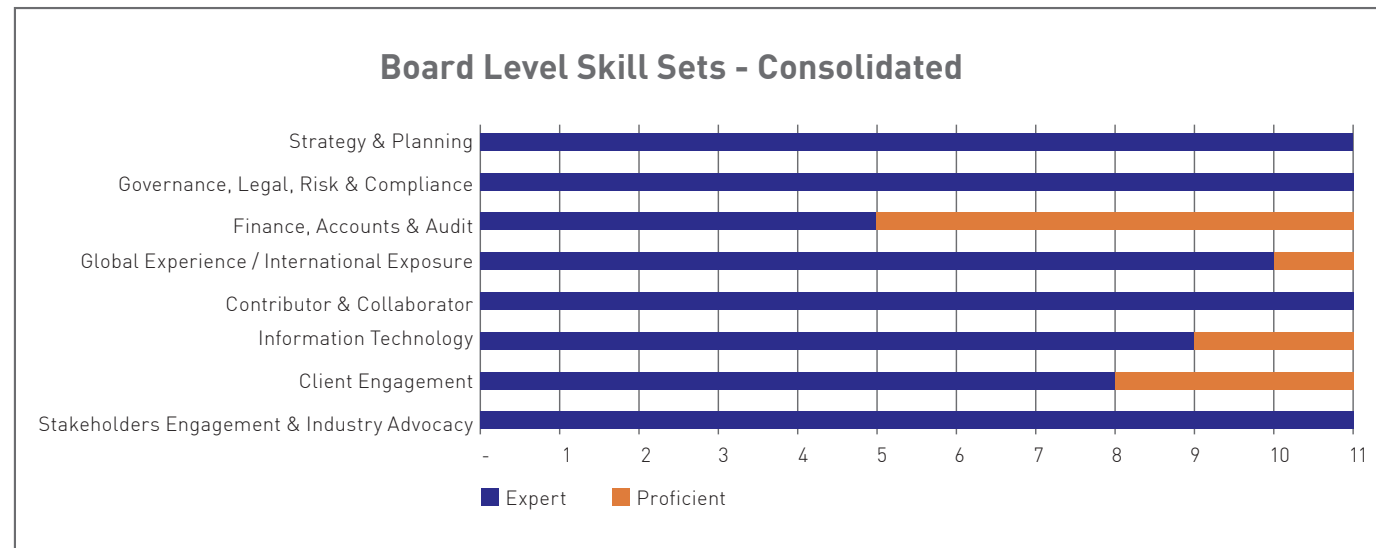
As a green initiative, the agenda of the Board and Committee meetings are circulated to the Directors through an in-house secured web-based application viz. iboard, which is accessed through IPADs. All important decisions taken at the Board/ Committee meetings are promptly communicated to the concerned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

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

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

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

As part of performance evaluation of the Board/Individual Directors for FY21, an individual mapping and gap analysis of the skills, experience and expertise currently available with the Board of Directors was carried out, which revealed that Board of Directors of the Company possess right and optimal skill sets fundamental for the effective functioning of the Company. The results of the analysis are presented below:



Number of Directors as on March 31, 2021 - 11 Directors

Skill Mapping at Individual Director Level

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

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

3. Board Committees

The Committees of the Board play a vital role in the governance and act in accordance with the delegated authorities. Each Committee is guided by its Charter or Terms of Reference, which stipulates the composition, scope, power, duties and responsibilities. Based on the recommendation, suggestions and observations of the Committee, the Board of Directors take an informed decision. The Chairman of respective Committees update the Board on the deliberations that takes place at the Committee Meetings. As on March 31, 2021, the Board has seven Committees: (a) Audit Committee; (b) Nomination and Remuneration Committee; (c) Stakeholders' Relationship Committee; (d) Risk Management Committee; (e) Corporate Social Responsibility Committee; (f) Strategic Investment Committee; and (g) Committee of Independent Directors.

The terms of reference and composition of the Committees and the number of meetings held during FY21 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, 2021, the Audit Committee comprised of three Independent Directors and one Non-Executive Director. With completion of 2nd and last term of office, Mr. Samir T. Desai, Independent Director, ceased to be a member of the Committee, w.e.f. the close of business hours of March 31, 2021.

During FY21, five meetings with a gap not exceeding 120 days between two consecutive Audit Committee Meetings were held on May 18, 2020, July 15, 2020, October 20, 2020, November 18, 2020 and January 19, 2021, 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 Member's Tenure	No. of Meetings Attended
Mr. M. M. Chitale	Independent Director	Chairman	5	5
Mr. R. Shankar Raman	Non-Executive Director	Member	5	5
Mrs. Aruna Sundararajan ¹	Independent Director	Member	4	4
Mr. Samir T. Desai ²	Independent Director	Member	5	5

Notes:

- Mrs. Aruna Sundararajan was appointed as a member w.e.f. May 19, 2020.
- Mr. Samir T. Desai ceased to be a member w.e.f. the close of business hours of March 31, 2021.
- Invitees/ Participants:** Chief Executive Officer and Managing Director, President Sales & Whole-time Director, Chief Operating Officer & Whole-time Director, Chief Financial Officer, Head Finance Function, the Partner/ Representative of the Statutory Auditors and the Internal Auditors are invitees to the Audit Committee Meeting. Vice President-Legal, Risk Head along with Corporate Officers make periodic presentations to the Audit Committee. The Company Secretary of the Company acts as the secretary to the Committee.

Extract of terms of reference

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

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company including reviewing and monitoring auditor's independence, 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 of transactions of the Company with related parties;
- Recommendation to the Board, related party transactions not covered under Section 188, if not approved by the Audit Committee;
- Ratifying transaction involving an amount not exceeding ₹ 1 Crore entered into by a Director or officer of the Company;
- Evaluation of internal financial controls and risk management systems;
- Reviewing Compliance with listing and other legal requirements relating to financial statements;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Establishing & reviewing functioning of the Whistle Blower Mechanism;
- Reviewing compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 and verify that the systems for internal control are adequate and are operating effectively.

B. Nomination and Remuneration Committee

The Nomination and Remuneration Committee ('NRC') of the Board of Directors meets the criteria laid down under Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations. As on March 31, 2021, NRC comprised of three Independent Directors and one Non-Executive Director. With completion of 2nd and last term of office, Mr. Samir T. Desai, Independent Director, ceased to be a member of Committee, w.e.f. the close of business hours of March 31, 2021.

During FY21, four meetings of NRC were held on May 19, 2020, July 15, 2020, October 20, 2020 and January 19, 2021, 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 Member's Tenure	No. of Meetings Attended
Mr. Samir T. Desai ¹	Independent Director	Chairman	4	4
Mr. Sanjeev Aga ²	Independent Director	Chairman	1	1
Mr. A. M. Naik	Non-Executive Director	Member	4	4
Mrs. Aruna Sundararajan ³	Independent Director	Member	NA	NA
Mr. S. N. Subrahmanyam ⁴	Non-Executive Director	Member	NA	NA
Mr. Arjun Gupta ⁵	Independent Director	Member	3	3

Notes:

1. Mr. Samir T. Desai ceased to be a member w.e.f. the close of business hours of March 31, 2021.
2. Mr. Sanjeev Aga was appointed as a member w.e.f. October 20, 2020. He was then re-designated as Chairman of the Committee w.e.f. April 1, 2021.
3. Mrs. Aruna Sundararajan was appointed as a member w.e.f. January 19, 2021.
4. Mr. S. N. Subrahmanyam ceased to be a member w.e.f. May 18, 2020.
5. Mr. Arjun Gupta ceased to be a member w.e.f. the close of business hours of October 27, 2020.

Terms of Reference

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

- To identify, review, assess and recommend to the Board the appointment of Executive and Non-Executive Directors & Senior Management Personnel;

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

Board Membership Criteria

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

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

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

Performance Evaluation Criteria for Independent Directors (IDs)

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

During the year, in terms of the requirement of the Act and SEBI Listing Regulations, an annual performance evaluation of the Board, its Committees, Chairman and other individual Directors was carried out with the help of an external agency, details of which have been provided in the Directors' Report section, of this Integrated Annual Report.

Remuneration of Directors

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

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

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

For remuneration paid/payable to Directors for the year ended March 31, 2021, kindly refer the MGT-7 – Annual Return, available on the website of the Company, www.Lntinfotech.com/investors

Details of service contracts

a. Notice Period

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

b. **Stock Options:** During FY21, no stock options were granted to Executive Directors.

During FY21, there was no material pecuniary relationship or transactions between the Company and any of its Non-Executive/ Independent Directors apart from payment towards commission, sitting fees and reimbursement of expenses.

C. Stakeholders' Relationship Committee ('SRC')

The Stakeholders' Relationship Committee ('SRC') of the Board of Directors meets the criteria laid down under Section 178 of the Act and Regulation 20 of the SEBI Listing Regulations. As on March 31, 2021, SRC comprised of one Independent Director and two Executive Directors.

During FY21, one SRC meeting was held on October 16, 2020, attendance for which is given as follows:

Name of Director	Category	Position in the Committee	No. of Meetings held during the year vis-à-vis Member's Tenure	No. of Meetings Attended
Mrs. Aruna Sundararajan ¹	Independent Director	Chairperson	1	1
Mr. Sanjay Jalona	Chief Executive Officer & Managing Director	Member	1	1
Mr. Sudhir Chaturvedi	Whole-time Director	Member	1	1

Note:

1. Mrs. Aruna Sundararajan was appointed as a member and Chairperson w.e.f. May 19, 2020.

Terms of reference

Pursuant to Regulation 34(3) read with Schedule V of the SEBI Listing Regulations, brief description of terms of reference of 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 and 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 FY21, no complaints against the Company were received from SEBI/ Stock Exchanges/ Depositories by the Company and its Registrar and Share Transfer Agent.

D. Risk Management Committee

As on March 31, 2021, Risk Management Committee ('RMC') comprised of one Independent Director and one Executive Director. During FY21, one RMC meeting was held on February 23, 2021, 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 Member's Tenure	No. of Meetings Attended
Mr. S. N. Subrahmanyam ¹	Non-Executive Director	Chairman	NA	NA
Mr. Sanjeev Aga ²	Independent Director	Chairman	1	1
Mr. Sanjay Jalona ³	Chief Executive Officer & Managing Director	Member	NA	NA
Mr. Nachiket Deshpande	Whole-time Director	Member	1	1
Mr. Ashok Kumar Sonthalia ⁴	Chief Financial Officer	Member	NA	NA
Mr. Anil Rander ⁵	Chief Financial Officer	Member	NA	NA

Notes:

- Mr. S. N. Subrahmanyam ceased to be Chairman w.e.f. July 15, 2020.
- Mr. Sanjeev Aga was appointed as member and Chairman w.e.f. July 15, 2020.
- Mr. Sanjay Jalona ceased to be member w.e.f. July 15, 2020.
- Mr. Ashok Kumar Sonthalia ceased to be a member w.e.f. the close of business hours of January 25, 2021.
- Mr. Anil Rander was appointed as a member w.e.f. April 14, 2021.

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 and sectoral level including market, competition, political & reputational issues and cyber security;
- Review significant operational risks;
- 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.

E. 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, 2021, CSR Committee comprised of one Independent Director and two Executive Directors.

Due to outbreak of COVID-19 pandemic, circular resolutions w.r.t. approving Annual Report on CSR for FY20 and Recommendation to Board for approval on CSR Budget for FY21 were passed by the CSR Committee on May 12, 2020. Further, during FY21, one meeting of CSR Committee was held on October 16, 2020, attendance for which is given as follows:

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

Note:

1. Mr. Arjun Gupta ceased to be a member w.e.f. the close of business hours of October 27, 2020.

Terms of Reference

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

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

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

F. Strategic Investment Committee

As on March 31, 2021, Strategic Investment Committee ('SIC') comprised of three Non-Executive Directors and one Executive Director. During FY21, no meeting of SIC was held.

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 and financial returns and other key strategic activities.

G. Committee of Independent Directors

Although this is not a mandatory Committee and Board has no statutory obligation to constitute such Committee, the name given to the group of Independent Directors of the Company here in this report, is for the sake of brevity. As per the Code for Independent Directors prescribed under Schedule IV of the Companies Act, 2013, the Independent Directors of the Company are required to meet at least once in a financial year without the attendance of non-Independent Directors and the members of the management. During the year, one meeting of Independent Directors was held on October 16, 2020 to discuss inter-alia the performance evaluation of the Board, its Committees, the individual Directors and the Chairman, the details of which are described in Directors Report. The brief description of the terms of reference of Committee of Independent Directors inter-alia includes the following;

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

4. Other Information

A. General Body Meetings

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

Financial Year	Venue of AGM	Date and Time	Special Resolutions
2019-20	In compliance with General Circular No. 20/2020 dated May 5, 2020 read with General Circular No. 14/2020 dated April 8, 2020 and General Circular No. 17/2020 dated April 13, 2020, issued by the Ministry of Corporate Affairs and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by SEBI, AGM was conducted through Video Conference (VC) or Other Audio Visual Means. While for compliance under section 96 of the Companies Act, 2013, the venue of AGM was deemed to be held at L&T House, Ballard Estate, Mumbai 400 001.	July 18, 2020 at 4:30 p.m.	Nil
2018-19	Birla Matushri Sabhagar, 19, Marine Lines, Mumbai 400 020	July 20, 2019 at 11:00 a.m.	Nil
2017-18	Yashwantrao Chavan Pratishthan Auditorium, General Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Nariman Point, Mumbai 400 021	August 22, 2018 at 3:30 p.m.	1. Continuation of directorship of Mr. A. M. Naik (DIN: 00001514), as a Non-Executive Director.

B. Approval of Members through Postal Ballot

During FY21, no matters were transacted through postal ballot.

C. Means of Communication

Through established procedures, the Company makes prompt, continuous and efficient communication to all its stakeholders through multiple channels of communication as mentioned below:

- **Financial Results Announcement:** The quarterly, half-yearly and annual financial results of the Company (both standalone and consolidated) are submitted to National Stock Exchange of India Limited and BSE Limited through their respective designated web portals "NEAPS" and "BSE Listing Center" within the prescribed timelines and simultaneously published in prominent national newspapers which include The Financial Express and local newspaper Loksatta. Simultaneously, the results are also made available on the Company's website: www.Lntinfotech.com/Investors
- **News Releases:** Official news releases are filed with stock exchanges electronically on "NEAPS" and "BSE Listing Centre". The same are also made available on the Company's website: www.Lntinfotech.com/Investors

- **Website:** The Company's website contains a separate dedicated section "Investors" where shareholder related information is available. Besides mandatory documents required to be uploaded on the Company's website under SEBI Listing Regulations, details of earnings call, presentations, press releases, factsheets and quarterly reports of the Company are made available on the website: www.Lntinfotech.com/Investors
- **Presentation Made to Institutional Investors and Analysts:** The schedule of analyst/ institutional investors meetings/Analyst day and presentations made therein are filed with the National Stock Exchange of India Limited and BSE Limited. The same is also made available on the Company's website: www.Lntinfotech.com/Investors

5. General Shareholders' Information

A. Annual General Meeting

Date	Time	Venue
Saturday, July 17, 2021	4:00 p.m. (IST)	Through Video Conference as per MCA General Circular No. 20/2020 dated May 5, 2020 read with General Circular No. 02/2021 dated January 13, 2021 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 read with Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021

B. Financial Year and Tentative Calendar of the Company for the Financial Year 2021-22

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, 2022 is as under:

First Quarter Results	On/before August 14, 2021
Second Quarter Results	On/before November 15, 2021
Third Quarter Results	On/before February 15, 2022
Last Quarter Results and Annual Audited Results	On/before May 30, 2022

C. Final Dividend

The Board of Directors of the Company have recommended a final dividend of ₹ 25/- per equity share of face value of ₹ 1/- each. The final dividend, if approved, by the shareholders at the 25th AGM would be paid/ dispatched within 30 days from the date of the AGM. The Company would be required to withhold taxes at the prescribed rates on the dividend paid to its shareholders, as prescribed under the Income Tax Act, 1961. For more details, members are requested to refer to the 'TDS Instructions on Dividend Distribution' appended as **Annexure-3** to the Notice convening 25th AGM of the Company.

As on March 31, 2021, there is no dividend which is unclaimed/unpaid for a consecutive period of seven years from the date of transfer to unpaid dividend account of the Company, hence, no amount is liable to be transferred to the Investor Education and Protection Fund.

D. Listing of Equity Shares on Stock Exchanges

The Equity shares of the Company are 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 FY21 to the above Stock Exchanges.

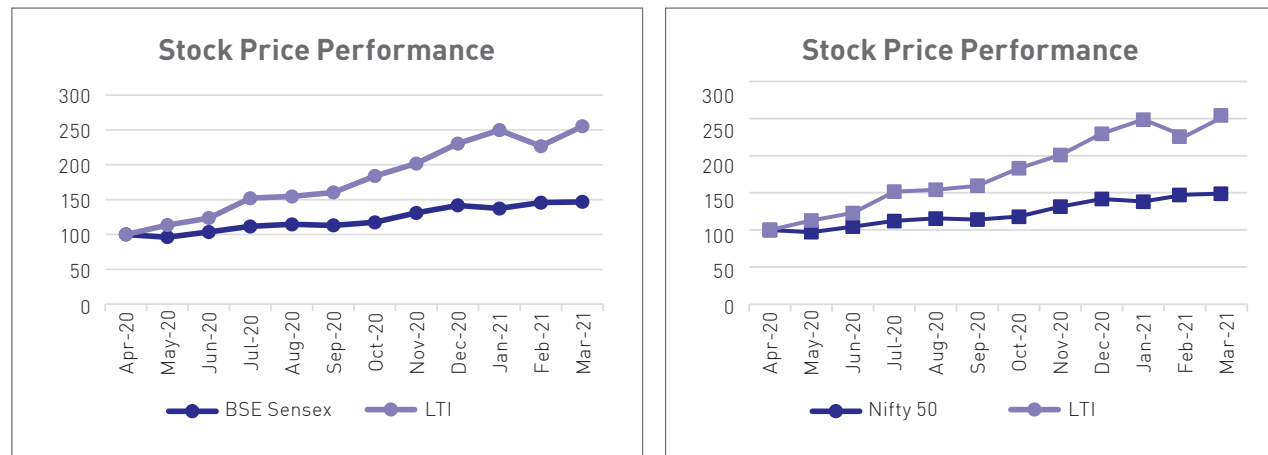
E. Stock Market Data for FY21

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 FY21 are as under:

Month	BSE			NSE		
	High (₹)	Low (₹)	Total No. of equity shares traded	High (₹)	Low (₹)	Total No. of equity shares traded
April 2020	1,640.00	1,337.55	104,644	1,650.00	1,335.55	2,870,473
May 2020	1,837.00	1,510.00	115,755	1,839.00	1,503.25	2,945,482
June 2020	1,978.00	1,797.55	111,012	1,980.00	1,795.00	2,372,613

Month	BSE			NSE		
	High (₹)	Low (₹)	Total No. of equity shares traded	High (₹)	Low (₹)	Total No. of equity shares traded
July 2020	2,490.00	1,924.95	402,025	2,489.00	1,925.00	5,095,253
August 2020	2,530.00	2,330.25	179,157	2,530.00	2,329.00	3,680,066
September 2020	2,792.00	2,310.15	265,148	2,794.35	2,311.60	6,810,412
October 2020	3,515.15	2,516.80	765,927	3,512.70	2,515.20	11,182,798
November 2020	3,415.15	2,833.20	455,475	3,418.00	2,831.00	13,454,837
December 2020	3,698.00	3,203.45	448,705	3,698.50	3,202.05	8,660,814
January 2021	4,499.90	3,632.65	427,991	4,483.00	3,625.05	7,025,330
February 2021	4,380.00	3,570.00	190,557	4,379.95	3,570.00	2,614,030
March 2021	4,238.00	3,592.00	349,197	4,244.00	3,590.00	6,088,170

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



Note: LTI's share price, Sensex and NSE Nifty 50 index values on April 1, 2020 have been baselined to 100.

F. Distribution of Shareholding as on March 31, 2021

Share Range	Shareholders		Shares	
	Number	%	Number	%
Upto 500	197,461	98.86	5,494,778	3.14
501-1000	804	0.40	599,028	0.34
1001-2000	431	0.22	626,898	0.36
2001-3000	153	0.08	387,610	0.22
3001-4000	120	0.06	435,815	0.25
4001-5000	93	0.05	427,925	0.25
5001-10000	243	0.12	1,686,784	0.97
10001 & Above	431	0.21	165,091,770	94.47
Total	199,736	100.00	174,750,608	100.00

G. Categories of Shareholders as on March 31, 2021

Sr. No.	Category	No. of shares	%
1	Corporate Bodies (Promoter Company)	129,784,034	74.27
2	Foreign Portfolio Investors (Corporate)	23,679,163	13.55
3	Mutual Funds	6,299,424	3.60
4	Alternate Investment Funds - III	817,416	0.47

Sr. No.	Category	No. of shares	%
5	Other Bodies Corporate	410,429	0.23
6	Insurance Companies	375,054	0.21
7	Clearing Members	202,514	0.12
8	NBFCs registered with RBI	19,635	0.01
9	Banks	1,645	0.00
10	Financial Institutions	555	0.00
11	Public	10,204,823	5.84
12	Directors*	595,868	0.34
13	Hindu Undivided Family	242,047	0.14
14	Non-Resident Indians	1,473,718	0.84
15	Non-Resident (Non Repatriable)	532,376	0.30
16	Foreign Nationals	27,753	0.02
17	Trusts	84,154	0.05
TOTAL		174,750,608	100.00

*Details of equity shares held by Directors in the Company as on March 31, 2021 are:

Sr. No.	Name of the Director	No. of shares
1	A. M. Naik	100,000
2	S. N. Subrahmanyam	160,000
3	R. Shankar Raman	80,000
4	Sanjay Jalona	119,900
5	Sudhir Chaturvedi	119,430
6	Nachiket Deshpande	16,500
7	M. M. Chitale	38
TOTAL		595,868

H. Dematerialization of Shares & Liquidity

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

As on March 31, 2021, 99.82% 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 Issued Capital
Held in Dematerialised form in NSDL	170,451,571	97.54
Held in Dematerialised form in CDSL	3,980,953	2.28
Physical	318,084	0.18
TOTAL	174,750,608	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 includes easy liquidity, electronic transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries.

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

I. Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, Conversion Date and likely impact on Equity

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

J. Share Transfer System

Transfer of shares in electronic form are processed and approved in the electronic form by NSDL/ CDSL through their Depository Participant without the involvement of the Company. Further, 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 transmissions or transposition of securities of the Company.

K. Address for Correspondence

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

6. Familiarisation Programme for Independent Directors

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

At the time of induction, Independent Directors are provided insights on the operation of the Company and its subsidiaries, business, industry and environment in which the Company functions. An Induction-cum-Familiarization kit for Independent Directors has been developed to acquaint the incoming Board Members with Company's businesses, its operations, governance practices, policies and procedures.

For more information, shareholders are requested to refer the Company's website, www.Lntinfotech.com/Investors for more details.

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). Pursuant to Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2020, structured digital database is being maintained internally with adequate internal controls as required under the regulations.

During FY21, following measures were taken by the Company as part of strengthening control mechanism under the Code:

- Awareness Session: Various circulars, notifications were issued to the designated persons and insiders, besides mandatory online training, sensitizing them about the importance of the Securities Dealing Code.
- An online facility is available to apply for necessary approvals, submission of disclosures thereby ensuring compliance under the Code and the Regulations and providing necessary controls in line with the Regulations.

Mr. Manoj Koul, Company Secretary is designated as the Compliance Officer, while Mr. Nitin Mohta, Principal Director, Financial Planning & Analysis, 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 Integrated Annual Report.

9. Plant Locations/ Global Footprint

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 globally are available on the Company's website under Global Footprint section: www.Lntinfotech.com/global-footprints/

10. Disclosures

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

During FY21, there were no material significant related party transactions which have been entered into by the Company with its related parties having potential conflict with the interests of the Company at large. All the related party transactions entered during the financial year were in the ordinary course of business and at arm's 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 Integrated 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 and redressal of the complaints of such nature.

Details of such complaints are as follows:

Particulars	Details
a. Number of complaints filed during the financial year	2
b. Number of complaints disposed of during the financial year	2
c. Number of complaints pending as on end of the financial year	Nil

For more details refer Directors' Report section of this Integrated 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.Lntinfotech.com/Investors

During FY21, the Company did not have any material subsidiary, whether listed or unlisted, in India or outside India.

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, 2021. A declaration signed by the Chief Executive Officer and Managing Director of the Company affirming compliance with the Code of Conduct is attached as Annexure to this Corporate Governance Report.

H. Practising Company Secretary Certificate on Non-Disqualification of Directors

A certificate has been obtained from Ms. Naina R 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 FY21, various recommendations were made by the Committees to the Board of Directors, which were all accepted by the Board, after necessary deliberations.

J. 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 Corporate Governance Report.

K. Other Disclosures

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

Particulars	Regulation	Compliance Status (Yes/No/NA)	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	Yes	Composition and role of Risk Management Committee
Vigil Mechanism	22	Yes	Formulation of vigil mechanism
Related Party Transactions	23	Yes	Policy for Related Party Transactions (RPTs), Prior or Omnibus approval of Audit Committee for all RPTs, approval for material RPTs
Corporate Governance Requirements with respect to Subsidiary of Listed Entity	24	NA	Composition of Board of Directors of unlisted material subsidiary, other corporate governance requirements with respect to subsidiary of listed entity
Obligations with respect to Independent Directors	25	Yes	Maximum Directorship and 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

Particulars	Regulation	Compliance Status (Yes/No/NA)	Compliance area
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 and Senior Management, details of vigil mechanism, criteria of making payments to Non-Executive Directors, policy on related party transactions, determining material subsidiaries, details of familiarisation programmes to Independent Directors.

Note:

- For the majority period of FY21, the composition of the Board was in full compliance with the SEBI Listing Regulations, however, the vacancy created on cessation of term of office of an Independent Director w.e.f. the close of business hours of October 27, 2020, remained unfilled till the date of this report, due to reasons explained more in detail in the Directors Report.

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

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

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

To
The Board of Directors
Larsen & Toubro Infotech Limited

Dear Sirs/ Madam,

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

We have reviewed financial statements, read with the cash flow statement of Larsen & Toubro Infotech Limited for the year ended March 31, 2021 and that to the best of our knowledge and belief, we state that:

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

Yours sincerely,

Sanjay Jalona
Chief Executive Officer & Managing Director
Place: USA

Anil Rander
Chief Financial Officer
Place: Mumbai

Date: May 04, 2021

Annexure
Board Confirmation

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

Place: USA
Date: May 04, 2021

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.

Place: USA
Date: May 04, 2021

Sanjay Jalona
Chief Executive Officer &
Managing Director

Annexure to Directors' Report
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, 2021.

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 29, 2021

Naina R Desai
Practising Company Secretary
Membership No. F1351
Certificate of Practice No.13365
Peer Review Certificate No.590/2019
UDIN : F001351C000204565

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, 2021, as stipulated in regulation 17 to 27 and clause (b) to (i) of regulation 46(2) and paragraphs C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither audit nor expression of opinion on the financial statements of the Company.

We have examined the books of accounts and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ("the ICAI"), the Standards on Auditing specified under section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purpose issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

In our 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, 2021, except non-fulfilment of the vacancy created on cessation of term of office, of Mr. Arjun Gupta as an Independent Director w.e.f. the close of business hours of October 27, 2020 by March 31, 2021.

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.

Mumbai
Dated May 4, 2021

B. K. KHARE & CO.
Chartered Accountants
Firm's Registration No. 105102W

Padmini Khare Kaicker
Membership No. 044784
Partner
UDIN: 21044784AAAABA4216

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 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, 2020 to March 31, 2021.

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

4. This certificate is issued at the request of the management of the Company solely for the purpose of 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.

Mumbai
Dated May 4, 2021

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

Padmini Khare Kaicker
Membership No. 044784
Partner
UDIN: 21044784AAAABB3364

Annexure C

**Form No. MR-3
Secretarial Audit Report**

for the financial year ended March 31, 2021

[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, 2021, 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, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), as applicable:-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; presently, the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; presently, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; presently, the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; presently, the Securities and Exchange Board of India (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. *However, the vacancy created, on cessation of term of office of Mr. Arjun Gupta, Independent Director from the closure of business hours of October 27, 2020, remained unfilled as on March 31, 2021.*

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.

'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.

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. -

- (i) Public/Right/Preferential issue of shares / debentures/sweat equity, etc. - NIL.
- (ii) Redemption / buy-back of securities- NIL.
- (iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013. - NIL.
- (iv) Merger / amalgamation / reconstruction, etc.- NIL.
- (v) Foreign technical collaborations - NIL.
- (vi) Other Events -

- The Board of Directors of the Company at its meeting held on October 20, 2020, approved the Scheme of Amalgamation ('Scheme') between Syncordis Software Services India Private Limited and Ruletronics Systems Private Limited (wholly owned subsidiaries of the Company) with the Company under Sections 230-232 of the Companies Act, 2013 [hereinafter referred as Applicants']. Company Scheme Petition filed by the Applicants with Hon'ble National Company Law Tribunal ('NCLT'), Mumbai Bench on January 22, 2021 was admitted by NCLT on April 8, 2021. The appointed date for the proposed Scheme is April 1, 2021.

Naina R Desai

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

Place: Mumbai
Date: April 22, 2021
Peer Review Certificate No.590/2019
UDIN: F001351C000161489

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.

- 4) Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- 5) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- 6) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Naina R Desai

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

Place: Mumbai
Date: April 22, 2021
Peer Review Certificate No.590/2019
UDIN: F001351C000161489

Annexure D

Annual Report on CSR Activities for FY21

1. Brief outline on CSR Policy of the Company.

Our social initiatives help empower communities with focus on improving the quality of education among children from underprivileged communities and helping them stay in school, enhancing skills of the marginalized youth and women, providing special education and skills for physically and intellectually challenged people, and addressing the critical issue of environment conservation. Our projects help promote sustainable community development, with a commitment to promote the cause of creating a more inclusive society. LTI's CSR policy can be viewed at www.ltifotech.com/social-responsibility/

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Sanjay Jalona	Chairperson, Executive Director	1	1
2	Sudhir Chaturvedi	Member, Executive Director	1	1
3	Sudip Banerjee	Member, Independent Director	1	1
4	Arjun Gupta ¹	Member, Independent Director	1	1

Note: 1. Mr. Arjun Gupta ceased to be an Independent Director of the Company w.e.f. the close of business hours of October 27, 2020.

3. Provide the web-link where composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company.

- Weblink for composition of CSR committee - www.ltifotech.com/investors/corporate-governance/
- CSR policy & CSR Projects - www.ltifotech.com/social-responsibility/

4. Provide the details of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable.

Impact assessment for Company's few CSR projects was conducted voluntarily by engaging an external agency - Samhita Social Ventures ('Samhita'). Samhita is a social enterprise that collaborates with companies to develop impactful CSR initiatives. They help companies build CSR strategy, program design, implementation and on-ground assessment. The voluntary social audit was conducted using a multi-stakeholder model to ascertain efficiency and effectiveness of the CSR projects which LTI has been implementing with NGOs. The projects identified for impact assessment were found to be satisfactory in terms of the efficiency and the effectiveness of the programmes implemented by LTI.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any :

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹ Million)	Amount required to be set-off for the financial year, if any (in ₹ Million)
1	FY20	180*	180
TOTAL		180	180

*Basis representation made on the MCA Website by the Secretary, Ministry of Corporate Affairs, L&T, the parent Company on behalf of group contributed an amount of ₹ 1500 Million to PM Cares Fund on March 30, 2020, which included ₹ 180 Million on behalf of Company, which was internally transferred by Company to L&T on March 31, 2020, after seeking the approval of the Board.

6. Average net profit of the company as per section 135(5): ₹ 16,312 Million

- Two percent of average net profit of the company as per section 135(5): ₹ 326.2 Million
- Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
- Amount required to be set off for the financial year, if any: ₹ 180 Million
- Total CSR obligation for the financial year (7a+7b- 7c): ₹ 146.2 Million

- CSR amount spent or unspent for the financial year: Nil
- Details of CSR amount spent against ongoing projects for the financial year: Not Applicable
- Details of CSR amount spent against other than ongoing projects for the financial year: details given after point 8.
- Amount spent in Administrative Overheads: ₹ 7 Million
- Amount spent on Impact Assessment, if applicable: ₹ 0.3 Million*
- Total amount spent for the Financial Year (8b+8c+8d+8e) = ₹ 147.7 Million
- Excess amount for set off, if any: Not Applicable

*The cost is towards voluntary impact assessment conducted by Company during FY21 and is over and above CSR spent.

Sl. No.	Particular	Amount (₹ in Million)
(i)	Two percent of average net profit of the Company as per Section 135(5)	326.2
(ii)	Total amount spent for the Financial Year	327.7
(iii)	Excess amount spent for the financial year * [(ii)-(i)]	1.5
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

Note: * The Company is not carrying forwarding the excess spent of ₹ 1.5 Million for set off in succeeding financial years.

Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in ₹ Million)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1	Virtual Teaching with eVidyaloka PAN India	(ii)	Yes	Karnataka, Tamil Nadu, Andra Pradesh, Maharashtra & Uttarakhand	Multiple - across states	19.4	No	eVidyaloka Trust	CSR00000867
2	Virtual Teaching with eVidyaloka Chennai	(ii)	Yes	Tamil Nadu	Chennai	4.3	No	eVidyaloka Trust	CSR00000867
3	Virtual Teaching with Prerana	(ii)	Yes	Karnataka	Dharward, Koppal and Bengaluru	7.6	No	Prerana	CSR00002477
4	Junior Aryabhata Computer Education	(ii)	Yes	Maharashtra	Pune	1.0	No	Seva International Akshar Bharati	CSR000000559
5	Introduction to Basic technology	(ii)	Yes	Maharashtra	Pune	4.0	No	Vigyan Ashram	CSR00003659
6	Happiness Kits with Akshaya Patra	(i), (ii)	Yes	Karnataka	Bengaluru	8.0	No	The Akshaya Patra Foundation	CSR00000286
7	Avishkar	(ix)	Yes	Maharashtra	Mumbai	1.0	No	VJTI-TBI	CSR00003365
8	Quizabled with Seva in Action	(ii)	Yes	Karnataka, Maharashtra and Tamil Nadu	Bengaluru, Mumbai and Chennai	3.6	No	Seva in Action Association	CSR00003408
9	Social Catalyst Fund	(ii)	Yes	PAN India	PAN India	0.6	No	Collective Good Foundation	CSR00001648
10	Incubation Project	(ix)	Yes	Tamil Nadu	Chennai	3.7	No	IIT Madras	CSR00004320

Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in ₹ Million)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
11	Digital Sakshar Mumbai	(ii) & (iii)	Yes	Maharashtra	Mumbai	21.9	No	Pratham Infotech Foundation	CSR00002475
12	Digital Sakshar Pune	(ii) & (iii)	Yes	Maharashtra	Pune	2.6	No	Pratham Infotech Foundation	CSR00002475
13	IT Skills Project with Sujaya Foundation	(ii)	Yes	Maharashtra	Mumbai	3.9	No	Sujaya Foundation	CSR00001235
14	Women Artisans Skill based project	(iii)	Yes	Maharashtra	Mumbai	9.2	No	UNDP CSR trust for SDG in India	CSR00001423
15	Skill and Knowledge Development Center	(iii)	Yes	Maharashtra	Mumbai and Pune	2.0	No	Sankalp Manav Vikas Sanstha	CSR00002603
16	Tree Plantation with Say Trees	(iv)	Yes	Karnataka, Maharashtra, Tamil Nadu and Telangana	Bengaluru, Mumbai, Chennai and Hyderabad	9.9	No	SayTrees Environmental Trust	CSR00000702
17	Greenathon - Tree Plantation	(iv)	Yes	Maharashtra	Pune	2.1	No	Being Volunteer Foundation	CSR000000932
18	Farm Pond	(iv)	Yes	Karnataka	Hubli and Dharwad	4.5	No	Deshpande Foundation	CSR00001646
19	Tree Plantation Grow Trees	(iv)	Yes	Maharashtra	Mumbai	4.0	Yes	Pangea Econet Assets Private Limited	Not Applicable
20	Tree Plantation with Swades	(iv)	Yes	Maharashtra	Raigad	2.5	No	Swades Foundation	CSR00000440
21	Palghar Tree Plantation Project	(iv)	Yes	Maharashtra	Palghar	1.0	No	Shop For Change Fair Trade	CSR00007165
22	Tree Plantation with WCS	(iv)	Yes	Karnataka and Kerala	Mysuru, Uttara Kannada, Chikkamagaluru and Wayanad	3.5	No	Wildlife Conservation Society - India	CSR00001273
23	LTI participation in L&T Group for Covid-19 relief efforts*	(i) & (xii)	Yes	Maharashtra, Tamil Nadu, Gujarat, Telangana, Uttarakhand, Andhra Pradesh, West Bengal, Uttar Pradesh, Uttarakhand, Bihar, Madhya Pradesh, Assam	Multiple - across states	20.4	Yes	N/A	Not Applicable
TOTAL						140.7			

Note: *includes distribution of N95 masks, PPE kits for health/frontline workers; provision of hospital equipment (ventilators, dialysis machines etc.) & Covid testing facility.

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (in ₹ Million)	Amount spent in the reporting Financial Year (in ₹ Million)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹ Million)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	FY18	NA	116.6	NA	NA	NA	NA
2.	FY19	NA	223.8	NA	NA	NA	NA
3.	FY20	NA	280.6	NA	NA	NA	NA
TOTAL			621.0				

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **Not Applicable**

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: **Not applicable**

(a) Date of creation or acquisition of the capital asset(s): **Not Applicable**

(b) Amount of CSR spent for creation or acquisition of capital asset(s): **Not Applicable**

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc: **Not Applicable**

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): **Not Applicable**

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): **Not Applicable**

Sanjay Jalona

Chief Executive Officer & Managing Director
& Chairman - CSR Committee
(DIN: 07256786)

Sudhir Chaturvedi

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

Annexure E

Statement 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 FY21, the percentage increase in remuneration of each Director and Key Managerial Personnel ('KMP') during FY21:

S.N.	Name of the Director/ KMP	Designation	Ratio of remuneration of Director to median remuneration ⁽¹⁾	% Increase in Remuneration ⁴
1	Mr. A. M. Naik	Non-Executive Chairman	13.00	31.12
2	Mr. S. N. Subrahmanyam	Non-Executive Vice Chairman	NA	NA
3	Mr. Sanjay Jalona	Chief Executive Officer & Managing Director	109.55	29.04
4	Mr. R. Shankar Raman	Non-Executive Director	NA	NA
5	Mr. Sudhir Chaturvedi	President-Sales & Whole-time Director	65.88	24.87
6	Mr. Nachiket Deshpande	Chief Operating Officer & Whole-time Director	20.52	19.82
7	Mr. M. M. Chitale	Independent Director	2.28	25.00
8	Mr. Sanjeev Aga	Independent Director	1.64	47.73
9	Mr. Sudip Banerjee	Independent Director	1.52	63.04
10	Mrs. Aruna Sundararajan ³	Independent Director	2.04	NA
11	Mr. Arjun Gupta ³	Independent Director	5.61	NA
12	Mr. Samir T. Desai	Independent Director	6.05	30.08
13	Mr. Ashok Kumar Sonthalia ³	Chief Financial Officer	NA	NA
14	Mr. Manoj Koul	Company Secretary & Compliance Officer	NA	3.78

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 FY21.
- Mr. Sanjay Jalona and Mr. Sudhir Chaturvedi have been paid remuneration in USD and GBP respectively.
- The percentage increase in remuneration is not applicable for following Directors & KMP:
 - Mrs. Aruna Sundararajan – appointed as an Independent Director w.e.f. May 19, 2020.
 - Mr. Arjun Gupta – ceased to be an Independent Director w.e.f. close of business hours of October 27, 2020.
 - Mr. Ashok Kumar Sonthalia – ceased to be the Chief Financial Officer w.e.f. close of business hours of January 25, 2021.
- The calculation of ratio of remuneration and the percentage increase in remuneration excludes the perquisite value of stock options exercised and value of the leave encashment.
- For the total remuneration paid/ payable to the Directors and KMP, kindly refer the MGT-7 – Annual Return, available on the website of the Company, www.Lntinfotech.com/investors

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 6% in India and 2% outside India. The managerial remuneration of FY21 is higher than FY20 as the Directors had consented for lower remuneration in FY20 to support conservation of resources in view of unprecedented COVID-19 pandemic and the number of Board and Committee meetings held in FY21 are higher than the meetings held in FY20. The stock options exercised by the Directors has not been considered for the managerial remuneration comparison.

C. The percentage increase in the median remuneration of employees in FY21: 1.17%.

D. Number of permanent employees on the rolls of Company as on March 31, 2021: 32,422 on standalone basis.

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

Name of Subsidiary	Country	Date of becoming subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency	Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	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	Germany	June 14, 1999	3/31/2021	EUR	85.75	3,807	5,343	2,527	4,706	1,339	543	5	538	-	100.00
2	Larsen & Toubro Infotech Canada Limited	Canada	October 14, 2005	3/31/2021	CAD	58.03	360	492	132	-	2,467	125	33	92	-	100.00
3	Larsen & Toubro Infotech LLC	USA	July 21, 2009	3/31/2021	USD	73.11	61	121	60	-	207	23	-	23	-	100.00
4	L&T Infotech Financial Services Inc.	Canada	January 1, 2011	3/31/2021	CAD	58.03	1,680	4,096	488	-	3,052	1,205	345	860	-	100.00
5	Larsen & Toubro Africa (Pty) Limited ²	South Africa	July 25, 2012	3/31/2021	ZAR	4.94	109	156	44	-	298	97	28	69	-	69.58
6	L&T Information Technology Services (Shanghai) Co. Ltd.	China	June 28, 2013	12/31/2020	CNY	11.14	(48)	32	69	-	93	(6)	16	(22)	-	100.00
7	L&T Infotech Information Technology Spain SL	Spain	February 1, 2016	3/31/2021	EUR	85.75	(0)	62	58	-	189	(7)	7	(14)	-	100.00
8	L&T Infotech S.de. R.L. De. C.V	Mexico	March 1, 2017	12/31/2020	MXN	3.57	0.00	47	31	-	243	13	2	12	-	100.00
9	Syncordis Software Services India Private Limited	India	December 11, 2017	3/31/2021	INR	1.00	34	46	8	-	83	17	5	12	-	100.00
10	Syncordis S.A. Luxembourg ⁴	Luxembourg	December 15, 2017	12/31/2020	EUR	85.75	4	1,518	1,149	40	1,851	81	29	52	-	100.00
11	Syncordis PSF S.A.	Luxembourg	December 15, 2017	12/31/2020	EUR	85.75	32	153	122	-	217	(4)	1	(5)	-	100.00
12	Syncordis Limited	UK	December 15, 2017	12/31/2020	GBP	100.75	(183)	280	627	-	375	(5)	1	(6)	-	100.00
13	Syncordis SARL	France	December 15, 2017	12/31/2020	EUR	85.75	(2)	280	158	-	271	(10)	2	(11)	-	100.00

Notes:

- Indian rupee equivalents of the figures in foreign currencies in the accounts of the subsidiary companies, are based on the exchange rates as on March 31, 2021.
- On 19th August 2020, LTI South Africa Pty Ltd, a subsidiary of the Company bought back 5.32% of its shares from the Company, resulting in reduction in Company's shareholding in its subsidiary from 74.90% to 69.58%.

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.	Name of Subsidiary	Country	Date of becoming subsidiary	Reporting period	Reporting currency	Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
14	Larsen & Toubro Infotech Norge AS	Norway	November 20, 2018	01/31/2021	NOK	8.57	0	35	504	469	-	954	40	10	30	-	100.00
15	Nielsen + Partner Unternehmensberater GmbH	Germany	March 1, 2019	12/31/2020	EUR	85.75	17	100	229	112	17	228	(1)	(0)	(1)	-	100.00
16	Nielsen + Partner Unternehmensberater AG	Switzerland	March 1, 2019	12/31/2020	CHF	77.56	7	28	78	44	-	210	3	1	3	-	100.00
17	Nielsen + Partner PTE. Ltd.	Singapore	March 1, 2019	12/31/2020	SGD	54.35	5	339	404	60	-	650	139	21	118	-	100.00
18	Nielsen + Partner PTY Ltd	Australia	March 1, 2019	12/31/2020	AUD	55.70	-	(5)	52	57	-	94	(11)	(3)	(8)	-	100.00
19	Nielsen + Partner Company Limited	Thailand	March 1, 2019	12/31/2020	THB	2.34	2	(20)	34	52	-	35	(15)	-	(15)	-	100.00
20	Ruletronics Systems Private Limited	India	March 15, 2019	3/31/2021	INR	1.00	5	30	81	46	-	4	(6)	2	(7)	-	100.00
21	Ruletronics Limited	UK	March 15, 2019	2/28/2021	GBP	100.75	0	73	103	30	-	224	4	1	4	-	100.00
22	Ruletronics Systems Inc	USA	March 15, 2019	12/31/2020	USD	73.11	-	8	49	42	-	156	(12)	-	(12)	-	100.00
23	Lymbyc Solutions Private Ltd ^a	India	August 29, 2019	3/31/2021	INR	1.00	11	15	58	32	6	18	-15	-4	(11)	-	100.00
24	Lymbyc Solutions Inc.	USA	August 29, 2019	3/31/2021	USD	73.11	6	(9)	-	4	-	-	-	-	-	-	100.00
25	Powerup-cloud Technologies Private Limited ^a	India	October 25, 2019	3/31/2021	INR	1.00	0	45	218	173	-	261	(6)	25	(31)	-	100.00
26	Larsen & Toubro Infotech UK Limited ^a	UK	August 17, 2020	3/31/2021	GBP	100.75	0	2	101	99	-	88	2	0	2	-	100.00
27	LTI Middle East FZ-LLC ^a	Dubai	November 25, 2020	3/31/2021	AED	19.91	0	2	2,183	2,169	-	484	2	0	2	-	100.00

Notes:

- During the year, the Company incorporated 2 wholly owned subsidiaries - LTI Middle East FZ - LLC and Larsen & Toubro Infotech UK Limited
- Syncordis S.A., Luxembourg ('Syncordis Luxembourg') and Nielsen + Partner S.A. Luxembourg ('N+P Luxembourg'), step-down subsidiaries of the Company, at their respective general meetings on December 21, 2020 held before the public notary, have approved merger of N+P Luxembourg ('Absorbed Company') with Syncordis Luxembourg ('Absorbing Company'). Consequently, N+P Luxembourg has ceased to be a step-down subsidiary of the Company with effect from December 21, 2020.

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

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

Mumbai
May 4, 2021

Anil Rander
Chief Financial Officer
Mumbai

Manoj Koul
Company Secretary & Compliance Officer
Pune

Annexure G

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

A. Conservation of Energy

(i) Steps taken for conservation of energy:

Energy Conservation has been one of our spearheading strategies to fight climate change and reduce environmental impact. LTI stands by its commitment to achieve Carbon Neutrality by the year 2030. In FY21, the Company has invested in various energy efficient equipments and replaced old or inefficient conventional equipments. The Company is determined to implement new-age technologies to reduce energy consumption having direct impact on emissions. Our efforts and initiatives towards energy conservation and emission reduction has been detailed in Integrated Report section.

FY21 has been unexpected in many ways due to the prevailing pandemic, which has transformed the Work from Office concept and resulted in either zero or very less occupancy across PAN India locations. The energy consumption has reduced by more than 40%.

Primarily, this brought about optimisation of Datacentres and Heating, Ventilation and Air Conditioning ('HVAC') operations. However, we have continued to invest in various energy efficient projects which have potential savings of 9.8 Lakh kWh over a period of one year.

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

LTI has committed to supplement up to 50% of its energy from clean and green resources by the year 2030. The Company has long term Power Purchase Agreement at 2 Offices including Powai Headquarter and partial renewable sources through developers at two of our leased premises. The Company is currently sourcing 26.4% of the total energy requirements from renewable sources.

At our Campus in Bangalore, we have installed an off-grid 100 kWp Rooftop Solar Power plant. We have similar off-grid 10 kWp Plant at another leased location.

(iii) Capital investment on energy conservation equipments: ₹ 19.4 Million

B. Technology Absorption and Research & Development

In a rapidly changing global landscape where disruption is the new normal, your Company is leveraging technology to create sustainable advantage not only for itself but more importantly, for its clients. As industry 4.0, slowly but surely assumes shape, exponential technologies are turning business models upside down. Enterprises, the world over are looking towards partners who not only understand domain but also have the technology

expertise in helping them navigate through these challenging times. While the Company has the real-world expertise in diverse domains, it has also invested consciously towards building expertise in exponential technologies namely in the areas of Analytics, Industrial Internet-of-Things ('IIoT'), Artificial Intelligence ('AI'), Automation and Cloud, etc. These are further enumerated below.

Cloud

Global enterprises are reinventing themselves to achieve faster speed to value to create business differentiation at scale while optimizing operations and cost. Cloud with its ever-expanding capabilities of ready to use services and infrastructure has become a model of choice to drive transformation. LTI is continuously helping enterprises to build and execute the right "Cloud for Business" strategy. This involves taking decisions aligned to their business priorities to select the right cloud platform and services, migrating the workloads from Data Centers to scalable cloud infrastructure and services, architecting for appropriate model (public, private, hybrid or multi cloud), building innovative business capabilities, adopting modern engineering services like Edge computing, containers, serverless etc., continuous monitoring for security, compliance and cost. Your company has made the right investment to stay ahead of the curve and emerge as a leader in the cloud space. LTI has set up strategic business units aligned to Hyperscalers such as Microsoft Azure, AWS (Amazon Web Services) and GCP (Google Cloud Platform) to bring in the right focus for go to market strategy and capability development.

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

- "Infinity Cloud" end to end cloud solutions and service platform to deliver capabilities across cloud lifecycle including Assessment, Migration, Modernization, DevSecOps and Managed Services. Infinity Cloud platform is a combination of multiple sub platforms and atomic efficiency kits to enable faster adoption of cloud and an intelligence layer that helps enterprises getting the right insights into their cloud ecosystem.
- "Rapid Adopt" to enable enterprises discover and assess current state of infrastructure and build a comprehensive TCO (Total Cost of Ownership) model along with target architecture to plan and execute seamless migration to cloud.
- "PaaSify" for deep analysis of critical applications to build right architecture and roadmap for Cloud Native and PaaS (Platform-as-a-Service) transformation.

- “Canvas DevOps” to help value-stream based management and end to end DevOps/ DevSecOps automation and governance.
- “Cloud Ensure” to enable autonomous Cloud Governance, Cloud Security Posture Management, Compliance and cost optimization.

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

- “DC Uplift” – End to end Migration Readiness Assessment, Migration, Modernization and Manged services
- “Make the Shift” – Move applications and VMs (Virtual Machines) to Containers in a industrialized way
- “Save now pay later” – A unique gain share proposition leveraging Cloud Ensure to analyse and identify cost saving opportunities and optimize workload deployed in cloud
- “Cloud for Business” – Transform specific business capabilities such as Supply Chain, Media Processing, Manufacturing Execution System, Connect Services, Bank in a Box, Anti Money Laundering, etc. leveraging cloud services

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

Analytics, AI & Cognitive

Digital has emerged as the universal disruptor for businesses striving to address new challenges in today’s transforming milieu and the Company’s business philosophy is centered on enhancing business outcomes through Analytics, Artificial Intelligence (AI) and Automation. Across industries, LTI has evolved its Data offerings to unlock real benefits for leaders who are cognizant of the importance of going digital and for organizations that are becoming increasingly aware of the direct business benefits of data.

LTI understands 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. LTI’s Analytics, AI & Cognitive practice assists clients with prime concerns around the problem-first or data-first approach, as well as the democratization of data, analytics and used cases. Perhaps the most important problem is finding the right skill-sets, and the perfect skill-set for such implementation calls for the combined knowledge of technology, business context and statistics. The Company’s proven expertise helps in harnessing the power of all disruptive next-gen technologies, to unlock multifold amplified outcomes for the businesses.

The Mosaic platform, along with its components, enhances our client’s data asset advantage. LTI’s Mosaic is a converged

platform, offering data engineering, advanced analytics, knowledge-led automation, IoT connectivity and improved solution experience to its users. Our offerings, Data-First approach, combined with leading technology and academic partnerships help us in becoming preferred client partner.

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

IIoT

LTI Industrial IoT practice aims at digital transformation powered by technologies characterized by Industry 4.0. Transformation aims at empowering clientele to respond ever changing demand of market with agility while supporting lean manufacturing initiatives. It delivers smart manufacturing systems and connected products solutions that unleash power of data trapped in silos of complex and countless things across value chain to bridge the gap between physical and digital world. With better personal experience and business outcome improvement at centerstage, solution provides industry specific cross functional analytical scenarios and actionable insights for better collaboration across ecosystem.

The Company launched several industry solutions during last one year and have some notable wins. These solutions are being implemented at our customer’s manufacturing ecosystem to accelerate their Industry 4.0 journey. Some of the solutions include Asset Foresight, Digital Command Center at Edge, Connected Worker, Device Data & Security Management, Digital Twin and Digital Work Instruction. These solutions are strongly supported by services like Consulting and Advisory, Implementation and Integration, Business Scale-Up and Solution as a Service (‘SaaS’) and accelerators.

LTI has made strategic investments to provide tangible business benefits with cloud enabled solutions leveraging partnership with hyperscalers and IoT platform providers. We are launch partner with Amazon lookout for vision, an AI and Machine learning solution to improve quality and operational efficiency. The Company is investing in cutting edge technologies like Computer vision solutions based on AI technology, 5G and IoT making manufacturing smart and connected. LTI is developing business innovation labs in US and Europe for co-creating industry specific IoT solution in addition to the existing central innovation lab in Bengaluru. LTI Industry 4.0 practice unit has been supported by extensive participation from its customers, alliance partners, ecosystems and analysts’ community. Few notable mentions are: - LTI positioned as “Innovator” in Avasant IoT Services RadarView Report 2021, recognized as “Leader” in ISG Provider Lens AWS Ecosystem Partners (IoT) 2020 and featured as “Major Contender” in Everest Group Internet of Things (IoT) Services PEAK Matrix assessment 2020.

Automation

Every IT enterprises and service providers are embarking business and IT Automation journey with multiple techniques like RunBook Automation (RBA), Robotic Process Automation (RPA), IT Process Automation (ITPA), intelligent Process Automation (iiTPA), Data Analytics (DA) and Artificial Intelligence (AI) in order to improve business/ operational efficiencies due to the constant pressure of increasing their Y-o-Y profits and becoming truly digital. Every organization is facing multiple challenges (internal and external) as barrier for automation adoption and acceleration. LTI has adopted 360-degree approach to prevent/ overcome the challenges and industrialize ‘Automation as a way of working’ across the organization which yielded in excellent outcome in FY21 for our clients and our organization.

LTI’s investments towards Automation transformation includes (a) Establishment of exclusive group (NWOW - New Way of Working) to drive Digital initiatives which includes Automation transformation across all Client engagements; (b) Automation tools/ platform development and industrialization (IPs) team; (c) Exclusive Automation academy for skill transformation; (d) Account/ Client experience transformation governance; (e) AIOPS Automation factory (shared) to create re-usable BOTs and optimize development effort; (f) Automation COEs – Business and IT Automation; (g) Setup of inclusive ‘Automation task force’ with representation from all competencies and Business units; (h) Automation life cycle standards and methodology; (i) Robust Audit and Compliance mechanisms for assurance.

LTI’s constant measures towards automation industrialization yielded positive outcome. Some of the highlights includes (a) Automation IPs (CANVAS AIOPS Platform, BGenie, BRAIO, JORIZ, Oracle DCC, SAP Profiler, Workload analyzer) gone live in multiple clients as part of ‘BIG Foot transformation program’; (b) 1500+ BOTs gone live across multiple clients; (c) Our re-usable BOTs repository gone by 100% YoY; (d) Automation coverage gone up by 82% YoY; (e) Realized 57% productivity improvement and 26% reduction in Mean time to Repair (‘MTTR’) due to the incremental coverage; (f) Reskilled more than 20% of Lateral associates and 90% of new Campus hire associates; (g) Recognized as a ‘LEADER’ by key analysts for ‘intelligent Automation solution / service provider’ (ISG) and ‘Cognitive and Self-healing IT Infrastructure services’ (NelsonHall); (h) Initiated patent process for some of our Automation IPs.

LTI will continue to invest and accelerate Automation adoption to enable/ accelerate Client’s Digital transformation. As part of the strategy, LTI will continue to focus on (1) Modernize current offerings with automation and IPs embedded; (2) Institutionalize Automation as part of our Newgen CONVERGED IT Operation model; (3) Accelerate automation coverage and maturity across client engagements; (4) Cross/ Re-skill the associates in Automation tools and techniques; (5) Security compliance as core within all automation solutions; (6) Industrialize our automation tools / platforms across our clients; (7) Education series for Leaders and Managers; (8) Build end to end automation solutions with integrated Business and IT Processes; (9) Build

capabilities on Industry leading tools/ platforms; (10) Go to market (‘GTM’) with our strategic alliances and partners.

Blockchain

Blockchain continues to retain its prominence as a disruptive technology that finds applicability across multiple domains. At LTI, we are leveraging the technology to help our Global clients realize efficiency gains by eliminating or automating redundant processes, enhancing end client experience and unlocking new business models that are possible given Blockchain technology’s potential. With a mature practice consisting of Blockchain technology experts and domain consultants, we are delivering truly transformative solutions for our clients.

Though the technology’s applicability spans across multiple industries, we have seen an uptake from Clients in the Manufacturing industry. The supply chain related disruptions caused due to the pandemic last year showcase how fragmented supply chains tend to be. It also presents an opportunity for some real benefits to be derived by way of Blockchain based implementations that bring transparency, visibility and trust into the whole value chain. In addition to Manufacturing, we are delivering Blockchain based solutions across Banking, Insurance, Oil & Gas, Government services, among others.

We are strengthening our partner ecosystem by forging alliances with Blockchain startups and niche firms in an effort to bring innovative solutions to our clients. We have sponsored and participated in notable Blockchain conferences and events to maximize our market outreach and have run industry specific sales enablement programs internally.

We are continuing to invest in Blockchain technology by hiring top talent, with a keen focus on training, certifications and skill development. We have also augmented our existing offerings by investing in development of ready-to-deploy solutions in areas of Supply Chain and Banking and Financial Services. We realize the potential that Blockchain technology holds and regard it as an important and effective lever in delivering digital transformation projects for our Clients across industries and geographies.

Total Expenditure on R&D:

		(₹ in Million)
S. N.	Expenditure on R&D	Amount
A	Capital	75
B	Recurring	306
Total R&D expenditure (A+B)		381

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.

			(₹ in Million)
Particulars	2020-21	2019-20	
Foreign Exchange Earned	105,873	95,305	
Foreign Exchange Used	47,865	46,071	

Annexure H

Business Responsibility Report

[See Regulation 34(2)(f)]

Section A: General Information about the Company

Particulars	Details
Corporate Identity Number (CIN) of the Company	L72900MH1996PLC104693
Name of the Company	Larsen & Toubro Infotech Limited ('LTI')
Registered address	L&T House, Ballard Estate, Mumbai 400001
Website	www.Ltinfotech.com
E-mail id	investor@Ltinfotech.com
Financial Year reported	April 1, 2020 to March 31, 2021 ('FY21')
Sector(s) that the Company is engaged in (industrial activity code-wise)	IT Software, Services and related activities. {892 (1987 NIC Code) & 620 (2008 NIC Code)}
List three key products/services that the Company manufactures/provides	IT Consulting Digital Services Enterprise Solutions
Total number of locations where business activity is undertaken by the Company:	Please refer to www.ltiinfotech.com/global-footprints
a. Number of International Locations	
b. Number of National Locations	
Markets served by the Company- Local/State/National/International	Both Local and International

Section B: Financial Details of the Company as on March 31, 2021

S.No.	Particulars	Details
1	Paid up Capital (₹)	174.75 Million
2	Total Turnover (₹)	115,626 Million
3	Total profit after taxes (₹)	17,874 Million
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Total amount spent on CSR for FY21: ₹ 327.70 Million including contribution amount of around ₹ 180 Million made by the Company to Prime Ministers' Citizen Assistance and Relief in Emergency Situation (PM-CARES) Fund in FY20.
5	List of activities in which expenditure in 4 above has been incurred:	Please refer to Annual Report on Corporate Social Responsibility Activities for FY21, annexed as Annexure D to the Directors' Report.

Section C: Other Details

- Does the Company have any Subsidiary Company/ Companies? **Yes**
- Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s): **Yes. BR related policies extend to all the Subsidiaries of the Company.**
- Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]: **Yes. Company's BR initiatives are extended to its suppliers, vendors, service providers, agents, subcontractors, consultants, business partners and their representatives ('LTI Suppliers') through LTI Supplier Code of Conduct.**

Section D: BR Information

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Director responsible for implementation of the BR policy/ policies

No.	Particulars	Details
1	DIN Number	08385028
2	Name	Mr. Nachiket Deshpande
3	Designation	Chief Operating Officer & Whole-time Director

(b) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	NA
2	Name	Mr. Anil Rander
3	Designation	Chief Financial Officer
4	Telephone number	022-6776 6776
5	E-mail id	investor@Ltinfotech.com

2. Principle-wise (as per NVGs) BR Policy/policies

(a) Details of compliance (Reply in Y/N)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	N	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	N.A.	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Other than P7, Company's policies are aligned with of the national/ international standards including ISO 9001, ISO 14001, OHSAS 18001 and ILO principles.								
4	Has the policy been approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Except P7, all the Policies have been approved by the Board or Head of respective functions, as applicable.								
5	Does the company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	N.A.	Y	Y
6	Indicate the link for the policy to be viewed online?	Please refer Note below								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes. All the policies have been communicated to internal & external stakeholders and are available either on Company's website or intranet.								
8	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	N.A.	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	N.A.	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes. Regular audits are carried out to check compliance to the corporate policies pertaining to the area of audits. Further all cases referred to Whistle Blowing Investigation Committee are investigated or coordinated by the Internal Audit Department and are also reported to the Audit Committee.								

Note:

Principles	Policies/ Guidelines	Availability/ Location
P1: Governance with Ethics, Transparency and Accountability	<ul style="list-style-type: none"> Code of Conduct ('COC') for Employees COC for Board and Senior Management Supplier Code of Conduct Policy and Guidelines on Vigil Mechanism Policy for Prevention of Sexual Harassment at Workplace Policy for Safety of Women Employees Anti-Harassment Policy Global Corporate Compliance Framework Anti-Bribery and Anti-Corruption Policy Anti-Money Laundering 	www.lntinfotech.com/investors www.lntinfotech.com/investors www.lntinfotech.com/investors www.lntinfotech.com/investors www.lntinfotech.com/investors Company's intranet Company's intranet Company's intranet Company's intranet Company's intranet
P2: Providing sustainable services	<ul style="list-style-type: none"> Supplier Code of Conduct Quality Policy Manual 	www.lntinfotech.com/investors Company's intranet
P3: Promote Employee Wellbeing	<ul style="list-style-type: none"> Equal Opportunity Policy Policy for Prevention of Sexual Harassment at Workplace Policy for Safety of Women Employees Anti-Harassment Policy Grievance Management Guidelines Drug Free Workplace Higher Study Policy 	Company's intranet www.lntinfotech.com/investors Company's intranet Company's intranet Company's intranet Company's intranet Company's intranet
P4: Stakeholder Engagement & P8: Inclusive growth and equitable development	<ul style="list-style-type: none"> Policy on Corporate Social Responsibility 	www.lntinfotech.com/social-responsibility
P5: Promote Human Rights	<ul style="list-style-type: none"> COC for Employees Policy for Prevention of Sexual Harassment at Workplace Policy for Safety of Women Employees Equal Opportunity Policy Anti-Slavery and Human Trafficking Policy - UK Supplier Code of Conduct 	www.lntinfotech.com/investors www.lntinfotech.com/investors Company's intranet Company's intranet Company's intranet www.lntinfotech.com/investors
P6: Protect Environment	<ul style="list-style-type: none"> Employee Health & Safety (EHS) Policy Supplier Code of Conduct 	Company's intranet www.lntinfotech.com/investors
P9: Customer Value	<ul style="list-style-type: none"> Quality Policy Manual 	Company's intranet

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The company has not understood the principles	-	-	-	-	-	-	-	-	-
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3	The company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6	Any other reason (please specify)	-	-	-	-	-	-	*	-	-

*P7: The Company does not have a separate policy on Public Advocacy, however the Company lobbies with the Government, through its membership with various trade associations. LTI, being a member of NASSCOM, provides its views, opinions and inputs on possible way forward for various matters as and when called for by NASSCOM.

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assesses the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

During FY21, the Corporate Social Responsibility Committee annually reviewed the BR initiatives related to CSR & Sustainability.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Company voluntarily publishes Sustainability Report every year from FY17. The sustainability reports of the Company are available on the Company's website at www.lntinfotech.com/social-responsibility

Section E: Principle-wise Performance

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

LTI's governance practices are based on a rich legacy of fair and transparent practices and forms an integral part of doing business. Our law-abiding culture originates from 'L&T' Group's unique heritage which recognizes and adopts intellectual integrity, and trustworthiness in all business dealings, as a core business value.

LTI's Code of Conduct for Board and Senior Management, Employees & Suppliers and other governance policies as listed above, ensures good governance, ethical practices, transparency and accountability in conducting affairs of the Company and dealing with stakeholders across the value chain.

We respect the laws and regulations of each geography that we operate in and take every measure to make sure that we adhere to all required standards of disclosures and reporting. This transparency and accountability are an important part of our doing business and is more than just a tickbox activity for us – it helps us in building long-lasting relationships with stakeholders who have reposed their faith in us.

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

Yes. Policies relating to ethics, bribery and corruption covers LTI, its subsidiaries, associates and LTI Suppliers globally.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

The Company has various forums for redressal of grievances from its stakeholders. Details of various stakeholder grievances and complaints are as follows:

Sr. No.	Type of Grievance	Received during the year	Resolved during the year	Pending
1	Employee Grievance			
	• Whistle Blower	6	4	2
	• Discriminatory employment	0	0	0
	• Sexual harassment	2	2	0
	• Child labour /forced labour /involuntary labour	0	0	0
2	Customer query/complaint	54	54	0
3	Other stakeholder grievance*	0	0	0
	Total	62	60	2

*Note: Other stakeholder grievance referred herein is with respect to complaints/ grievance of shareholders received from SEBI/ Stock Exchanges/ Depositories, by the Company and its Registrar and Share Transfer Agent.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

At LTI, sustainability has always been a hallmark of our culture and a part of our DNA. L&T Group has been enriching millions of lives and that same spirit also forms the backbone of our commitment to solving for the communities, globally. LTI incorporates environmental

and social considerations in all its business operations and ensure engagements with stakeholders are conducted in keeping with the norms of good governance, ethics and transparency. We work closely with our suppliers to tackle challenges through strategies and initiatives that drive efficiency and cost optimization in these processes.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

During FY21, Company had developed few products/ services for itself and for its clients, that incorporated environmental and social benefits. Few of them are listed below:

1. Mobile Apps developed by Company

a. SafeRadius

Beginning 2020, the world was hit by the pandemic, Covid-19 and nations were put under shutdown/ lockdown. Working from home became the new normal. IT and Administration departments ramped up and worked hard to facilitate, work from home for work and business continuity. There were situations like a laptop crash or break down that had to be addressed immediately, for which the employee had to come to office. As a data and technology enabler, LTI developed a future ready workforce solution, SafeRadius. SafeRadius, powered by LTI Mosaic, is an app-based solution (available both on iOS and Android), ensuring safe, smooth, and streamlined back-to-office. An employee can raise a request to voluntarily come to office and get the problem fixed. This app was built and launched in LTI India within a short span of 1.5 months.

When nations began coming out of the lockdown and restrictions were relaxed, organizations wanted employees to return to work, making safety and operational efficiency at workplace most important. However, the employees are worried about not just individual health and safety, but also wanted to be informed about their colleagues. They want the guidelines and precautions, such as social distancing and seat allocation, to be strictly followed. HR, Administration and Managers played a vital role in facilitating a safe workplace. However, they cannot be physically present in every office, floor, and neighborhood simultaneously to monitor back-to-work programs. Managing the behavior of thousands of individual employees at a time is an impossible task if you do not have the proper systems in place.

LTI's SafeRadius enables HR, Administration and Managers with self-serve analytics capabilities to get insights from data (from government websites) and make data-driven decisions. It allows organizations to know where their people are and in what conditions, such as containment zones, locked down zones etc. As the organizations are constantly connected to their employees, it builds a trust in the employees too.

SafeRadius provides a two-fold strategy to track risk and ensure business:

- Data collection: Custom mobile app to collect geo co-ordinates & other self-reported health data of employees. It also enables contact tracing using Bluetooth.
- Data Analysis & Reporting: LTI Mosaic Lens is leveraged for self-serve analysis by coupling mobile app data, organisation data & external data to track operational risks, containment zone analysis with personal-based reports & 'Report a case' feature.

The key features of SafeRadius include:

- Daily employee risk monitoring and decision making
- Real time alerts for any social distancing breach
- Voluntary work from office
- General location specific advisory and news and events for employees
- Compliance with local government mandates

SafeRadius leverages LTI's technology and digital expertise to construct a robust incident management process to help control the spread of novel Coronavirus. It supports real-time GPS tracking and Bluetooth tracing for social distancing, and can be used for surveys like Transport, Facilities and Housekeeping.

SafeRadius is being used by over 10K LTI employees, with an average of 200 work from office requests raised per month. SafeRadius is a one stop solution for employee safety and operational risk tracker. Recently, SafeRadius participated in the 11th edition of Aegis Graham Bell Awards and is being nominated in the Innovative Lockdown management Solution (Corporate) and Innovative remote working solutions categories.

With offices reopening and employees getting back-to-office, SafeRadius will help with the risk management associated with employee safety. Employees can raise back-to-office requests and administration department can make arrangements for facilities for employees such as such as seat, workstation, network, cafeteria, food, and other essential resources and can trace contacts using Bluetooth. They can easily report about a COVID-19 positive case or awaited test result of themselves, family members and colleagues.

b. Good Catch Mobile App

This app developed by the Company for its Oil and Gas clients, has helped the client's employees to alert

the Organisation of any potential safety incidents. If not acted soon, can potentially create huge damage to business and environment. The mobile App is made available to all employees and contractors to log detailed information of safety incidents like site, location, building, floor, date and time and detailed description along with pictures and geo tags.

c. Digitization of Plant inspections

LTI developed mobile app for a client that helped in replacing paper based forms to be used for operator rounds and equipment inspections in Client Plants. The app helped in increasing productivity by 40% and also 40% reduction in unscheduled maintenance and 30% reduction in downtime and 20% reduction in operating cost.

2. EESL AMI (AMI MDM) Smart Meters Project for UP and Haryana

EESL AMI Smart meters project involves the collection and processing of electric smart meter data for the purpose of billing, automatic disconnections / reconnections, daily balance calculations for prepaid meters and providing data for consumer mobile app. LTI is involved in implementation and support of the Meter Data Management (MDM) system which is a backbone of the entire smart metering application systems. LTI has also developed consumer mobile app for smart meter consumers. During Covid-19 Pandemic, AMI MDM system has helped in reducing / eliminating need of consumer premise visits/ social contacts/unnecessary travel of Discom personnel and 1.2 Million Discom consumers by:

- Automatic reading of the electric meters and monthly billing.
- Automatic disconnections for overdue bills and automatic reconnections when bills are paid.
- Facilitating Tamper Event Data from smart meters for Analysis to Discoms so that they can take action against theft, pilferages.
- Facilitating consumers to view their daily consumption, interval consumption, pre-paid balance on mobile app and to view the abnormal supply alters on their mobile.
- Facility for bill payments via consumer mobile app and web portal there by obviating need to go to Discom offices for bill payments, reducing the crowds in Discom offices.
- Reduction carbon footprint because of reduced travel needs of Discom staff as well as consumers to visit either consumer premises or Discom offices.

3. Digitization & Waste Reduction

LTI implemented cross platform and web-based Business Logistics and Ordering system for a worldwide leader in manufacturing commercial and military aircrafts to remove

the paper-based order manual ordering and to remove the need for the operator to leave the POU (Point of Use) for long periods. The developed solution has provided the client with an increased traceability of consumables used per aircraft; a mandate compliant with EASA (European Union Aviation Safety Agency). This system is Client - Server architecture using SignalR technology and it has been implemented in 6 major business areas for managing 3 commodities. Additionally, this will also provide data insights into the consumption of consumables, which can aid the business to take appropriate actions toward the reduction of their consumption and waste and other data driven improvements can be derived to build appropriate Bill of Material (BOM) for next manufacturing operation. This innovative solution has provided an ability to identify repeat offenders of requests and the route cause to take precautions. Overall, this solution has led an evolution in operation management by reductions in consumption and waste, waiting times and build disruption.

2. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

LTI prefers to procure goods and services from local suppliers. While most of our non-IT products/services are sourced locally, the Company ensures the procurement of high quality and energy efficient IT products from reputed suppliers.

3. Has the company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes. As mentioned above, Company prefers to procure goods and services from local and small vendors who are within the state. EHS Policy of the Company also emphasize on sustainable procurement. At regular intervals, Company meets its Contractors and suppliers to understand challenges and implement best business practices.

4. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

LTI uses automation and other technologies through our e-Office solution to reduce paper usage. Waste generation are continuously tracked and monitored, and hazardous e-waste is sent to Maharashtra Pollution Control Board (MPCB)/ Central Pollution Control Board (CPCB) government authorized dealers that recycle this waste. Waste disposal is done as per the state specific pollution control board guidelines. Non-hazardous waste is disposed using the waste disposal facilities available at all our campuses in India. Organic waste converters have been set up at our different campuses for producing manure for gardening.

Being ISO 14001 Certified Company, certain initiatives like recycling of water through Sewage Treatment Plant (STP) and reduction in paper consumption have been taken up and same has been working successfully.

Principle 3: Businesses should promote the wellbeing of all employees

In the ever-changing landscape of our industry, the only way for us to keep setting new growth records is to keep improving the advantage that our family of employees bring to the table. Hence, LTI spends significant time, effort and resources in making sure that our employees have access to opportunities for growth and development and are empowered to drive their own career at LTI.

To learn more about our efforts in the human resource development space, please refer to the 'Human Capital' section of the Integrated Report section of this Annual Report.

Details of employees of the Company including its subsidiaries as on March 31, 2021 are as mentioned below.

S.N.	Details	
1	Please indicate the Total number of employees	35,991
2	Please indicate the Total number of employees hired on temporary/contractual/casual basis	1,620
3	Please indicate the Number of permanent women employees	10,441
4	Please indicate the Number of permanent employees with disabilities	15
5	Do you have an employee association that is recognized by management	Yes
6	What percentage of your permanent employees is members of this recognized employee association?	3 elected members representing 70 employees (0.19%)
7	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year	Refer the table in Principle 1.

At LTI, we provide three type of trainings to our employees. The details of the same are as follows:

Category of Employees	Type of Training		
	Behavioral Training	Technical Training	Leadership Training
Permanent Male employees	23,639	87,868	16,703
Permanent Female employees	14,619	48,660	6,343
Casual/Temporary/Contractual Employees	85	1,404	2
Total Employees Covered*	38,343	137,932	23,047

*Includes training to employees with disabilities

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

At LTI, our stakeholders form an integral part of our decision-making process and we engage with our stakeholders through formal and informal means of communication. The stakeholder engagement process is focussed on identifying, prioritizing, engaging and understanding the expectations of our key stakeholders. We continue to engage through established channels for nurturing long-lasting relationships. Businesses have a responsibility to think and act beyond the interest of shareholders and include all their stakeholders. Identification of vulnerable stakeholders and the impact on them becomes crucial for a business to be able to develop a long-term perspective and create shared value. This intervention encourages businesses to proactively identify, engage and respond to those stakeholders that are disadvantaged, vulnerable and marginalised. LTI has taken the path of inclusive development to address the societal issues and engage with the disadvantaged, vulnerable and marginalised stakeholders. During pandemic, LTI has reached out to its stakeholders

to identify needs of the community and accordingly re-directed efforts and designed initiatives to respond as per stakeholders' expectations.

For more details, please refer Sustainability Report at www.Ltinfotech.com/social-responsibility

1. Has the company mapped its internal and external stakeholders?

Yes. Through a comprehensive 'Stakeholder Engagement' process, LTI has mapped the internal and external stakeholders while engaging with its employees, investors, clients, contractors and suppliers, NGOs, local community, regulators and academic institutions. This approach has assisted in prioritizing topics of material importance to our stakeholders and the business. The material topics identified are reviewed alongside with industry acumen as well as the global business environment. During the pandemic situation, LTI has reached out to its stakeholders to understand needs and redressal of requirements thereby enabling it to plan its CSR initiatives accordingly. Periodic assessment of short, medium and long-term risks and opportunities along with mitigation form an integral part of our business strategy. We

identify material topics that provide insight into our stakeholder concerns as well as the internal and external risk factors that impact our business.

2. Out of the above, has the company identified the disadvantaged, vulnerable and marginalized stakeholders.

Yes. LTI believes in supporting the growth and development of economically weaker sections of society. Our commitment to solving for society is the focus behind our community development initiatives. Inclusivity is a key tenet of our community engagement efforts and is ensured across all our locations. Our CSR interventions seek to empower marginalized groups and bridge the socioeconomic divide in society. During the pandemic, LTI reached out to the communities it engages with for CSR initiatives and identified interventions required. CSR programs focuses on marginalized and disadvantaged communities that include women, urban and rural youth, children and specially-abled from economically backward backgrounds, tribal and rural communities in various part of the country. These stakeholders are the major beneficiaries of our CSR programs.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

Yes, LTI aims to address the needs of the disadvantaged, vulnerable and marginalized sections of the society through its CSR programs. The Company deployed need-based community development programs in the areas of Education, Empowerment and Environment. CSR programs at LTI, focus on imparting digital education to students, empowering women, youth and specially-abled from backward communities for sustenance. LTI's environmental initiatives include tree plantations and water conservation initiatives that also provides an opportunity for livelihood and increasing the green cover. During the unique year of COVID-19, protocol and restrictions, we explored ways to continue providing relief to the most marginalized segments of the society:

- Virtual learning to enhance the capacity of the school students and improved quality during the pandemic through online mediums.
- Experimental based learning through online platforms for underprivileged school students to respond to COVID-19.
- Happiness kits for school students to ensure their nutrition as they could not attend regular school during the pandemic.
- Employability based computer skills training to youth, women and people with special-abilities through customization due to COVID-19 scenario while also including placement support.
- Livelihood enhancement project specifically designed for women from vulnerable sections of society by creating online avenues and market linkages to mitigate the pandemic situation.

- Environmental initiatives like tree plantations and providing livelihood to communities.
- LTI participation in L&T Group's COVID-19 relief efforts: distribution of N95 masks, PPE kits for health/ frontline workers; provision of hospital equipment (ventilators, dialysis machines etc.) & COVID testing facility

For more details, please refer Annual Report on CSR activities attached as **Annexure D** of this Annual Report.

Principle 5: Businesses should respect and promote human rights

LTI encourages diversity and constantly ensures that the business culture as well as activities are more inclusive and all-encompassing. While specific policies are present to address areas like anti-harassment, equal opportunity, anti-slavery and others, our 'Code of Conduct' is fortified and supplemented by the 'Employee Workplace Behavior Guideline', which outlines behavior in resonance with our Company's reputation, vision and core organizational values.

We believe in conducting ourselves in conformity with professional standards of personal integrity, honesty and ethical conduct. We are committed to providing and maintaining a work environment that is free of harassment and any kind of discrimination based on caste, creed, race, religion, national origin, age, gender, sexual orientation, region, appearance or any disability or other protected classifications while in India or abroad.

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

We have specific policies and guidelines that ensure the safety, dignity and rights of every individual at LTI. Among these are the Policy for Safety of Women Employees, Policy for Prevention of Sexual Harassment at Workplace, Anti-Slavery and Human Trafficking Policy- UK, Anti-Harassment and others. LTI prohibits forced/ involuntary labour in keeping with the International Labour Organization's (ILO) policies.

Further, LTI through its Supplier Code of Conduct expects its suppliers to embrace their commitment to integrity by complying with the applicable regulatory requirements including related to labour practices and human rights, health, safety and environment etc. and act with diligence, while conducting business with or on behalf of LTI.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

Please refer Principle 1 of this Report for details on the complaints received during FY21.

Principle 6: Business should respect, protect, and make efforts to restore the environment

Energy Conservation has been one of our spearheading strategies to fight climate change and reduce environmental impact. LTI stands by its commitment to achieve Carbon Neutrality by the year 2030. In FY21, the Company has invested in various energy efficient equipment and replaced old or inefficient conventional equipment. The Company is determined to implement new-age technologies to reduce energy consumption having direct impact on emissions. Our efforts and initiatives towards energy conservation and emission reduction has been detailed in Integrated Report section of this Annual Report.

This year has been unexpected in many ways due to the prevailing pandemic, which has transformed the work from office concept and resulted in either zero or very less occupancy across PAN India locations. It has been observed that energy consumption has reduced by more than 40%.

Primarily, this brought about optimisation of Datacentres and Heating Ventilation & Air Conditioning (HVAC) operations. However, we have continued to invest in various energy efficient projects which have potential savings of 9.8 Lakhs kWh over a period of one year.

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/ others.

All policies cover LTI group and extends to LTI Suppliers and the same is shared with them at the time of vendor registration.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

Yes. LTI stands by its commitment to be Carbon Neutral by the year 2030. A sustainability roadmap with a strategic action plan has been created and published in our Sustainability Report. The achievements owing to our efforts in energy conservation have also been mentioned comprehensively in the report. LTI has been actively participating in the Carbon Disclosure Project aligning with international standards of Carbon Emission Disclosure. For more details refer Sustainability Report available on www.lintinfotech.com/social-responsibility.

3. Does the company identify and assess potential environmental risks? Y/N

Yes. All office locations of LTI in India are accredited as ISO 14001:2015 certified campuses. We have a location-wise Aspect-Impact Register maintained as per requirement by the ISO 14001:2015 Standard and is audited periodically by a third party.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

Currently, our energy conservation projects are not registered under Clean Development Mechanism.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Yes. Targets related to renewable energy supplementation have been incorporated within the sustainability roadmap. LTI has supplemented 26.4% of our Conventional Energy with Renewable based energy sources. LTI Headquarters in Powai is functioning on renewables sources of power since FY19. Since FY20, two of our leased premises have started receiving partial supplementation of renewable energy which helped LTI reach this level of renewable energy. We have taken a target within our sustainability roadmap to supplement 50% of conventional energy with renewable energy by the year 2030.

At LTI, energy conservation behavior is encouraged by awareness through different kinds of digital and print media. Employee induction programs include "Green Initiatives" and "How Employees can Help" within the first day of joining procedure.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes.

7. Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

During the period, no show cause / legal notices from CPCB/SPCB have been received and nothing is pending.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your company a member of any trade association or chamber? If Yes, Name only those major ones that your business deals with.

Yes. Below are the associations/ chambers of which Company is member of:

- National Association of Software & Service Companies (NASSCOM)
- Bombay Chambers of Commerce & Industry
- Swedish Chamber of Commerce India

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No. If yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others)

The Company continues to be the good corporate citizen and contributes in different industry associations and forums to share relevant insights, experiences and views to develop policies related to it's business. The inputs and perspectives shared

by the Company have helped shape policies and initiatives by the government. The Company is actively contributing towards larger projects like 'Smart Cities' resulting in better citizen centric services.

Principle 8: Businesses should support inclusive growth and equitable development

Social and economic development has always been the focus of LTI's CSR approach. The three key focus areas: Education, Empowerment and Environment builds upon the development agenda that has been articulated in the government policies and priorities. Based on our business strength of leveraging technology we continue to innovate and contribute to the overall development of the country, especially to that of the disadvantaged, vulnerable and marginalised sections of society.

The unique pandemic situation has not deterred efforts to support the communities. LTI has identified the need to intervene in its CSR programs to make it acceptable and derive the necessary outcome even in these challenging times. LTI's corporate social responsibility supports inclusive growth of not only communities where we have our operations, but also encompasses the overall development of societies. During the pandemic, LTI's CSR programs have promoted sustainable community development, with a commitment to promote the cause of creating a more inclusive society.

1. Does the company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes, please provide details.

Yes. Pursuant to the introduction of Corporate Social Responsibility (CSR) requirement as set in Section 135 of the of the Companies Act, 2013, the Company has formulated a CSR policy aiming to advance education, empower communities and preserve the environment. The Company's CSR efforts also include employee engagement initiatives wherein our employees get a platform to give back to the community.

LTI continues to focus its Corporate Social Responsibility (CSR) initiatives to drive positive and sustainable change in building resilient communities. During the pandemic, LTI extended its support to address the challenges and needs that communities face by leveraging the power of technology. LTI's CSR interventions makes constant efforts in contributing towards the UN Sustainable Development Goals. For more details, please refer **Annexure D** of the Directors' Report. Further details are mentioned in the Company's Sustainability Report available at www.lintinfotech.com/social-responsibility

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?

Based on the three key focus areas of Education, Empowerment and Environment, LTI for its CSR programs partners with Non-Governmental Organizations (NGOs) in the respective fields to undertake CSR initiatives. A dedicated CSR team works closely

with the NGOs at each location to drive the social inclusion agenda at LTI. LTI also has developed avenues to encourage employee volunteerism wherein activities are planned and driven by our employees.

3. Have you done any impact assessment of your initiative?

Yes, LTI has engaged external agency to conduct Social Audit to assess the impact of its CSR initiatives. The assessment is done to understand the efficacy of our programmes in terms of delivery of desired benefits to the community and to gain insights for improving the design and delivery of future initiatives.

4. What is your company's direct contribution to community development projects- Amount in ₹ and the details of the projects undertaken. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

For details on Company's CSR initiatives and CSR spent, refer to **Annexure D** of the Director's Report which forms part of this Annual Report.

At LTI, CSR programs are undertaken to work towards development of sustainable communities. The initiatives are planned, monitored and evaluated in partnership with the stakeholders i.e. NGOs, community throughout the project life cycle. LTI ensures that the projects undertaken, have complete participation and support from the community, thus ensuring that they are sustainable and generate the necessary impact. Programs focus on forming and strengthening community leaders who act as catalysts towards community development. It also works on holistic development program to increase curiosity and inquiry-based learning of students, make them industry ready, increase employability and create decent livelihood. During the pandemic, the CSR programs were customized using online mediums to ensure continuity and focus on achieving desired results.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

FY21 has been an extraordinary year for the world. It has impacted every aspect of our customer's business and hence our relationship with our customers. At the onset of the COVID-19 crisis, LTI started two major initiatives:

- Grit Framework – Designed to help customers not just to survive the crisis, but to thrive in the changed scenario
- LTI Canvas – Designed to help LTI's workforce deliver remotely from home

The Grit Framework focussed on the following key areas:

- Reduce spend while improving their cash flow
- Increase customer loyalty
- Enhance employee productivity
- Gain speed and agility

LTI Canvas focussed on creating a Modern Engineering Platform to enable LTI workforce to:

- Focus on Productivity as employees worked from home
- Define a curated technology stack for closer collaboration
- LTI Ways of Working fostering collaboration
- Support continuous learning

The Grit Framework and LTI Canvas was built in partnership with Hyperscalers and Product OEMs to unlock customer value. They helped keep lights-on at the beginning of the COVID -19 crisis and also helped accelerate the process of digitization in the customer's organization. Both of these initiatives were delivered by different parts of the organization – enablement functions, delivery units and business units coming together.

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

There are 'Nil' pending client complaints as on the end of financial year.

LTI considers each client complaint as an opportunity for improvement and has different mechanism to capture the same early. Account managers, onsite sales and the delivery teams share client feedback/complaints to the project manager. The complaint is captured in COMPASS Issue log and triggers causal analysis and resolution to address the client complaint and to prevent such instances in future.

At LTI there is defined structured approach to identify specific actionable and, subsequent discussions are held with clients to gather more clarity on the feedback. The action plan is shared with the client and monitored during governance meetings/steering committee meetings on monthly and quarterly basis. Both, the action plan and its execution, are very closely monitored and reviewed by the senior management.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)

Yes. LTI complies all Major ISO and CMMI standards. All the ISO certifications undergo recertification or surveillance audit every year, as part of the combined external audit.

• ISO 9001:2015: Quality Management System

LTI is amongst the first few software organizations in India to have been awarded the ISO 9001 certification. ISO 9001 is one of the most widely recognized in the world that presents guidelines intended to increase business efficiency and client satisfaction. We hold ISO 9001 certification since March 2007.

• ISO 14001:2015 + ISO 45001:2018 (Integrated)

14001:2015 - It sets out the criteria for an Environmental Management System. The primary goal is to protect and prevent environment while respecting socio-economic requirements. 45001:2018 - It's a standard for management systems of occupational health and safety. The goal is to reduce occupational injuries and diseases. We hold integrated certification since 2019 for both the standards.

• ISO 20000-1: 2018: IT Service Management

ISO 20000 is an International Standard for IT Service Management. One of the distinguishing factors is that LTI has achieved this certification for the six centers in India, and for following 3 services across all Business Units: Internal Infrastructure Support, Infrastructure Management Services to external clients, Application support services for clients. We hold this certification since 2009, which we transitioned from 2011 to 2018 version in 2021.

• ISO 27001:2013: Information Security Management System

ISO 27001 is an International Standard defining the desired methods of controlling the confidentiality, integrity and availability of information. ISO 27001 is the upgraded version of BS 7799-2:2002. We hold this certification since 2004 (BS7799).

• CMMI Dev and SVC L5 certification

LTI has been rated at Maturity Level 5 of CMMI-DEV V1.3 [Capability Maturity Model Integrated] from the CMMI Institute, USA. A very stringent appraisal of the maturity level was carried out based on SCAMPI V1.3 by QAI. We were first certified for organization wide CMMI certificate way back in 2000 and have been continuously recertified every 3 years. Currently LTI is certified at CMMI V1.3 level 5 for all Development, Testing, ERP and Maintenance Projects with Large enhancements projects across all locations. Last assessment by QAI for CMMI-Dev & CMMI-Services was completed in May 2019.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No such case has been filed during the preceding five years against the Company and no such case is pending against the Company as on the date.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

We, at LTI, firmly believe that a regular survey mechanism, supported by transparent improvement plan, is the foundation for ensuring a high level of client satisfaction. To provide clients with

ample avenues to provide feedback, we have the following major levels at which feedback is taken:

a) Feedback through LTI Client Satisfaction Survey Tool

We have a structured and user-friendly process of assessing the satisfaction level of clients through an online 'Client Satisfaction Survey' tool. The tool enables clients to rate the services of LTI across different categories like Project Execution, Quality, Communication, Culture and Value Delivered. This feedback is taken for each project every 6 months. In addition to project level, feedback is also taken at an account level, engagement level or individual employee level. The feedback obtained is analyzed and corrective actions are taken wherever required. These actions are also shared with the client.

b) Account level through independent 3rd party consultant

In addition to the project level survey there is an annual Client Satisfaction Survey ('CSAT') done by a research-led independent consulting firm who administers the survey on LTI's behalf. In this survey various levels of clients are

covered right from CXO, senior management to middle management level. As a part of this survey, CXOs of our key clients are personally interviewed and an online survey link is shared with all client participants to provide an unbiased feedback. Through this survey we measure the level of Client Experience we deliver to our clients through key parameters like Satisfaction, Loyalty, Advocacy and Business Value for Money. To increase the visibility of actions to clients, 3 levels of communication is done for each engagement. L1 communication where client feedback is acknowledged and actions planned are validated, L2 communication where midterm progress on improvement actions is shared and L3 communication where closure of actions and value delivered is communicated. For LTI, this survey is a very important exercise for gathering insights from clients to improve their experience with LTI and for us to deliver amplified outcomes.

We have been consistently improving on CSAT coverage from 727 respondents last year to 897 this year and this year's Experience Index has improved by 9 points, which totals to a 22-point increase in last 5 years.

FINANCIAL STATEMENTS

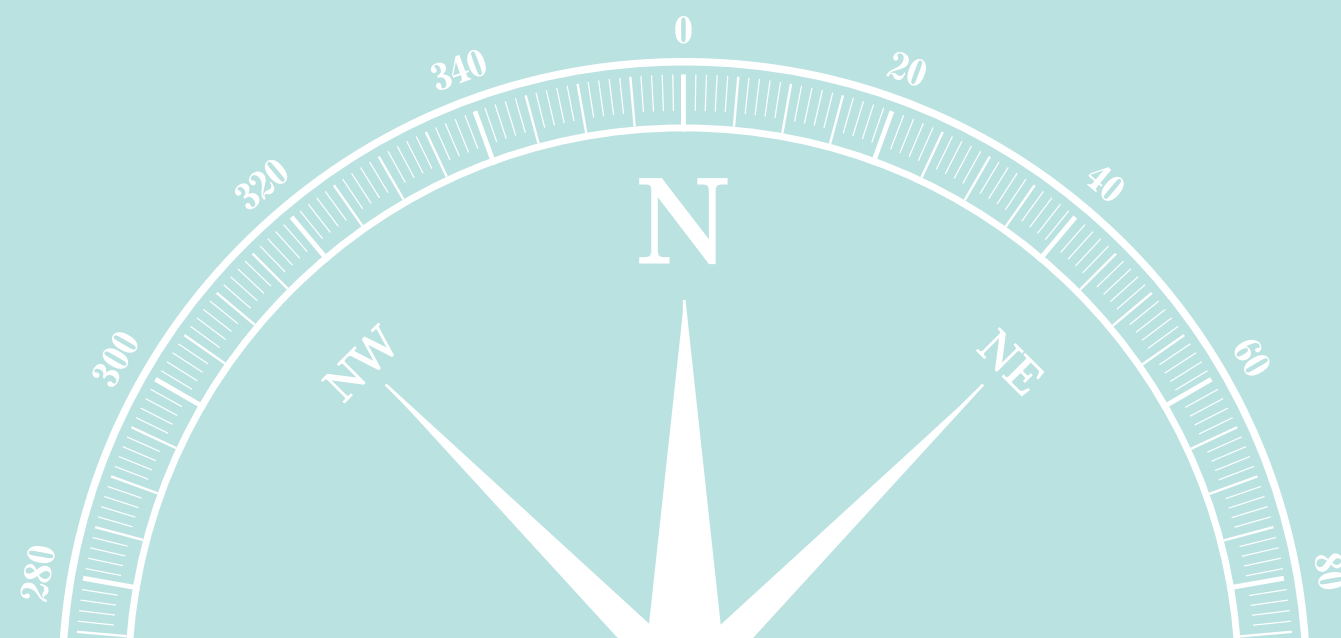
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Independent Auditors' Report

**To the Members of Larsen & Toubro Infotech Limited
Report on the audit of the Standalone Financial Statements**

Opinion

We have audited the accompanying Standalone Financial Statements of Larsen & Toubro Infotech Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and 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 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards as prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act (SAs). 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 ("the ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

Revenue Recognition

Key Audit Matter Accuracy of recognition, measurement, presentation and disclosures of revenue and other related balances in view of the principles laid down under Ind AS 115 "Revenue from Contracts with Customers".

The application of the revenue accounting standard (Ind AS 115) involves significant judgements/material estimates relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period.

Additionally, the standard requires disclosures, which involve collation of information in respect of disaggregated revenue, and periods over which the remaining performance obligations will be satisfied subsequent to the Balance Sheet date.

The Company has also evaluated the impact of COVID – 19 resulting from (i) the possibility of constraints to render services which may require revision of estimations of costs to complete the contract because of additional efforts, (ii) onerous obligations, (iii) penalties relating to breaches of service level agreements and (iv) termination or deferment of contracts by customers.

Refer Note No. 2(d) and Note No. 26 to the Standalone Financial Statements for relevant accounting policy and disclosure respectively.

Principal Audit Procedures Our audit approach consisted of testing the design and operating effectiveness of the internal controls and substantive testing as follows:

- Evaluated the design and operating effectiveness of internal controls relating to the application of revenue accounting standard specifically, those relating to identification of the distinct performance obligations and determination of transaction price. Procedures performed included enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls.
- Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the revenue accounting standard.

Revenue Recognition

- Principal Audit Procedures**
- Selected a sample of continuing and new contracts and performed the following procedures:
 - Read, analysed and identified the distinct performance obligations in these contracts.
 - Compared such performance obligations with those identified and recorded by the Company.
 - Reviewed contracts terms to determine the transaction price including any variable consideration to determine the appropriate transaction price for computing revenue and to test the basis of estimation of the variable consideration.
 - Samples in respect of revenue recorded for time and material contracts were tested through a review of approved time sheets including customer acceptances, subsequent invoicing and historical trend of collections and disputes.
 - In respect of samples relating to fixed price contracts, progress towards satisfaction of performance obligation used to compute recorded revenue was verified with actual and estimated efforts from the time recording and contracting systems. We also tested the access and change management controls relating to these systems.
 - Performed analytical procedures for reasonableness of revenue disclosed by type and service offerings.
 - Critically reviewed management's assessment relating to impact of Covid 19 on revenue recognition, as stated above.
 - We reviewed the collation of information and the logic of the report generated from the management system used to prepare the disclosure relating to the periods over which the remaining performance obligations will be satisfied after the Balance Sheet date.

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

Key Audit Matter Adequacy of provisioning and assessing contingent liabilities in respect of compliance with applicable laws and regulations including Income tax assessments.

The Company's operations are spread across several jurisdictions including those outside India requiring the Company to ensure compliance with relevant laws and regulations. Recognition of provisions and disclosure of contingent liabilities on account of potential claims in relation to same may require critical evaluation of legal positions/opinions taken by the Company involving a complex matter and a high degree of professional judgment.

Furthermore, the Company's SEZ unit is eligible for exemption under Section 10AA of Indian Income Tax Act, 1961. The Company may have some unsettled tax positions including matters under dispute on account of disallowance of exemption under Section 10A/10AA on profits earned by STPI/SEZ units on onsite export revenue. The evaluation involves significant judgement to determine the possible outcome of these cases.

Refer Note No. 2(j) and Note No. 35 to the Standalone financial statements for relevant accounting policy and disclosure respectively.

Principal Audit Procedures

- We have evaluated the design and operating controls in relation to the compliance tracker maintained by the Company with respect to compliance with local and international laws and regulations.

- We read the summary of litigation matters provided by management and held discussions with the Company's legal counsel.
- We have also enquired with some of the Company's external legal advisors with respect to the matters and examined related correspondence including advices for foreign branch compliances and obtained an external legal confirmation, wherever appropriate.

- In respect of provisions against litigation and the assessment of contingent liabilities, we tested the calculation of the provisions/contingent liability assessment; we reviewed the assumptions against third party data, where available, and assessed the estimates against historical trends. We considered management's judgements on the level of provisioning/recognition of contingent liability as appropriate.

Revenue Recognition

Investment in Subsidiaries

Key Audit Matter	<p>The carrying amount of investments in subsidiaries held at cost less impairment representing 6.62% of the Company's total assets are reviewed annually for impairment.</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. Management has also carried out sensitivity analysis for all key assumptions, including the cash flow projections, consequent to the change in estimated future economic conditions arising from the possible effects due to COVID-19.</p> <p>Refer Note No. 2(o) and Note No. 5 to the Standalone Financial Statements for relevant accounting policy and disclosure respectively.</p>
Principal Audit Procedures	<p>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.</p> <p>For the investments where the carrying amount exceeded the net asset value, compared the carrying amount of the investment with the expected value of the business based on a suitable multiple of the subsidiaries' earnings or discounted cash flow analysis including reviewing the sensitivity analysis carried out by the management especially with reference to Covid-19 situation.</p> <p>Tested the assumptions and underlying cash flows based on our knowledge of the Company and the markets in which the subsidiaries operate; and</p> <p>We also considered the adequacy of disclosures in the financial statements relating to the valuation of investments in subsidiaries, including those made with respect to judgements and estimates.</p>

Information Other than the Standalone Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors' Report and the related annexures, but does not include the Standalone Financial Statements and our auditors' 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 for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 Standalone 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted

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in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 auditors' report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning

the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' 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 Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in 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 including Other Comprehensive income, 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 Accounting Standards specified under Section 133 of the Act.

- (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 with reference to Standalone Financial Statements 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 with reference to Standalone Financial Statements.
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act. Also refer paragraph 11 of Annexure A to the Independent Auditors' Report.
- (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- (i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 35 to the 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 – Refer Note 38 to the Standalone Financial Statements;
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Padmini Khare Kaicker
Partner
Membership No. 044784
UDIN: 21044784AAAAAU9821

Mumbai, May 4, 2021

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, 2021]

1. (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
 - (b) The Company has a regular programme for physical verification of its property, plant and equipment by which the property, plant and equipment are verified by the management according to a phased programme designed to cover all the items over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. In accordance with the programme, the Company has physically verified certain property, plant and equipment during the year and no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us, the title deeds of the immovable properties are held in the name of the Company.
2. The Company is in the business of rendering services and consequently, does not hold any inventory. Accordingly, the reporting under Clause 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 a loan to a company covered in the register maintained under Section 189 of the Act. The terms and conditions of the grant of such loan are not prejudicial to the Company's interest. The schedule of repayment of principal and payment of interest has been stipulated and the repayments and receipts are regular. There is no amount overdue for more than 90 days. The Company has not granted any loans, secured or unsecured to firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act.
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 granted and investments made by the Company. The Company has not provided any guarantee or security during the year to the parties covered under Sections 185 and 186 of the Act.
5. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under, where applicable. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.
6. The Company's operations do not involve processing or manufacturing activities. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.
7. (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of undisputed statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the year for a period of more than six months from the date they became payable.

 - (b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Sales tax, Duty of Customs and Duty of Excise as at March 31, 2021, which have not been deposited with the appropriate authorities on account of any dispute. The statutory dues in respect of Goods and Services Tax, Income-tax, Service tax and Value Added Tax as at March 31, 2021, which have not been deposited with the appropriate authorities on account of a dispute, are as under:

Name of Statute	Nature of dues	₹ Million*	Period to which amount relates	Forum where pending
West Bengal Value Added Tax	Demand raised based on subcontractor turnover	8.42	FY 2015-16 and 2016-17	Senior Joint Commissioner Kolkata South Circle
Service Tax	Disallowance of Input Tax Credit	270.55	FY 2008-09 to 2017-18	CESTAT
GST	GST Appeal filed	496.79	FY 2017-18 and FY 2018-19	Commissioner Appeals

Name of Statute	Nature of dues	₹ Million*	Period to which amount relates	Forum where pending
GST	EC, SHEC, KKC - Cess refund filed under GST since c/f in TRAN-1 not allowed	29.30	Pre-GST	Commissioner Appeals
Income-tax Act, 1961	Disallowance of exemption under Income Tax	84.26	FY 2008-09 (AY 2009-10)	ITAT
Income Tax Act, 1961	Disallowance of exemption under Income Tax	0.18	FY 2010-11 (AY 2011-12)	ITAT
	Penalty	131.38	FY 2006-07 (AY 2007-08)	Commissioner Appeals
	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.	1.67	FY 2010-11 (AY 2011-12)	
	Disputes regarding exclusion of interest income from Section 10A calculation, addition of notional interest on transactions with related party and disallowance of FTC	2.08	FY 2008-09 (AY 2009-10)	Assessing Officer (Assistant Commissioner of Income Tax)

*Net of amounts paid including under protest.

8. According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has not taken any loans or borrowings from any bank or financial institution or Government. The Company has not issued any debentures. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.
9. According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans during the year. Accordingly, the reporting under Clause 3(ix) of the Order is not applicable to the Company.
10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
11. In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act. Also refer paragraph 2(g) of Independent Auditors' Report.
12. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.
13. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
14. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the reporting under Clause 3(xiv) of the Order is not applicable to the Company.
15. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding or subsidiary company or persons connected with them during the year and hence the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.
16. 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. Accordingly, the reporting under Clause 3(xvi) of the Order is not applicable to the Company.

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

Padmini Khare Kaicker
Partner
Membership No. 044784
UDIN: 21044784AAAAU9821

Mumbai, May 4, 2021

Annexure B to the Independent Auditor's Report

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Larsen & Toubro Infotech Limited ("the Company") as of March 31, 2021 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. 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 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the criteria for internal financial control with reference to financial statements 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
UDIN: 21044784AAAAU9821

Mumbai, May 4, 2021

Balance Sheet

as at March 31, 2021

Particulars	Note No.	As at	
		31-03-2021	31-03-2020
(₹ in million)			
Assets			
Non-current assets			
(a) Property, plant and equipment	4	3,671	3,809
(b) Right of use assets	40(I)	5,940	7,352
(c) Capital work-in-progress	4	403	381
(d) Other Intangible assets	4	694	354
(e) Intangible assets under development	4	27	19
(f) Financial Assets			
(i) Investments	5	7,623	6,550
(ii) Loans	6	1,566	551
(iii) Other financial assets	7	1,595	118
(g) Deferred tax assets (net)	8	477	2,135
(h) Income tax assets (net)		821	742
(i) Other non-current assets	9	1,320	1,291
Total Non-Current Assets		24,137	23,302
Current assets			
(a) Financial assets			
(i) Investments	10	36,282	22,185
(ii) Trade receivables	11	20,206	21,767
(iii) Unbilled revenue	12	5,267	4,151
(iv) Cash and cash equivalents	13	3,988	3,605
(v) Other bank balances	14	23	109
(vi) Loans	15	313	164
(vii) Other financial assets	16	1,842	1,575
(b) Income tax assets (net)		-	6
(c) Other current assets	17	7,819	6,303
Total Current Assets		75,740	59,865
TOTAL ASSETS		99,877	83,167
Equity and Liabilities			
Equity			
(a) Equity share capital	18	175	174
(b) Other equity			
(i) Other reserves	19	9,109	4,550
(ii) Retained earnings	19	60,114	47,564
Total Equity		69,398	52,288
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	40(II)	6,084	7,223
(ii) Other financial liabilities	20	339	2,485
(b) Other non current liabilities	21	479	-
(c) Provisions	22	360	325
Total Non-Current Liabilities		7,262	10,033
Current liabilities			
(a) Financial liabilities			
(i) Trade payables			
Due to micro & small enterprises	23	82	79
Due to creditors other than micro & small enterprises	23	7,932	6,763
(ii) Other financial liabilities	24	6,239	6,531
(iii) Lease liabilities	40(II)	1,144	1,182
(b) Other current liabilities	25	4,338	3,737
(c) Provisions	26	3,368	2,481
(d) Income tax liabilities (net)		114	73
Total Current Liabilities		23,217	20,846
TOTAL EQUITY AND LIABILITIES		99,877	83,167
Significant accounting policies	2		
Other notes on accounts	36 - 51		

As per our report attached

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

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

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

Padmini Khare Kaicker
Partner
Membership No: 044784

Anil Rander
Chief Financial Officer
Mumbai

Manoj Koul
Company Secretary & Compliance Officer
Pune

Mumbai
May 4, 2021

Statement of Profit and Loss

for the year ended March 31, 2021

Particulars	Note No.	As at	
		April 20-March 21	April 19-March 20
(₹ in million)			
Income from operations			
Revenue from operations	27	115,626	101,842
Other income	28	2,247	4,217
Total income		117,873	106,059
Expenses			
Employee benefits expense	29	68,038	59,828
Operating expenses	30	20,807	21,736
Finance costs	31	716	720
Depreciation & Amortization expense	32	2,669	2,084
Other expenses	33	1,733	1,621
Total Expenses		93,963	85,989
Profit before tax		23,910	20,070
Tax expense			
Current tax	34(I)	5,841	3,530
Deferred tax	34(II)	195	1,016
		6,036	4,546
Net Profit for the Year		17,874	15,524
Other Comprehensive Income	35		
A. Items that will not be reclassified subsequently to profit or loss, net		37	11
B. Items that will be reclassified subsequently to profit or loss, net		4,349	(4,392)
Total other comprehensive income		4,386	(4,381)
Total Comprehensive Income for the Year		22,260	11,143
Earnings Per Share (EPS)			
Basic earning per equity share	42	102.45	89.31
Diluted earning per equity share	42	101.79	88.45
Significant accounting policies	2		
Other notes on accounts	36 - 51		

As per our report attached

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

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Mumbai
May 4, 2021

Standalone Cash Flow Statement

for the year ended March 31, 2021

(₹ in million)		
Particulars	April 20-March 21	April 19-March 20
A. Cash Flow from Operating Activities		
Net profit after tax	17,874	15,524
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation and amortization	2,669	2,084
Income tax expense	6,036	4,546
Expense recognised in respect of equity settled stock option	168	319
Realised gain from current investment	(982)	(1,037)
Unrealised gain from current investment	(560)	(179)
Interest received	(165)	(51)
Interest expense	716	720
Provision for doubtful debts (net)	190	198
Gain on transfer of business and liquidation of subsidiary	-	(53)
Unrealised foreign exchange (gain)/loss, net	(369)	371
Dividend received from subsidiaries	-	(901)
Gain on buyback of shares by subsidiary	(9)	-
(Gain)/Loss from lease short close	(75)	-
Unrealised (gain)/loss from finance lease	(145)	-
Net loss/(gain) on sale of property, plant and equipment	(1)	9
Operating profit before working capital changes	25,347	21,550
Changes in working capital		
(Increase)/decrease in trade receivables & unbilled revenue	(344)	(2,524)
(Increase)/decrease in other receivables	(1,630)	(2,649)
Increase/(decrease) in trade & other payables	4,300	3,716
(Increase)/decrease in working capital	2,326	(1,457)
Cash generated from operations	27,674	20,093
Income taxes paid	(5,879)	(3,652)
Net cash (used in)/generated from operating activities	21,795	16,441
B. Cash Flow from Investing Activities		
Purchase of fixed assets	(1,791)	(2,437)
Sale of fixed assets	36	34
(Purchase)/sale of investments	(14,611)	(4,604)
Investment in subsidiaries	(37)	-
Liquidation of subsidiary/receipt on buyback by subsidiary	10	3
Dividend received from subsidiaries	-	901
(Loan given to)/repaid by subsidiaries	(1,090)	(77)
Payment towards business acquisition	(34)	(743)
Transfer of business to subsidiary	-	53
Realised income from current investment	982	1,037
Interest received	153	51
Net cash (used in)/generated from investing activities	(16,382)	(5,782)

Standalone Cash Flow Statement

For the year ended March 31, 2021

(₹ in million)		
Particulars	April 20-March 21	April 19-March 20
C. Cash Flow from Financing Activities		
Proceeds from issue of share capital	1	0
Payment towards lease liabilities	(1,555)	(1,369)
Deposit under Credit support agreement received/(paid)	1,759	(2,104)
Interest paid	(14)	(33)
Dividend paid	(5,319)	(4,864)
Tax on dividend paid	-	(815)
Net cash (used in)/generated from financing activities	(5,128)	(9,185)
Net increase/(decrease) in cash and cash equivalents	285	1,474
Effect of exchange differences on translation of foreign currency cash and cash equivalents	12	86
Cash and cash equivalents at beginning of the period	3,714	2,154
Cash and cash equivalents at end of the period*	4,011	3,714

*Refer note 13 and 14 to Standalone Financial Statements

As per our report attached

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

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Membership No: 044784
Mumbai
May 4, 2021

Anil Rander
Chief Financial Officer
Mumbai

Manoj Koul
Company Secretary & Compliance Officer
Pune

Statement of Changes in Equity

for the year ended March 31, 2021

(₹ in million)

Particulars	Share Capital	General Reserve	Share Premium	Retained Earnings	Employee Stock option outstanding	Deferred Employee Compensation Expense	Capital Reserve		Other Components of Equity		Total Equity
							Capital Reserve	On business combination	Hedging Reserve	Other Comprehensive Income	
Balance as on April 1, 2020	174	3,469	2,514	47,564	1,063	(379)	0	(60)	(2,149)	92	52,288
Employee Stock Compensation Expense	-	-	-	-	196	(196)	-	-	-	-	-
Net Profit for the year	-	-	-	17,874	-	-	-	-	-	-	17,874
Other Comprehensive Income	-	-	-	-	-	-	-	-	4,349	37	4,386
Dividends (Including DDT)	-	-	-	(5,324)	-	-	-	-	-	-	(5,324)
Other changes/ Trf to general reserve.	1	2	348	-	(464)	287	-	-	-	-	174
Balance as on March 31, 2021	175	3,471	2,862	60,114	795	(288)	0	(60)	2,200	129	69,398

for the Year Ended March 31, 2020

(₹ in million)

Particulars	Share Capital	General Reserve	Share Premium	Retained Earnings	Employee Stock option outstanding	Deferred Employee Compensation Expense	Capital Reserve		Other Components of Equity		Total Equity
							Capital Reserve	On business combination	Hedging Reserve	Other Comprehensive Income	
Balance as on April 1, 2019	174	3,466	2,198	38,359	1,333	(659)	0	(60)	2,243	81	47,135
Transition impact of IND AS 116	-	-	-	(629)	-	-	-	-	-	-	(629)
	174	3,466	2,198	37,730	1,333	(659)	0	(60)	2,243	81	46,506
Employee Stock Compensation Expense	-	-	-	-	98	(98)	-	-	-	-	-
Net Profit for the year	-	-	-	15,524	-	-	-	-	-	-	15,524
Other Comprehensive Income	-	-	-	-	-	-	-	-	(4,392)	11	(4,381)
Dividends (Including DDT)	-	-	-	(5,690)	-	-	-	-	-	-	(5,690)
Other changes/ Trf to general reserve.	0	3	316	-	(368)	378	-	-	-	-	329
Balance as on March 31, 2020	174	3,469	2,514	47,564	1,063	(379)	0	(60)	(2,149)	92	52,288

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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Anil Rander
Chief Financial Officer
Mumbai

Manoj Koul
Company Secretary & Compliance Officer
Pune

Mumbai
May 4, 2021

Notes Forming Part of Accounts

1. Company overview

Larsen & Toubro Infotech Limited ('the Company') offers extensive range of IT services like application development, maintenance and outsourcing, enterprise solutions, infrastructure management services, testing, digital solutions and platform-based solutions to the clients in diverse industries.

The Company is a public limited company incorporated and domiciled in India and has its registered office at L&T House, Ballard Estate, Mumbai - 400 001, Maharashtra, India. The company's equity shares are listed on the National Stock Exchange of India Limited and BSE Limited in India.

2. Significant accounting policies

a. Basis of accounting

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Further the guidance notes or announcements issued by the Institute of Chartered Accountants of India (ICAI) are also considered wherever applicable.

Preparation of financial statements in conformity with Accounting Standards requires management of the Company to make estimates and assumptions that affect the income and expense reported for the period and assets, liabilities and disclosures reported as of the date of the financial statements. Examples of such estimates include useful lives of tangible and intangible assets, provision for doubtful debts, future obligations in respect of retirement benefit plans, etc. Actual results could vary from these estimates.

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013, read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

Amounts in the financial statements are presented in Indian Rupees in millions [10 lakhs = 1 million] as permitted by Schedule III to the Companies Act, 2013. Per share data are presented in Indian Rupees.

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues, right of use assets and intangible assets. In estimating the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements, has used internal and external sources of information including

credit reports and related information, economic forecasts and consensus estimates from market sources on the expected performance of the Company. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

b. Presentation of financial statements

The statement of financial position (including statement of changes in equity) and the statement of profit and loss are prepared and presented in the format prescribed in Division II of Schedule III to the Companies Act, 2013. The cash flow statement has been prepared and presented as per the requirements of Ind AS 7 "Cash Flow Statements". The disclosure requirements with respect to items in the balance sheet and statement of profit and loss, as prescribed in Schedule III to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the notified Accounting Standards.

c. Operating cycle for current and non-current classification

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

d. Revenue from Contract with customer

Revenue is recognised upon transfer of control of promised products or services to customers. Revenue is measured based on the consideration specified in a contract with a customer, and is reduced for volume discounts, rebates and other similar allowances. Revenue from contracts priced on time and material basis is recognised when services are rendered and the related costs are incurred.

Revenue related to fixed price maintenance and support services contracts where the Company is 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 recognised using the input method as defined in Ind AS-115 - Revenue from Contracts with customers. The Company uses efforts or cost expended to measure progress towards completion as there is a direct relationship between input and productivity. If the company does not have a sufficient basis to measure the progress of completion or to estimate total contract revenues and costs, revenue is recognised only to the extent of contract cost incurred for which recoverability is probable.

Notes Forming Part of Accounts

When total cost estimates exceed revenue in arrangement, the estimated losses are recognised in the statement of profit and loss in the period in which such losses become probable based on the current contract estimates.

Revenue from sale of licenses / hardware, where the customer obtains a "right to use" the licenses / hardware is recognised 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 recognised 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 at 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 recognised 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 recognised.

Deferred contract costs are costs to fulfil a contract which are recognised as assets and amortized over the term of the contract.

Use of significant judgements in revenue recognition:

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Company to estimate efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

Further, the Company uses significant judgements while determining the transaction price to be allocated to performance obligations.

Provision for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

e. Other income

Other Income is comprised primarily of interest income, dividend income, gain/loss on investment and foreign exchange gain/loss.

- I) Interest income is recognised 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 recognised 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 recognised during the period in which the employee renders the related service.

ii) Defined benefit plans:

The provident fund scheme managed by trust, employee's gratuity fund scheme managed by Life Insurance Corporation of India 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

Notes Forming Part of Accounts

to the terms of related obligations. Actuarial gains and losses through re-measurement of the defined benefit liability/ (asset) are recognized in other comprehensive income. The actual return of portfolio of plan assets, in excess of yields computed by applying the discount rate used to measure the defined benefit obligation are recognized in other comprehensive income. The effects of any plan amendments are recognized in statement of profit and loss. Gains or losses on the curtailment or settlement of any defined benefit plan are recognized when the curtailment or settlement occurs. Past service cost resulting from a plan amendment or curtailment are recognised immediately in the 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 recognised 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.

The Code on Social Security, 2020 has been enacted by the Indian Parliament, which would impact the contributions by the Company towards Provident Fund and Gratuity. The effective date from which the changes will be applicable and the corresponding Rules, are yet to be notified. The Company will complete its evaluation and will give appropriate impact in the period in which, the Code and the corresponding Rules become effective.

g. Government grants

The Company recognizes government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. Government grants related to assets are treated as deferred income and are recognized in the net profit in the Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset. Government grants related to revenue are recognized on a systematic basis in the net profit in the Statement of Profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate.

h. 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 or construction of the asset and cost incurred for bringing the asset to its present location and condition.

i. Intangible assets

Assets like customer relationship, computer software, and internally developed software are stated at cost, less accumulated depreciation, amortisation and impairment.

j. 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.

Notes Forming Part of Accounts

k. Leases

The Company as a lessee

The Company's lease asset classes primarily consist of leases for buildings, furniture & fixtures and vehicles. The company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether: (1) the contract involves the use of an identified asset (2) the company has substantially of the economic benefits from use of the asset throughout the period of the lease and (3) the company has the right to direct the use of the asset throughout the period of use.

At the date of commencement of the lease, the company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

For Finance leases, initially asset held under finance lease is recognised in balance sheet and presented as a receivable at an amount equal to the net investment in the lease. Finance income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on Company's net investment in the lease.

l. Depreciation

l) 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 or life of asset, whichever is lower. Depreciation or amortisation on additions and disposals are calculated on pro-rata basis from and to the month of additions and disposals.

Particulars	Useful life
Buildings	Upto 60 years
Computers and IT peripherals	Upto 6 years
Plant and machinery	Upto 15 years
Office equipment	Upto 5 years
Vehicles	Upto 8 years
Furniture and fixtures	Upto 10 years

Notes Forming Part of Accounts

ll) 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

m. 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 recognised 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 recognised as expense in respect of such options is transferred to the general reserve. If options granted lapse before the vesting period, the cumulative discount recognised as expense in respect of such options is transferred to the profit and loss.

n. 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.

o. 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.

p. Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

l) Initial measurement

Financial assets and liabilities are initially measured at fair value except for trade receivables, which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and

financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

ll) 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:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- 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:

- Collecting contractual cash flows and selling financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

C) Financial assets at fair value through profit and loss (FVTPL)

Fair value through profit and loss is a residual category for financial assets. A financial asset which is not classified in any of the above categories is subsequently measured at fair value through profit & loss.

ii) Non-derivative financial liability

Financial liabilities at amortised cost represented by trade and other payables are initially recognised

Notes Forming Part of Accounts

at fair value, and subsequently carried at amortized cost using the effective interest method except for contingent consideration and financial liability recognised in a business combination which is subsequently measured at fair value through profit and loss.

iii) Investment in subsidiaries

Investment in Subsidiaries is carried at cost in the Standalone Financial Statements.

iv) Derivative financial instrument

The Company holds derivative financial instrument such as foreign exchange forward contracts and options contracts including a combination of purchased and written options to mitigate the risk of changes in exchange rates on foreign currency exposures and forecast transactions.

The Company uses hedging instruments that are governed by the risk management policy which is approved by the board of directors. The policy provides written principles on the use of such derivative financial instruments. The Company designates such instruments as hedges and performs assessment of hedge effectiveness based on consideration of terms of the hedging instrument, the economic relationship between the hedging instrument and hedged item and the objective of the hedging.

A) Cash flow hedges

The Company designates certain foreign exchange forward and option contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast transactions.

Changes in the fair value of the derivative hedging instruments designated as cash flow hedges on net basis are recognised in other comprehensive income and presented within equity as hedging reserve. The cumulative gain or loss previously recognised 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 recognised 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.

q. 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 recognised 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.

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.

Notes Forming Part of Accounts

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted as on the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred income taxes are not provided on the undistributed earnings of branches where it is expected that the earnings of the branch will not be distributed in the foreseeable future.

r. Borrowing costs

Borrowing costs include finance costs, commitment charges, interest expense on lease liabilities and exchange differences arising from foreign currency borrowing, to the extent they are regarded as an adjustment to finance costs.

s. Provisions, contingent liabilities and contingent assets

Provisions are recognised 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 recognised 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.

t. Earnings per share

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period, adjusted for bonus elements in equity shares issued during the period.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

u. Cash flow statement

Cash flow statement is prepared segregating the cash flows from operating, investing and financing activities. Cash flow is reported using indirect method as per the requirements of Ind AS 7 ("Cash flow statements"), whereby profit for the year is adjusted for the effects of transactions of a non cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows.

v. Business Combination

Common control business combination where the Company is transferee is accounted using the pooling of interest method. Assets and liabilities of the combining entities are reflected at their carrying amounts and no new asset or liability is recognised. Identity of reserves of the transferor company is preserved by reflecting them in the same form in the Company's financial statements in which they appeared in the financial statement of the transferor company. The excess between the amount of consideration paid over the share capital of the transferor company is recognised as a negative amount and the same is disclosed as capital reserve on business combination. The financial information in the financial statements in respect of prior periods is restated from the beginning of the preceding period in the financial statements if the business combination date is prior to that date. However, if business combination date is after that date, the financial information in the financial statements is restated from the date of business combination.

w. Recent accounting pronouncement

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021.

Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Notes Forming Part of Accounts

I) Balance Sheet

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.

- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

II) Statement of Profit & Loss Account:

Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

3. Intangible Assets

The balance useful life of internally developed intangible asset as on the respective balance sheet dates is as follows:

(₹ in million)

Class of Assets	As at 31-03-2021		As at 31-03-2020	
	Useful life	Carrying amount	Useful life	Carrying amount
Internally developed Software	Upto 5 Years	447	Upto 5 Years	178
Total		447		178

Notes Forming Part of Accounts

4A. Property, Plant and Equipments and Intangible Assets - As at 31 March 2021

Particulars	Gross Block		Depreciation/Amortisation		Net Block	
	As at 01-Apr-20	As at 31-Mar-21	As at 01-Apr-20	For the year	As at 31-Mar-21	As at 31-Mar-21
Tangible assets						
Leasehold Land	10	-	10	0	1	9
Buildings	126	-	126	85	126	-
Leasehold improvements	869	58	926	138	389	537
Plant and machinery	1,141	63	1,179	141	521	658
Owned computers	2,398	892	3,288	559	1,847	1,441
Office equipments	929	74	996	133	668	328
Furniture and fixtures	1,128	30	1,121	143	547	574
Vehicles	307	9	283	35	159	124
Capital work in progress	-	-	-	-	-	403
Total tangible assets	6,908	1,126	7,929	1,234	75	4,074
Intangible assets						
Software	2,820	600	247	256	243	694
Intangible assets under development	-	-	-	-	-	27
Total intangible assets	2,820	600	247	256	243	2,479

- Impairment upto March 31, 2021 - NIL
- The Company has performed sensitivity analysis for all key assumptions, including the cash flow projections, consequent to the change in estimated future economic conditions arising from the possible effects due to COVID-19. The Company concluded that this is unlikely to cause the carrying amounts of the Cash Generating Units to exceed estimated recoverable amounts.

Notes Forming Part of Accounts

4B. Property, Plant and Equipments and Intangible Assets - As of 31 March 2020

Particulars	Gross Block		Depreciation/Amortisation		Net Block	
	As at 01-Apr-19	As at 31-Mar-20	As at 01-Apr-19	For the year	As at 31-Mar-20	As at 31-Mar-20
Tangible assets						
Leasehold land	10	10	0	1	1	9
Buildings	126	126	33	8	41	85
Leasehold improvements	532	869	167	86	251	618
Plant and machinery	852	1,141	307	99	398	743
Owned computers	1,737	2,398	949	345	1,291	1,107
Office equipments	733	929	433	115	542	387
Furniture and fixtures	877	1,128	349	112	431	697
Vehicles	317	307	131	41	144	163
Capital work in progress						381
Total tangible assets	5,184	6,908	2,368	807	3,099	4,190
Intangible assets						
Software	2,598	2,820	2,268	224	2,466	354
Intangible assets under development	-	-	-	-	-	19
Total intangible assets	2,598	2,820	2,268	224	2,466	373

1. Impairment upto March 31, 2020 - NIL

Notes Forming Part of Accounts

5 Non-Current Investments

	As at 31-03-2021	As at 31-03-2020
Long term investment in subsidiaries:		
Equity Shares (Unquoted) :		
5 fully paid equity shares of EUR 25,000 each in Larsen & Toubro Infotech GmbH	3,404	3,404
100 fully paid equity shares of CAD 1 each in Larsen & Toubro Infotech Canada Limited	7	7
600,000 equity shares at no par value in L&T Infotech Financial Services Technologies Inc.	1,686	1,686
254,750 (previous year 332,350) equity shares at no par value in Larsen And Toubro Infotech South Africa (Pty) Ltd ¹	2	2
175,000 fully paid equity shares of USD 1 each in L&T Information Technology Services (Shanghai) Co. Ltd.	11	11
50,000 fully paid equity shares of EUR 1 each in L&T Information Technology Spain, SL	4	4
450,000 fully paid equity shares of INR 10 each in Syncordis Software Services India Private Limited	27	27
30,000 fully paid shares of NOK 1 each in Larsen & Toubro Infotech Norge AS	0	0
510,000 fully paid equity shares of INR 10 each in Ruletronics Systems Private Limited	54	54
1,145,421 fully paid equity shares of INR 10 each in Lymbyc Solutions Private Limited	324	324
17,328 fully paid equity shares of INR 10 each in Powerupcloud Technologies Private Limited ²	1,056	1,029
1,000 fully paid equity shares of GBP 1 each in Larsen & Toubro Infotech UK Limited ³	0	-
1,860 shares of AED 1,000 each in Larsen & Toubro Infotech Middle East FZ-LLC ⁴	37	-
Other:		
Membership interest of MXN 2,970 in L&T Infotech, S. DE R.L. DE C.V.	0	0
Other equity investments (Unquoted) :		
2,500 equity shares of USD 1 each in Larsen & Toubro LLC	1	1
Non trade investments (Unquoted) :		
Treasury Notes Philippines Govt. 26 January 2022 ⁵	2	1
Non trade investments (Quoted) :		
Corporate bonds ⁶	1,009	-
	7,623	6,550

- On August 19, 2020, Larsen And Toubro Infotech South Africa (Pty) Ltd. bought back 5.32% of its equity capital (i.e. 77,600 shares) from its shareholder (the Company). As a result, other income for the year ended March 31, 2021 includes gain of ₹ 10 Mn arising from this buy back.
- The Company acquired "Powerupcloud Technologies Private Limited" on October 1, 2019. Additional payments made during the year on finalisation of working capital adjustment.
- "Larsen & Toubro Infotech UK Limited" has been incorporated on August 17, 2020
- "Larsen & Toubro Infotech Middle East FZ-LLC" has been incorporated on November 25, 2020
- The Company has invested in Philippines Govt. Treasury notes and have deposited same with local Securities and Exchange Commission, as per Corporation Code of Philippines-126. The company has not held this investment primarily for the purpose of being traded and does not intend to sale or consume for normal business operation. The company intends to keep the deposit till the existence of its operations in Philippines
- Investment in Corporate bonds is including interest accrued
- Impairment upto March 31, 2021 - NIL (Previous Year: NIL)

Notes Forming Part of Accounts

6 Non Current Loans

	(₹ in Mn)	
	As at 31-03-2021	As at 31-03-2020
Security deposits		
Unsecured, considered good	451	551
Advance to subsidiary* (refer note 43)		
Unsecured, considered good	1,115	-
	1,566	551

* Advance given to wholly owned subsidiary "Larsen & Toubro Infotech Middle East FZ-LLC" for its business and operations.

7 Other Non Current Financial Assets

	(₹ in Mn)	
	As at 31-03-2021	As at 31-03-2020
Derivative contracts receivables	1,440	100
Lease receivables	155	18
	1,595	118

8 Deferred Tax Assets

	(₹ in Mn)	
	As at 31-03-2021	As at 31-03-2020
MAT credit	-	493
Deferred tax asset / (liability)	477	1,642
	477	2,135

8 (I) Deferred Tax (Liabilities)/Assets as at March 31, 2021

	(₹ in Mn)			
Particulars	Deferred tax asset/ (liability) as at 31- 03-2020	Current year (charge)/credit to Profit & Loss	(Charge)/ credit to Other Comprehensive Income	Deferred Tax asset/ (liability) as at 31- 03-2021
Deferred tax assets/ (liabilities)				
Deferred taxes on derivative instruments	848	[16]	[1,463]	[631]
Branch profit tax	[683]	-	-	[683]
Unrealised gains on investments	[142]	[132]	-	[274]
Provision for doubtful debts & advances	156	[28]	-	128
Provision for employee benefits	424	319	-	743
Depreciation / amortisation	421	100	-	521
Capital loss on buyback by L&T Infotech Financial Services Technologies Inc.	13	[13]	-	0
Lease assets net of lease liabilities	283	49	-	332
Others	322	19	-	341
MAT credit	493	[493]	-	[0]
Net deferred tax assets/ (liabilities)	2,135	[195]	[1,463]	477

Notes Forming Part of Accounts

8 (II) Deferred Tax (Liabilities) / Assets as at March 31, 2020

	(₹ in Mn)				
Particulars	Deferred tax asset/(liability) as at 31-03-2019	Impact on Account of Ind AS 116	Current year (charge)/credit to Profit & Loss	(Charge)/ credit to Other Comprehensive Income	Deferred Tax asset/(liability) as at 31-03-2020
Deferred tax assets/ (liabilities)					
Deferred taxes on derivative instruments	[649]	-	98	1,399	848
Branch profit tax	[683]	-	-	-	[683]
Unrealised gains on investments	[121]	-	[21]	-	[142]
Provision for doubtful debts & advances	122	-	34	-	156
Provision for employee benefits	249	-	176	-	424
Depreciation / amortisation	322	-	100	-	421
Capital loss on buyback by L&T Infotech Financial Services Technologies Inc.	42	-	[29]	-	13
Lease assets net of lease liabilities	-	191	92	-	283
Others	153	-	167	-	322
MAT credit	2,129	-	[1,636]	-	493
Net deferred tax assets/ (liabilities)	1,564	191	[1,016]	1,399	2,135

9 Other Non Current Assets

	(₹ in Mn)	
	As at 31-03-2021	As at 31-03-2020
Deferred contract costs	576	730
Advance recoverable other than cash	546	341
Prepaid expenses	198	220
	1,320	1,291

10 Current Investments

	(₹ in Mn)	
	As at 31-03-2021	As at 31-03-2020
Mutual funds - Quoted	32,720	21,163
Corporate deposits - Unquoted	3,020	1,022
Corporate bonds - Quoted*	542	-
	36,282	22,185

* Investment in Corporate bonds includes interest accrued

11 Trade Receivables

	(₹ in Mn)	
	As at 31-03-2021	As at 31-03-2020
Unsecured, considered good		
Due from related parties (refer note 43)	2,150	1,812
Due from others	18,181	20,078
Less : Allowance for doubtful trade receivables	[125]	[123]
Unsecured, credit impaired	411	421
Less : Allowance for doubtful trade receivables	[411]	[421]
	20,206	21,767

Notes Forming Part of Accounts

Allowance for doubtful trade receivables movement

	(₹ in Mn)	
	As at 31-03-2021	As at 31-03-2020
Balance at the beginning of the year	544	470
Additions during the year, net	113	109
Uncollectable receivables charged against allowances (refer note 30)	(130)	(89)
Exchange (gain)/loss	9	54
Balance at the end of the year	536	544

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company has considered current and anticipated economic conditions including arising from Covid-19, related to industries the Company deals with and the countries in which it operates.

12 Unbilled Revenue

	(₹ in Mn)	
	As at 31-03-2021	As at 31-03-2020
Unbilled revenue*	5,267	4,151
	5,267	4,151

* 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 31-03-2021	As at 31-03-2020
Cash on hand	0	0
Balances with bank		
- in current accounts		
Overseas	2,044	2,435
Domestic	1,230	216
Remittance in transit	714	954
	3,988	3,605

14 Other Bank Balances

	(₹ in Mn)	
	As at 31-03-2021	As at 31-03-2020
Cash and bank balance not available for immediate use	14	102
Earmarked balances with banks (unclaimed dividend)	9	7
	23	109

15 Current Loans

	(₹ in Mn)	
	As at 31-03-2021	As at 31-03-2020
Security deposits		
Unsecured, considered good	245	81
Advance to subsidiary* (refer note 43)		
Unsecured, considered good	68	83
	313	164

*Loans to subsidiaries (Ruletronics Systems Private Limited, Lymbyc Solutions Private Limited and Powerupcloud Technologies Private Limited) towards their working capital requirements

Notes Forming Part of Accounts

16 Other Current Financial Assets

	(₹ in Mn)	
	As at 31-03-2021	As at 31-03-2020
Advances to employees	165	250
Derivative contracts receivables	1,497	236
Receivables against credit support agreements	-	1,076
Lease receivable	86	7
Others*	94	6
	1,842	1,575

* Others include interest on corporate deposits

17 Other Current Assets

	(₹ in Mn)	
	As at 31-03-2021	As at 31-03-2020
Unbilled revenue*	5,118	4,227
Prepaid expenses	1,370	849
Advances recoverable other than in cash	860	823
Deferred contract costs	471	404
	7,819	6,303

* 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 31-03-2021	As at 31-03-2020
Authorised :		
260,000,000 equity shares of ₹ 1 each (Previous year 260,000,000 of ₹ 1 each)	260	260
	260	260
Issued, paid up and subscribed		
174,750,608 equity shares for ₹ 1 each (Previous year 174,126,769 of ₹ 1 each)	175	174
	175	174

II) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.

III) Shareholders holding more than 5% of equity shares as at the end of the year:

Name of Shareholder	Number of Shares		% Shareholding
	As at 31-03-2021		
Larsen & Toubro Limited	129,784,034	74.27%	
	As at 31-03-2020		
Larsen & Toubro Limited	129,784,034	74.53%	

Notes Forming Part of Accounts

IV) Reconciliation of the number of equity shares and share capital:

Due to allotment of shares on exercise of stock options by employees, there was a movement in share capital for the year ended March 31, 2021 and March 31, 2020 as given below:

	(₹ in Mn)	
	As at 31-03-2021	As at 31-03-2020
Issued, subscribed and fully paid up equity shares outstanding at the beginning	174,126,769	173,510,084
Add: Shares issued on exercise of employee stock options	623,839	616,685
Issued, subscribed and fully paid up equity shares	174,750,608	174,126,769

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	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
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	-	11,840	-	58,190	-	33,000	1,525,395	2,116,860
v	Options reinstated during the year	-	-	-	-	-	-	-	-
vi	Options granted during the year	-	-	-	-	-	-	83,650	63,660
vii	Options allotted/exercised during the year	-	2,055	-	15,065	-	-	623,839	599,565
viii	Options Lapsed/cancelled during the year	-	9,785	-	43,125	-	33,000	102,600	55,560
ix	Options granted & outstanding at the end of the year	-	-	-	-	-	-	882,606	1,525,395
x	Options vested at the end of the year out of (ix)	-	-	-	-	-	-	122,208	624,400
xi	Options unvested at the end of the year out of (ix)	-	-	-	-	-	-	760,398	900,995
xii	Weighted average remaining contractual life of options (in years)	-	-	-	-	-	-	3.3	3.8

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

Sr. no	Particulars	2020-21		2019-20	
		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	1,525,395	1	2,219,890	3.50
ii	Options reinstated during the year	-	-	-	-
iii	Options granted during the year	83,650	1	63,660	1.00
iv	Options allotted during the year	623,839	1	616,685	1.04
v	Options Lapsed/cancelled during the year	102,600	1	141,470	40.06
vi	Options granted & outstanding at the end of the year	882,606	1	1,525,395	1.00
vii	Options vested at the end of the year out of (v)	122,208	1	-	1.00

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 March 31, 2021 are Nil (previous period of five years ended March 31, 2020 - Nil)

VIII) The aggregate number of equity shares issued pursuant to contract, without payment being received in cash in immediately preceding five years ended March 31, 2021 - Nil (previous period of five years ended March 31, 2020 - Nil)

IX) During the year ended March 31, 2021, the amount of interim dividend distributed to equity shareholder was ₹ 15 per share at face value of ₹ 1 (previous year ₹ 12.5 per share at face value of ₹ 1).

X) Weighted average share price at the date of exercise for stock options exercised during the year is ₹ 2,691 per share (previous year ₹ 1,581 per share).

XI) Weighted average fair value of options granted during the year is ₹ 2,348.93 (previous year ₹ 1,540.66).

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	2020-21	2019-20
i	Weighted average risk-free interest rate	4.62%	6.18%
ii	Weighted average expected life of options	3 years	3 years
iii	Weighted average expected volatility	25.17%	17.44%
iv	Weighted average expected dividends over the life of option	₹ 148.59	₹ 148.29
v	Weighted average share price	₹ 2,349.87	₹ 1,541.55
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)	
	2020-21	2019-20
I) General reserve#		
Opening balance	3,469	3,466
Add: Additions during the year	2	3
	3,471	3,469
II) Hedging reserve (refer note 2.o.C.iv)		
Opening balance (net of taxes)	(2,149)	2,243
Add/(Less): Movement in forward contracts receivable	5,969	(4,605)
Add/(Less): Amount reclassified to profit or loss	(158)	(1,186)
Add/(Less): Deferred tax related to above	(1,462)	1,399
	2,200	(2,149)
III) Share premium^		
Opening balance	2,514	2,198
Add: Additions during the year	348	316
	2,862	2,514
IV) Employee stock option outstanding (refer note 2.l)		
Opening balance	1,063	1,333
Add: Additions during the year	196	98
Less: Deductions during the year	(464)	(368)
	795	1,063

(a)

Notes Forming Part of Accounts

	(₹ in Mn)	
	2020-21	2019-20
Deferred employee compensation expense (refer note 2.I)		
Opening balance	(379)	(659)
Add: Additions during the year	(196)	(98)
Less: Deductions during the year	287	378
	(b)	(379)
Balance to be carried forward	(a) + (b)	684
VI) Capital reserve		
Opening balance	0	0
Add: Additions during the year	-	-
	0	0
Capital reserve on business combination*		
Opening balance	(60)	(60)
Add: Additions during the year	-	-
	(60)	(60)
VII) OCI - Remeasurements of net defined benefit plans (net of tax)		
Opening balance	92	81
Add: Additions during the year	37	11
	129	92
VIII) Retained Earnings		
Opening balance	47,564	38,359
Less: Impact on account of adoption of Ind AS 116	-	(629)
Add: Profit for the year	17,874	15,524
Less: Dividend (including dividend distribution tax)	(5,324)	(5,690)
	60,114	47,564
Total (I + II + III + IV + V + VI + VII)	69,223	52,114

#The Company created a General reserve in earlier years pursuant to the provisions of the Companies Act, 1956 where in certain percentage of profits was required to be transferred to General reserve before declaring dividends. As per Companies Act 2013, the requirements to transfer profits to General reserve is not mandatory. General reserve is a free reserve available to the Company.

*Share premium includes: A. The difference between the face value of the equity shares and the consideration received in respect of shares issued; B. The fair value of the stock options which are treated as expense, if any, in respect of shares allotted pursuant to Stock Options Scheme.

*Capital reserve on business combination represents the gains of capital nature which mainly include the excess of value of net assets acquired over consideration paid by the Company for business amalgamation transactions in earlier years. It also represents capital reserve on business combination which arises on transfer of business between entities under common control.

20 Other Non Current Financial Liabilities

	(₹ in Mn)	
	As at 31-03-2021	As at 31-03-2020
Derivative contracts payable	-	2,020
Payable for acquisition of business	337	442
Other financial liability	2	23
	339	2,485

21 Other Non Current Liabilities

	(₹ in Mn)	
	As at 31-03-2021	As at 31-03-2020
Deferred social security obligation	479	-
	479	-

Notes Forming Part of Accounts

22 (I) Non Current Provisions

	(₹ in Mn)	
	As at 31-03-2021	As at 31-03-2020
Post retirement medical benefits (Refer Note 38)	250	214
Others	111	111
	360	325

22 (III) Disclosure pursuant to Accounting Standard (Ind-AS) 37 "Provisions, Contingent Liabilities and Contingent Assets" movement in provisions.

Particulars	Class of provisions		
	Sales Tax	Others	Total
Balance as at March 31, 2019	4	107	111
Additional provision during the year	-	-	-
Provision used during the year	-	-	-
Provision reversed during the year	-	-	-
Balance as at March 31, 2020	4	107	111
Additional provision during the year	-	-	-
Provision used during the year	-	-	-
Provision reversed during the year	-	-	-
Balance as at March 31, 2021	4	107	111

23 Trade Payables

	(₹ in Mn)	
	As at 31-03-2021	As at 31-03-2020
Total outstanding dues of micro enterprises and small enterprises	82	79
Total outstanding dues of creditors other than micro enterprises and small enterprises :		
Due to related parties (refer note 43)	288	512
Due to others	3,378	2,928
Accrued expenses	4,266	3,323
	7,932	6,763

24 Other Current Financial Liabilities

	(₹ in Mn)	
	As at 31-03-2021	As at 31-03-2020
Liabilities for employee benefits	5,113	3,955
Liability for gratuity (refer note 38)	260	242
Payable for acquisition of business	144	202
Liability towards credit support agreements	683	-
Unclaimed dividend	9	7
Derivative contracts payable	-	2,013
Liability for customer settlement expenses	-	50
Others	30	62
	6,239	6,531

25 Other Current Liabilities

	(₹ in Mn)	
	As at 31-03-2021	As at 31-03-2020
Unearned and deferred revenue	1,495	1,425
Other payable	2,843	2,312
	4,338	3,737

Notes Forming Part of Accounts

26 Current Provisions

	(₹ in Mn)	
	As at 31-03-2021	As at 31-03-2020
Compensated absences	3,365	2,477
Post-retirement medical benefits (refer note 38)	3	4
	3,368	2,481

27 Revenue From Operations

Revenue consists of the following:

	(₹ in Mn)	
	Year ended March 31, 2021	Year ended March 31, 2020
Fixed Price & Maintenance	75,777	61,881
Time & Material	39,849	39,961
	115,626	101,842

The Company has evaluated the impact of COVID – 19 resulting from (i) the possibility of constraints to render services which may require revision of estimations of costs to complete the contract because of additional efforts, (ii) onerous obligations, (iii) penalties relating to breaches of service level agreements and (iv) termination or deferment of contracts by customers. The Company has concluded that the impact of COVID – 19 is not material based on such evaluation.

Performance obligations and remaining performance obligations:

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized for those contracts where invoicing is on time and material basis. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revaluations, adjustment for revenue that has not materialized and adjustments for currency.

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2021, other than those meeting the exclusion criteria mentioned above, is ₹ 105,876 Mn (previous year ₹ 98,667 Mn). Out of this, the Company expects to recognize revenue of around 58% (previous year 52%) 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, 2021	Year ended March 31, 2020
Balance at the beginning of the year	4,227	3,073
Less : Invoices raised during the year	(1,983)	(1,420)
Add : Revenue recognised during the year	2,889	2,557
Add : Translation exchange difference	(15)	17
Balance at the end of the year	5,118	4,227

Notes Forming Part of Accounts

Changes in contract liabilities is as follows:

	(₹ in Mn)	
	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning of the year	1,425	569
Less : Revenue recognised during the year from opening balance	(1,010)	(392)
Add : Invoices raised during the year	1,080	1,237
Add/ (Less) : Translation exchange difference	(0)	11
Balance at the end of the year	1,495	1,425

28 Other Income

	(₹ in Mn)	
	Year ended March 31, 2021	Year ended March 31, 2020
Foreign exchange gain*	154	1,877
Income from current investments in mutual fund	1,542	1,217
Dividends from subsidiaries	-	901
Miscellaneous income	377	118
Gains on transfer of business to subsidiary	-	53
Interest received from bank and others	165	51
Gain on buy-back of shares by subsidiary	9	-
Gains on liquidation of subsidiary	-	0
	2,247	4,217

*The foreign exchange gain reported above includes gain on Derivative financial instrument which are designated as cash flow hedges of ₹ 158 Mn (previous year March 31, 2020 ₹ 1,186 Mn) and as fair value hedges of ₹ 469 Mn (previous year ended March 31, 2020 loss of ₹ 424 Mn). Since, the Company hedges its operational business exposure on a net basis (i.e. expected revenue in foreign currency less expected expenditure in related currency), the aforesaid gain and loss relates to the business operations of the company.

29 Employee Benefits Expense

	(₹ in Mn)	
	Year ended March 31, 2021	Year ended March 31, 2020
Salaries including overseas staff expenses*	63,392	55,417
Share based payments to employees	168	319
Staff welfare	597	571
Contribution to social security and other funds	2,604	2,492
Contribution to provident and other funds	964	783
Contribution to gratuity fund	276	207
Contribution to superannuation fund	37	39
	68,038	59,828

* During the year ended March 31, 2021 the Company received government grants amounting to ₹ 5 Mn (previous year Nil) from governments of various countries on compliance of several employment-related conditions consequent to the outbreak of COVID-19 pandemic and accordingly, accounted as a credit to employee benefits expense.

Notes Forming Part of Accounts

30 Operating Expenses

	(₹ in Mn)	
	Year ended March 31, 2021	Year ended March 31, 2020
Consultancy charges	10,568	9,867
Cost of equipment, hardware and software packages	5,530	4,177
Repairs and maintenance	928	1,096
Rent and establishment expenses*	695	644
Travelling and conveyance	640	3,306
Recruitment expenses	414	467
Rates and taxes	362	237
Telephone charges and postage	291	353
Communication expenses	279	184
Allowance for doubtful debts and advances	190	198
Power and fuel	205	324
Advertisement	118	275
Bad debts	130	89
Less: Provision written back	(130)	(89)
Insurance charges	77	62
Commission	45	27
Miscellaneous expenses	465	519
	20,807	21,736

*Includes lease rentals for short term leases.

31 Finance Cost

	(₹ in Mn)	
	Year ended March 31, 2021	Year ended March 31, 2020
Interest expense on lease liabilities	682	665
Interest on financial liabilities*	27	27
Interest on deposits with respect to credit support agreement	2	16
Others	5	12
	716	720

*includes to contingent consideration payable on business acquisitions.

32 Depreciation & Amortization Expense

	(₹ in Mn)	
	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation of property, plant and equipment (refer note 4)	1,234	807
Amortization of other intangible assets (refer note 4)	256	224
Depreciation of right of use assets (refer note 40)	1,179	1,053
	2,669	2,084

Notes Forming Part of Accounts

33 Other Expenses

	(₹ in Mn)	
	Year ended March 31, 2021	Year ended March 31, 2020
Legal and professional charges	1,493	1,020
Corporate social responsibility expenses (refer note 46)	141	460
Directors fees	25	25
Books and periodicals	10	23
Other miscellaneous expenses	64	93
	1,733	1,621

34 (I) Current Tax

	(₹ in Mn)	
	Year ended March 31, 2021	Year ended March 31, 2020
Current tax	5,895	3,431
Provision for earlier year written (back)/off	(54)	99
	5,841	3,530

34 (II) Deferred Tax

	(₹ in Mn)	
	Year ended March 31, 2021	Year ended March 31, 2020
Deferred tax charge / (credit)	(298)	(620)
MAT utilisation (net)	493	1,636
	195	1,016

34 (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, 2021	Year ended March 31, 2020
Profit before income taxes	23,910	20,070
Enacted tax rates in India	34.944%	34.944%
Computed expected tax expense	8,355	7,013
Effect due to non-taxable income	(2,225)	(2,114)
Overseas taxes	65	20
Effect of differential tax rates	(68)	(305)
Effect of non-deductible expenses	35	102
Tax pertaining to prior years	(54)	(117)
Others	(72)	(53)
Tax expense as per statement of profit and loss	6,036	4,546

Notes Forming Part of Accounts

35 Statement of other Comprehensive Income

(₹ in Mn)

	Year ended March 31, 2021	Year ended March 31, 2020
Items that will not be reclassified subsequently to profit or loss		
Defined benefit plan actuarial gain/(loss)	50	14
Income tax on defined benefit plan actuarial gain/(loss)	(13)	(3)
	37	11
Items that will be reclassified subsequently to profit or loss		
Net changes in fair value of cash flow hedges	5,812	(5,791)
Income tax on net changes in fair value of cash flow hedges	(1,463)	1,399
	4,349	(4,392)
	4,386	(4,381)

36 Contingent Liabilities

(₹ in Mn)

	Year ended March 31, 2021	Year ended March 31, 2020
Income tax liability that may arise in respect of which the Company is in appeal *	2,899	2,906
Corporate guarantee given on behalf of subsidiary **	736	3,716
Service tax / VAT refund disallowed in respect of which the Company is in the appeal #	156	139
	3,791	6,761

*Out of contingent Tax liability disclosed above, ₹ 2,735 Mn (including interest of ₹ 141 Mn), pertains to the tax demand arising on account of disallowance of exemption u/s 10A/10AA on profits earned by STPI Units/SEZ units on onsite export revenue. Company is pursuing appeals against these demands before the relevant Appellate Authorities. The company believes that its position is likely to be upheld by appellate authorities and considering the facts, the ultimate outcome of these proceedings is not likely to have material adverse effect on the results of operations or the financial position of the Company.

**The Company had given a corporate guarantee on behalf of its wholly owned subsidiary L&T Infotech Financial Services Technologies Inc (LTIFST). The guarantee was for performance of all obligations by LTIFST in connection with its long term annuity services contracts with customer. The obligation under this guarantee was limited in aggregate to the amount of CAD 70 Mn. The guarantee has expired on January 1, 2021.

During the period guarantee issued to HSBC on behalf of wholly owned subsidiary LTI Middle East FZ-LLC towards working capital facility availed by the subsidiary.

Out of the liability disclosed above, the major portion is towards the application 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 favourable order.

Others

A class action lawsuit was filed in the United States District Court, Southern District of New York against the Company alleging discrimination by an ex-employee and an ex-contractor. The Company is taking necessary actions to defend the claim. The Company is presently unable to predict the duration or the outcome of this matter.

37 Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for: ₹ 118 Mn (previous year ₹ 419 Mn).

38 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

Notes Forming Part of Accounts

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, Nil has been provided for year ending March 31, 2021 and March 31, 2020 based on actuarial valuation towards the future obligation arising out of interest rate guarantee associated with the plan.

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

(₹ in Mn)

	Gratuity plan	
	As at 31-03-2021	As at 31-03-2020
a) Present value of defined benefit obligation		
- Wholly funded	1,429	1,159
- Wholly unfunded	-	-
b) Fair value of plan assets as on	1,169	917
Amount to be recognised as liability or (asset) (a-b)	260	242
Net liability/(asset)-current	260	242
Net liability/(asset)- non current	-	-

(₹ in Mn)

	Post-retirement medical benefit plan	
	As at 31-03-2021	As at 31-03-2020
A.		
a) Present value of defined benefit obligation		
- Wholly funded	-	-
- Wholly unfunded	253	218
b) Fair value of plan assets	-	-
Amount to be recognised as liability or (asset) (a-b)	253	218
B.		
Amounts reflected in the balance sheet		
Liability	253	218
Assets	-	-
Net liability/(asset)	253	218
Net liability/(asset)-current	3	4
Net liability/(asset)-non current	250	214

Notes Forming Part of Accounts

(₹ in Mn)

	Provident fund plan	
	As at 31-03-2021	As at 31-03-2020
A.		
a) Present value of defined benefit obligation		
- Wholly funded	11,117	8,948
- Wholly unfunded	-	-
b) Fair value of plan assets	12,142	9,482
Amount to be recognised as liability or (asset) (a-b)*	(1,025)	(534)
B.		
Amounts reflected in the balance sheet		
Liability	161	125
Assets	-	-
Net liability/(asset)#	161	125
Net liability/(asset)-current	161	125
Net liability/(asset)-non current	-	-

#Employer's and employee's contribution for March 2021 paid in April 2021

*Net asset is not recognised in the balance sheet

III) The amounts recognised in statement of profit and loss are as follows:

(₹ in Mn)

	Gratuity plan	
	As at 31-03-2021	As at 31-03-2020
i) Current service cost	267	201
ii) Past service cost	-	-
iii) Administration expenses	-	-
iv) Interest on net defined benefit liability / (asset)	9	6
v) (Gains) / losses on settlement	-	-
Total expense charged to profit and loss account	276	207

(₹ in Mn)

	Post-retirement medical benefit plan	
	2020-21	2019-20
i) Current service cost	57	73
ii) Past service cost	-	-
iii) Administration expenses	-	-
iv) Interest on net defined benefit liability / (asset)	14	13
v) (Gains) / losses on settlement	-	-
Total expense charged to profit and loss account	71	86

(₹ in Mn)

	Provident fund plan	
	2020-21	2019-20
i) Current service cost	550	442
ii) Interest cost	808	661
iii) Expected return on plan assets	(808)	(661)
Total expense for the year included in Employee benefit expense	550	442

Notes Forming Part of Accounts

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

(₹ in Mn)

	Gratuity plan		Post retirement medical benefit plan	
	2020-21	2019-20	2020-21	2019-20
Opening amount recognized in OCI	58	13	(164)	(116)
Re-measurements during the period due to:				
Changes in financial assumptions	10	58	5	29
Changes in demographic assumptions	-	-	-	-
Experience adjustments	(17)	(6)	(41)	(77)
Actual return on plan assets less interest on plan assets	(10)	(7)	-	-
Closing amount recognized in OCI	41	58	(200)	(164)

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	
	2020-21	2019-20
Opening balance of defined benefit obligation	1,159	916
Current service cost	267	201
Interest on defined benefit obligation	70	61
Re-measurements due to		
Actuarial loss/(gain) arising from change in financial assumption	10	58
Actuarial loss/(gain) arising from change in demographic assumptions	-	-
Actuarial loss/(gain) arising on account of experience changes	(17)	(6)
Benefits paid	(60)	(71)
Closing balance of defined benefit obligation	1,429	1,159

(₹ in Mn)

	Post-retirement medical benefit plan	
	2020-21	2019-20
Opening balance of defined benefit obligation	218	180
Current service cost	57	73
Past service cost	-	-
Interest on defined benefit obligation	14	13
Re-measurements due to		
Actuarial loss/(gain) arising from change in financial assumption	5	29
Actuarial loss/(gain) arising from change in demographic assumptions	-	-
Actuarial loss/(gain) arising on account of experience changes	(41)	(77)
Benefits paid	(0)	(0)
Closing balance of defined benefit obligation	253	218

Notes Forming Part of Accounts

	Provident fund plan	
	2020-21	2019-20
Opening balance of defined benefit obligation	8,948	7,176
Add : Interest cost	808	661
Add : Current service cost	550	442
Add : Contribution by plan participants	1,131	975
Add/(Less) : actuarial (gains)/losses	-	-
Add: Business combination/acquisition	-	-
Less: Assets acquired/(settled)	-	-
Liabilities assumed on acquisition/ (settled on divestiture)	448	604
Less : Benefits paid	(768)	(910)
Closing balance of defined benefit obligation	11,117	8,948

VII) Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows:

	Gratuity plan		Provident fund plan	
	2020-21	2019-20	2020-21	2019-20
Opening balance of the fair value of the plan assets	917	729	9,482	7,220
Employer's contributions	242	198	536	433
Expected return on plan assets	61	55	808	660
Administration expenses	-	-	-	-
Actuarial gains/(loss)	-	-	534	556
Re-measurements due to:				
Actual return on plan assets less interest on plan assets	10	6	-	-
Contribution by plan participants	-	-	1,102	919
Benefits paid	(60)	(71)	(768)	(910)
Assets acquired/(settled)*	-	-	448	604
Assets distributed on settlements	-	-	-	-
Closing balance of plan assets	1,169	917	12,142	9,482

* On account of business combination or inter-company transfer

The Company expects to contribute ₹ 260 Mn (₹ 242 Mn in 2019-20) 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	Provident fund plan	
		2020-21	2019-20
Government of India securities		22.17%	21.52%
State government securities		23.13%	25.41%
Corporate bonds		29.38%	28.88%
Fixed deposits under Special Deposit Scheme framed by central government for provident funds	Scheme with LIC	3.69%	4.29%
Public sector bonds		12.60%	16.07%
Mutual Funds		5.42%	3.07%
Others		3.61%	0.76%

Notes Forming Part of Accounts

VIII) Principal actuarial assumptions at the balance sheet date :

	2020-21	2019-20
i Discount rate		
For gratuity	6.30%	6.40%
For post-retirement medical benefits	6.30%	6.40%
ii Annual increase in healthcare costs (see note below)	5.00%	5.00%
iii Attrition rate:	Varies	Varies
	between 8% to 19%	between 8% to 19%
iv Salary growth rate *	6.00%	6.00%

* Salary growth rate assumption reflects the Company's average salary growth rate and current market conditions.

VIII) Projected plan cash flow:

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan (which in case of serving employees, if any, is based on service accrued by employee up to valuation date):

As on March 31, 2021

Maturity profile	Gratuity	Post-Retirement medical benefit liability
Expected benefits for year 1	151	3
Expected benefits for year 2	156	4
Expected benefits for year 3	168	5
Expected benefits for year 4	170	6
Expected benefits for year 5	161	7
Expected benefits for year 6	152	8
Expected benefits for year 7	135	9
Expected benefits for year 8	128	9
Expected benefits for year 9	121	10
Expected benefits for year 10 and above	1,076	1,224

As on March 31, 2020

Maturity profile	Gratuity	Post-Retirement medical benefit liability
Expected benefits for year 1	129	3
Expected benefits for year 2	128	4
Expected benefits for year 3	133	4
Expected benefits for year 4	137	5
Expected benefits for year 5	130	6
Expected benefits for year 6	122	7
Expected benefits for year 7	114	8
Expected benefits for year 8	101	8
Expected benefits for year 9	96	9
Expected benefits for year 10 and above	885	1,068

The estimates of future salary increases considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Notes Forming Part of Accounts

IX) Sensitivity analysis

i) Post retirement benefits:

Although the obligation of the Company under the post-retirement medical benefit plan is limited to the overall ceiling limits, assumed healthcare cost trend rates may affect the amounts recognised in the statement of profit and loss. The benefit obligation results for the cost of paying future hospitalization premiums to insurance company and reimbursement of domiciliary medical expenses in future for the employee / beneficiaries during their lifetime is sensitive to discount rate, future increase in healthcare costs and longevity. The following table summarizes the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account changes in these three key parameters:

	Period ended 31 March 2021	Period ended 31 March 2020
Discount Rate		
Impact of increase in 100 bps on defined benefit obligation	-17.41%	-17.20%
Impact of decrease in 100 bps on defined benefit obligation	23.08%	22.76%
Healthcare costs rate		
Impact of increase in 100 bps on defined benefit obligation	13.30%	13.39%
Impact of decrease in 100 bps on defined benefit obligation	-10.72%	-10.78%
Life expectancy		
Impact of increase by 1 year on defined benefit obligation	1.41%	1.36%
Impact of decrease by 1 year on defined benefit obligation	-1.47%	-1.42%

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 2021		Period ended 31 March 2020	
	Discount rate	Salary escalation rate	Discount rate	Salary escalation rate
Impact of increase in 100 bps on defined benefit obligation	-6.61%	7.41%	-6.57%	7.37%
Impact of decrease in 100 bps on defined benefit obligation	7.46%	-6.69%	7.42%	-6.66%

39 Financial instruments by category

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

	As at 31-03-2021					As at 31-03-2020				
	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 (other than in subsidiaries)	32,721	-	4,573	37,294	37,294	21,164	-	1,023	22,187	22,187
Trade receivables	-	-	20,206	20,206	20,206	-	-	21,767	21,767	21,767

Notes Forming Part of Accounts

(₹ in Mn)

	As at 31-03-2021					As at 31-03-2020				
	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
Unbilled revenue*	-	-	5,267	5,267	5,267	-	-	4,151	4,151	4,151
Cash and cash equivalents	-	-	3,988	3,988	3,988	-	-	3,605	3,605	3,605
Other bank balances	-	-	23	23	23	-	-	109	109	109
Loans	-	-	1,879	1,879	1,879	-	-	715	715	715
Derivative financial instruments #	72	2,865	-	2,937	2,937	96	240	-	336	336
Other financial assets	-	-	500	500	500	-	-	1,357	1,357	1,357
Total	32,793	2,865	36,436	72,094	72,094	21,260	240	32,727	54,227	54,227

*Excludes Unbilled Revenue on Fixed Price Contracts where the right to consideration is conditional on factors other than passage of time

#Derivative Financial instruments fair valued through Profit and loss on account of Fair value hedges

(₹ in Mn)

	As at 31-03-2021					As at 31-03-2020				
	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										
Derivative financial instruments #	-	-	-	-	-	400	3,633	-	4,033	4,033
Trade payables	-	-	8,014	8,014	8,014	-	-	6,842	6,842	6,842
Lease liabilities	-	-	7,228	7,228	7,228	-	-	8,405	8,405	8,405
Other financial liabilities	481	-	6,097	6,578	6,578	644	-	4,339	4,983	4,983
Total	481	-	21,339	21,820	21,820	1,044	3,633	19,586	24,263	24,263

#Derivative Financial instruments fair valued through Profit and loss on account of Fair value hedges

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 (i.e. as prices) or indirectly (i.e. derived from prices)

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

(₹ in Mn)

	As at 31-03-2021				As at 31-03-2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Investments	32,720	-	1	32,721	21,163	-	1	21,164
Derivative financial instruments	-	2,937	-	2,937	-	336	-	336
Total	32,720	2,937	1	35,658	21,163	336	1	21,500
Liabilities								
Derivative financial instruments	-	-	-	-	-	4,033	-	4,033
Liability towards contingent consideration*	-	-	481	481	-	-	644	644
Total	-	-	481	481	-	4,033	644	4,677

* Pertains to contingent consideration payable to the selling shareholders for acquisition of business

Notes Forming Part of Accounts

Reconciliation of Level 3 fair value measurement of financial liabilities is as follows:

	(₹ in Mn)	
	As at 31-03-2021	As at 31-03-2020
Balance at the beginning of the year	644	-
Acquisitions during the year	-	602
Finance cost recognized in profit and loss	27	14
Amounts settled during the year	(179)	
Foreign exchange difference	(11)	28
Balance at the end of the year	481	644

A one percentage point change in the unobservable inputs used in fair valuation of Level 3 assets and liabilities does not have a significant impact on the value.

There have been no transfers among Level 1, Level 2 and Level 3 during the years ended March 31, 2021 and March 31, 2020.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

III) Financial risk management

The Company's activities expose it to a variety of financial risks - Market Risk, Credit Risk, interest rate risk and Liquidity Risk. The Company's primary focus is to foresee the uncertainty of financial markets and seek to minimize the potential adverse effects on its financial performance. The primary market risk to the company is foreign exchange risk. The company uses derivative financial instruments to mitigate the risks arising out of foreign exchange related exposures. The company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

i) Currency risk

The Company operates in multiple geographies and contracts in currencies other than the domestic currency exposing it to risks arising from fluctuation in the foreign exchange rates. The Company uses derivative financial instruments to mitigate foreign exchange related exposures. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision.

The Company's revenues are principally in foreign currencies and the maximum exposure is in US dollars.

The Board of Directors has approved the Company's financial risk management policy covering management of foreign currency exposures. The treasury department monitors the foreign currency exposures and enters into appropriate hedging instruments to mitigate its risk. The Company hedges its exposure on a net basis (i.e. expected revenue in foreign currency less expected expenditure in related currency). These hedges are cash flow hedges as well as fair value hedges.

The Foreign Currency Risk from Monetary assets and liabilities as at March 31, 2021 is as follows

	(₹ in Mn)						
	US Dollar	Euro	Emirati Dirham	Swedish Krona	Australian Dollar	Other currencies*	Total
Net financial assets	17,394	4,004	1,418	1,123	254	1,913	26,106
Net financial liabilities	(4,594)	(773)	(48)	(200)	(21)	(711)	(6,347)
Net assets/(liabilities)	12,800	3,231	1,370	923	233	1,202	19,759

* Other currencies include currencies such as Pound sterling, Norwegian Krone, Japanese Yen, Saudi Riyal, South African Rand, etc.

Notes Forming Part of Accounts

The Foreign Currency Risk from Monetary assets and liabilities as at March 31, 2020 is as follows

	(₹ in Mn)						
	US Dollar	Euro	Emirati Dirham	Swedish Krona	Australian Dollar	Other currencies*	Total
Net financial assets	16,578	2,593	145	615	262	3,558	23,751
Net financial liabilities	(3,622)	(243)	(42)	(53)	(28)	(441)	(4,429)
Net assets/(liabilities)	12,956	2,350	103	561	234	3,118	19,322

* Other currencies include currencies such as Pound sterling, Norwegian Krone, Japanese Yen, Saudi Riyal, South African Rand, etc.

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 ₹ 687 Mn as at March 31, 2021 (₹ 317 Mn as at March 31, 2020).

A) Derivative Financial Instruments

The company regularly reviews its foreign exchange forward and options positions, both on a standalone and in conjunction with its underlying foreign exchange exposures. The outstanding forward and option contracts at the year end, their maturity profile and sensitivity analysis are as under.

(i) The details in respect of outstanding foreign currency forward and options contracts are as follows:

	As at 31-03-2021		As at 31-03-2020	
	in Million	₹ in Million	₹ in Million	Total
Instruments designated as cash flow hedges				
Forward contracts				
In US Dollar	1,354	107,787	1,251	95,822
In South African Rand	136	635	6	30
In Swedish Krona	125	1,085	-	-
In Danish Krone	33	389	-	-
In Euro	25	2,147	15	1,293
In Norwegian Krone	22	186	-	-
In Australian Dollar	13	721	-	-
In Canadian Dollar	7	378	-	-
In United Kingdom Pound Sterling	4	430	4	406
Options Contracts				
In Euro	95	8,269	74	6,504
Instruments designated as fair value hedges				
In US Dollar	65	4,767	91	6,630
In Emirati Dirham	56	1,129	-	-
In Swedish Krona	12	100	24	185
In Euro	10	863	-	-
In United Kingdom Pound Sterling	7	670	5	401
In South African Rand	4	19	83	380
In Canadian Dollar	1	35	3	144
In Australian Dollar	1	33	2	105
In Norwegian Krone	-	-	5	37
In Danish Krone	-	-	4	44
Total Forward and Options contracts		129,643		111,980

Notes Forming Part of Accounts

- (ii) The foreign exchange forward and option contracts designated as cash flow hedges mature over a maximum period of 36 months. The company manages its exposures normally for a period of up to 3 years based on the estimated exposure over that period.

The table below analyses the derivative financial instrument into relevant maturity based on the remaining period as of the balance sheet date. Contracts with maturity not later than twelve months include certain contracts which can be rolled over to subsequent periods in line with underlying exposures.

Particulars	₹ in Mn	
	As at 31-03-2021	As at 31-03-2020
Not later than twelve months	67,810	55,589
Later than twelve months	61,833	56,392
Total	129,643	111,981

- (iii) During the year ended March 31, 2021, the company has designated certain foreign exchange forward and options contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. The related hedge transactions which for a part of hedge reserve as at March 31, 2021 will occur and be reclassified to the statement of Profit and loss over a period of 36 months.

The reconciliation for the cash flow Hedge Reserve for the years ended March 31, 2021 and March 31, 2020 is as follows:

Particulars	₹ in Mn	
	As at 31-03-2021	As at 31-03-2020
Balance at the Beginning of the year	(2,149)	2,243
Changes in fair value of forward and options contract designated as hedging instruments	5,970	(4,605)
Amount reclassified to profit and loss during the year	(158)	(1,186)
Tax impact on the above	1,463	1,399
Total	2,200	(2,149)

Actual future gains and losses associated with forward contracts designated as cash flow hedge may differ materially from the sensitivity analysis performed as of March 31, 2021 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 with respect to borrowings as on March 31, 2021. However the Company invests its surplus funds in Debt mutual funds and corporate deposits. The Company mitigates the risk of counter-party failure by investing in mutual fund schemes with large assets under management, investing in debt instruments issued with sound credit rating and placing corporate deposits with banks and financial institutions with high credit ratings assigned by domestic and international credit rating agencies.

Net assets value (NAV) of debt mutual funds are subject to changes in interest rates. Every one percent increase or decrease in the NAV of debt mutual funds where the company holds investments will impact the Company's profit after tax by ₹ 327 Mn in 2020-21 (₹ 212 Mn in 2019-20).

iii) Credit risk

Credit risk refers to the risk of default on its obligation by a counterparty resulting in a financial loss. The carrying amount of all financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 72,094 Mn and ₹ 54,227 Mn as at March 31, 2021 and March 31, 2020 respectively being the total of the carrying amount of Investments, Trade Receivables, Unbilled Revenue, Cash and other bank balances and all other financial assets.

The principal credit risk that the Company exposed to is non-collection of trade receivable and late collection of receivable and on unbilled revenue leading to credit loss. The risk is mitigated by reviewing creditworthiness of the prospective customers prior to entering into contract and post contracting, through continuous monitoring of collections by a dedicated team.

Notes Forming Part of Accounts

The Company makes adequate provision for non-collection of trade receivable and unbilled receivables. Further, the Company has not suffered significant payment defaults by its customers.

In addition, for delay in collection of receivable, the Company has made a provision for Expected Credit loss ('ECL') based on an ageing analysis of its trade receivables, finance leases and unbilled revenue. For trade receivables and finance leases, these range from 1.5% for dues outstanding up to six months to 15.7% for dues outstanding for more than 36 months for 2020-21 (Previous year 1.8% and 20.2% for dues outstanding up to 6 months and for more than 36 months respectively) and for unbilled revenue 1.4% for dues outstanding up to six months to 3.9% for dues outstanding for more than 12 months for 2020-21 (Previous year 1.8% for dues outstanding up to six months to 5.1% for dues outstanding for more than 12 months). No provision has been made on trade receivables in not due category.

The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. Exposure to customers is diversified and the percentage of revenue from its top five customers is 31.2% for 2020-21 (34.1% for 2019-20).

ECL allowance for non-collection and delay in collection of receivable and unbilled revenue, on a combined basis was ₹ 295 Mn and ₹ 211 Mn for the financial years ending on March 31, 2021 and March 31, 2020 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	
	2020-21	2019-20
Opening balance	211	147
Impairment loss recognised or (reversed)	84	64
Closing balance	295	211

The Company is also exposed to counter-party risk in relation to financial instruments taken to hedge its foreign currency risks. The counter- parties are banks and the Company has entered into contracts with the counter-parties for all its hedge instruments and in addition, entered into suitable credit support agreements to limit counter party risk where necessary.

iv) Liquidity risk

The Company's treasury department monitors the cash flows of the Company and surplus funds are invested in non- speculative financial instruments that include highly liquid funds and corporate deposits.

The Company has no borrowings as at March 31, 2021 but it has credit facilities with banks that will help it in generating funds for the business if required.

The contractual maturities of financial liabilities is as follows:

	As at 31-03-2021			As at 31-03-2020		
	Within a year	More than one year	Total	Within a year	More than one year	Total
Trade payables	8,014	-	8,014	6,842	-	6,842
Derivative financial instruments	-	-	-	2,013	2,020	4,033
Lease liabilities	1,471	7,992	9,463	1,537	10,218	11,755
Other financial liabilities	6,239	367	6,606	4,518	520	5,038
Total	15,724	8,359	24,083	14,910	12,758	27,668

Credit risk on cash and cash equivalents is limited as the company generally invest in deposits with banks and financial institutions with high ratings assigned by international and domestic credit rating agencies and analysing market information on a continuous and evolving basis. Ratings are monitored periodically and the company has considered the latest available credit ratings as well as any other market information which may be relevant at the date of approval of these standalone financial statements.

Notes Forming Part of Accounts

40 LEASES

40(I) Following are the changes in the carrying value of right of use assets for the year ended March 31, 2021

	Category of ROU Asset			Total
	Office Premises	Furniture & Fixtures	Vehicles	
Balance as at March 31, 2020	7,284	68	0	7,352
Additions during the year	339	-	3	342
Deletions during the year	(575)	-	-	(575)
Depreciation for the year	(1,162)	(17)	(0)	(1,179)
Balance as at March 31, 2021	5,886	51	3	5,940

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020

	Category of ROU Asset			Total
	Office Premises	Furniture & Fixtures	Vehicles	
Balance as at April 1, 2019	4,616	85	1	4,702
Additions during the year	3,705	-	-	3,705
Deletions during the year	(2)	-	-	(2)
Depreciation for the year	(1,035)	(17)	(1)	(1,053)
Balance as at March 31, 2020	7,284	68	0	7,352

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

40(II) The following is the break-up of current and non-current lease liabilities

	₹ in Mn	
	2020-21	2019-20
Current lease liabilities	1,144	1,182
Non-current lease liabilities	6,084	7,223
	7,228	8,405

40(III) The following is the movement in lease liabilities

	₹ in Mn	
	2020-21	2019-20
Balance at the Beginning of the year[refer note 2.j]	8,405	5,445
Additions during the year	304	3,534
Finance cost accrued during the year	682	665
Deletions during the year	(616)	(2)
Payment of lease liabilities	1,567	(1,380)
Translation difference	20	143
Balance at the end of the year	7,228	8,405

Notes Forming Part of Accounts

40(IV) The following is the movement in the net investment in sublease in ROU asset

	₹ in Mn	
	2020-21	2019-20
Balance at the beginning of the year	24	32
Interest income accrued during the year	2	2
Lease receipts during the year	(12)	(11)
Translation difference	1	1
Balance at the end of the year	15	24

40(V) The table below provides details regarding the contractual maturities of net investment in sublease of ROU asset on an undiscounted basis:

	₹ in Mn	
	2020-21	2019-20
Less than one year	11	11
One to five years	7	17
Total	18	28

40(VI) Leasing arrangements

Finance lease receivables consist of assets that are leased to customers for contract terms ranging from 3 to 4 years, with lease payments due in monthly instalments. Details of finance lease receivables are given below:

Minimum Lease Payment

	₹ in Mn	
	2020-21	2019-20
Not later than one year	92	-
Later than one year but not later than five years	155	-
Gross investment in lease	247	-
Less: Unearned finance income	16	-
Present value of minimum lease payment receivables	231	-

Present Value of Minimum Lease Payment

	₹ in Mn	
	2020-21	2019-20
Not later than one year	81	-
Later than one year but not later than five years	150	-
Gross investment in lease	231	-
Less: Unearned finance income	-	-
Present value of minimum lease payment receivables	231	-

Included in the balance sheet as follows:

	₹ in Mn	
	2020-21	2019-20
Non-current finance lease receivables	150	-
Current finance lease receivables	81	-
Total	231	-

Finance income on Finance Lease Receivables was ₹ 11 Mn for the year ended March 31, 2021 (Previous year : Nil)

Selling profit on Finance Lease Receivables has been recognised amounting to ₹ 145 Million for the year ended March 31, 2021 (Previous year : Nil)

Notes Forming Part of Accounts

41 Auditor's Remuneration (excluding taxes) charged to the accounts include:

	(₹ in Mn)	
	2020-21	2019-20
Audit fees	3	3
Tax audit fees	1	1
Other services	3	4
Expense reimbursement	1	1
	8	9

42 Basic and Diluted Earnings Per Share (EPS) At Face Value of ₹ 1

	2020-21	2019-20
Profit after tax (₹ in Mn)	17,874	15,524
Weighted average number of shares outstanding	174,460,220	173,823,653
Basic EPS (₹)	102.45	89.31
Weighted average number of shares outstanding	174,460,220	173,823,653
Add: Weighted average number of potential equity shares on account of employee stock options	1,135,891	1,684,617
Weighted average number of shares outstanding	175,596,111	175,508,270
Diluted EPS (₹)	101.79	88.45

43 Related Party Disclosure:

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

(III) 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 (liquidated effective August 20, 2019)	Wholly owned subsidiary
L&T Information Technology Spain, Sociedad Limitada	Wholly owned subsidiary
L&T Infotech S. DE R.L. DE C.V.	Wholly owned subsidiary
Syncordis Software Services India Private Limited	Wholly owned subsidiary
Syncordis S.A.1	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

Notes Forming Part of Accounts

Name	Relationship
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. ¹	Wholly owned subsidiary
Nielsen & Partner Pty Ltd	Wholly owned subsidiary
Nielsen & Partner Company Limited	Wholly owned subsidiary
Lymbyc Solutions Private Limited (acquired on August 1, 2019)	Wholly owned subsidiary
Lymbyc Solutions Inc. (acquired on August 1, 2019)	Wholly owned subsidiary
Powerup Cloud Technologies Private Limited (acquired on October 1, 2019)	Wholly owned subsidiary
Larsen & Toubro Infotech UK Limited (incorporated on August 17, 2020)	Wholly owned subsidiary
LTI Middle East FZ-LLC (incorporated November 25, 2020)	Wholly owned subsidiary

1. Nielsen + Partner S.A. has been merged with Syncordis S.A. w.e.f. December 21, 2020

(III) Key Management Personnel:

Name	Relationship
Mr. Sanjay Jalona	Chief Executive Officer (CEO) & Managing Director (MD)
Mr. Sudhir Chaturvedi	President – Sales & Whole time Director (WTD)
Mr. Nachiket Deshpande ³	Chief Operating Officer (COO) & Whole Time Director (WTD)
Mr. Ashok Kumar Sonthalia ¹	Chief Financial Officer (CFO)
Mr. Anil Rander ²	Chief Financial Officer (CFO)

1. Ceased to be CFO from the close of business hours of January 25, 2021

2. Appointed as CFO w.e.f. April 14, 2021

3. Appointed as WTD w.e.f. May 2, 2019

(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 (formerly known as L&T Construction Machinery Limited)	Fellow Subsidiary
L&T Realty Developers Limited (formerly known as L&T Construction Equipment Limited)	Fellow Subsidiary
L&T Finance Limited	Fellow Subsidiary
Larsen & Toubro LLC	Fellow Subsidiary
Nabha Power Limited	Fellow Subsidiary
L&T Metro Rail (Hyderabad) Ltd	Fellow Subsidiary
Larsen & Toubro (East Asia) SDN BHD.	Fellow Subsidiary
L&T Technology Services LLC	Fellow Subsidiary
L&T Saudi Arabia LLC	Fellow Subsidiary
Mindtree Limited	Fellow Subsidiary

Notes Forming Part of Accounts

Name	Relationship
L&T Infrastructure Development Projects Limited (IDPL)	Joint venture of Holding Company
L&T-MHI Turbine Generators Pvt Ltd	Joint venture of Holding Company
L&T-MHI Boilers Pvt.Ltd	Joint venture of Holding Company
L&T Officers & Supervisory Staff Provident Fund	Post employment benefit plans
Nexant Limited	Company in which Directors are Interested
Calient Technologies Inc	Company in which Directors are Interested

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

The Company's material related party transactions and outstanding balances are with related parties with whom the Company routinely enter into transactions in the ordinary course of business.

A. Transaction	Holding company	
	2020-21	2019-20
Sale of services/product	1,154	1,391
Purchases of services / products	68	66
Purchases of assets	32	-
Overheads charged by	577	534
Overheads charged to	41	115
Trademark fees	309	277
Interim dividend	1,947	1,622
Final dividend paid	2,012	2,012

(₹ in Mn)

Outstanding Balances	Holding company	
	2020-21	2019-20
Trade receivable	220	794

B. Transaction	Joint venture of Holding Company	
	2020-21	2019-20
Sale of services / products	39	38
- L&T Infrastructure Development Projects Limited	39	38

Outstanding Balance	Joint venture of Holding Company	
	2020-21	2019-20
Trade receivable	17	11
- L&T Infrastructure Development Projects Limited	17	11

C. Transaction	Post employment benefit plans	
	2020-21	2019-20
Contribution to post employment benefit plans	536	433
- L&T Officers & Supervisory Staff Provident Fund	536	433

Outstanding Balance	Joint venture of Holding Company	
	2020-21	2019-20
Contribution to post employment benefit plans	161	115
- L&T Officers & Supervisory Staff Provident Fund	161	115

Notes Forming Part of Accounts

(₹ in Mn)

D. Transaction	Fellow subsidiaries	
	2020-21	2019-20
Sale of services / products	829	1,318
- L&T Technology Services Limited	457	1,020
- L&T Hydrocarbon Engineering Limited	249	188
- L&T Thales Technology Services Private Limited	7	25
Sale of assets	0	-
- Mindtree Limited	0	-
Purchases of services / products	772	1,049
- L&T Technology Services Ltd.	663	1,033
- Mindtree Limited	106	13
Overheads charged by	30	31
- Larsen & Toubro (East Asia) SDN BHD.	14	18
- L&T Technology Services Limited	13	10
Overheads charged to	64	72
- L&T Technology Services Limited	46	53
- L&T Valves Limited	0	0
- L&T Hydrocarbon Engineering Limited	17	17
Commission charged to	-	1
- L&T Technology Services Limited	-	1

Outstanding Balance	Fellow subsidiaries	
	2020-21	2019-20
Trade receivable	391	219
- L&T Technology Services Limited	227	-
- L&T Thales Technology Services Private Limited	2	15
- L&T Hydrocarbon Engineering Limited	118	56
- L&T Finance Limited	2	2
- L&T Metro Rail (Hyderabad) Ltd	5	9
Trade payable	3	318
- L&T Technology Services Limited	-	208
- L&T Technology Services LLC	1	2
- Larsen & Toubro (East Asia) SDN BHD.	2	1

E. Transaction	Subsidiaries	
	2020-21	2019-20
Sale of services / products	3,323	1,995
- Larsen & Toubro Infotech GmbH	869	511
- L&T Infotech Financial Services Technologies Inc.	366	357
- Larsen & Toubro Infotech South Africa (Proprietary) Limited	170	89
- Larsen & Toubro Infotech Canada Limited	1,022	712
- L&T Information Technology Spain, Sociedad Limitada	141	165
- Larsen & Toubro Infotech Norge AS	332	64
Purchases of services / products	2,250	1,713
- Larsen & Toubro Infotech LLC	19	67

Notes Forming Part of Accounts

E. Transaction	Subsidiaries	
	2020-21	2019-20
- Larsen & Toubro Infotech Canada Limited	1,451	1,202
- L&T Infotech S. DE R.L. DE C.V.	179	115
- Nielsen+Partner Pte. Ltd	264	79
Overheads charged by	321	212
- Larsen & Toubro Infotech GmbH	22	43
- L&T Information Technology Spain, Sociedad Limitada	40	24
- L&T Information Technology Services (Shanghai) Co. Ltd.	161	80
- Larsen & Toubro Infotech Canada Limited	9	25
- Syncordis Limited	-	4
- Powerup Cloud Technologies Private Limited	43	20
Overheads charged to	336	190
- Larsen & Toubro Infotech Canada Limited	20	24
- Larsen & Toubro Infotech GmbH	86	57
- Larsen & Toubro Infotech South Africa (Proprietary) Limited	2	3
- L&T Information Technology Spain, Sociedad Limitada	6	50
- Larsen & Toubro Infotech Norge AS	110	17
Commission charged to	2	-
- LTI Middle East FZ-LLC	2	-
Transfer of business to subsidiary	-	53
- Larsen & Toubro Infotech Norge AS	-	53
Purchase of assets	11	0
- Lymbyc India Solutions Private Limited	-	0
- Ruletronics Systems Private Limited, India	1	0
- Powerup Cloud Technologies Private Limited	1	-
- Syncordis Software Services India Private Limited	10	-
Dividend received	-	901
- L&T Infotech Financial Services Technologies Inc.	-	723
- Larsen & Toubro Infotech GmbH	-	126
- Larsen & Toubro Infotech Canada Limited	-	52
Loan given to subsidiary	1,116	78
- Ruletronics Systems Private Limited	-	23
- Lymbyc India solutions private Limited	-	30
- Powerup Cloud Technologies Private Limited	11	25
- LTI Middle East FZ-LLC	1,105	-
Loan repaid by subsidiary	28	3
- Ruletronics Systems Private Limited	-	3
- Lymbyc India solutions private Limited	-	-
- Powerup Cloud Technologies Private Limited	28	-
Investment in subsidiary	37	-
- LTI Middle East FZ-LLC	37	-
- Larsen & Toubro Infotech UK Limited	0	-
Guarantees given on behalf of subsidiary	736	3,716
- LTI Middle East FZ-LLC	736	-
- L&T Infotech Financial Services Technologies Inc.	-	3,716

Notes Forming Part of Accounts

Outstanding Balance	Subsidiaries	
	2020-21	2019-20
Trade receivable	1,522	788
- L&T Infotech Financial Services Technologies Inc.	72	35
- L&T Information Technology Spain, Sociedad Limitada	43	82
- Larsen & Toubro Infotech South Africa (Proprietary) Limited	29	85
- Larsen & Toubro Infotech GmbH	654	356
- Larsen & Toubro Infotech Norge AS	263	130
- L&T Infotech S. DE R.L. DE C.V.	3	-
- L&T Infotech LLC	30	-
- Nielsen+Partner Pte. Ltd.	2	-
- Powerup Cloud Technologies Private Limited	35	-
Trade payable	285	194
- Larsen & Toubro Infotech Canada Limited	240	113
- L&T Infotech S. DE R.L. DE C.V.	-	11
- L&T Infotech LLC	-	5
- Nielsen+Partner Pte. Ltd.	-	21
- Powerup Cloud Technologies Private Limited	-	22
- Ruletronics Limited	30	10
Loan given to subsidiary	1,169	81
- Ruletronics Systems Private Limited	26	26
- Lymbyc India solutions private Limited	30	30
- Powerup Cloud Technologies Private Limited	8	25
- LTI Middle East FZ-LLC	1,105	-

F. Transaction	Company in which Directors are Interested	
	2020-21	2019-20
Sale of services / products	5	2
- Calient Technologies Inc	4	2

Outstanding Balance	Company in which Directors are Interested	
	2020-21	2019-20
Trade receivable	-	2
- Calient Technologies Inc	-	2

* All balances are unsecured and to be settled in cash.

(VI) Managerial remuneration

	₹ in Mn	
	2020-21	2019-20
(i) Short term employee benefits	207	166
(ii) Contribution to funds	14	12

Notes Forming Part of Accounts

(₹ in Mn)

	2020-21	2019-20
Mr. Sanjay Jalona	112	87
Mr. Sudhir Chaturvedi	75	60
Mr. Nachiket Deshpande ²	21	17
Mr. Ashok Kumar Sonthalia ¹	13	14

1. Includes upto the date of cessation - January 25, 2021

2. Includes from the date of appointment - May 2, 2019

Share based payments on employee stock options granted (if any) are charged to P&L over vesting period of ESOPs

44 Segment Reporting

In accordance with Ind AS 108 'Operating Segment', the Company has disclosed Segment information on consolidated basis for the year ended March 31, 2021 which is available as part of the audited consolidated financial statements of the Company

45 Dues to Micro Enterprises and Small Enterprises:

(₹ in Mn)

	As at 31-03-2021	As at 31-03-2020
i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	82	79
ii) the amount of interest paid by the Company in terms of section 16 of MSMED Act, 2006, along with the amounts of the payment made to the suppliers beyond the appointed day during the year	-	-
iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year without adding the interest specified under MSMED Act, 2006	-	-
iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

The management has identified dues to micro and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) on the basis of information made available by the supplier or vendors of the Company.

46 Amount required to be spent by the Company on Corporate Social Responsibility (CSR) related activities during the year 2020-21 is ₹ 326 Mn. The actual amount spent by the company on Corporate Social Responsibility (CSR) related activities during the year 2020-21 is ₹ 328 Mn. The amount carried forward from 2019-20 of PM Cares fund is ₹ 180 Mn and amount recognised as expense in the statement of profit & loss on CSR related activities during the year ended 31 March 2021 is ₹ 148 Mn, which comprises of:

(₹ in Mn)

Particulars	Disclosed under	In cash	Yet to be paid in cash	Total
General purposes	Other expenses in Note No 32	141	0	141
General purposes	Salary Cost included in Note No 29	7	0	7
PM Cares Fund	Carried forward from 2019-20	180	0	180
Total		328	0	328

Notes Forming Part of Accounts

47 Events occurring after the reporting period:

The Board of Directors at its meeting held on May 4, 2021, has recommended final dividend of ₹ 25 per equity share (Face value ₹ 1) for the financial year ended March 31, 2021.

48 The company is not required to transfer any amount to Investor Education and Protection Fund.

49 In case of figures mentioned as '0' in the financial statements, it denotes figures less than 0.5 million.

50 Previous year's figures have been regrouped/reclassified wherever applicable to facilitate comparability.

51 The financial statements were approved by the Board of Directors on May 4, 2021.

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 4, 2021

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

Anil Rander
Chief Financial Officer
Mumbai

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

Manoj Koul
Company Secretary & Compliance Officer
Pune

Independent Auditors' Report

To the members of Larsen and Toubro Infotech Limited
Report on the audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of Larsen and Toubro Infotech Limited (hereinafter referred to as "the Parent"), and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (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 and based on the consideration of reports of the other auditors on separate Financial Statements of the Subsidiaries referred to in the Other Matters section below, 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 Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, its consolidated profit, consolidated total comprehensive income, its consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditors' 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 ("the ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraphs (a) and (b) of the Other Matters section below is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements for the year ended March 31, 2021. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated Financial Statements.

Revenue Recognition

Key Audit Matter Accuracy of recognition, measurement, presentation and disclosures of revenue and other related balances in view of the principles laid down under Ind AS 115 "Revenue from Contracts with Customers".

The application of the revenue accounting standard (Ind AS 115) involves significant judgements/material estimates relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period.

Additionally, the standard requires disclosures, which involve collation of information in respect of disaggregated revenue, and periods over which the remaining performance obligations will be satisfied subsequent to the Balance Sheet date.

The Group has also evaluated the impact of COVID - 19 resulting from (i) the possibility of constraints to render services which may require revision of estimations of costs to complete the contract because of additional efforts, (ii) onerous obligations, (iii) penalties relating to breaches of service level agreements and (iv) termination or deferment of contracts by customers.

Refer Note No. 2(f) and Note No. 28 to the Consolidated Financial Statements for relevant accounting policy and disclosure respectively.

Revenue Recognition

Principal Audit Procedures Our audit approach consisted of testing the design and operating effectiveness of the internal controls and substantive testing as follows:

- Evaluated the design and operating effectiveness of internal controls relating to the application of revenue accounting standard specifically, those relating to identification of the distinct performance obligations and determination of transaction price. Procedures performed included enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls.
- Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the revenue accounting standard.
- Selected a sample of continuing and new contracts and performed the following procedures:
 - Read, analysed and identified the distinct performance obligations in these contracts.
 - Compared such performance obligations with those identified and recorded by the Company.
 - Reviewed contract terms to determine the transaction price including any variable consideration to determine the appropriate transaction price for computing revenue and to test the basis of estimation of the variable consideration.
 - Samples in respect of revenue recorded for time and material contracts were tested through a review of approved time sheets including customer acceptances, subsequent invoicing and historical trend of collections and disputes.
 - In respect of samples relating to fixed price contracts, progress towards satisfaction of performance obligation used to compute recorded revenue was verified with actual and estimated efforts from the time recording and contracting systems. We also tested the access and change management controls relating to these systems.
- Performed analytical procedures for reasonableness of revenue disclosed by type and service offerings.
- Critically reviewed management's assessment relating to impact of Covid 19 on revenue recognition, as stated above
- We reviewed the collation of information and the logic of the report generated from the management system used to prepare the disclosure relating to the periods over which the remaining performance obligations will be satisfied after the Balance Sheet date.

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

Key Audit Matter Adequacy of provisioning and assessing of contingent liabilities in respect of compliance with local and international laws and regulations including Income tax assessments.

The nature of Company's operations carries a compliance risk as well as financial risk in terms of recognition and measurement of any provision and disclosure of contingent liability on account of possible non-compliance with local and international laws and regulations. In some cases, an auditor may require a critical evaluation of legal positions/opinions taken by the Company involving a complex matter and a high degree of professional judgment.

Furthermore, the Company's SEZ unit is eligible for exemption under Section 10AA of Indian Income Tax Act, 1961. The Company may have some unsettled tax positions including matters under dispute on account of disallowance of exemption under Section 10A/10AA on profits earned by STPI/SEZ units on onsite export revenue. The evaluation involves significant judgement to determine the possible outcome of these cases.

Refer Note No. 2(t) and Note No. 37 to the Consolidated Financial Statements for relevant accounting policy and disclosure respectively.

Principal Audit Procedures

- We have evaluated the design and operating controls in relation to the compliance tracker maintained by the Company with respect to compliance with local and international laws and 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.

Revenue Recognition

Principal Audit Procedures

- 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

Auditing standards require at least an annual testing of carrying value of goodwill. Value of Goodwill is a result of management's estimate of future cash flows from the relevant entity/cash generating unit.

As required by Ind AS 36 Impairment of Assets, the 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. Management has also carried out sensitivity analysis for all key assumptions, including the cash flow projections, consequent to the change in estimated future economic conditions arising from the possible effects due to COVID-19.

Refer Note No. 2(e) and Note No. 5 to the Consolidated Financial Statements for relevant accounting policy and disclosure respectively.

Principal Audit procedures

- We evaluated the appropriateness of management's identification of the Group's CGUs and the continued satisfactory operation of the Group's controls over the impairment assessment process.

- Our procedures included discussion with management on the suitability of the impairment model and reasonableness of the assumptions, through performing the following procedures:
 - Obtaining management's assessment of recoverable amounts of relevant entities, testing the mathematical accuracy of the cash flow models and ensuring that the projections used agrees with the management approved long range plans. Assessing the reliability of management's forecast through a review of actual performance against previous forecasts.
 - Benchmarking company's key market-related assumptions in management's valuation models with industry comparators and with assumptions made in the prior years including revenue and margin trends, capital expenditure and market share and customer churn, foreign exchange rates and discount rates, against external data available.

Information other than the Financial Statements and Auditors' Report thereon

The Parent Company's Board of Directors is responsible for the other information. The other information at the date of this Auditors' Report comprises the information included in the Board of Directors' Report, but does not include the Consolidated Financial Statements and our Auditors' 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, compare with the Financial Statements of the Subsidiaries audited by the other auditors, to the extent it relates to those entities and, in doing so, place reliance on the work of the other auditors and consider whether such 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. Other information so far as it relates to the Subsidiaries is traced from their Financial Statements audited by the other auditors.

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 for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring

the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Parent, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate or cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent 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 the 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 ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the Financial Statements of such entities or business activities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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 Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

We communicate with those charged with governance of the Parent and such other companies included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditors' 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

- (a) We did not audit the Financial Statements and other financial information, in respect of 13 Subsidiaries whose Financial Statements include total assets of Rs. 13,361 million as at March 31, 2021, and total revenues of Rs. 9,895 million and net cash inflows of Rs. 1,909 million for the year ended on that date. These Financial Statements and other financial information have been audited by other auditors, which Financial Statements, other financial information and Auditors' Reports have been furnished to us by the management. Our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these Subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid Subsidiaries is based solely on the reports of such other auditors.
- (b) Certain of the Subsidiaries / Step down Subsidiaries of the Group are located outside India, whose Financial Statements and other financial information has been prepared in accordance with the accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The management of these entities have converted the Financial Statements of such Subsidiaries / Step Down Subsidiaries located outside India from accounting principles generally accepted in the respective countries to the accounting principles generally accepted in India. Our opinion in so far as it relates to the balances and affairs of such Subsidiaries and Step-down Subsidiaries located outside India is based on the report of the other auditors and the conversion adjustments prepared by the management of the Company and audited by us.
- (c) We or other auditors have not audited the Financial Statements of 14 Subsidiaries / Step-down Subsidiaries whose Financial Statements reflects total assets of Rs. 3,151 million, total revenues of Rs. 4,654 million and net cash inflows amounting to Rs. 188 million as of and for the year ended March 31, 2021 as considered in the Consolidated Financial Statements. These Financial Statements are unaudited and have been furnished to us by the management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these Step-down Subsidiaries, and our report in terms of sub-Section (3) of Section 143 of the Act in so far as it relates to the aforesaid Subsidiaries, is based solely on such unaudited Financial

Statements. In our opinion and according to the information and explanations given to us by the management, these Financial Statements are not material to the Group.

Our opinion on the Consolidated Financial Statements, and our report on other Legal and Regulatory requirements, is not modified in respect of the above matters with respect to our reliance on the work performed and the reports of the other auditors and the Financial Statements and other financial information certified by the management.

Report on other Legal and Regulatory requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial information of the Subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Consolidated Statement of Other Comprehensive Income, 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 maintained for the purpose of preparation of the Consolidated Financial Statements.
- (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Parent as on March 31, 2021 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its Subsidiaries incorporated in India, none of the directors of the Group is disqualified as on March 31, 2021 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 with reference to financial statements and the operating effectiveness of such controls, refer to our separate report in Annexure A which is based on the auditors' reports of the Parent and Subsidiaries incorporated in India, to the extent applicable. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to financial statements of those companies.
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the Subsidiaries incorporated in India, the

managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Parent Company and its Subsidiaries incorporated in India to their directors in accordance with the provisions of Section 197 read with Schedule V to the Act.

- (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate Financial Statements as also the other financial information of the Subsidiaries as noted in the 'Other Matter' paragraph:

- (i) The Consolidated Financial Statements disclose the impact of pending litigations on consolidated financial position of the Group in its Consolidated Financial Statements – Refer Note 38 to the Consolidated Financial Statements;

- (ii) Provision has been made in the Consolidated Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and

- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its Subsidiaries incorporated in India during the year ended March 31, 2021.

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

Padmini Khare Kaicker
Partner
Membership No. 044784
UDIN: 21044784AAAAAU9821

Mumbai, May 4, 2021

Annexure A to the Independent Auditors' Report

[Referred to under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to consolidated financial statements 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 Larsen and Toubro Infotech Limited as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to consolidated financial statements of Larsen and Toubro Infotech Limited (hereinafter referred to as the "Parent") and its subsidiary companies which are companies incorporated in India as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent and its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Parent and its subsidiary companies which are companies incorporated in India, based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 with reference to consolidated financial statements 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 with reference

to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, 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 and the audit evidence obtained by other auditors of the subsidiary companies which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to consolidated financial statements of the Parent and its subsidiary companies which are companies incorporated in India.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to consolidated financial statements 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 with reference to consolidated financial statements 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 with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to

consolidated financial statements 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 the reports of other auditors referred to in the Other Matters paragraph below, the Parent and its subsidiary companies which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2021, based on the criteria for internal financial control with reference to consolidated financial statements 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.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to four subsidiary companies which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

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

Padmini Khare Kaicker
Partner
Membership No. 044784
UDIN: 21044784AAAAU9821

Mumbai, May 4, 2021

Consolidated Balance Sheet

as at March 31, 2021

Particulars	Note No.	₹ in million)	
		As at 31-03-2021	As at 31-03-2020
Assets			
Non-current assets			
(a) Property, Plant and Equipment	5	3,857	4,031
(b) Right of Use Asset	42(I)	6,221	7,692
(c) Capital work-in-progress	5	403	382
(d) Goodwill	5	6,574	6,368
(e) Other Intangible assets	5	2,408	1,106
(f) Intangible assets under development	5	259	210
(g) Financial Assets			
(i) Investments	6	1,013	2
(ii) Loans	7	457	560
(iii) Other financial assets	8	1,595	118
(h) Deferred Tax Assets(Net)	9	546	2,222
(i) Income tax Assets (net)		930	817
(j) Other non-current assets	10	1,515	1,451
Total Non-Current Assets		25,778	24,959
Current assets			
(a) Financial Assets			
(i) Investments	11	36,282	22,186
(ii) Trade receivable	12	20,835	23,121
(iii) Unbilled Revenue	13	6,071	4,420
(iv) Cash and Cash Equivalents	14	6,759	4,853
(v) Other bank balances	15	835	399
(vi) Loans	16	300	129
(vii) Other Financial Assets	17	1,858	1,613
(b) Income tax assets (Net)		-	7
(c) Other current assets	18	8,373	6,562
Total Current Assets		81,313	63,290
TOTAL ASSETS		107,091	88,249
Equity And Liabilities			
Equity			
(a) Equity Share capital	19	175	174
(b) Other Equity			
(i) Other Reserves	20	11,294	6,336
(ii) Retained Earnings	20	61,565	47,530
(c) Non controlling interest	20	37	11
Total Equity		73,071	54,051
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Lease Liabilities	42 (II)	6,375	7,571
(ii) Other financial liabilities	21	445	2,884
(b) Other non current liabilities	22	479	-
(c) Deferred tax liabilities (net)	9	35	101
(d) Provisions	23	363	330
Total Non-Current Liabilities		7,697	10,886
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	24	414	320
(ii) Trade payables			
- Due to micro and small enterprises	25	82	79
- Due to other than micro and small enterprises	25	8,195	6,871
(iii) Other financial liabilities	26	7,831	8,011
(iv) Lease liabilities	42 (II)	1,194	1,228
(b) Other Current Liabilities	27	4,921	4,134
(c) Provisions	28	3,542	2,588
(d) Income tax Liabilities (Net)		144	81
Total Current Liabilities		26,323	23,312
TOTAL EQUITY AND LIABILITIES		107,091	88,249
Significant Accounting Policies	2		
Other notes to accounts	38-50		

As per our report attached

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

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

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

Padmini Khare Kaicker
Partner
Membership No: 044784
Mumbai
May 4, 2021

Anil Rander
Chief Financial Officer
Mumbai

Manoj Koul
Company Secretary & Compliance Officer
Pune

Consolidated Statement of Profit and Loss

for the year ended March 31, 2021

Particulars	Note No.	₹ in million)	
		April 20-March 21	April 19-March 20
Income from operations			
Revenue from operations	29	123,698	108,786
Other income	30	2,744	3,292
Total income		126,442	112,078
Expenses:			
Employee Benefits Expense	31	74,289	65,166
Operating expenses	32	20,194	21,506
Finance costs	33	788	826
Depreciation and Amortisation expense	34	3,325	2,730
Other expenses	35	1,964	1,821
Total Expenses		100,560	92,049
Profit before tax		25,882	20,029
Tax expense			
Current tax	36	6,314	3,913
Deferred tax	36	186	911
		6,500	4,824
Net Profit for the Period		19,382	15,205
Other Comprehensive Income	37		
A. Items that will not be reclassified subsequently to profit or loss, net		36	11
B. Items that will be reclassified subsequently to profit or loss, net		4,752	[4,110]
Total other comprehensive income		4,788	(4,099)
Total Comprehensive Income for the Period		24,170	11,106
Profit Attributable to :			
Owners of the Company		19,361	15,201
Non- Controlling interests		21	4
		19,382	15,205
Total Comprehensive Income Attributable to :			
Owners of the Company		24,146	11,103
Non- Controlling interests		24	3
		24,170	11,106
Earnings Per Share (EPS)			
Basic earning per equity share		110.98	87.45
Diluted earning per equity share		110.26	86.61
Significant Accounting Policies	2		
Other notes to accounts	38-50		

As per our report attached

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

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Chief Executive Officer & Managing Director
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New Jersey, USA

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Membership No: 044784
Mumbai
May 4, 2021

Anil Rander
Chief Financial Officer
Mumbai

Manoj Koul
Company Secretary & Compliance Officer
Pune

Consolidated Cash Flow Statement

for the year ended March 31, 2021

(₹ in million)

Particulars	April 20-March 21	April 19-March 20
A. Cash Flow from Operating Activities		
Net profit after tax	19,382	15,205
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation and amortisation	3,325	2,730
Income tax expense	6,500	4,824
Expense recognised in respect of equity settled stock option	168	319
Realised income from current investment	(982)	(1,037)
Unrealised income from current investment	(560)	(179)
Interest received	(162)	(64)
Interest expense	788	826
Unrealised foreign exchange (gain)/loss	(176)	(3)
Provision for doubtful debts (net)	232	236
Reversal of liability towards acquisition of business	(592)	-
(Gain)/Loss from lease short close	(83)	-
Unrealised (gain)/loss from finance lease	(145)	-
Net loss/(gain) on sale of property, plant and equipment	(3)	9
Operating profit before working capital changes	27,692	22,866
Changes in working capital		
(Increase)/decrease in trade receivables & unbilled revenue	(203)	(3,131)
(Increase)/decrease in other receivables	(1,968)	(2,786)
Increase/(decrease) in trade & other payables	4,875	3,604
(Increase)/decrease in working capital	2,704	(2,313)
Cash generated from operations	30,396	20,553
Income taxes paid	(6,400)	(4,118)
Net cash (used in)/generated from operating activities	23,996	16,435
B. Cash Flow from Investing Activities		
Purchase of fixed assets	(2,719)	(2,465)
Sale of fixed assets	54	39
(Purchase)/sale of investments	(14,611)	(4,604)
Payment towards contingent consideration pertaining to acquisition of business	(408)	(103)
Payment towards business acquisition	(18)	(488)
Interest received	160	64
Realized income from current investment	982	1,037
Net cash (used in)/generated from investing activities	(16,560)	(6,520)

Consolidated Cash Flow Statement

For the year ended March 31, 2021

(₹ in million)

Particulars	April 20-March 21	April 19-March 20
C. Cash Flow from Financing Activities		
Proceeds from issue of share capital	1	-
Proceeds from/(repayment) of borrowings	94	320
Deposit under Credit support agreement received/(paid)	1,759	(2,104)
Payment towards lease liabilities	(1,602)	(1,397)
Interest paid	(21)	(40)
Dividend paid	(5,319)	(4,864)
Tax on dividend paid	-	(815)
Net cash (used in)/generated from financing activities	(5,088)	(8,900)
Net increase/(decrease) in cash and cash equivalents	2,348	1,015
Cash and cash equivalents at beginning of the period	5,252	4,150
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(6)	87
Cash and cash equivalents at end of the period*	7,594	5,252

* Refer Note 14 and Note 15 to the Consolidated Financial Statements

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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Mumbai
May 4, 2021

Anil Rander
Chief Financial Officer
Mumbai

Manoj Koul
Company Secretary & Compliance Officer
Pune

Consolidated Statement of Changes in Equity

for the year ended March 31, 2021

(₹ in million)

Particulars	Share Capital	General Reserve	Share Premium	Retained Earnings	Employee Stock option outstanding	Deferred employee compensation expense	Capital reserve	Other Components of Equity			Equity attributable to equity holders of the company	Non-controlling interest	Total Equity
								Hedging Reserve	FCTR	Other Comprehensive Income			
Balance as on April 1, 2020	174	4,506	2,514	47,530	1,062	(379)	0	(2,149)	690	92	54,040	11	54,051
Employee Stock Compensation Expense	-	-	-	-	196	(196)	-	-	-	-	-	-	-
Net Profit for the year	-	-	-	19,361	-	-	-	-	-	-	19,361	21	19,382
Other Comprehensive Income	-	-	-	-	-	-	-	4,349	400	36	4,785	3	4,788
Dividends (Including DDT)	-	-	-	(5,324)	-	-	-	-	-	-	(5,324)	-	(5,324)
Increase in non-controlling interest due to Divestment	-	-	-	(2)	-	-	-	-	-	-	(2)	2	-
Other changes	1	2	348	-	(464)	287	0	-	-	-	174	-	174
Balance as on March 31, 2021	175	4,508	2,862	61,565	794	(288)	0	2,200	1,090	128	73,034	37	73,071

for the Year Ended March 31, 2020

(₹ in million)

Particulars	Share Capital	General Reserve	Share Premium	Retained Earnings	Employee Stock option outstanding	Deferred employee compensation expense	Capital reserve	Other Components of Equity			Equity attributable to equity holders of the company	Non-controlling interest	Total Equity
								Hedging Reserve	FCTR	Other Comprehensive Income			
Balance as on April 1, 2019	174	4,503	2,198	38,659	1,332	(659)	-	2,243	407	81	48,938	8	48,946
Transition impact of IND AS 116	-	-	-	(640)	-	-	-	-	-	-	(640)	-	(640)
	174	4,503	2,198	38,019	1,332	(659)	-	2,243	407	81	48,298	8	48,306
Employee Stock Compensation Expense	-	3	-	-	98	(98)	-	-	-	-	3	-	3
Net Profit for the year	-	-	-	15,201	-	-	-	-	-	-	15,201	4	15,205
Other Comprehensive Income	-	-	-	-	-	-	-	(4,392)	283	11	(4,098)	(1)	(4,099)
Dividends (Including DDT)	-	-	-	(5,690)	-	-	-	-	-	-	(5,690)	-	(5,690)
Other changes	0	-	316	-	(368)	378	0	-	-	-	326	-	326
Balance as on March 31, 2020	174	4,506	2,514	47,530	1,062	(379)	0	(2,149)	690	92	54,040	11	54,051

As per our report attached

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

Sanjay Jalona
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Mumbai
May 4, 2021

Anil Rander
Chief Financial Officer
Mumbai

Manoj Koul
Company Secretary & Compliance Officer
Pune

Notes Forming Part of Consolidated Accounts

1. Group overview

Larsen & Toubro Infotech Limited ('the Company') together with its subsidiaries shall mean Larsen & Toubro Infotech Limited ('the 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 - 400 001, Maharashtra, India. The Company's equity shares are listed on the National Stock Exchange of India Limited and BSE Limited in India.

2. Significant accounting policies

a. Basis of accounting

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Further the guidance notes/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.

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

b. Presentation of consolidated 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:

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

Notes Forming Part of Consolidated Accounts

Generally, it is presumed that, a majority of voting rights results in control. To support this presumption and when the company has less than a majority of the voting or similar rights of an investee, the company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- i) Contractual arrangement with the other vote holders of the investee,
- ii) Rights arising from other contractual arrangements,
- iii) The company's voting rights and potential voting rights and

e. Business Combination

The Group accounts for its business combinations under the acquisition method of accounting using fair valuation of the net asset taken over as per Ind AS 103, Business Combination. Intangible assets acquired in a business combination are recognised and reported separately from goodwill.

Goodwill represents the cost of the acquired businesses in excess of the fair value of identifiable tangible and intangible net assets purchased.

f. Revenue from Contract with customer

Revenue is recognised upon transfer of control of promised products or services to customers. Revenue is measured based on the consideration specified in a contract with a customer, and is reduced for volume discounts, rebates and other similar allowances. Revenue from contracts priced on time and material basis is recognised when services are rendered, and the related costs are incurred.

Revenue related to fixed price maintenance and support services contracts where the Group is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.

Revenue from services performed on fixed-price basis is recognised using the input method as defined in Ind AS 115 - Revenue from Contracts with customers. 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 recognised 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 recognised 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 fee is considered as single performance obligation and revenue is recognised 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 recognised.

Deferred contract costs are costs to fulfil a contract which are recognised as assets and amortized over the term of the contract.

Use of significant judgements in revenue recognition:

The Group uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Group to estimate efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

Further, the Group uses significant judgements while determining the transaction price to be allocated to performance obligations.

Provision for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

Notes Forming Part of Consolidated Accounts

g. Other income

Other Income is comprised primarily of interest income, dividend income, gain/loss on investment and foreign exchange gain/loss.

- i) Interest income is recognised using effective interest method.
- ii) Dividend income is accounted in the period in which the right to receive the same is established.

h. Employee benefits

I) Short term employee benefits

All employee benefits falling due wholly within twelve months of rendering the service are classified as short-term employee benefits. The benefits like salaries, wages, and short term compensated absences and performance incentives are recognised in the period in which the employee renders the related service.

II) Post-employment benefits

i) Defined contribution plan:

The Group's superannuation fund and state governed provident fund scheme are classified as defined contribution plans. The contribution paid / payable under the schemes is recognised during the period in which the employee renders the related service.

ii) Defined benefit plans:

The provident fund scheme managed by trust, employee's gratuity fund scheme managed by Life Insurance Corporation of India (except for Powerupcloud Technologies Private Limited which has unfunded gratuity plan) and post-retirement medical benefit scheme are the Group's defined benefit plans. Wherever applicable, the present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises 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 recognised 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 recognised in other comprehensive income. The effect of any plan amendment is recognised in statement of profit and loss.

Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Past service cost resulting from a plan amendment or curtailment are derecognised 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 recognised as determined by actuarial valuation performed by independent actuary at each balance sheet date using Projected Unit Credit Method on the additional amount expected to be paid/availed as a result of unused entitlement that has accumulated at balance sheet date. Actuarial gains and losses are recognised immediately in statement of profit and loss.

iv) Social security plans

Employer's contribution payable with respect to the social security plans, which are defined contribution plans, is charged to the statement of profit and loss in the period in which employee renders the services.

The Code on Social Security, 2020 has been enacted by the Indian Parliament, which would impact the contributions by the Group towards Provident Fund and Gratuity. The effective date from which the changes will be applicable and the corresponding Rules, are yet to be notified. The Group will complete its evaluation and will give appropriate impact in the period in which, the Code and the corresponding Rules become effective.

i. Government grants

The Company recognizes government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. Government grants related to assets are treated as deferred income and are recognized in the net profit in the Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset. Government grants related to revenue are recognized on a systematic basis in the net profit in the Statement of Profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate.

Notes Forming Part of Consolidated Accounts

j. 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 or construction of the asset and cost incurred for bringing the asset to its present location and condition.

k. Intangible assets

Assets like customer relationship, computer software, rights acquired under contracts, 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.

l. Impairment

I) Impairment of trade receivables and unbilled receivables:

The Group assesses at each date of statement of financial position whether a financial asset in form of trade receivables and unbilled receivables is impaired. In accordance with Ind AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss. As a practical expedient, the Group uses a provision matrix to determine impairment loss on portfolio of its trade receivable and unbilled receivables. The provision matrix is based on available external and internal credit risk factors such as credit default, credit rating from credit rating agencies and Group's historically observed default rates over the expected life of trade receivable and unbilled receivables. ECL impairment loss allowance (or reversal) recognised during the period as expense/(income) respectively in the statement of profit and loss.

In making this assessment, the Group has considered current and anticipated future economic conditions relating to industries/business verticals that the Group deals with and the countries where it operates. In calculating expected credit loss, the Group has considered the probability of delay and has taken into account estimates of possible effect from the pandemic relating to COVID -19.

II) Impairment of intangible assets:

i) Goodwill

Goodwill represents the cost of acquired businesses in excess of the fair value of net identifiable assets acquired. Goodwill is not amortized but is tested for impairment annually or immediately when events or changes in circumstances indicate that an impairment loss would have occurred. For the purposes of impairment testing, the carrying amount of the reporting unit, including

goodwill, is compared with its fair value. When the carrying amount of the reporting unit exceeds its fair value, a goodwill impairment loss is recognised, 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.

m. Leases

The Group as a lessee

The Group's lease asset classes primarily consist of leases for buildings, furniture & fixtures and vehicles. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (1) the contract involves the use of an identified asset (2) the Group has substantially of the economic benefits from use of the asset throughout the period of the lease and (3) the Group has the right to direct the use of the asset throughout the period of use.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Notes Forming Part of Consolidated Accounts

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e., the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Group as a lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

For Finance leases, initially asset held under finance lease is recognised in balance sheet and presented as a receivable at an amount equal to the net investment in the lease. Finance income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on Group's net investment in the lease.

n. 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
Rights under licensing agreement	Upto 6 years

o. Employee stock ownership schemes

In respect of stock options granted pursuant to the Group'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 recognised 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 recognised as expense in respect of such options is transferred to the general reserve. If options granted lapse before the vesting period, the cumulative discount recognised as expense in respect of such options is transferred to the profit and loss.

p. Functional and presentation currency

The functional currency of the Group 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 the Group are prepared in the Indian Rupee.

q. 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

Notes Forming Part of Consolidated Accounts

rate. Non-monetary items which are carried at historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction.

Translation of foreign currency transaction of foreign subsidiaries into functional currency is treated as under:

- Revenue items at the average rate for the period;
- All assets and liabilities at year end rates

Exchange difference on settlement / year end conversion is recognised in foreign currency translation reserve.

r. Financial Instruments

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

I) Initial measurement

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

II) Subsequent measurement

i) Non-derivative financial assets

- A) Financial assets at amortised cost
- Financial assets at amortised cost are represented by trade receivables, cash and cash equivalents, employee and other advances and eligible current and non-current assets. Financial assets are subsequently measured at amortised cost if:
- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
 - 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:

- Collecting contractual cash flows and selling financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

C) Financial assets at fair value through profit and loss (FVTPL)

Fair value through profit and loss is a residual category for financial assets. A financial asset which is not classified in any of the above categories is subsequently measured at fair value through profit & loss.

ii) Non-derivative financial liability

Financial liabilities at amortised cost represented by trade and other payables are initially recognised at fair value, and subsequently carried at amortized cost using the effective interest method except for contingent consideration recognised in a business combination which is subsequently measured at fair value through profit and loss.

iii) Derivative financial instrument

The Group holds derivative financial instrument such as foreign exchange forward contracts and options contracts including a combination of purchased and written options to mitigate the risk of changes in exchange rates on foreign currency exposures and forecast transactions.

The Group uses hedging instruments that are governed by the risk management policy which is approved by the board of directors. The policy provides written principles on the use of such derivative financial instruments. The Group designates such instruments as hedges and performs assessment of hedge effectiveness based on consideration of terms of the hedging instrument, the economic relationship between the hedging instrument and hedged item and the objective of the hedging.

The Group has evaluated the impact of the COVID-19 event on its highly probable transactions and concluded that there was no impact on the probability of occurrence of the hedged transaction.

Notes Forming Part of Consolidated Accounts

A) Cash flow hedges

The Group designates certain foreign exchange forward and option contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast transactions.

Changes in the fair value of the derivative hedging instruments designated as cash flow hedges on net basis are recognised in other comprehensive income and presented within equity as hedging reserve. The cumulative gain or loss previously recognised 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 recognised 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.

(IV) Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial assets expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability is derecognised from the Group's balance sheet where the obligation specified in the contract is discharged or cancelled or expired.

s. 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 recognise current tax/ deferred tax liabilities and assets in accordance with the applicable local laws.

Income tax and deferred tax expense is recognised 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 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 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 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 Group 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.

t. Borrowing costs

Borrowing costs include finance costs, commitment charges, interest expense on lease liabilities and exchange differences arising from foreign currency borrowing to the extent they are regarded as an adjustment to finance costs.

u. Provisions, contingent liabilities and contingent assets

Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if:

- the Group has a present obligation as a result of a past event,
- a probable outflow of resources is expected to settle the obligation; and
- the amount of the obligation can be reliably estimated.

Notes Forming Part of Consolidated Accounts

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 recognised only when it is virtually certain that the reimbursement will be received. Reimbursement expected in respect of expenditure required to settle a provision is recognised 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.

v. Segment accounting

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

Group's Chief Operating Decision Maker in deciding how to allocate resources and assessing performance.

- i) Segment revenue is the revenue directly identifiable with the segment.
- ii) Expenses that are directly identifiable with or allocable to segments are considered for determining the segment result. Expenses which relate to the Group as a whole and not identifiable with / allocable to segments are included under "Unallocable expenses".
- iii) Other income relates to the Group as a whole and is not identifiable with / allocable to segments.
- iv) Assets and liabilities used in the Group's business are not identified to any of the reportable segments as these are used interchangeably.

w. Cash flow statement

Cash flow statement is prepared segregating the cash flows from operating, investing and financing activities. Cash flow is reported using indirect method as per the requirements of Ind AS 7 ("cash flow statements"), whereby profit for the year is adjusted for the effects of transactions of a non cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows.

3. Intangible Assets

The balance useful life of internally developed intangible asset as on the respective balance sheet dates is as follows:

(₹ in million)

Class of Assets	As at 31-03-2021		As at 31-03-2020	
	Useful life	Carrying amount	Useful life	Carrying amount
Internally developed Software	Upto 5 Years	671	Upto 5 Years	481
Total		671		481

Notes Forming Part of Consolidated Accounts

4 (I) The list of subsidiaries included in the consolidated financial statements are as under

(₹ in Mn)

Sr. No.	Name of the Subsidiary Company	Country of incorporation	Proportion of ownership as at March 31, 2021	Proportion of ownership as at March 31, 2020
			(%)	(%)
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 (Pty) Limited*	South Africa	69.6	74.9
6	L&T Information Technology Services (Shanghai) Co. Limited	China	100	100
7	L&T Information Technology Spain, Sociedad Limitada	Spain	100	100
8	L&T Infotech S. DE. R.L. DE. C.V.	Mexico	100	100
9	Larsen & Toubro Infotech Norge AS	Norway	100	100
10	LTI Middle East FZ - LLC**	UAE	100	-
11	L&T Infotech UK Limited**	UK	100	-
12	Syncordis S.A. #	Luxembourg	100	100
13	Syncordis Software Services India Private Limited	India	100	100
14	Syncordis France SARL	France	100	100
15	Syncordis Limited	UK	100	100
16	Syncordis Support Services S.A.	Luxembourg	100	100
17	Ruletronics Systems Inc.	USA	100	100
18	Ruletronics Limited	UK	100	100
19	Ruletronics Systems Private Limited	India	100	100
20	Nielsen + Partner Unternehmensberater GmbH	Germany	100	100
21	Nielsen + Partner SA #	Luxembourg	-	100
22	Nielsen + Partner Unternehmensberater AG	Switzerland	100	100
23	Nielsen + Partner Pte Limited	Singapore	100	100
24	Nielsen & Partner Pty Limited	Australia	100	100
25	Nielsen + Partner Co Limited	Thailand	100	100
26	Lymbyc Solutions Private Limited	India	100	100
27	Lymbyc Inc.	USA	100	100
28	Powerupcloud Technologies Private Limited	India	100	100

*On August 19, 2020, LTI South Africa (Pty) Ltd, a subsidiary of the Company bought back 5.32% of its shares from the Company. Resultantly, Company's shareholding in this subsidiary reduced from 74.90% to 69.58%.

**During the year, the Company incorporated 2 wholly owned subsidiaries - L&T Infotech UK Limited on August 17, 2020 and LTI Middle East FZ - LLC on November 25, 2020.

#Syncordis S.A., Luxembourg ('Syncordis Luxembourg') and Nielsen + Partner S.A. Luxembourg ('N+P Luxembourg'), step-down subsidiaries of the Company, at their respective general meetings on December 21, 2020 held before the public notary, have approved merger of N+P Luxembourg ('Absorbed Company') with Syncordis Luxembourg ('Absorbing Company'). Consequently, N+P Luxembourg has ceased to be a step-down subsidiary of the Company with effect from December 21, 2020.

Notes Forming Part of Consolidated Accounts

4 (I) The list of subsidiaries included in the consolidated financial statements are as under

Sr No	Name of entity	Net assets, i.e. total assets minus total liabilities		Share in profit		Share in other comprehensive income		Share in total comprehensive income	
		As of consolidated net assets	Amount	As of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated other comprehensive income	
A	Parent								
	Larsen & Toubro Infotech Limited	94.97%	69,398	92.22%	17,874	91.60%	4,386	92.10%	22,260
	Subsidiaries								
B	Indian								
1.	Syncordis Software Services India Private Limited	0.05%	39	0.06%	12	-0.02%	(1)	0.05%	11
2.	Ruletronics Systems Private Limited	0.05%	35	-0.02%	(4)	0.00%	-	-0.02%	(4)
3.	Lymbyc Solutions Private Limited	0.04%	27	-0.04%	(11)	0.00%	-	-0.05%	(11)
4.	Powerupcloud Technologies Private Limited	0.06%	45	-0.16%	(31)	-0.02%	(1)	-0.13%	(32)
	Sub Total	0.20%	146	-0.17%	(34)	-0.04%	(2)	-0.15%	(36)
C	Foreign								
1.	Larsen & Toubro Infotech Canada Limited	0.49%	360	0.47%	92	0.54%	26	0.49%	118
2.	Larsen & Toubro Infotech GmbH	5.22%	3,816	2.78%	538	-1.04%	(50)	2.02%	488
3.	Larsen & Toubro Infotech LLC	0.08%	61	0.12%	23	-0.04%	(2)	0.09%	21
4.	L&T Infotech Financial Services Technologies Inc.	4.94%	3,608	4.44%	860	5.43%	260	4.63%	1,120
5.	Larsen And Toubro South Africa (Pty) Limited	0.15%	112	0.36%	69	0.23%	11	0.33%	80
6.	L&T Information Technology Services (Shanghai) Co. Ltd.	-0.05%	(37)	-0.11%	(22)	-0.02%	(1)	-0.10%	(23)
7.	L&T Information Technology Spain, Sociedad Limitada	0.00%	3	-0.07%	(14)	0.02%	1	-0.05%	(13)
8.	L&T Infotech S. DE. R.L. DE C.V.	0.02%	16	0.06%	12	0.02%	1	0.05%	13
9.	Larsen & Toubro Infotech Norge AS	0.05%	35	0.15%	30	0.04%	2	0.13%	32
10.	LTI Middle East FZ - LLC	0.02%	14	-0.12%	(23)	0.02%	1	-0.09%	(22)
11.	L&T Infotech UK Limited	0.00%	2	0.01%	2	0.00%	-	0.01%	2
12.	Syncordis S.A., Luxembourg	0.50%	369	0.27%	53	0.29%	14	0.28%	67
13.	Syncordis France SARL	-0.08%	(61)	-0.06%	(11)	-0.04%	(2)	-0.05%	(13)
14.	Syncordis Limited, UK	-0.25%	(183)	-0.03%	(6)	-0.27%	(13)	-0.08%	(19)
15.	Syncordis Support Services S.A., Luxembourg	0.04%	30	-0.03%	(5)	0.02%	1	-0.02%	(4)
16.	Ruletronics Systems Inc., USA	0.01%	8	-0.06%	(12)	0.00%	-	-0.05%	(12)
17.	Ruletronics Limited, UK	0.10%	70	-0.04%	(8)	0.10%	5	-0.01%	(3)
18.	Nielsen + Partner Unternehmensberater GmbH, Germany	0.16%	117	-0.01%	(1)	0.08%	4	0.01%	3
19.	Nielsen + Partner Unternehmensberater AG, Switzerland	0.05%	35	0.02%	3	0.00%	-	0.01%	3
20.	Nielsen + Partner Pte Ltd, Singapore	0.47%	345	0.61%	118	0.13%	6	0.51%	124
21.	Nielsen & Partner Pty Ltd, Australia	-0.01%	(8)	-0.04%	(8)	0.00%	-	-0.03%	(8)
22.	Nielsen + Partner Co Ltd, Thailand	-0.02%	(17)	-0.08%	(15)	0.00%	-	-0.06%	(15)
23.	Lymbyc Inc., USA	-0.01%	(4)	0.00%	(0)	0.00%	-	0.00%	(0)
	Sub Total	11.89%	8,691	8.64%	1,675	5.51%	264	8.02%	1,939
	Total A+B+C	107.07%	78,235	100.69%	19,515	97.08%	4,648	99.97%	24,163
	Less : CFS adjustments and eliminations	7.07%	5,164	0.69%	133	-2.92%	(140)	-0.03%	(7)
	Total share	100.00%	73,071	100.00%	19,382	100.00%	4,788	100.00%	24,170
	Minority Interest		37		21		3		24
	Attributable to equity shareholders		73,034		19,361		4,785		24,146

Notes Forming Part of Consolidated Accounts

5 Consolidated Property, Plant and Equipments and Intangible Assets - As of March 31, 2021

Property Plant and Equipment and Intangible Assets	Gross Block			Depreciation/Amortisation			Net Block	
	As at 01-04-2020	Pursuant to acquisition of business	Deductions	As at 01-04-2020	For the year	On deductions	As at 31-Mar-21	As at 31-Mar-21
Property Plant and Equipment								
Leasehold Land	10	-	-	-	1	-	-	9
Buildings	126	-	0	40	86	0	-	126
Leasehold Improvements	877	60	4	252	142	1	0	393
Plant and machinery	1,146	-	28	401	141	20	0	522
Computers	2,910	-	939	1,613	635	131	30	2,147
Office Equipments	958	-	78	556	140	11	3	688
Furniture and fixtures	1,161	-	31	459	145	29	1	576
Vehicles	307	-	9	143	35	20	-	158
Capital Work-in Progress	-	-	-	-	-	-	-	403
Total of Property Plant and Equipment	7,495	-	1,179	3,664	1,325	212	34	4,611
Intangible Assets								
Goodwill on acquisition	364	-	-	-	-	-	-	398
Goodwill on consolidation	6,004	-	-	6,176	-	-	-	6,176
Software	6,844	-	811	5,970	547	382	340	6,475
Customer contracts	1,483	-	-	1,251	198	-	117	1,566
Rights under licensing agreement	-	-	1,243	-	33	-	-	1,210
Intangible assets under development	-	-	-	-	-	-	-	259
Total of intangible assets	14,695	-	2,054	7,221	778	382	457	8,074
								9,241

1. Impairment upto March 31, 2021 is Nil
2. The Group has performed sensitivity analysis for all key assumptions, including the cash flow projections, consequent to the change in estimated future economic conditions arising from the possible effects due to COVID-19. The Group concluded that this is unlikely to cause the carrying amounts of the Cash Generating Units to exceed estimated recoverable amounts.

Notes Forming Part of Consolidated Accounts

5 Consolidated Property, Plant and Equipments and Intangible Assets - As of March 31, 2020

Property Plant and Equipment and Intangible Assets	Gross Block				Depreciation/Amortisation				Net Block		
	As at 01-04-2019	Pursuant to acquisition of business Refer Note 39	Additions	Deductions	Foreign currency translation reserve	As at 31-03-2020	As at 01-04-2019	For the year	On deductions	Foreign currency translation reserve	As at 31-Mar-20
Property Plant and Equipment											
Leasehold Land	10	-	-	-	-	10	-	-	-	-	10
Buildings	126	-	-	-	-	126	32	8	-	-	86
Leasehold Improvements	536	-	344	3	-	877	167	88	3	-	625
Plant and machinery	857	-	301	12	-	1,146	308	101	8	-	745
Computers	2,180	2	723	11	16	2,910	1,187	414	4	16	1,297
Office Equipments	751	1	205	8	9	958	437	121	8	6	402
Furniture and fixtures	915	1	293	51	3	1,161	378	116	36	1	702
Vehicles	317	-	33	43	-	307	131	40	28	-	164
Capital Work in Progress	-	-	-	-	-	-	-	-	-	-	382
Total of Property Plant and Equipment	5,692	4	1,899	128	28	7,495	2,640	888	87	23	3,464
Intangible Assets											
Goodwill on acquisition	353	-	-	-	11	364	-	-	-	-	364
Goodwill on consolidation	4,594	-	1,142	-	268	6,004	-	-	-	-	6,004
Software	6,246	142	371	32	117	6,844	5,389	510	28	99	5,970
Customer contracts	1,428	-	-	-	55	1,483	985	240	-	26	1,251
Intangible assets under development	-	-	-	-	-	-	-	-	-	-	210
Total of intangible assets	12,621	142	1,513	32	451	14,695	6,374	750	28	125	7,221
Total of intangible assets											7,684

1. Impairment Upto March 31, 2020 is Nil

Notes Forming Part of Consolidated Accounts

6 Non Current Investments

	As at 31-03-2021	As at 31-03-2020
Other equity investments (Unquoted) :		
2500 equity shares of USD 1 each in Larsen and Toubro LLC	1	1
Non trade investments (Unquoted) :		
Treasury Notes Philippines Govt. 26 January 2022 ¹	2	1
Non trade investments (quoted) :		
Corporate bonds ²	1,009	-
	1,013	2

- The Group has invested in Philippines Govt. Treasury notes and have deposited same with local Securities and Exchange Commission, as per Corporation Code of Philippines-126. The group has not held this investment primarily for the purpose of being traded and does not intend to sale or consume for normal business operation. The group intends to keep the deposit till the existence of its operations in Philippines
- Investment in Corporate bonds (held to maturity) is including interest accrued.
- Impairment upto March 31, 2021 - NIL (Previous Year: NIL)

7 Non Current Loans

	As at 31-03-2021	As at 31-03-2020
Unsecured, considered good		
-Considered good - Unsecured	457	560
	457	560

8 Other Non Current Financial Assets

	As at 31-03-2021	As at 31-03-2020
Derivative contracts receivables	1,440	100
Lease receivable	155	18
	1,595	118

9 Deferred Tax Assets

	As at 31-03-2021	As at 31-03-2020
MAT credit	-	493
Deferred tax Asset / (liability)	511	1,628
	511	2,121

Deferred tax liabilities or assets for the year ended March 31, 2021

Particulars	Deferred tax asset/(liability) as at March 31, 2020	Current year (charge) / credit to profit & loss A/c	(Charge) / credit to other comprehensive income	Foreign currency translation reserve	Deferred tax asset/ (liability) as at March 31, 2021
Deferred tax assets/ (liabilities)					
Deferred taxes on derivative instruments	849	(16)	(1,463)	-	(630)
Branch profit tax	(683)	-	-	-	(683)

Notes Forming Part of Consolidated Accounts

(₹ in Mn)

Particulars	Deferred tax asset/(liability) as at March 31, 2020	Current year (charge) / credit to profit & loss A/c	(Charge) / credit to other comprehensive income	Foreign currency translation reserve	Deferred tax asset/ (liability) as at March 31, 2021
Unrealised (gains) / losses on investments	(142)	(132)	-	-	(274)
Provision for doubtful debts and advances	157	(26)	-	-	131
Provision for employee benefits	425	319	-	-	744
Depreciation / amortization	418	67	-	(1)	484
Capital loss on buyback of shares by L&T Infotech Financial Services Technologies Inc.	14	(14)	-	-	-
Lease assets net of lease liabilities	286	48	-	-	334
Others	405	(4)	-	39	440
MAT credit	493	(493)	-	-	-
Net deferred tax assets/(liabilities)(A)	2,222	(251)	(1,463)	38	546

Deferred tax liabilities

(₹ in Mn)

Particulars	Deferred tax asset/(liability) as at March 31, 2020	Current year (charge) / credit to profit & loss A/c	(Charge) / credit to other comprehensive income	Foreign currency translation reserve	Deferred tax asset/ (liability) as at March 31, 2021
Deferred tax assets/ (liabilities)					
Depreciation / amortization	(101)	65	-	1	(35)
Net deferred tax assets/(liabilities)(B)	(101)	65	-	1	(35)
Net deferred tax assets/(liabilities)(A+B)	2,121	(186)	(1,463)	39	511

Deferred tax liabilities or assets for the year ended March 31, 2020

Deferred tax assets

(₹ in Mn)

Particulars	Deferred tax asset/(liability) as at March 31, 2019	Impact on Account of Ind AS 116	Current year (charge) / credit to profit & loss A/c	(Charge) / credit to other comprehensive income	Foreign currency translation reserve	Pursuant to acquisition of subsidiary	Deferred tax asset/ (liability) as at March 31, 2020
Deferred tax assets/ (liabilities)							
Deferred taxes on derivative instruments	(648)	-	98	1,399	-	-	849
Branch profit tax	(683)	-	-	-	-	-	(683)
Unrealised (gains) / losses on investments	(121)	-	(21)	-	-	-	(142)
Provision for doubtful debts and advances	122	-	35	-	(0)	-	157
Provision for employee benefits	249	-	176	-	-	-	425
Depreciation / amortization	330	-	89	-	(1)	-	418
Capital loss on buyback of shares by L&T Infotech Financial Services Technologies Inc.	42	-	(28)	-	-	-	14

Notes Forming Part of Consolidated Accounts

(₹ in Mn)

Particulars	Deferred tax asset/(liability) as at March 31, 2019	Impact on Account of Ind AS 116	Current year (charge) / credit to profit & loss A/c	(Charge) / credit to other comprehensive income	Foreign currency translation reserve	Pursuant to acquisition of subsidiary	Deferred tax asset/ (liability) as at March 31, 2020
Lease assets net of lease liabilities	-	194	92	-	-	-	286
Others	125	-	277	-	(18)	21	405
AT credit	2,129	-	(1,636)	-	-	-	493
Net deferred tax assets/(liabilities)(A)	1,545	194	(918)	1,399	(19)	21	2,222

Deferred tax liabilities

(₹ in Mn)

Particulars	Deferred tax asset/(liability) as at March 31, 2019	Impact on Account of Ind AS 116	Current year (charge) / credit to profit & loss A/c	(Charge) / credit to other comprehensive income	Foreign currency translation reserve	Pursuant to acquisition of subsidiary	Deferred tax asset/ (liability) as at March 31, 2020
Deferred tax liabilities							
Depreciation / amortization	(66)	-	17	-	(17)	(35)	(101)
	(66)	-	17	-	(17)	(35)	(101)
Deferred tax assets							
Non capital losses and deferred expenses	10	-	(10)	-	-	-	-
	10	-	(10)	-	-	-	-
Others	0	-	(0)	-	(1)	1	-
Net deferred tax assets/(liabilities)(B)	(56)	-	7	-	(18)	(34)	(101)
Net deferred tax assets/(liabilities)(A+B)	1,489	194	(911)	1,399	(37)	(13)	2,121

10 Other Non-Current Assets

(₹ in Mn)

	As at 31-03-2021	As at 31-03-2020
Deferred contract costs	679	780
Advances recoverable other than in cash	548	351
Prepaid expenses	288	320
	1,515	1,451

11 Current Investments

(₹ in Mn)

	As at 31-03-2021	As at 31-03-2020
Mutual funds - Quoted	32,720	21,164
Corporate deposits - Unquoted	3,020	1,022
Corporate bonds - Quoted*	542	-
	36,282	22,186

* Investment in Corporate bonds (held to maturity) includes interest accrued.

Notes Forming Part of Consolidated Accounts

12 Trade Receivables

	(₹ in Mn)	
	As at 31-03-2021	As at 31-03-2020
Unsecured, considered good		
Due from related parties (refer note 44)	635	1,056
Due from others	20,362	22,223
Less : Allowance for doubtful trade receivables	(162)	(158)
Unsecured, credit impaired	480	472
Less : Allowance for doubtful trade receivables	(480)	(472)
	20,835	23,121

Allowance for doubtful trade receivables movement

	(₹ in Mn)	
	As at 31-03-2021	As at 31-03-2020
Balance at the beginning of the year	630	521
Additions during the year, net	147	146
Uncollectable receivables charged against allowances	(131)	(89)
Exchange gain/(loss)	(4)	52
Balance at the end of year	642	630

The Group determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Group has considered current and anticipated economic conditions including arising from Covid-19, relating to industries the Group deals with and the countries it operates.

13 Unbilled Revenue

	(₹ in Mn)	
	As at 31-03-2021	As at 31-03-2020
Unbilled revenue *	6,071	4,420
	6,071	4,420

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

14 Cash and Cash Equivalent

	(₹ in Mn)	
	As at 31-03-2021	As at 31-03-2020
Cash on hand	0	0
Balances with bank		
- in current accounts		
Overseas	3,396	2,891
Domestic	1,309	419
- in deposit accounts	1,340	570
Remittance in transit	714	973
	6,759	4,853

15 Other Bank Balances

	(₹ in Mn)	
	As at 31-03-2021	As at 31-03-2020
Fixed Deposit with bank with more than 3 months	764	187
Cash and bank balance not available for immediate use	62	205
Earmarked balances with banks (Unclaimed dividend)	9	7
	835	399

Notes Forming Part of Consolidated Accounts

16 Current Loans

	(₹ in Mn)	
	As at 31-03-2021	As at 31-03-2020
Security deposits		
- Considered good - Unsecured	300	129
	300	129

17 Other Current Financial Assets

	(₹ in Mn)	
	As at 31-03-2021	As at 31-03-2020
Advances to employees	186	277
Derivative contracts receivables	1,497	236
Receivables against credit support agreements	-	1,076
Lease receivable	86	7
Others*	89	17
	1,858	1,613

*Others include Interest on Corporate deposits

18 Other Current Assets

	(₹ in Mn)	
	As at 31-03-2021	As at 31-03-2020
Unbilled revenue*	5,335	4,342
Prepaid expenses	1,496	959
Advances recoverable other than in cash	1,049	852
Deferred contract costs	493	409
	8,373	6,562

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

19 Share Capital

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

	(₹ in Mn)	
	As at 31-03-2021	As at 31-03-2020
Authorised :		
260,000,000 equity shares of ₹ 1 each	260	260
(Previous year 260,000,000 of ₹ 1 each)		
	260	260
Issued, paid up and subscribed		
174,750,608 equity shares for ₹ 1 each	175	174
(Previous year 174,126,769 of ₹ 1 each)		
Equity Share Capital	175	174

II) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share. The Group 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
Larsen & Toubro Limited	129,784,034	74.27%
As at 31-03-2020		
Larsen & Toubro Limited	129,784,034	74.53%

IV) Reconciliation of the number of equity shares and share capital:

Due to allotment of shares on exercise of stock options by employees, there was a movement in share capital for the year ended March 31, 2021 and March 31, 2020 as given below:

	As at 31-03-2021		As at 31-03-2020	
Issued, subscribed and fully paid up equity shares outstanding at the beginning	174,126,769		173,510,084	
Add: Shares issued on exercise of employee stock options	623,839		616,685	
Issued, subscribed and fully paid up equity shares outstanding at the end	174,750,608		174,126,769	

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	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
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	-	11,840	-	58,190	-	33,000	1,525,395	2,116,860
v	Options reinstated during the year	-	-	-	-	-	-	-	-
vi	Options granted during the year	-	-	-	-	-	-	83,650	63,660
vii	Options allotted/exercised during the year	-	2,055	-	15,065	-	-	623,839	599,565
viii	Options Lapsed/cancelled during the year	-	9,785	-	43,125	-	33,000	102,600	55,560
ix	Options granted & outstanding at the end of the year	-	-	-	-	-	-	882,606	1,525,395
x	Options vested at the end of the year out of (ix)	-	-	-	-	-	-	122,208	624,400
xi	Options unvested at the end of the year out of (ix)	-	-	-	-	-	-	760,398	900,995
xii	Weighted average remaining contractual life of options (in years)	-	-	-	-	-	-	3.3	3.8

Notes Forming Part of Consolidated Accounts

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

Sr. no	Particulars	2020-21		2019-20	
		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	1,525,395	1.00	2,219,890	3.50
ii	Options reinstated during the year	-	-	-	-
iii	Options granted during the year	83,650	1.00	63,660	1.00
iv	Options allotted during the year	623,839	1.00	616,685	1.04
v	Options Lapsed/cancelled during the year	102,600	1.00	141,470	40.06
vi	Options granted & outstanding at the end of the year	882,606	1.00	1,525,395	1.00
vii	Options vested at the end of the year out of (v)	122,208	1.00	624,400	1.00

VI) The aggregate number of equity shares allotted as fully paid up by way of bonus shares in immediately preceding five years ended March 31, 2021 are Nil (previous period of five years ended March 31, 2020 - Nil)

VII) The aggregate number of equity shares issued pursuant to contract, without payment being received in cash in immediately preceding five years ended March 31, 2021 - Nil (previous period of five years ended March 31, 2020 - Nil)

VIII) During the year ended March 31, 2021, the amount of interim dividend distributed to equity shareholder was ₹ 15 per share at face value of ₹ 1 (previous year ₹ 12.5 per share at face value of ₹ 1).

IX) Weighted average share price at the date of exercise for stock options exercised during the year is ₹ 2,691 per share (previous year ₹ 1,581 per share).

X) Weighted average fair value of options granted during the year is ₹ 2,348.93 (previous year ₹ 1,540.66).

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	2020-21	2019-20
i	Weighted average risk-free interest rate	4.62%	6.18%
ii	Weighted average expected life of options	3 years	3 years
iii	Weighted average expected volatility	25.17%	17.44%
iv	Weighted average expected dividends over the life of option	₹ 149	₹ 148.29
v	Weighted average share price	₹ 2,350	₹ 1,542
vi	Weighted average exercise price	₹ 1	₹ 1
vii	Method used to determine expected volatility	The expected volatility has been calculated based on historic volatility IT Index.	The expected volatility has been calculated based on historic volatility IT Index.

Notes Forming Part of Consolidated Accounts

20 Other Equity

	(₹ in Mn)	
	2020-21	2019-20
I) General reserve#		
Opening balance	4,506	4,503
Add: Additions during the year	2	3
	4,508	4,506
II) Hedging Reserve (Refer Note 2.q.iii)		
Opening balance (net of taxes)	(2,149)	2,243
Add: Movement in derivative contracts	5,969	(4,605)
Less: Amount reclassified to profit or loss	(158)	(1,186)
Less: Deferred tax related to above	(1,462)	1,399
	2,200	(2,149)
III) Share premium^		
Opening balance	2,514	2,198
Add: Additions during the year	348	316
	2,862	2,514
IV) Capital reserve		
Opening balance	0	0
Add: Additions during the year	-	-
	0	0
VI) OCI - Remeasurement of net defined benefit plans (Net of Tax)		
Opening balance	92	81
Add: Additions during the year	36	11
	128	92
VII) Employee Stock Option outstanding (Refer Note 2.n.)		
Opening Balance	1,062	1,332
Add: Additions during the year	196	98
Less: Deductions during the year	(464)	(368)
	794	1,062
Deferred Employee Compensation Expense		
Opening Balance	(379)	(659)
Add: Additions during the year	(196)	(98)
Less: Deductions during the year	287	378
	(288)	(379)
Balance to be carried forward	506	683
VIII) Foreign currency translation reserve (Refer Note 2.p.)		
Opening Balance	690	407
Add: Transfer to Other Comprehensive Income	400	283
	1,090	690
VIII) Retained Earnings		
Opening Balance	47,530	38,659
Add: Profit for the year	19,361	15,201
Less: Increase in non-controlling interest due to divestment*	(2)	-
Less: Dividend	(5,324)	(5,690)
Less: Impact on account of adoption of Ind AS 116	-	(640)
	61,565	47,530
Total (I + II + III + IV + V + VI + VII + VIII)	72,859	53,866

Notes Forming Part of Consolidated Accounts

	(₹ in Mn)	
	2020-21	2019-20
IX) Non Controlling Interest		
Opening Balance	11	8
Add: Net profit for the year	21	4
Add: Increase in non-controlling interest due to divestment *	2	-
Add: Transfer from / (to) other comprehensive income	3	(1)
	37	11

#The Group created a General reserve in earlier years pursuant to the provisions of the Companies Act, 1956 where in certain percentage of profits was required to be transferred to General reserve before declaring dividends. As per Companies Act 2013, the requirements to transfer profits to General reserve is not mandatory. General reserve is a free reserve available to the Group.

^Share premium includes A. The difference between the face value of the equity shares and the consideration received in respect of shares issued; B. The fair value of the stock options which are treated as expense in respect of shares allotted pursuant to Stock Options Scheme.

* On August 19, 2020, LTI South Africa (Pty) Ltd, a subsidiary of the Company bought back 5.32% of its shares from the Company. Resultantly, Company's shareholding in this subsidiary reduced from 74.90% to 69.58%

21 Other Non Current Financial Liabilities

	(₹ in Mn)	
	As at 31-03-2021	As at 31-03-2020
Derivative contracts payable	-	2,020
Payable for acquisition of business	443	862
Other financial liabilities	2	2
	445	2,884

22 Other Non Current Liabilities

	(₹ in Mn)	
	As at 31-03-2021	As at 31-03-2020
Deferred social security obligation	479	-
	479	-

23 (I) Non Current Provisions

	(₹ in Mn)	
	As at 31-03-2021	As at 31-03-2020
Post-retirement medical benefit (Refer Note 40)	250	215
Others	113	115
	363	330

23 (II) Disclosure pursuant to Accounting Standard (Ind-AS) 37 "Provisions, Contingent Liabilities and Contingent Assets" movement in provisions.

Particulars	Class of provisions		
	Sales Tax	Others	Total
Balance as at March 31, 2019	4	107	111
Additional provision during the year	-	4	4
Provision used during the year	-	-	-
Provision reversed during the year	-	-	-
Balance as at March 31, 2020	4	111	115
Additional provision during the year	-	-	-
Provision used during the year	-	-	-
Provision reversed during the year	-	(2)	(2)
Balance as at March 31, 2021	4	109	113

Notes Forming Part of Consolidated Accounts

24 Current Borrowings

	(₹ in Mn)	
	As at 31-03-2021	As at 31-03-2020
Unsecured loans		
Other loans from banks*	414	320
	414	320

*Loan repayable on demand from bank outside India which is a fund based working capital facility carrying a rate of interest between 1% to 2% p.a.

25 Trade Payables

	(₹ in Mn)	
	As at 31-03-2021	As at 31-03-2020
Total outstanding dues of micro enterprises and small enterprises	82	79
Total outstanding dues of creditors other than micro enterprises and small enterprises :		
Due to related parties (Refer Note 44)	3	305
Due to others	3,473	3,109
Accrued expenses	4,719	3,457
	8,195	6,871

26 Other Current Financial Liabilities

	(₹ in Mn)	
	As at 31-03-2021	As at 31-03-2020
Liabilities for employee benefits	5,382	4,329
Derivative contracts payable	-	2,013
Payable for acquisition of business	878	1,321
Liability towards credit support agreements	683	-
Liability for gratuity	260	243
Liability for customer settlement	-	50
Unclaimed dividend	9	7
Capital creditors (Other than micro enterprises and small enterprises)	619	34
Others	-	14
	7,831	8,011

27 Other Current Liabilities

	(₹ in Mn)	
	As at 31-03-2021	As at 31-03-2020
Unearned & deferred revenue	1,697	1,559
Other payables	3,224	2,575
	4,921	4,134

28 Current Provisions

	(₹ in Mn)	
	As at 31-03-2021	As at 31-03-2020
Compensated absences (Refer Note 40)	3,539	2,585
Post retirement medical benefits (Refer Note 40)	3	3
	3,542	2,588

Notes Forming Part of Consolidated Accounts

29 Revenue From Operations

Revenue consists of the following:

	(₹ in Mn)	
	Year ended March 31, 2021	Year ended March 31, 2020
Fixed Price & Maintenance	80,952	65,420
Time & Material	42,746	43,366
	123,698	108,786

Revenue disaggregation as per industry vertical and geography has been included in segment information (Refer note 45).

Performance obligations and remaining performance obligations:

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the 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 for those contracts where invoicing is on time and material basis. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency.

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2021, other than those meeting the exclusion criteria mentioned above, is ₹ 129,774 Mn (previous year ₹ 108,762 Mn). Out of this, the Group expects to recognize revenue of around 54% (previous year 51%) 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, 2021	Year ended March 31, 2020
Balance at the beginning of the year	4,342	3,096
Less : Invoices raised during the period	(2,085)	(1,429)
Add : Revenue recognised during the year	3,088	2,651
Add : Translation exchange difference	(10)	24
Balance at the end of the year	5,335	4,342

Changes in unearned and deferred revenue is as follows:

	(₹ in Mn)	
	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning of the year	1,559	576
Less : Revenue Recognised during the period from opening	(1,144)	(394)
Add : Invoices raised during the period	1,284	1,367
Add/ (Less) : Translation exchange difference	(2)	10
Balance at the end of the year	1,697	1,559

The Group has evaluated the impact of COVID - 19 resulting from (i) the possibility of constraints to render services which may require revision of estimations of costs to complete the contract because of additional efforts, (ii) onerous obligations, (iii) penalties relating to breaches of service level agreements and (iv) termination or deferment of contracts by customers. The Group has concluded that the impact of COVID - 19 is not material based on such evaluation.

Notes Forming Part of Consolidated Accounts

30 Other Income

	(₹ in Mn)	
	Year ended March 31, 2021	Year ended March 31, 2020
Foreign exchange gain*	62	1,889
Income from current investment in mutual funds (quoted)	1,542	1,217
Interest received from bank and others	162	64
Miscellaneous income#	978	122
	2,744	3,292

*The foreign exchange gain reported above includes ₹ 158 Mn (previous year ended March 31, 2020 ₹ 1,186 Mn) gain on derivative instruments which are designated as cash flow hedges. It also includes gain of ₹ 469 Mn (previous year ended March 31, 2020 loss of ₹ 424 Mn) on derivative instruments which are designated to fair value hedges. Since the Group hedges its operational business exposure on a net basis, the aforesaid gain/loss on derivative instruments relates to the business operations of the Group.

Miscellaneous Income includes gain on reversal of certain earn out payable towards an earlier acquisition of business amounting to ₹ 571 Mn.

31 Employee Benefits Expense

	(₹ in Mn)	
	Year ended March 31, 2021	Year ended March 31, 2020
Salaries including overseas staff expenses*	69,168	60,343
Share based payments to employees	168	319
Staff welfare	622	600
Contribution to Social Security & other funds	2,993	2,820
Contribution to provident and other funds	1,023	839
Contribution to gratuity fund	278	206
Contribution to superannuation Fund	37	39
	74,289	65,166

Note: * During the year ended March 31, 2021 the Group received government grants amounting to ₹ 309 Mn (previous year Nil) from governments of various countries on compliance of several employment-related conditions consequent to the outbreak of COVID-19 pandemic and accordingly, accounted as a credit to employee benefits expense

32 Operating Expenses

	(₹ in Mn)	
	Year ended March 31, 2021	Year ended March 31, 2020
Consultancy charges	9,424	8,984
Cost of equipment, hardware and software packages	5,701	4,260
Travelling and conveyance	675	3,518
Repairs and Maintenance	970	1,135
Rent and establishment expenses*	859	730
Recruitment expenses	452	563
Miscellaneous expenses	370	434
Telephone charges and postage	304	385
Power and fuel	208	329
Rates and taxes	383	260
Allowance for doubtful debts and advances	232	236
Advertisement	124	304

Notes Forming Part of Consolidated Accounts

	(₹ in Mn)	
	Year ended March 31, 2021	Year ended March 31, 2020
Communication expenses	355	261
Insurance charges	92	80
Bad debts	131	89
Less : Provision written back	(131)	(89)
Commission	45	27
	20,194	21,506

* Includes lease rentals for short term leases.

33 Finance Costs

	(₹ in Mn)	
	Year ended March 31, 2021	Year ended March 31, 2020
Interest expense on lease liabilities	699	681
Interest on financial liabilities*	77	110
Interest on deposits with respect to credit support agreement	2	16
On others	10	19
	788	826

* includes contingent consideration payable on business acquisitions.

34 Depreciation and Amortisation

	(₹ in Mn)	
	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation of property, plant and equipment (refer note 5)	1,325	888
Amortisation of other intangible assets (refer note 5)	778	750
Depreciation of right of use assets (refer note 42)	1,222	1,091
	3,325	2,730

35 Other Expenses

	(₹ in Mn)	
	Year ended March 31, 2021	Year ended March 31, 2020
Legal and professional charges	1,688	1,196
Corporate social responsibility expenses*	141	460
Director's fees	26	25
Books and periodicals	14	26
Other miscellaneous expenses	95	114
	1,964	1,821

*includes contribution to Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund for Covid-19 relief measures of ₹ 180 Mn for the Year Ended March 31, 2020

Notes Forming Part of Consolidated Accounts

36 (I) Current Tax (Net)

	(₹ in Mn)	
	Year ended March 31, 2021	Year ended March 31, 2020
Current tax	6,360	4,008
Provision for earlier year written (back)/off	(46)	(95)
	6,314	3,913

36 (II) Deferred Tax

	(₹ in Mn)	
	Year ended March 31, 2021	Year ended March 31, 2020
Deferred tax charge/(credit)	(307)	(725)
MAT utilisation (net)	493	1,636
	186	911

36 (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, 2021	Year ended March 31, 2020
Profit before income taxes	25,882	20,029
Enacted tax rates in India	34.94%	34.94%
Computed expected tax expense	9,044	6,999
Effect due to non-taxable income	(2,225)	(2,114)
Overseas taxes	92	20
Effect of allowances of eligible expenses	(396)	(52)
Effect of non-deductible expenses	52	125
Effect of deferred taxes	(46)	(95)
Others	(21)	(59)
Tax expense as per statement of profit and loss	6,500	4,824

37 Statement Of Other Comprehensive Income

	(₹ in Mn)	
	Year ended March 31, 2021	Year ended March 31, 2020
Items that will not be reclassified to profit or loss		
Defined benefit plan actuarial gain/(loss)	48	14
Income tax on defined benefit plan actuarial gain/(loss)	(12)	(3)
	36	11
Items that will be reclassified to profit or loss		
Net changes in fair value of cash flow hedges	5,812	(5,791)
Income tax on net changes in fair value of cash flow hedges	(1,463)	1,399
Foreign currency translation reserve	403	282
	4,752	(4,110)
	4,788	(4,099)

Notes Forming Part of Consolidated Accounts

38 Contingent Liabilities

	(₹ in Mn)	
	As at 31-03-2021	As at 31-03-2020
1. Income tax liability that may arise in respect of which the Group is in appeal*	2,899	2,906
2. Service tax refund disallowed, in respect of which the Group is in the appeal #	156	139
	3,055	3,045

*Out of contingent Tax liability disclosed above, ₹ 2,735 Mn (including interest of ₹ 141 Mn), pertains to the tax demand arising on account of disallowance of exemption u/s 10A/10AA on profits earned by STPI Units/SEZ units on onsite export revenue. The Group is pursuing appeal against these demands before the relevant Appellate Authorities. The Group 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 Group

#The Group 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 Group is in appeal against these disallowances before the relevant authorities and is hopeful of getting a favorable order.

Others

A class action lawsuit was filed in the United States District Court, Southern District of New York against the Group alleging discrimination by an ex-employee and an ex-contractor. The Group is taking necessary actions to defend the claim. The Group is presently unable to predict the duration or the outcome of this matter.

39 Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for: ₹ 118 Mn (previous year ₹ 419 Mn).

40 Employee benefits

I) General descriptions of defined benefit plans:

i) Gratuity plan

The Group 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 Group's provident fund plan is managed by its holding company through a Trust permitted under the Provident Fund Act, 1952. The plan envisages contribution by employer and employees and guarantees interest at the rate notified by the Provident Fund Authority. The contribution by employer and employee together with interest are payable at the time of separation from service or retirement whichever is earlier. The benefit under this plan vests immediately on rendering of service.

The interest payment obligation of trust managed provident fund is assumed to be adequately covered by the interest income on long term investments of the fund. Any shortfall in the interest income over the interest obligation is recognised immediately in the statement of profit and loss as actuarial loss. Any loss arising out of the investment risk and actuarial risk associated with the plan is also recognised as expense in the period in which such loss occurs. Further, Nil has been provided for year ending March 31, 2021 and March 31, 2020 based on actuarial valuation towards the future obligation arising out of interest rate guarantee associated with the plan.

Notes Forming Part of Consolidated Accounts

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

	Gratuity plan	
	As at 31-03-2021	As at 31-03-2020
(₹ in Mn)		
a) Present value of defined benefit obligation		
- Wholly funded	1,432	1,161
- Wholly unfunded	3	5
b) Fair value of plan assets as on	1,171	918
Amount to be recognised as liability or (asset) (a-b)	264	248
Net liability/(asset)-current	261	243
Net liability/(asset)- non current	3	5

	Post-retirement medical benefit plan	
	As at 31-03-2021	As at 31-03-2020
(₹ in Mn)		
A.		
a) Present value of defined benefit obligation		
- Wholly funded	-	-
- Wholly unfunded	253	218
b) Fair value of plan assets	-	-
Amount to be recognised as liability or (asset) (a-b)	253	218
B.		
Amounts reflected in the balance sheet		
Liability	253	218
Assets	-	-
Net liability/(asset)	253	218
Net liability/(asset)-current	3	3
Net liability/(asset)-non current	250	215

	Provident fund plan	
	As at 31-03-2021	As at 31-03-2020
(₹ in Mn)		
A.		
a) Present value of defined benefit obligation		
-Wholly funded	11,117	8,948
- Wholly unfunded	-	-
b) Fair value of plan assets	12,142	9,482
Amount to be recognised as liability or (asset) (a-b)*	(1,025)	(534)
B.		
Amounts reflected in the balance sheet		
Liability	161	125
Assets	-	-
Net liability/(asset)#	161	125
Net liability/(asset)-current	161	125
Net liability/(asset)-non current	-	-

#Employer's and employee's contribution for March 2021 is paid in April 2021

*Net asset is not recognised in the balance sheet

Notes Forming Part of Consolidated Accounts

II) The amounts recognised in statement of profit and loss are as follows:

	Gratuity plan	
	As at 31-03-2021	As at 31-03-2020
(₹ in Mn)		
i) Current service cost	269	203
ii) Past service cost	-	-
iii) Administration expenses	-	-
iv) Interest on net defined benefit liability / (asset)	9	6
v) (Gains) / losses on settlement	-	-
Total expense charged to profit and loss account	278	209

	Post-retirement medical benefit plan	
	2020-21	2019-20
(₹ in Mn)		
i) Current service cost	57	73
ii) Past service cost	-	-
iii) Administration expenses	-	-
iv) Interest on net defined benefit liability / (asset)	14	13
v) (Gains) / losses on settlement	-	-
Total expense charged to profit and loss account	71	86

	Provident fund plan	
	2020-21	2019-20
(₹ in Mn)		
i) Current service cost	550	442
ii) Interest cost	808	661
iii) Expected return on plan assets	(808)	(661)
Total expense for the year included in Employee benefit expense	550	442

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

	Gratuity plan		Post retirement medical benefit plan	
	2020-21	2019-20	2020-21	2019-20
(₹ in Mn)				
Opening amount recognized in OCI	59	13	(164)	(116)
Re-measurements during the period due to:				
Changes in financial assumptions	10	59	5	29
Changes in demographic assumptions	-	(1)	-	-
Experience adjustments	(17)	(5)	(41)	(77)
Actual return on plan assets less interest on plan assets	(10)	(7)	-	-
Closing amount recognized in OCI	42	59	(200)	(164)

Notes Forming Part of Consolidated Accounts

IV) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

	Gratuity plan	
	2020-21	2019-20
	(₹ in Mn)	
Opening balance of defined benefit obligation	1,166	916
Current service cost	269	203
Past service cost	-	-
Interest on defined benefit obligation	70	62
Re-measurements due to:		
Actuarial loss/(gain) arising from change in financial assumption	10	59
Actuarial loss/(gain) arising from change in demographic assumptions	-	(1)
Actuarial loss/(gain) arising on account of experience changes	(17)	(5)
Benefits paid	(60)	(71)
Liabilities assumed / (settled)	(4)	3
Closing balance of defined benefit obligation	1,435	1,166

	Post-retirement medical benefit plan	
	2020-21	2019-20
	(₹ in Mn)	
Opening balance of defined benefit obligation	218	180
Current service cost	57	73
Past service cost	-	-
Interest on defined benefit obligation	14	13
Re-measurements due to:		
Actuarial loss/(gain) arising from change in financial assumption	5	29
Actuarial loss/(gain) arising from change in demographic assumptions	-	-
Actuarial loss/(gain) arising on account of experience changes	(41)	(77)
Benefits paid	(0)	(0)
Closing balance of defined benefit obligation	253	218

	Provident fund plan	
	2020-21	2019-20
	(₹ in Mn)	
Opening balance of defined benefit obligation	8,948	7,176
Add : Interest cost	808	661
Add : Current service cost	550	442
Add : Contribution by plan participants	1,131	975
Add/(Less) : actuarial (gains)/losses	-	-
Add: Business combination/acquisition	-	-
Liabilities assumed on acquisition/ (settled on divestiture)	448	604
Less : Benefits paid	(768)	(910)
Closing balance of defined benefit obligation	11,117	8,948

Notes Forming Part of Consolidated Accounts

V) Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows:

	Gratuity plan		Provident fund plan	
	2020-21	2019-20	2020-21	2019-20
	(₹ in Mn)			
Opening balance of the fair value of the plan assets	918	729	9,482	7,220
Employer's contributions	243	199	536	433
Expected return on plan assets	61	54	808	660
Actuarial gains/(loss)	-	-	534	556
Re-measurements due to:				
Actual return on plan assets less interest on plan assets	10	7	-	-
Contribution by plan participants	-	-	1,102	919
Benefits paid	(60)	(71)	(768)	(910)
Assets acquired/(settled)*	-	-	448	604
Closing balance of plan assets	1,171	918	12,142	9,482

* On account of business combination or inter-company transfer

The Company expects to contribute ₹ 261 Mn (₹ 243 Mn in 2019-20) 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	Provident fund plan	
		2020-21	2019-20
		(₹ in Mn)	
Government of India securities		22.17%	21.52%
State government securities		23.13%	25.41%
Corporate bonds		29.38%	28.88%
Fixed deposits under Special Deposit Scheme framed by central government for provident funds	Scheme with LIC	3.69%	4.29%
Public sector bonds		12.60%	16.07%
Mutual Funds		5.42%	3.07%
Others		3.61%	0.76%

VIII) Principal actuarial assumptions at the balance sheet date :

	2020-21		2019-20	
	(₹ in Mn)			
i Discount rate				
For gratuity	6.30%		6.40%	
For post -retirement medical benefits	6.30%		6.40%	
ii Annual increase in healthcare costs (see note below)	5.00%		5.00%	
iii Attrition rate:	Varies		Varies	
	between 8% to 19%		between 8% to 19%	
iv Salary growth rate*	6.00%		6.00%	

* Salary growth rate assumption reflects the Group'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):

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As on March 31, 2021

Maturity profile	₹ in Mn	
	Gratuity	Post-Retirement medical benefit liability
Expected benefits for year 1	151	3
Expected benefits for year 2	156	4
Expected benefits for year 3	168	5
Expected benefits for year 4	170	6
Expected benefits for year 5	161	7
Expected benefits for year 6	152	8
Expected benefits for year 7	135	9
Expected benefits for year 8	128	9
Expected benefits for year 9	121	10
Expected benefits for year 10 and above	1,076	1,224

As on March 31, 2020

Maturity profile	₹ in Mn	
	Gratuity	Post-Retirement medical benefit liability
Expected benefits for year 1	129	3
Expected benefits for year 2	128	4
Expected benefits for year 3	133	5
Expected benefits for year 4	137	5
Expected benefits for year 5	130	6
Expected benefits for year 6	122	7
Expected benefits for year 7	114	8
Expected benefits for year 8	101	8
Expected benefits for year 9	96	9
Expected benefits for year 10 and above	886	1,068

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 Group 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 2021	Period ended 31 March 2020
Discount Rate		
Impact of increase in 100 bps on defined benefit obligation	-17.41%	-17.20%
Impact of decrease in 100 bps on defined benefit obligation	23.08%	22.76%

Notes Forming Part of Consolidated Accounts

	Period ended 31 March 2021	Period ended 31 March 2020
Healthcare costs rate		
Impact of increase in 100 bps on defined benefit obligation	13.30%	13.39%
Impact of decrease in 100 bps on defined benefit obligation	-10.72%	-10.78%
Life expectancy		
Impact of increase by 1 year on defined benefit obligation	1.41%	1.36%
Impact of decrease by 1 year on defined benefit obligation	-1.47%	-1.42%

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 2021		Period ended 31 March 2020	
	Discount rate	Salary escalation rate	Discount rate	Salary escalation rate
Impact of increase in 100 bps on defined benefit obligation	-6.61%	7.41%	-6.57%	7.37%
Impact of decrease in 100 bps on defined benefit obligation	7.46%	-6.69%	7.42%	-6.66%

41 Financial instruments by category

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

	As at 31-03-2021					As at 31-03-2020				
	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	32,721	-	4,573	37,294	37,294	21,165	-	1,023	22,188	22,188
Trade receivables	-	-	20,835	20,835	20,835	-	-	23,121	23,121	23,121
Unbilled revenue*	-	-	6,071	6,071	6,071	-	-	4,420	4,420	4,420
Cash and cash equivalents	-	-	6,759	6,759	6,759	-	-	4,853	4,853	4,853
Other bank balances	-	-	835	835	835	-	-	399	399	399
Loans	-	-	757	757	757	-	-	689	689	689
Derivative financial instruments#	72	2,865	-	2,937	2,937	96	240	-	336	336
Other financial assets	-	-	516	516	516	-	-	1,395	1,395	1,395
Total	32,793	2,865	40,346	76,004	76,004	21,261	240	35,900	57,401	57,401

*Excludes Unbilled Revenue on Fixed Price Contracts where the right to consideration is conditional on factors other than passage of time

#Derivative Financial instruments fair valued through Profit and loss on account of Fair value hedges

Notes Forming Part of Consolidated Accounts

(₹ in Mn)

	As at 31-03-2021					As at 31-03-2020				
	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										
Derivative financial instruments#	-	-	-	-	-	400	3,633	-	4,033	4,033
Borrowings	-	-	414	414	414	-	-	320	320	320
Trade payables	-	-	8,277	8,277	8,277	-	-	6,950	6,950	6,950
Lease Liabilities	-	-	7,569	7,569	7,569	-	-	8,799	8,799	8,799
Other financial liabilities	1,321	-	6,955	8,276	8,276	2,182	-	4,680	6,862	6,862
Total	1,321	-	23,215	24,536	24,536	2,582	3,633	20,749	26,964	26,964

#Derivative Financial instruments fair valued through Profit and loss on account of Fair value hedges

III) Fair value hierarchy used by the group for valuation of financial assets and liabilities recognised at FVTPL and FVTOCI is as below:

Level 1- Quoted prices (unadjusted) in the active markets for identical assets or liabilities.

Level 2- Inputs other than quoted prices included with in level 1 that are observable for assets or liabilities either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

(₹ in Mn)

	As at 31-03-2021				As at 31-03-2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Investments	32,720	-	1	32,721	21,164	-	1	21,165
Derivative financial instruments	-	2,938	-	2,938	-	336	-	336
Total	32,720	2,938	1	35,659	21,164	336	1	21,501
Liabilities								
Derivative financial instruments	-	-	-	-	-	4,033	-	4,033
Liability towards contingent consideration*	-	-	1,321	1,321	-	-	2,182	2,182
Total	-	-	1,321	1,321	-	4,033	2,182	6,215

*Pertains to contingent consideration payable to the selling shareholders for acquisition of business

Reconciliation of Level 3 fair value measurement of financial liabilities is as follows:

(₹ in Mn)

	31-03-2021	31-03-2020
Balance at the Beginning of the year	2,183	1,444
Acquisitions during the year	-	615
Finance Cost recognized in profit and loss	75	96
Remeasurement recognized as FVTPL	(592)	(3)
Amounts Settled during the year	(408)	(81)
Foreign Exchange Difference	63	112
Balance at the End of the year	1,321	2,183

A one percentage point change in the unobservable inputs used in fair valuation of Level 3 assets and liabilities does not have a significant impact on the value.

There have been no transfers among Level 1, Level 2 and Level 3 during the years ended March 31, 2021 and March 31, 2020.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The fair-value of the financial-instruments factor the uncertainties arising out of COVID-19, wherever applicable.

Notes Forming Part of Consolidated Accounts

III) Financial risk management

The group's activities expose it to a variety of financial risks - Market Risk, Credit Risk, interest rate risk and Liquidity Risk. The group's primary focus is to foresee the uncertainty of financial markets and seek to minimize the potential adverse effects on its financial performance. The primary market risk to the group is foreign exchange risk. The group uses derivative financial instruments to mitigate the risks arising out of foreign exchange related exposures. The group's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

i) Currency risk

The group operates in multiple geographies and contracts in currencies other than the domestic currency exposing it to risks arising from fluctuation in the foreign exchange rates. The group uses derivative financial instruments to mitigate foreign exchange related exposures. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision.

The group's revenues are principally in foreign currencies and the maximum exposure is in US dollars.

The Board of Directors of the Holding company has approved the Holding company's financial risk management policy covering management of foreign currency exposures. The treasury department monitors the foreign currency exposures and enters into appropriate hedging instruments to mitigate its risk. The group hedges its exposure on a net basis (i.e. expected revenue in foreign currency less expected expenditure in related currency) These hedges are cash flow hedges as well as fair value hedges.

The Foreign Currency Risk from Monetary assets and liabilities as at March 31, 2021 is as follows

(₹ in Mn)

	US Dollar	Euro	Emirati Dirham	Swedish Krona	Australian Dollar	Other currencies*	Total
Net financial assets	17,560	5,543	2,892	1,123	735	5,000	32,853
Net financial liabilities	(4,628)	(2,103)	(458)	(200)	(118)	(1,876)	(9,384)
Net assets/(liabilities)	12,932	3,440	2,434	923	617	3,124	23,469

* Other currencies include currencies such as Australian \$, Singapore \$, Pound sterling, Japanese Yen, Saudi Riyal, South African Rand, etc.

The Foreign Currency Risk from Monetary assets and liabilities as at March 31, 2020 is as follows

(₹ in Mn)

	US Dollar	Euro	Emirati Dirham	Swedish Krona	Australian Dollar	Other currencies*	Total
Net financial assets	17,241	3,746	1,367	615	220	4,511	27,699
Net financial liabilities	(3,578)	(1,761)	(253)	(53)	(144)	(919)	(6,708)
Net assets/(liabilities)	13,663	1,985	1,114	562	76	3,592	20,991

* Other currencies include currencies such as Australian \$, Singapore \$, Pound sterling, Japanese Yen, Saudi Riyal, South African Rand, etc.

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 ₹ 669 Mn as at March 31, 2021 (₹ 319 Mn as at March 31, 2020).

Notes Forming Part of Consolidated Accounts

A) Derivative Financial Instruments

The group regularly reviews its foreign exchange forward and options positions, both on a standalone and in conjunction with its underlying foreign exchange exposures. The outstanding forward and option contracts at the year end, their maturity profile and sensitivity analysis are as under.

(i) The details in respect of outstanding foreign currency forward and options contracts are as follows:

	As at 31-03-2021		As at 31-03-2020	
	in Million	₹ in Million	₹ in Million	Total
Instruments designated as cash flow hedges				
Forward contracts				
In US Dollar	1,354	107,787	1,251	95,822
In South African Rand	136	635	6	30
In Swedish Krona	125	1,085	-	-
In Danish Krone	33	389	-	-
In Euro	25	2,147	15	1,293
In Norwegian Krone	22	186	-	-
In Australian Dollar	13	721	-	-
In Canadian Dollar	7	378	-	-
In United Kingdom Pound Sterling	4	430	4	406
Options Contracts				
In Euro	95	8,269	74	6,504
Instruments designated as fair value hedges				
In US Dollar	65	4,767	91	6,630
In Emirati Dirham	56	1,129	-	-
In Swedish Krona	12	100	24	185
In Euro	10	863	-	-
In United Kingdom Pound Sterling	7	670	5	401
In South African Rand	4	19	83	380
In Canadian Dollar	1	35	3	144
In Australian Dollar	1	33	2	105
In Norwegian Krone	-	-	5	37
In Danish Krone	-	-	4	44
Total Forward and Options contracts		129,643		111,980

(ii) The foreign exchange forward and option contracts designated as cash flow hedges mature over a maximum period of 36 months. The group manages its exposures normally for a period of up to 3 years based on the estimated exposure over that period.

The group has evaluated the impact of the COVID-19 event on its highly probable transactions and concluded that the hedge relationships continue to be effective.

The table below analyses the derivative financial instrument into relevant maturity based on the remaining period as of the balance sheet date. Contracts with maturity not later than twelve months include certain contracts which can be rolled over to subsequent periods in line with underlying exposures.

Particulars	(₹ in Mn)	
	As at 31-03-2021	As at 31-03-2020
Not later than twelve months	67,810	55,589
Later than twelve months	61,833	56,392
Total	129,643	111,981

Notes Forming Part of Consolidated Accounts

(iii) During the year ended 31st March, 2021, the group has designated certain foreign exchange forward and options contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. The related hedge transactions which form a part of hedge reserve as at 31st March, 2021 will occur and be reclassified to the statement of Profit and loss over a period of 36 months.

The reconciliation for the cash flow Hedge Reserve for the years ended March 31, 2021 and March 31, 2020 is as follows:

Particulars	(₹ in Mn)	
	As at 31-03-2021	As at 31-03-2020
Balance at the beginning of the year	(2,149)	2,243
Changes in fair value of forward and options contract designated as hedging instruments	5,970	(4,605)
Amount reclassified to profit and loss during the year	(158)	(1,186)
Tax impact on the above	(1,463)	1,399
Total	2,200	(2,149)

Actual future gains and losses associated with forward contracts designated as cash flow hedge may differ materially from the sensitivity analysis performed as of 31 March 2021 due to the inherent limitations associated with predicting the timing and amount of changes in foreign currency exchanges rates and the group's actual exposures and position.

The group has considered the effect of changes, if any, in both counterparty credit risk and its own credit risk in assessing hedge effectiveness and measuring hedge ineffectiveness.

The Group has evaluated possible impact of COVID-19 on its highly probable forecast transactions and concluded that there was no impact on the probability of occurrence of the hedged transaction. The Group has considered the effect of changes, if any, in both counterparty credit risk and its own credit risk in assessing hedge effectiveness and measuring hedge ineffectiveness.

ii) Interest risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group invests its surplus funds in Debt mutual funds and corporate deposits. The group mitigates the risk of counter-party failure by investing in mutual fund schemes with large assets under management, investing in debt instruments issued with sound credit rating and placing corporate deposits with banks and financial institutions with high credit ratings assigned by domestic and international credit rating agencies. The Group's borrowings and investments are primarily short-term, which do not expose it to significant interest rate risk.

Net assets value (NAV) of debt mutual funds are subject to changes in interest rates. Every one percent increase or decrease in the NAV of debt mutual funds where the group holds investments will impact the group's profit before tax by ₹ 327 Mn in 2020-21 (₹ 212 Mn in 2019-20)..

iii) Credit risk

Credit risk refers to the risk of default on its obligation by a counterparty resulting in a financial loss. The carrying amount of all financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 76,005 Mn and ₹ 57,401 Mn as at March 31, 2021 and March 31, 2020 respectively being the total of the carrying amount of Investments, Trade Receivables, Unbilled Revenue, Cash and other bank balances and all other financial assets.

The principal credit risk that the group 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 and unbilled receivables. Further, the group has not suffered significant payment defaults by its customers.

In addition, for delay in collection of receivable, the group has made a provision for Expected Credit loss ('ECL') based on an ageing analysis of its trade receivables, finance leases and unbilled revenue. For trade receivables and finance leases, these range from 1.5% for dues outstanding up to six months to 15.7% for dues outstanding for more than 36 months for 2020-21

Notes Forming Part of Consolidated Accounts

(Previous year 1.8% and 20.2% for dues outstanding up to 6 months and for more than 36 months respectively) and for unbilled revenue 1.4% for dues outstanding up to six months to 3.9% for dues outstanding for more than 12 months for 2020-21 (Previous year 1.8% for dues outstanding up to six months to 5.1% for dues outstanding for more than 12 months). No provision has been made on trade receivables in not due category.

The group's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. Exposure to customers is diversified and the percentage of revenue from its top five customers is 29.3% for 2020-21 (31.8% for 2019-20).

ECL allowance for non-collection and delay in collection of receivable and unbilled revenue, on a combined basis was ₹ 320 Mn and ₹ 249 Mn for the financial years 2020-21 and 2019-20 respectively. The movement in allowance for doubtful debts comprising provision for both non-collection and delay in collections of receivable, unbilled revenue and finance leases is as follows:

	(₹ in Mn)	
	2020-21	2019-20
Opening balance	249	177
Impairment loss recognised or (reversed)	71	72
Closing balance	320	249

The group is also exposed to counter-party risk in relation to financial instruments taken to hedge its foreign currency risks. The counter- parties are banks and the group has entered into contracts with the counter-parties for all its hedge instruments and in addition, entered into suitable credit support agreements to limit counter party risk where necessary.

The Group has taken in to account possible impact relating to COVID – 19 in estimating Expected Credit Loss provision.

iv) Liquidity risk

The group's treasury department monitors the cash flows of the group and surplus funds are invested in non- speculative financial instruments that include highly liquid funds and corporate deposits.

The group has borrowings of ₹ 414 Mn as on March 31, 2021 (Previous Year: ₹ 320 Mn).

The contractual maturities of financial liabilities is as follows:

	As at 31-03-2021			As at 31-03-2020		
	Within a year	More than one year	Total	Within a year	More than one year	Total
Trade payables	8,277	-	8,277	6,950	-	6,950
Borrowings	414	-	414	320	-	320
Derivative Financial Instruments	-	-	-	2,013	2,020	4,033
Other financial liabilities	7,845	483	8,328	6,018	973	6,991
Total	16,536	483	17,019	15,301	2,993	18,294

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

	(₹ in Mn)	
	2020-21	2019-20
Less than one year	1,521	1,593
One to five years	4,972	5,716
More than five years	3,352	4,930
Total undiscounted lease liabilities	9,845	12,239

Credit risk on cash and cash equivalents is limited as the group generally invest in deposits with banks and financial institutions with high ratings assigned by international and domestic credit rating agencies and analyzing market information on a continuous and evolving basis. Ratings are monitored periodically and the group has considered the latest available credit ratings as well as any other market information which may be relevant at the date of approval of these standalone financial statements.

Notes Forming Part of Consolidated Accounts

42 Leases

I) Following are the changes in the carrying value of right of use assets for the year ended March 31, 2021

	Category of ROU Asset			Total
	Office Premises	Furniture & Fixtures	Vehicles	
Balance at April 01, 2020	7,623	69	0	7,692
Addition	357	-	3	360
Deletion	(627)	-	-	(627)
Depreciation	(1,204)	(17)	(1)	(1,222)
Translation Difference	18	-	-	18
Balance at March 31, 2021	6,167	52	2	6,221

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020

	Category of ROU Asset			Total
	Office Premises	Furniture & Fixtures	Vehicles	
Balance at April 01, 2019	4,898	86	1	4,985
Addition	3,720	-	-	3,720
Additions through business combinations	73	-	-	73
Deletion	(2)	-	-	(2)
Depreciation	(1,073)	(17)	(1)	(1,091)
Translation Difference	7	-	-	7
Balance at March 31, 2020	7,623	69	0	7,692

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

II) The following is the break-up of current and non-current lease liabilities

	(₹ in Mn)	
	As at 31-03-2021	As at 31-03-2020
Current lease liabilities	1,194	1,228
Non-current lease liabilities	6,375	7,571
	7,569	8,799

III) The following is the movement in lease liabilities:

	(₹ in Mn)	
	As at 31-03-2021	As at 31-03-2020
Balance at the beginning	8,799	5,777
Additions	322	3,548
Additions through Business Combination	-	72
Finance cost accrued during the period	699	681
Deletions	(672)	(2)
Payment of lease liabilities	(1614)	(1,408)
Translation Difference	35	131
Balance at the end	7,569	8,799

Notes Forming Part of Consolidated Accounts

IV) The following is the movement in the net investment in sublease in ROU asset

	(₹ in Mn)	
	As at 31-03-2021	As at 31-03-2020
Balance at the beginning of the period	24	32
Interest income accrued during the period	2	2
Lease receipts	(12)	(11)
Translation Difference	1	1
Balance at the end of the period	15	24

V) The table below provides details regarding the contractual maturities of net investment in sublease of ROU asset on an undiscounted basis:

	(₹ in Mn)	
	As at 31-03-2021	As at 31-03-2020
Less than one year	11	11
One to five years	7	17
Total	18	28

VI) Finance lease receivables

Leasing arrangements

Finance lease receivables consist of assets that are leased to customers for contract terms ranging from 3 to 4 years, with lease payments due in monthly installments. Details of finance lease receivables are given below:

	Minimum Lease Payments		Present value of minimum lease payments	
	31-03-2021	31-03-2020	31-03-2021	31-03-2020
Not later than one year	92	-	81	-
Later than one year but not later than five years	155	-	150	-
Gross investment in lease	247	-	231	-
Less: Unearned finance income	(16)	-	-	-
Present value of minimum lease payment receivables	231	-	231	-
Included in the balance sheet as follows:				
- Non-current finance lease receivables	-	-	150	-
- Current finance lease receivables	-	-	81	-

Finance income on finance lease receivable was ₹ 11 Mn for the year ended March 31, 2021 (Previous Year: Nil). Selling profit on finance lease receivables has been recognised amounting to ₹ 145 Mn for the year ended March 31, 2021 (Previous Year: Nil)

43 Basic and Diluted Earnings Per Share (Eps) at Face Value of ₹ 1

	2020-21	2019-20
Profit after tax (₹ in Mn)	19,361	15,201
Weighted average number of shares outstanding	174,460,220	173,823,653
Basic EPS (₹)	110.98	87.45
Weighted average number of shares outstanding	174,460,220	173,823,653
Add: Weighted average number of potential equity shares on account of employee stock options	1,135,891	1,684,617
Weighted average number of shares outstanding	175,596,111	175,508,270
Diluted EPS (₹)	110.26	86.61

Notes Forming Part of Consolidated Accounts

44 Related Party Disclosure:

I) Key Management Personnel:

Name	Status
Mr. Sanjay Jalona	Chief Executive Officer (CEO) & Managing Director (MD)
Mr. Sudhir Chaturvedi	President – Sales & Whole time Director (WTD)
Mr. Nachiket Deshpande	Chief Operating Officer (COO) & Whole Time Director (WTD)
Mr. Ashok Kumar Sonthalia ¹	Chief Financial Officer (CFO)
Mr. Anil Rander ²	Chief Financial Officer (CFO)

1. Ceased to be CFO from the close of business hours of January 25, 2021

2. Appointed as CFO w.e.f. April 14, 2021

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

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 (formerly known as L&T Construction Machinery Limited)	Fellow Subsidiary
L&T Realty Developers Limited (formerly known as L&T Construction Equipment Limited)	Fellow Subsidiary
L&T Finance Limited	Fellow Subsidiary
Larsen & Toubro LLC	Fellow Subsidiary
Nabha Power Limited	Fellow Subsidiary
L&T Metro Rail (Hyderabad) Ltd	Fellow Subsidiary
Larsen & Toubro (East Asia) SDN BHD	Fellow Subsidiary
L&T Technology Services LLC	Fellow Subsidiary
L&T Saudi Arabia LLC	Fellow Subsidiary
Mindtree Limited	Fellow Subsidiary
L&T Technology Services (Shanghai) Co. Ltd	Fellow Subsidiary
L&T Infrastructure Development Projects Limited (IDPL)	Joint venture of Holding Company
L&T-MHI Turbine Generators Pvt Ltd	Joint venture of Holding Company
L&T-MHI Boilers Pvt.Ltd	Joint venture of Holding Company
L&T Officers & Supervisory Staff Provident Fund	Post employment benefit plans
Nexant Limited	Company in which Directors are Interested
Calient Technologies Inc	Company in which Directors are Interested

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

(III) Details of transactions between the Group and other related parties are disclosed below:

The Group's material related party transactions and outstanding balances are with related parties with whom the Group routinely enter into transactions in the ordinary course of business.

Notes Forming Part of Consolidated Accounts

A. Transaction	Holding company	
	2020-21	2019-20
Sale of services / products	1,154	1,391
Purchases of services / products	68	66
Purchase of assets	32	-
Overheads charged by	577	534
Overheads charged to	41	115
Trademark fees paid	309	277
Interim dividend	1,947	1,622
Final dividend paid	2,012	2,012

(₹ in Mn)

Outstanding Balances	Holding company	
	2020-21	2019-20
Trade receivable	220	794

(₹ in Mn)

B. Transaction	Joint venture of Holding Company	
	2020-21	2019-20
Sale of services / products	39	38
- L&T Infrastructure Development Projects Limited	39	38

Outstanding Balance	Joint venture of Holding Company	
	2020-21	2019-20
Trade receivable	17	11
- L&T Infrastructure Development Projects Limited	17	11

C. Transaction	Post employment benefit plans	
	2020-21	2019-20
Contribution to post employment benefit plans	536	433
- L&T Officers & Supervisory Staff Provident Fund	536	433

Outstanding Balance	Joint venture of Holding Company	
	2020-21	2019-20
Contribution to post employment benefit plans	161	115
- L&T Officers & Supervisory Staff Provident Fund	161	115

D. Transaction	Fellow subsidiaries	
	2020-21	2019-20
Sale of services / products	829	1,346
- L&T Technology Services Limited	457	1,049
- L&T Hydrocarbon Engineering Limited	249	188
- L&T Thales Technology Services Private Limited	7	25
Sale of assets	0	-
- Mindtree Limited	0	-
Purchases of services / products	772	1,049

(₹ in Mn)

Notes Forming Part of Consolidated Accounts

D. Transaction	Fellow subsidiaries	
	2020-21	2019-20
- L&T Technology Services Limited	663	1,033
- Mindtree Limited	106	13
Overheads charged by	30	31
- Larsen & Toubro East Asia	14	18
- L&T Technology Services Limited	13	10
Overheads charged to	86	101
- L&T Technology Services Limited	60	82
- L&T Valves Limited	0	0
- L&T Hydrocarbon Engineering Limited	17	17
- L&T Technology Services (Shanghai) Co. Ltd	9	3
Commission charged	-	1
- L&T Technology Services Limited	-	1

(₹ in Mn)

Outstanding Balance	Fellow subsidiaries	
	2020-21	2019-20
Trade receivables	398	222
- L&T Technology Services Limited	233	-
- L&T Metro Rail (Hyderabad) Ltd	5	9
- L&T Thales Technology Services Private Limited	2	15
- L & T Hydrocarbon Engineering Limited	118	56
- L&T Finance Limited	2	2
Trade payable	3	318
- L&T Technology Services Limited	-	204
- L&T Technology Services LLC	1	2
- Larsen & Toubro (East Asia) SDN BHD	2	1

E. Transaction	Company in which Directors are Interested	
	2020-21	2019-20
Sale of services / products	5	2
- Calient Technologies Inc	4	2

Outstanding Balance	Company in which Directors are Interested	
	2020-21	2019-20
Trade receivable	-	2
- Calient Technologies Inc	-	2

* All balances are unsecured and to be settled in cash.

(VI) Managerial remuneration

	2020-21		2019-20	
(i) Short term employee benefits	207		166	
(ii) Contribution to funds	14		12	

(₹ in Mn)

Notes Forming Part of Consolidated Accounts

(₹ in Mn)

	2020-21	2019-20
Mr. Sanjay Jalona	112	87
Mr. Sudhir Chaturvedi	75	60
Mr. Nachiket Deshpande ¹	21	17
Mr. Ashok Kumar Sonthalia ²	13	14

1. Includes from the date of appointment - May 2, 2019

2. Includes upto the date of cessation - January 25, 2021

Share based payments on employee stock options granted (if any) are charged to P&L over vesting period of ESOPs

45 SEGMENT REPORTING

Segments have been identified in accordance with Indian Accounting Standards ("Ind AS") 108 on Operating Segments, considering the risk or return profiles of the business. As required under Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the performance and allocates resources based on analysis of various performance indicators. Accordingly, information has been presented for the Group's operating segments.

(₹ in Mn)

	2020-21	2019-20
Segment revenue		
Banking, Financial Services & Insurance	56,191	49,365
Manufacturing	20,353	18,275
Energy & Utilities	12,501	12,396
High-Tech, Media & Entertainment	13,778	12,166
CPG, Retail, Pharma & Others	20,875	16,584
Revenue from operations	123,698	108,786
Segment results		
Banking, Financial Services & Insurance	12,519	10,423
Manufacturing	5,058	3,449
Energy & Utilities	2,629	2,187
High-Tech, Media & Entertainment	2,874	1,462
CPG, Retail, Pharma & Others	4,374	3,321
Segment results	27,454	20,842
Other Income	2,744	3,292
Unallocable expenses (net)*	203	549
Finance costs	788	826
Depreciation & amortization expense	3,325	2,730
Profit before tax	25,882	20,029

*Unallocable expenses for FY 19-20 included ₹ 180 Mn towards contribution to The Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund for COVID - 19 relief measures.

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

Geography	2020-21	2019-20
North America	84,513	75,044
Europe	19,529	17,038
India	9,712	7,765
APAC	3,567	3,044
ROW	6,377	5,895
Total	123,698	108,786

III) Information about Major Customers

One customer group accounts for more than 10% of the total group revenue for the year ended March 2021 and March 2020 and is a part of Banking, Financial Services & Insurance segment

Notes Forming Part of Consolidated Accounts

46 Events occurring after the reporting period:

The Board of Directors at its meeting held on May 4, 2021, has recommended final dividend of ₹ 25 per equity share (Face value ₹ 1) for the financial year ended March 31, 2021.

47 The Group 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 0.5 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 04, 2021.

As per our report attached

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

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

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

Padmini Khare Kaicker
Partner
Membership No: 044784
Mumbai
May 4, 2021

Anil Rander
Chief Financial Officer
Mumbai

Manoj Koul
Company Secretary & Compliance Officer
Pune

GLOSSARY

Acronym	Full Form
A	
AD&D Insurance	Accidental Death and Dismemberment Insurance
ADEA	Analytics and Digital in Every Account
ADF	Agile Development Framework
ADM & Testing	Application Development, Maintenance & Testing
ADR	American Depository Receipts
AI	Artificial Intelligence
AIOps	Artificial Intelligence for IT Operations
APAC	Asia Pacific
AWS	Amazon Web Services
B	
BCP	Business Continuity Planning
BEU	Business Enabling Unit Planning
BFS	Banking & Financial Services
C	
CAGR	Compound Annual Growth Rate
CMF	Capability Maturity Framework
CMMI	Capability Maturity Model Integration
CMMI DEV	Capability Maturity Model Integration Development
CMMI SVC	Capability Maturity Model Integration Services
COE	Centre of Excellence
CPCB	Central Pollution Control Board
CPG	Consumer Packaged Goods
CSAT	Customer Satisfaction
D	
D&O Insurance	Director & Officer Liability Insurance
D2O	Data Driven Organization
DA	Data Analytics
DC	Delievery Centre
DevOps	a portmanteau of development and operations
DevSecOps	Development, Security and operations
DOT	Department of Telecommunication
DPS	Dividend Per Share
DSO	Days Sales Outstanding
DTC	Digitizing the Core
DU	Delivery Unit
E	
EASA	European Union Aviation Safety Agency
EC&O	Engineering, Construction and Operations
EHS	Employee Health & Safety
ERR	Escalation Risk Review
EX	Experience Transformation
G	
GCP	Google Cloud Platform
GDPR	General Data Protection Regulation
GDR	Global Depository Receipts
GET	Graduate Engineer Trainees
GHG Emission	Greenhouse Gas Emission
GJ	Gigajoule(Measure of Energy)
GTM	Go to market

Acronym	Full Form
H	
HQ	Headquarter
HVAC	Heating, Ventilation, and Air Conditioning
I	
IFC	Internal Financial control
IGBC	Indian Green Building Council
IIoT	Industrial Internet of Things
IIRC	International Integrated Reporting Council
ILO	International Labour Organisation
iITPA	intelligent process automation
IND AS	Indian Accounting Standard
IOT	Internet of Things
ISAE	International Standard on Assurance Engagement
ISIN	International Securities Identification Number
ISO	International Organisation for Standardization
ITPA	IT Process Automation
J	
JDE	JD Edwards
K	
kWh	Killowatt-hour
kWp	Killowatt-peak
L	
LEED Certified	Leadership in Energy and Enviromental Design
M	
M&A	Merger and Amalgamation
MAT	Minimum Alternate Tax
MDM	Meter Data Management
ML	Machine Learning
MPCB	Maharashtra Pollution Control Board
MTTR	Mean time to Repair
MWHH	Megawatt Hour
N	
NASSCOM	National Association of Software and Service Companies
NEAPS	NSE Electronic Application Processing System
NIC Code	National Industrial Classification Code
NPS	Net Promoter Score
NWOW	New Way of Working
O	
O2T	Operate to Transform
OCF	Operating Cash Flow
OCF/NI	Operating Cash Flow to Net Income
OHSAS	Occupational Health and Safety Assessment Series
P	
PaaS	Platform-as-a-Service
POSH IC	Internal Committee on Prevention of Sexual Harassment at Workplace
POU	Point of Use
PoV	
PU	Practice Unit

GLOSSARY

Acronym	Full Form
Q	
QBR	Quarterly Business Review
QMS	Quality Management System
R	
R & D	Research & Development
RBA	RunBook Automation
RFP	Request for Proposal
ROC	Risk Operating Committee
ROW	Rest Of the World
RPA	Robotic Process Automation
S	
SaaS	Solution as a Service
SAP	Systems, Applications & Products in Data Processing
SCAMPI	Standard CMMI Appraisal Method for Process Improvement
SDC	Securities Dealing Code
SEZ	Special Economic Zones
SPCB	State Pollution Control Board
SPOC	Single Point of Contact
SQC	Standard on Quality Control
STP	Sewage Treatment Plant
STPI	Software Technology Parks of India

Acronym	Full Form
T	
TCO	Total Cost of Ownership
tCO2	Total Carbon dioxide
TCV	Total Contract Value
TRAI	Telecom Regulatory Authority of India
U	
UDIN	Unique Document Identification Number
UPS	Uninterrupted Power Supply
USGBC	U.S. Green Building Council
V	
VDI	Virtual Dekstop Infrastructure
Virtual NDR	Virtual Non-Deal Roadshows
VM	Virtual Machine
W	
WBIC	Whistle Blowing Investigation Committee
WCS	Wildlife Conservation Society
WVD	Windows Virtual Dekstop



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