

B. K. Khare & Co.

Chartered Accountants

706/708, Sharda Chambers, New Marine
Lines, Mumbai – 400 020, India

Auditor's report on Consolidated Annual Financial Results of Larsen & Toubro Infotech Limited for the quarter and year ended March 31, 2020 pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

Opinion

We have audited the accompanying statement of Consolidated Annual Financial Results ("the Statement") of Larsen & Toubro Infotech Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries are collectively referred to as "the Group") for the quarter and year ended March 31, 2020 attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

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 other auditors on separate audited financial statements of the subsidiaries, the aforesaid Consolidated Annual Financial Results:

- i) includes the results of the entities listed in Annexure-1;
- ii) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended in this regard; and
- iii) gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the consolidated profit, total comprehensive income for the period and other financial information of the Group for the year ended March 31, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results 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 together with the ethical requirements that are relevant to our audit of the consolidated annual financial results under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated annual financial results.

Management's and Board of Directors' Responsibilities for the Consolidated Annual Financial Results

These consolidated annual financial results have been prepared on the basis of the consolidated annual financial statements.

The Holding Company's Management and the Board of Directors are responsible for the preparation and presentation of these consolidated annual financial results that give a true and fair view of the consolidated net profit and other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under

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Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 each 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated annual financial results 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 annual financial results by the Management and the Directors of the Holding Company, as aforesaid.

In preparing the consolidated annual financial results, the respective Management and the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of each company 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 Management/Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the consolidated annual financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated annual financial results.

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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

We also performed procedures in accordance with the circular No CIR/CFD/CMD1/44/2019 issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

Other Matters

The consolidated annual financial results include the audited financial results of 11 subsidiaries, whose financial statements/financial information reflect total assets (before consolidation adjustments) of Rs 9,543 million as at March 31, 2020, total revenue (before consolidation adjustments) of Rs 7,133 million, total comprehensive income (before consolidation adjustments) of Rs 776 million for year ended March 31, 2020 and net cash outflows of Rs 364 million for the year ended on that date, as considered in the consolidated annual financial results, which have been audited by their respective independent auditors. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated annual financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates is based solely on the audit reports of the other auditors.

Certain of these subsidiaries are located outside India whose financial statements/financial information have been prepared in accordance with 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 Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries and joint ventures located outside India is based on the reports of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

The consolidated annual financial results include the financial results of 15 subsidiaries, whose financial statements/financial information reflect total assets (before consolidation adjustments) of Rs. 2,426 million as at March 31, 2020, total revenue (before consolidation adjustments) of Rs 3,950 million, total comprehensive income (before consolidation adjustments) of Rs. (27) million for the year ended March 31, 2020 and net cash outflows of Rs. 92 million for the year ended on that date, as considered in the consolidated annual financial results. These unaudited financial statements have been furnished to us by the Board of Directors and our opinion on the consolidated annual financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on such annual unaudited financial statements. In our opinion and according to the information and explanations given to us by the Board of Directors, these financial statements are not material to the Group.

Our opinion on the consolidated annual financial results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial results certified by the Board of Directors.

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The consolidated annual financial results include the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year.

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



Padmini Khare Kaicker
Partner
Membership Number: 044784
UDIN: 20044784AAAAAU7048
Mumbai, May 19, 2020

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Annexure 1: List of entities consolidated as at and for the year ended March 31, 2020

- i. Larsen & Toubro Infotech GmbH
- ii. Larsen & Toubro Infotech Canada Limited
- iii. Larsen & Toubro Infotech LLC
- iv. L&T Infotech Financial Services Technologies Inc.
- v. Larsen & Toubro Infotech South Africa (Proprietary) Limited
- vi. L&T Information Technology Services (Shanghai) Co. Limited
- vii. L&T Information Technology Spain, Sociedad Limitada
- viii. L&T Infotech S.de. RL. C.V
- ix. Larsen and Toubro Infotech NORGE AS
- x. Syncordis S.A.
- xi. Syncordis Support Services S.A.
- xii. Syncordis Limited, UK
- xiii. Syncordis France, SARL
- xiv. Syncordis Software Services India Private Limited
- xv. NIELSEN + PARTNER UNTERNEHMENSBERATER GMBH
- xvi. Nielsen + Partner Unternehmensberater AG
- xvii. NIELSEN + PARTNER PTE. LTD
- xviii. NIELSEN + PARTNER S.A.
- xix. NIELSEN & PARTNER Pty Ltd
- xx. NIELSEN & PARTNER COMPANY LIMITED
- xxi. Ruletronics Systems Private Limited
- xxii. RULETRONICS LIMITED
- xxiii. RULETRONICS SYSTEMS INC.
- xxiv. Powerupcloud Technologies Private Limited
- xxv. Lymbyc Solutions Private Limited
- xxvi. Lymbyc Solutions Inc

LARSEN & TOUBRO INFOTECH LIMITED

Registered Office : L&T House, Ballard Estate, Mumbai - 400 001

CIN : L72900MH1996PLC104693

Statement of Audited Consolidated Financial Results for the quarter and year ended March 31, 2020

₹ million

		Quarter ended			Year ended	
		March 31 2020	December 31 2019	March 31 2019	March 31 2020	March 31 2019
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Income from operations					
	Revenue from operations	30,119	28,111	24,860	108,786	94,458
	Other income	702	642	674	3,292	3,023
	Total income	30,821	28,753	25,534	112,078	97,481
2	Expenses					
	a) Employee benefits expense	17,646	16,891	14,335	65,166	54,668
	b) Operating expenses	6,102	5,527	5,342	21,506	19,573
	c) Finance costs	221	212	28	826	106
	d) Depreciation & amortisation expense	747	709	371	2,730	1,472
	e) Other expenses (Refer Note 7)	591	416	417	1,821	1,384
	Total expenses	25,307	23,755	20,493	92,049	77,203
3	Profit before tax (1-2)	5,514	4,998	5,041	20,029	20,278
4	Tax expense					
	a) Current tax	962	892	1,337	3,913	4,875
	b) Deferred tax	277	339	(81)	911	248
	Total tax expense	1,239	1,231	1,256	4,824	5,123
5	Net profit after tax (3-4)	4,275	3,767	3,785	15,205	15,155
6	Other comprehensive income	(3,005)	152	1,323	(4,099)	378
7	Total comprehensive income (5+6)	1,270	3,919	5,108	11,106	15,533
	Profit for the period attributable to:					
	Shareholders of the Company	4,267	3,773	3,789	15,201	15,159
	Non-controlling interests	8	(6)	(4)	4	(4)
	Total comprehensive income attributable to:					
	Shareholders of the Company	1,267	3,919	5,113	11,103	15,538
	Non-controlling interests	3	0	(5)	3	(5)
8	Paid-up equity share capital (FV: ₹1 per share)	174	174	174	174	174
9	Other equity	53,877	52,553	48,772	53,877	48,772
10	Earnings per share (Refer Note 8)					
	a) Basic (in ₹)	24.52	21.70	21.86	87.45	87.67
	b) Diluted (in ₹)	24.30	21.50	21.60	86.61	86.43

Audited Consolidated Segment Information for the quarter and year ended March 31, 2020

₹ million

	Quarter ended			Year ended	
	March 31 2020	December 31 2019	March 31 2019	March 31 2020	March 31 2019
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
Segment revenue					
Banking, Financial Services & Insurance	13,409	12,786	11,305	49,365	44,645
Manufacturing	5,404	4,917	4,123	18,275	14,963
Energy & Utilities	3,437	3,176	2,749	12,396	10,112
High-Tech, Media & Entertainment	3,308	3,035	3,080	12,166	10,921
CPG, Retail, Pharma & Others	4,561	4,197	3,603	16,584	13,817
Revenue from operations	30,119	28,111	24,860	108,786	94,458
Segment results					
Banking, Financial Services & Insurance	2,737	2,605	2,642	10,423	11,021
Manufacturing	1,039	936	717	3,449	2,696
Energy & Utilities	575	586	551	2,187	1,897
High-Tech, Media & Entertainment	689	450	371	1,462	1,290
CPG, Retail, Pharma & Others	1,028	781	558	3,321	2,243
Segment results	6,068	5,358	4,839	20,842	19,147
Unallocable expenses (net) (Refer Note VI)	288	81	73	549	314
Other Income	702	642	674	3,292	3,023
Finance costs	221	212	28	826	106
Depreciation & amortisation expense	747	709	371	2,730	1,472
Profit before tax	5,514	4,998	5,041	20,029	20,278

- I. Segments have been identified in accordance with Indian Accounting Standards ("Ind AS") 108 on Operating Segments, considering the risk or return profiles of the business. As required under Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the performance and allocates resources based on analysis of various performance indicators. Accordingly, information has been presented for the Company's operating segments.
- II. Segment revenue is the revenue directly identifiable with the segment.
- III. Expenses that are directly identifiable with or allocable to segments are considered for determining the segment result. Expenses which relate to the Company as a whole and not identifiable with / allocable to segments are included under "Unallocable expenses".
- IV. Other income relates to the Company as a whole and is not identifiable with / allocable to segments.
- V. Assets and liabilities used in the Company's business are not identified to any of the reportable segments as these are used interchangeably.
- VI. Unallocable expenses for the quarter and year ended March 31, 2020 includes ₹180 Mn towards contribution to Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund for COVID-19 relief measures.

Audited Consolidated Statement of Assets and Liabilities as at March 31, 2020

₹ million

	As at March 31, 2020	As at March 31, 2019
	(Audited)	(Audited)
ASSETS		
Non-current assets		
(a) Property, plant and equipment	4,031	3,052
(b) Right of use assets	7,692	-
(c) Capital work-in-progress	382	32
(d) Goodwill	6,368	4,947
(e) Other Intangible assets	1,106	1,300
(f) Intangible assets under development	210	83
(g) Financial assets		
(i) Investments	2	1
(ii) Loans	560	473
(iii) Other financial assets	118	1,606
(h) Deferred tax assets (net)	2,222	1,545
(i) Income tax assets (net)	817	841
(j) Other non-current assets	1,451	1,111
Total Non-Current Assets	24,959	14,991
Current assets		
(a) Financial assets		
(i) Investments	22,186	17,402
(ii) Trade receivables	23,121	18,263
(iii) Unbilled Revenue	4,420	5,582
(iv) Cash and cash equivalents	4,853	3,499
(v) Other bank balances	399	651
(vi) Loans	129	71
(vii) Other financial assets	1,613	1,703
(b) Income tax assets (net)	7	37
(c) Other current assets	6,562	4,493
Total current assets	63,290	51,701
TOTAL ASSETS	88,249	66,692
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	174	174
(b) Other equity	53,866	48,764
Equity attributable to shareholders of the company	54,040	48,938
Non- controlling interests	11	8
Total equity	54,051	48,946
Liabilities		
Non-current liabilities		
(a) Financial liabilities	2,884	936
(b) Lease liabilities	7,571	-
(b) Deferred tax liabilities (net)	101	56
(c) Provisions	330	291
Total non-current liabilities	10,886	1,283
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	320	-
(ii) Trade payables		
Due to micro and small enterprises	79	3
Due to other than micro and small enterprises	6,871	4,666
(iii) Other financial liabilities	8,011	6,730
(b) Lease liabilities	1,228	-
(c) Other liabilities	4,134	2,582
(d) Provisions	2,588	2,108
(e) Income tax liabilities (net)	81	374
Total current liabilities	23,312	16,463
TOTAL EQUITY AND LIABILITIES	88,249	66,692

Audited Consolidated Statement of Cash flows for the year ended March 31,2020

(₹ million)

	Year ended	Year ended
	March 31, 2020 (Audited)	March 31, 2019 (Audited)
A. Cash flow from operating activities		
Net profit after tax	15,205	15,155
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation and amortization	2,730	1,472
Income tax expense	4,824	5,123
Expense recognised in respect of equity settled stock option	319	281
Realised income from current investment	(1,037)	(743)
Unrealised income from current investment	(179)	(247)
Interest received	(64)	(19)
Interest expense	826	106
Unrealised foreign exchange (gain)/loss	(3)	368
Provision for doubtful debts (net)	236	253
Net loss/(gain) on sale of property, plant and equipment	9	13
Operating profit before working capital changes	22,866	21,762
Changes in working capital		
(Increase)/decrease in trade receivables & unbilled revenue	(3,131)	(1,442)
(Increase)/decrease in other receivables	(2,786)	(3,985)
Increase/(decrease) in trade & other payables	3,604	2,366
(Increase)/decrease in working capital	(2,313)	(3,061)
Cash generated from operations	20,553	18,702
Income taxes paid	(4,118)	(4,751)
Net cash (used in)/generated from operating activities	16,435	13,951
B. Cash flow from investing activities		
Purchase of fixed assets	(2,465)	(1,566)
Sale of fixed assets	39	35
(Purchase)/sale of current investments	(4,603)	(4,512)
(Purchase)/sale of other non-current investments	(1)	-
Payment towards contingent consideration pertaining to acquisition of business	(103)	(65)
Payment towards business acquisition	(488)	(2,092)
Interest received	64	19
Realized income from current investment	1,037	743
Net cash (used in)/generated from investing activities	(6,520)	(7,438)
C. Cash flow from financing activities		
Proceeds from issue of share capital	-	3
Proceeds from/(repayment) of borrowings	320	-
Deposit under Credit support agreements received/(paid)	(2,104)	(589)
Payment towards lease liabilities	(1,397)	-
Interest paid	(40)	(16)
Dividend paid	(4,864)	(4,499)
Tax on dividend paid	(815)	(842)
Net cash (used in)/generated from financing activities	(8,900)	(5,943)
Net increase/(decrease) in cash and cash equivalents	1,015	570
Cash and cash equivalents at beginning of the period	4,150	3,633
Effect of exchange differences on translation of foreign currency cash and cash equivalents	87	(53)
Cash and cash equivalents at end of the period	5,252	4,150

Select explanatory notes to the Statement of Audited Consolidated Financial Results for the quarter and year ended March 31, 2020

- The audited consolidated financial results of the Company for the year ended March 31, 2020 have been reviewed by the Audit Committee of the Board and approved by the Board of Directors at its meeting held on May 19, 2020.
- Results for the quarter and year ended March 31, 2020 are in compliance with Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs as prescribed under section 133 of the Companies Act, 2013.
- Effective April 1, 2019, the Group has adopted Ind AS 116 'Leases', w.r.t. lease contracts outstanding on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Accordingly, financial results for the quarter and year ended March 31, 2019 have not been retrospectively adjusted.
- 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 standalone financials results are available on Company's website viz www.intinfotech.com and on the websites of BSE (www.bseindia.com) and NSE (www.nseindia.com). The specified items of the standalone financials results of the Company for the quarter and year ended March 31, 2020 are given below:

₹ million

	Quarter ended			Year ended	
	March 31 2020	December 31 2019	March 31 2019	March 31 2020	March 31 2019
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
Total income	28,975	27,001	24,026	106,059	92,362
Profit before tax	5,302	4,846	4,787	20,070	19,597
Profit after tax	4,159	3,665	3,604	15,524	14,751

- During the quarter ended March 31, 2020, 101,345 equity shares and during year ended March 31, 2020, 616,685 equity shares of ₹1 each fully paid up respectively were allotted on exercise of stock options by employees, in accordance with the Company's employee stock option schemes.
- Other expenses for the quarter and year ended March 31, 2020 includes ₹180 Mn towards contribution to Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund for COVID-19 relief measures.
- Earnings per share for the quarters ended March 31, 2020, December 31, 2019 and March 31, 2019 are not annualised.
- The Board of Directors at its meeting held on May 19, 2020, has recommended a final dividend of ₹ 15.50 per equity share (Face value ₹ 1) for the financial year 2019-20.

10. Results for the quarters ended March 31, 2020 and March 31, 2019 are the balancing figures between audited figures in respect of the full financial year and the reviewed year to date figures up to the third quarter of the respective financial year.
11. Figures for the earlier period(s) have been regrouped, wherever necessary.

for Larsen & Toubro Infotech Limited

A handwritten signature in black ink, appearing to read "Sanjay Jalona", written diagonally across the page.

Sanjay Jalona
Chief Executive Officer & Managing Director

New Jersey, USA, May 19, 2020