



L&T Technology Services

L&T Technology Services Limited
A.M. Naik Tower, 6th Floor, L&T Campus,
Gate No.3, Jogeshwari-Vikhroli Link Road,
Powai, Mumbai-400072.
www.ltts.com

June 21, 2022

National Stock Exchange of India Limited
Exchange Plaza, Bandra-Kurla Complex
Bandra (East), Mumbai — 400 051.
NSE Symbol: LTTS

The BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai- 400001
BSE script Code: 540115

Dear Sirs,

Sub: **Submission of Annual Report for FY 2021-22 (including Notice of 10th Annual General Meeting)**

This is in reference to our letter dated June 14, 2022 informing you about the **10th Annual General Meeting (AGM)** of the Company which is scheduled to be held on **Friday, July 15, 2022 at 4.30 p.m. (IST)** through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM").

Pursuant to Regulation 34(1) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, we enclose herewith a copy of the Annual Report for financial year 2021-22, along with the Notice of 10th Annual General Meeting (AGM) for your records. The said Annual Report is being sent today to the Members through electronic mode, whose email ids are registered with the Company/Depositories.

The same is also made available on the Company's website at <https://www.ltts.com/investors/financial-information>.

We request you to take above information on records.

Thanking you,

Yours sincerely,
For **L&T Technology Services Limited**

Prajakta Powle
Company Secretary & Compliance Officer
(M. No. A 20135)

Big Bets: **Engineering Sustainable Growth**



EACV



Sustainability



5G



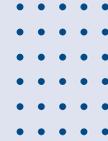
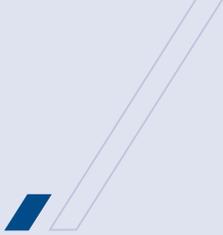
MedTech



AI & Digital Products



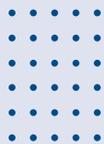
Digital Manufacturing



AT THE START OF THE YEAR, L&T TECHNOLOGY SERVICES IDENTIFIED AND ANNOUNCED ITS SIX STRATEGIC GROWTH AREAS – *ELECTRIC AUTONOMOUS AND CONNECTED VEHICLES, 5G, AI AND DIGITAL MANUFACTURING, MEDTECH, AND SUSTAINABILITY.*

These six Big Bets have helped define, guide, and consolidate the Company's focus and investment avenues over the past year as we delivered industry-leading performance across geographies.

As the nation's largest pure-play ER&D services major with a customer base covering 57 of the world's top 100 ER&D companies, LTTS continues to leverage new and emerging technologies for ensuring a profitable, sustainable, and inclusive growth paradigm for all its stakeholders. The Big Bets are playing a major role in this direction, helping LTTS to enhance its competitive differentiation, accelerate product development, and drive stellar industry leading performance.

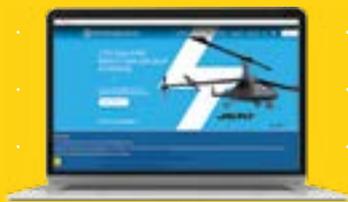


Hence, our theme of this report:

“Big Bets: Engineering Sustainable Growth”



LTTS ANNUAL REPORT 2021-22



Read this report online or
download at www.LTTS.com



Scan the above QR code to read
this report on your hand-held
device.

Disclaimer

This report may contain forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'estimates' or other words of similar meaning. All statements that address expectations of projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures and financial results, are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events. The Company has sourced the industry information from publicly available sources and has not verified the information independently.

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Pillars of Success

To cement its position as a global leader in ER&D services and continue its successful journey over the next decade, L&T Technology Services (LTTTS) has realigned its vision, mission, and values with the dynamic business and technology ecosystem to leverage emerging opportunities and new avenues for driving stakeholder participation and growth.

During the fiscal, LTTTS undertook a focused exercise, **Project Avatar**, to review and restate its vision, mission, and values, and come up with a new cultural manifesto that would become the voice of the Company. Under the personal leadership of the CEO & MD, Project Avatar collected feedback and opinions from customers, employees, and other key stakeholders to help redefine LTTTS' forward momentum.

The project teams submitted their recommendations during the year, enabling us to declare a revitalized statement.



OUR VISION

Engineering a **sustainable tomorrow** through technology and innovation



OUR MISSION

Be the **engineering partner of choice** by enabling innovation with world-class technologies, processes, and people – delivering inclusive growth to all stakeholders



OUR VALUES

Being Purposeful

Ethics & Integrity

Caring

A Culture of Learning

Results with Accountability



LTTS at a Glance

\$880 million
₹ 6,570 crore
FY22 REVENUE



324
GLOBAL CLIENTS



868
PATENTS



25 countries
GLOBAL PRESENCE



20,800+
EMPLOYEES



89
INNOVATION LABS

Our Value Proposition



01 CUSTOMER FOCUS

We cater to a wide range of customers across industries and create targeted partnership models that address specific challenges and business goals



02 INNOVATION CULTURE

We nurture an innovation-focused mindset, reflected in our annual technology events, including TECHgium® and TechExpression®, and a portfolio of 868 patents



03 MULTI-VERTICAL INDUSTRY EXPERTISE

Our deep domain capabilities across industries gives us a marked competitive advantage, helping us win important projects in each of the verticals



04 CROSSPOLL!NNOVATION

Our in-depth knowledge of multiple industries allows us to transfer and leverage new technologies across verticals, addressing a range of complex business challenges

Industries We Serve

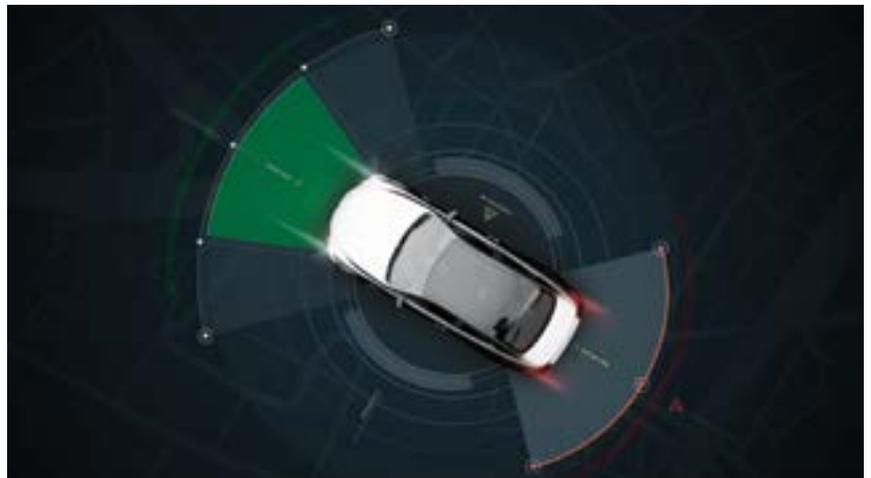
LTTTS IS A MARKET LEADER IN FIVE KEY SEGMENTS: TRANSPORTATION, TELECOM AND HI-TECH, INDUSTRIAL PRODUCTS, PLANT ENGINEERING, AND MEDICAL DEVICES. IN EACH OF THESE BUSINESS AREAS, WE OFFER WORLD-CLASS ENGINEERING RESEARCH AND DEVELOPMENT (ER&D) SERVICES AND CUTTING-EDGE DIGITALIZATION SOLUTIONS.

TRANSPORTATION

Driving growth for 8 of the top 10 global OEMs

The global customers of LTTTS in this business vertical include top OEMs (original equipment manufacturers) and Tier 1 suppliers across the Automotive, Trucks & Off-Highway Vehicles and Aerospace sector.

LTTTS is actively involved in the future of mobility through its solutions for electrical vehicles (EV), advanced driver assistance system (ADAS), and autonomous drive (AD). The Company's wide range of transportation engineering services enables clients to achieve their go-to-market objectives.



Technology Trends

- Electric Vehicles
- Advanced Driver Assistance Systems
- Autonomous Drive

- Rockford Design Center for the Aerospace industry
- Munich Center of Excellence for automotive hardware development
- Krakow Development Center



Technology Investments

- EV Lab in Bengaluru
- Dublin Design Center for automotive product design and solutions



Customer Success

- New product design and development for eVTOL air taxis
- Strategic partner for a US-based Tier 1 Auto OEM across their EV portfolio



TELECOM AND HI-TECH

Transforming the landscape for 8 of the top 10 global technology majors

LTTs offers engineering services and solutions across five key segments: Telecom, Consumer Electronics, Semiconductor, ISV, and Media & Entertainment. As a domain leader, we help customers engineer value across the product lifecycle: from design conceptualization to the deployment of products and services. Our team of experts work across the value chain to provide digital services and solutions for Communications Service Providers, Networking and Technology System Operators, OEMs, and Chipset Makers.



Technology Trends

- 5G
- DevOps
- ASIC Design
- VLSI IP
- Cloud Engineering
- OTT



Technology Investments

- Santa Clara ASIC Design House
- RF Lab, 5G and Telco Cloud Engineering Labs
- Security Centre of Excellence for Telecom and Hi-Tech, Jerusalem



Customer Success

- Developing and operating a fully automated 5G network lab for a leading US-based software-driven telecom network OEM
- Strategic engineering partner for a global technology leader's product and devices portfolio



INDUSTRIAL PRODUCTS

Enabling product portfolios for 7 of the top 10 global companies

LTTS leverages its deep domain expertise in software, electronics, connectivity, mechanical engineering, industrial networking protocols, IIoT, smart industry products, test frameworks, and enterprise control systems to support global customers. This translates into a robust presence across building automation, home and office product design, energy management, process control, and machinery design.

The Company is also involved in supply chain optimization and standardization to help customers explore alternate sourcing avenues in the post-pandemic global economy. With digital manufacturing emerging as a major focus area, LTTS is spearheading digital transformation initiatives for customers to help unlock the true potential of new technologies in the Industry 4.0 ecosystem.



Technology Trends

- Digital Twins
- Sustainability
- Product Ruggedization



Technology Investments

- Peoria Center of Excellence in industrial products design
- Think Studio for new product design and development
- Power Electronics Design and Equipment Testing Lab
- NexSens Sensor Lab



Customer Success

- Water and wastewater management systems for leading worldwide beverage and food conglomerate
- Worldwide strategic IIoT transformation partner for a global leader motion and control technologies

PLANT ENGINEERING

Delivering transformation journeys for 7 of the top 10 global manufacturers

LTTS provides end-to-end solutions across designing, engineering, project management, handover operations, and the delivery and maintenance of custom digital solutions. As a leading Engineering, Procurement, and Construction Management (EPCM) services specialist, the Company supports all key stages across a modern plant lifecycle – from conceptualization to commissioning – leveraging a consulting-led framework built on years of expertise and specialization.

We have set up Value Engineering Centers to drive industry-leading business success for global customers. Our digital solutions further enable manufacturers to upgrade and integrate their legacy systems with smart platforms, driving state-of-the-art connectivity and synergy for transforming business outcomes. With emergent technologies redefining the plant engineering landscape, LTTS' digital twin and digital thread practices have emerged as the twin enablers in driving global transformation journeys.



Technology Trends

- Digital Engineering
- Contactless Manufacturing
- Low-cost Automation



Technology Investments

- High-Value Engineering Centers
- AR/VR Innovation Hubs
- Integrated 3D Plant Digitization CoEs



Customer Success

- Digital twin implementation for a European Oil & Gas Company covering its upstream and downstream assets
- Detailed engineering work at a US-based agri-business and food company's \$ 300 million capex plant expansion



MEDICAL DEVICES

Redefining well-being with 3 of the top 5 global healthcare OEMs

LTTTS helps medical device OEMs worldwide accelerate product development cycles, reduce time to market, deliver sustained value engineering, and ensure seamless multi-geography compliant product launches. Our engineers work closely with leading global medical device manufacturers and healthcare providers to offer solutions around remote medical care, regulatory compliances and approvals, in-vitro diagnostics, patient mobility solutions, surgical services, home healthcare, and Medical Internet of Things (MIoT).

The Company is focusing on redefining legacy medical product design methodologies for ensuring the widest possible compliance with diverse regulatory regimes across territories and regions.



Technology Trends

- Smart Telehealth
- Digital Front Door
- In-Vitro Diagnostics
- MIoT



Technology Investments

- Microscopy Lab
- Imaging Lab
- Security Centre of Excellence for the Medical Devices Industry, Jerusalem
- R&D for Endo-trainer Kit and Chest-rAi™



Customer Success

- Engineering partner of a leading European med-tech company for driving its 'build care as a service' business model through smart product enablement
- Validation and verification engineering support services for a multinational eyecare medical devices company

Founder Chairman's Message

DEAR SHAREHOLDERS,

I WRITE TO YOU AT A TIME WHEN THE GLOBAL ECONOMY SEEMS BESET WITH CHALLENGES ACROSS MULTIPLE DIMENSIONS. ON THE BACK OF SUCCESSIVE WAVES OF THE PANDEMIC, COMES THE FALLOUT OF A PROTRACTED WAR IN EUROPE THAT HAS THROWN SUPPLY CHAINS OUT OF GEAR AND SENT RIPPLES ACROSS THE GLOBAL ECONOMY. IT SPEAKS OF OUR ORGANIZATION'S INNATE RESILIENCE THAT WE HAVE BEEN ABLE TO FACE UP TO THESE CHALLENGES WHILE SUSTAINING BUSINESS CONTINUITY.



Last year, I had touched upon the growing role of technology in shaping our future, and its 'power to do good.' FY 22 has borne further witness to this vision, as the global economy had revived and rescaled to the pre-pandemic levels. It is my firm belief that in the future, focused technology initiatives will continue to power growth and inclusive development.

Delivering New Age Transformation Journeys

LTTS has continued to build upon its core engineering legacy derived from its parent, the Larsen & Toubro Group. Your Company's innovation-led R&D focus and the ability to identify and address emerging customer demand in an agile and innovative manner has reaffirmed its leadership in the global ER&D space. With an expanded bouquet of offerings and stronger market presence, your Company is truly a bellwether in its segment.



YOUR COMPANY'S INNOVATION-LED R&D FOCUS AND THE ABILITY TO IDENTIFY AND ADDRESS EMERGING CUSTOMER DEMAND IN AN AGILE AND INNOVATIVE MANNER HAS REAFFIRMED ITS LEADERSHIP IN THE GLOBAL ER&D SPACE.

Leading industry reports indicate that the current global pandemic has accelerated the demand for digital transformation and other software-led business journeys. This has had a direct positive impact on offshoring to key R&D destinations, including India. With FY22 global spending expected to continue its upward momentum, analysts are predicting that the ER&D industry would witness a 9% CAGR growth to be worth \$ 2.1 trillion by 2024.

I feel that R&D investments alone would grow by 10-20% for over a third of the leading global technology firms as they build new products and services to meet evolving customer demand patterns. It will be vital for us to capitalize on these emerging opportunities.

Towards a Technology-driven Future

The global ER&D sector continues to be on a robust demand trajectory. Pandemic-induced economic stimuli, especially in the developed economies including the US, Europe, and Japan, has resulted in a rapid transformation of existing business paradigms – one that will reward organizations which embody a culture of innovation and are sensitive to evolving customer requirements.

India continues to feature prominently among the most attractive locations for ER&D Services. These efforts are backed by a large, young, skilled, and cost-competitive talent pool, an extensive network of ER&D hubs, and the sustained rise in the number of global ER&D firms choosing to set up operating bases in India.

As India's largest independent engineering services company and a leading global contender, LTTs is positioned to leverage and capitalize on these emerging opportunities.

Industry-leading Growth: Redefining Performance Paradigms

LTTs has continued its promising growth pattern, delivering breakout sequential growth through the fiscal. The year has been marked by several large wins, most notably a marquee \$ 100 million deal in the Electric Air Mobility space, and a \$ 45 million EV deal from a U.S. automotive customer, with the project being delivered from LTTs' new ER&D center in Krakow, Poland.



LTTs' MARKET LEADERSHIP CONTINUES TO BE REAFFIRMED BY THE GLOBAL ANALYST COMMUNITY WHICH HAS CONSISTENTLY RATED YOUR COMPANY AS AN ER&D SERVICES LEADER ACROSS MULTIPLE TECHNOLOGY DOMAINS, INCLUDING AI, DIGITAL ENGINEERING, 5G, AND SEMICON.

During FY22, your Company registered revenue of ₹ 65,697 million, a growth of 21% Y-o-Y, and Net profit of ₹ 9,570 million, a growth of 44% Y-o-Y.

We are confident that the present growth momentum will be sustained and built upon during the current fiscal.

LTTs' market leadership continues to be reaffirmed by the global analyst community which has consistently rated your Company as an ER&D services leader across multiple technology domains, including AI, Digital Engineering, 5G, and Semicon. The rankings are further strengthened by recognition from reputed global consultancies and industry bodies.

As we continue to build on our successes, I take this opportunity to thank our shareholders for the trust reposed in the leadership of your Company. I also thank my colleagues on the Board for their contribution in delivering industry-leading growth.

With best wishes for a safe, healthy, and prosperous future.

A. M. Naik

Founder Chairman



CEO and Managing Director's Message



DEAR SHAREHOLDERS,

THESE ARE EXCITING TIMES. DESPITE SOME MAJOR HEADWINDS, WE ARE WITNESSING A SURFEIT OF OPPORTUNITIES ACROSS THE WORLDWIDE TECHNOLOGY LANDSCAPE. I AM SURE THAT YOU WILL CONTINUE TO REPOSE YOUR FAITH IN LTTS AS WE ENGINEER SUSTAINABLE GROWTH JOURNEYS FOR THE BENEFIT OF OUR CUSTOMERS, SHAREHOLDERS, EMPLOYEES, AND ALL KEY STAKEHOLDERS.



Over the last fiscal, LTTS has maintained and strengthened its leadership of the global ER&D space. As the industry bellwether in India, we have expanded and deepened the range of our activities across existing industry verticals, and are exploring new technology areas, including the exciting domain of the Metaverse.

I feel that when combined with our core innovation capabilities and Engineering DNA, these emerging technologies will prove to be a major driver for our continued success as an organization. Our belief in a technology-driven future is reaffirmed in our Six Big Bets – *Electric Autonomous and Connected Vehicles, 5G, AI and Digital Products, Digital Manufacturing, MedTech, and Sustainability*. Each of these strategic growth areas have helped shape and consolidate our focus over the past year, enabling us to deliver profitable, sustainable, and inclusive growth.

Our technology-led vision, combined with by our “Six-Dimensional Glide Path” framework, has helped LTTS build on its successes and prepare for the future.

Industry Leading Growth: Transforming ER&D Paradigms

We delivered a strong performance with revenues increasing by 20% in constant currency terms to \$ 880 million in FY22. The growth was broad-based with all five segments growing in double-digits. Operational performance also showed an equally strong improvement with EBIT margin increasing to 18.3% in FY22 versus 14.5% in FY21. Together, this led to a 44% increase in PAT to ₹ 9,570 million.

The LTTS Board declared a final dividend of ₹ 15.0 per share, which is in addition to one special and one interim dividend of ₹ 10 per share each, totals to ₹ 35 per share for FY22, implying a dividend pay-out ratio of 39% for the year.

As the worldwide prospects for the ER&D industry continues to exhibit a robust upward trajectory, our strategy of 6 Dimensions and 6 Big Bets continues to deliver impressive results. I feel that this is an opportune moment to continue to outshine our past performance, with market outlook looking better than ever.

Technology Quotient: Redefining the Landscape

At the start of the FY, we announced our six Big Bets. Each of these strategic growth areas were the focus of targeted technology investments during the year – both in terms of new infrastructure and talent – helping deliver industry-leading growth across the board. Our results for the fiscal validate the potential of the emerging technologies space, a trend that will only strengthen with time.

Your Company remains committed towards driving a culture which encourages learning, ideation, experimentation, and solutioning. This can be witnessed in our portfolio of 868 patents, an impressive 33% jump during the year. We are promoting and expanding on this focus on driving innovation across the organization as LTTs moves towards strengthening its position in the global technology landscape.

We recently concluded TECHgium®, our flagship open-innovation program for engineering students. Designed to promote nationwide engineering talent and knowledge, it received a record participation from over 30,000 students from across 444 premier institutes. The vibrant enthusiasm our young engineering students, who presented stellar innovations across our Big Bet technology domains, once again reaffirms my faith in our ability to engineer sustainable growth leveraging technology and talent.

Customer Centricity: Delivering Unprecedented Success Journeys

Customer centricity continues to be a guiding light, and we are constantly evaluating our delivery and quality parameters for identifying and leveraging new areas of improvement. At LTTs, our focus remains on gathering regular periodic feedback from our customers and taking the improvement measures to drive the next frontiers of customer delight.

Our deep engagement paradigms and focused multi-geography engagement measures have helped us strengthen, deepen, and expand our global partnerships, translating into several marquee deal wins. The \$ 100 million e-VTOL aircraft project and the \$ 45 million EV engagement are some instances of the robust customer relationships that we have developed and continue to nurture over the years.

With travel opening up and our customers increasingly willing to meet in person, we have reinitiated in-person contacts with our customers across geographies. All relevant safety and health measures are being followed in each of these cross-continent meetings as the world achieves a return

to pre-pandemic normalcy. I remain confident that we will continue to drive and strengthen our customer-centric vision with every passing day.

People Engagement: Driving Talent Transformation Journeys

During the year, we undertook a major exercise involving a redefinition of our outlook through a revitalized Vision, Mission, and Value Statement. The journey is a testament to our commitment towards the continued success of our people as we grow as an organization – “engineering a sustainable tomorrow through technology and innovation.” We have initiated the creation of Value Walls across our centers, each one reflecting the inherent spirit of creativity of our employees.

‘Rendezvous,’ another key engagement and transformation initiative during the year involved five volunteer teams under the personal direction of a senior LTTs leader. The teams worked tirelessly in addition to their existing responsibilities to redefine the workplace and incorporate the expectations of our employees. I am grateful for the commitment shown by these teams in helping us build the LTTs of the future.

We are committed to continue developing LTTs as a great workplace. Our evolving work paradigms and all-round support for delivering enhanced outcomes even during the pandemic bear testimony to our vision for driving a transformative people engagement paradigm. This has been recognized across several leading industry forums and panels, who have applauded our efforts and initiatives in this direction.

LTTs continues to undertake several measures to further strengthen the foundations of our people-driven growth trajectory, expanding to over 20,000 employees at the close of the fiscal. This has involved onboarding about 3,000 fresher engineers from across premier institutes in the country, and I am happy to welcome them to the LTTs family.

Sustainable Operating Model: Leveraging our Core Strengths

To deliver on our promise of a sustainable operating model that can transform our business paradigm and ensure industry-leading growth, we need to ensure the right balance of talent and skillsets across the organization.

In this direction, our Global Engineering Academy (GEA) has made its mark as an integral enabler of our engineer fraternity. The GEA, a one-of-its-kind initiative, is engaged in training and equipping our young workforce with the latest



LTTTS' Value Wall

technologies and skills, helping prepare them to be counted amongst the best in the world. Focused upskilling and cross-skilling activities are underway to further strengthen and expand the deep capabilities of our engineers.

Your Company continues to closely watch the global developments as we encourage our people in supporting customers and working collaboratively. To further strengthen our global operations paradigm, we continue to invest in expanding and developing our global footprint, especially across the US and Europe, with new centers in Krakow, Poland and Ontario, Canada. I am happy to announce that the Krakow center is now fully operational, and we would be following up shortly with the Ontario center.

**Environmental, Social & Governance (ESG):
Preparing for the Future**

No successful business can hope to succeed in isolation of the environment it operates in. This includes a sense of duty towards our natural environment, communities, and regulatory frameworks.

Not only are we helping deliver customers in their sustainability efforts, but we have also signed the SBTi Goal pledge for positively influencing climate change. LTTTS launched its first Sustainability report during the year and reaffirmed its dedication towards achieving carbon and water neutrality in our operations by 2030. Our focus continues to be on driving software-led transformation paradigms across industries and verticals.

Looking Forward: Toward a Technology-defined Tomorrow

As the worldwide demand for technology-defined solutions and services continues to expand, I am confident that LTTTS is poised to leverage the emerging opportunities in the domain. Our innovation focus, driven by an expanding family of over 20,000 engineers, will prove to be a key differentiator as we navigate the future, together.

I remain grateful for the support of our shareholders, employees, colleagues, and the Board as we move towards a more profitable, inclusive, and sustainable tomorrow. Thank you for your continued trust and faith in LTTTS.

With best wishes for the good health, happiness, and prosperity of you and your loved ones.

Amit Chadha

CEO and Managing Director

Board of Directors



Mr. A. M. Naik
Founder Chairman

Mr. A. M. Naik is the Founder Chairman of LTTs. He is also the Chairman of the L&T Group of Companies – the Group that he has served for over five decades and led for the last two. Mr. Naik is credited with initiating the process of articulating a new vision for the Company, with unprecedented weightage for IT and IT-related technology services. He is the architect of a transformation that saw the organization restructure its portfolio, focusing on carefully curated business lines, accelerating the pace of growth, and boosting shareholder value many times over. He is the recipient of some of the most prestigious national and international awards, and has won recognition from academia and professional associations as well as the media for his leadership, engineering expertise and financial acumen. He has also been honored for his contribution to society and community in the critical sectors of healthcare, education and skill-building. Awards won by Mr. Naik include the nation's highest civilian honors – the 'Padma Vibhushan' and the 'Padma Bhushan', and the highest award from the state of Gujarat – the 'Gujarat Garima'. He has been named 'Business Leader of the Year' by The Economic Times, 'Asia Business Leader' by the TV channel CNBC Asia, and 'Business Leader of the Year (Building India)' by NDTV Profit. He is the Hon. Consul General for Denmark in Mumbai, and was honored as a 'Knight of the Order of the Dannebrog', followed by a further honor, 'Order of the Dannebrog Knight 1st Class', by Queen Margrethe of Denmark.



Mr. S. N. Subrahmanyam
Vice-Chairman

Mr. S.N. Subrahmanyam is Vice Chairman of LTTs, as well as the Chief Executive Officer and Managing Director of Larsen & Toubro Limited. In addition, he is Vice Chairman on the Board of Larsen & Toubro Infotech Limited and Non-Executive Chairman of L&T Metro Rail (Hyderabad) Limited. Mr. Subrahmanyam, or SNS as he is popularly known in industry circles, took over the reins in July 2017, having previously, as Deputy Managing Director and President, L&T, spearheaded the construction business of the Group. At the helm, SNS leads the varied businesses of L&T to chart a new growth trajectory, leveraging the potential of digitalization, big data, and predictive analytics that he drives internally with consistency and meticulous planning. With a degree in civil engineering and post-graduation in business management, SNS commenced his professional journey with L&T in 1984 as a project planning engineer. He was largely responsible for establishing L&T as a significant EPC player in the Middle East, Africa and ASEAN. SNS holds positions of pre-eminence on various industry bodies, construction institutions and councils. Recognized as the 'Contractor CEO of the Year' at the Qatar Contractors Forum & Awards function in 2014 in Doha, SNS was ranked 36th in the '2014 Construction Week Power 100', and accorded the Leading Engineering Personality award at the event 'Glimpses of Engineering Personalities' by the Institution of Engineers (India). The Construction Week magazine honored him as the 'Infrastructure Person of the Year – 2012'. SNS has been conferred the Emergent CEO Award at the CEO Awards 2019 for his exemplary leadership and delivering seamless growth for L&T, and recognized as the CEO of the Year by leading Indian news channel, CNBC-Awaaz in 2020.



Mr. Amit Chadha
Chief Executive Officer &
Managing Director

Mr. Amit Chadha is the Chief Executive Officer & Managing Director of LTTS, responsible for providing business and technology leadership, market direction and strategic vision to drive the Company's performance. Mr. Chadha was previously Deputy CEO & Whole Time Director, running the gamut of business operations, delivery, and sales and marketing at LTTS, and preparing the technology roadmap for the Company's future. Mr. Chadha led LTTS' executive management team that oversaw the organization's business and strategy implementation. Mr. Chadha has always been passionate about helping global R&D customers and Fortune 500 companies leverage LTTS' digital engineering offerings for their strategic differentiation and product development. He joined LTTS in 2009 as the Business Head of Americas. Over the years, he has progressively taken on increased responsibility for the Company's business worldwide, and helped in its growth, both organically and via acquisitions. As a core member of the LTTS leadership team, Mr. Chadha was instrumental in driving the Company through a high-profile Initial Public Offering (IPO) in India and successfully listing it on the National Stock Exchange and the Bombay Stock Exchange. Mr. Chadha's career, which spans over two decades in core engineering and information technology outsourcing, is marked with significant achievements. He has managed P&L for multiple business units, spearheaded organization-wide strategic initiatives, and led business development and relationship management activities worldwide. Mr. Chadha is an Electrical and Electronics Engineer from BIT Mesra and has done his Global Business Leadership Executive Program with Harvard Business School Publishing. He also has an Advanced Management Program in Business Leadership from INSEAD, France. Mr. Chadha is currently based in Washington DC.



Mr. Abhishek Sinha
Chief Operating Officer and
Whole-Time Director

Mr. Abhishek Sinha is the Chief Operating Officer (COO) and Whole Time Director at LTTS, focusing on quality, cost-efficient delivery, and client and employee satisfaction. Key vertical and horizontal functions roll up to him. A professional with over two decades of industry experience, Mr. Sinha has a demonstrated track record in Business Leadership in both Engineering and Enterprise Software areas. His key strengths are making the business competitive through strategy formulation and execution, operational excellence, and talent leadership. Clients, peers, senior leaders and the team respect him for his commitment to driving results and transforming concepts to reality. Prior to joining LTTS, Mr. Sinha was the Chief Operations & Personnel Officer and Executive Board Member at KPIT, where he was responsible for laying out the operational framework and operational governance of all businesses within KPIT to help in achieving profitable growth. In the past, Mr. Sinha was the Vice President and Global Head for Product Engineering Services (PES) at KPIT. After graduating in engineering from the Banaras Hindu University (now IIT-BHU), Mr. Sinha joined Infosys in 1993 and worked till 2013. During his tenure and leadership, the ER&D business at Infosys witnessed one of the fastest growth in its business.



Dr. Keshab Panda
Non-Executive Director

Dr. Panda is a Non-Executive Director on the Board of LTTS. He was previously the Chief Executive Officer and Managing Director of LTTS. Dr. Panda has over 31 years of global industry experience in research, conceptualizing, creating, operationalizing and turning around complex technology and engineering services businesses. During his stint as the CEO of LTTS, Dr. Panda has won numerous accolades, including being recognized as CEO of the Year by leading news channel CNBC-Awaaz as a result of his distinguished contributions to the engineering and technology sectors over the past 3 decades. He was conferred with the title of CEO of the Year by ET NOW, as well as the Business Leader of the Year Awards. Dr. Panda joined the L&T Group as Chief Executive of L&T IES in 2009. After L&T IES was rechristened as L&T Technology Services in 2012, Dr. Panda was appointed as the Chief Executive; he was later appointed as the Chief Executive Officer and Managing Director of LTTS on January 21, 2016. Dr. Panda led LTTS through a high-profile Initial Public Offering (IPO) in India and successfully listed the Company on the National Stock Exchange and the Bombay Stock Exchange. He transformed LTTS into a company focused on innovation and new technology, leading CII to recognize the Company as one of the most innovative Indian companies in the Services category. Dr. Panda obtained a graduate degree in Aeronautical Engineering from Anna University, Chennai, and a postgraduate degree in Aerospace Engineering from Indian Institute of Science, Bangalore. He obtained his Doctor of Philosophy from the Indian Institute of Technology, Bombay, in Aero Servo Elasticity – (Control system fly by wire aircraft). He also holds an advanced management degree from the Aresty Institute of Executive Education, The Wharton School, University of Pennsylvania. Dr. Panda started his career as a Research Scientist in Indian Space Research Organization and worked at the Aeronautical Development Agency, Ministry of Defence, Government of India, as a scientist/engineer for over 8 years. Dr. Panda is based out of New Jersey, USA. His other previous leadership roles include President – Americas, Mahindra Satyam & Head of Europe Operations, Satyam Computer Services Limited.



Mr. Narayanan Kumar
Independent Director

Mr. Narayanan Kumar is an Independent Director of LTTS. He is the Vice Chairman of The Sanmar Group, a multinational \$ 1 billion conglomerate headquartered in Chennai, India, with manufacturing facilities in India, Mexico and Egypt. The Group is engaged in key business sectors – Chemicals (including Specialty Chemicals), Engineering (Products and Steel Castings) and Shipping. He is the Honorary Consul General of Greece in Chennai. As a spokesman of industry and trade, he is a former President of Confederation of Indian Industry (CII) and has participated in other apex bodies. He is also the Chairman of the Indo-Japan Chamber of Commerce & Industry. Further, he is on the Board of various public companies and carries with him over four decades of experience in the spheres of Electronics, Telecommunications, Chemicals, Engineering, Technology, Education, Management and Finance. Mr. Narayanan Kumar has a wide range of public interests, going beyond the confines of corporate management, in areas of health, social welfare, education and sports. He is the Managing Trustee of The Indian Education Trust that runs two schools in Chennai. He is also the President of Bala Mandir Kamaraj Trust, Chairman of Madhuram Narayanan Centre for Exceptional Children, and a Trustee of WWF-India (World Wide Fund for Nature - India). Mr. Narayanan Kumar is an Electronics Engineering Graduate from Anna University, Chennai, and a fellow member of the Indian National Academy of Engineering. He is a fellow life member of The Institution of Electronics and Telecommunication Engineers and The Institute of Electrical and Electronics Engineers, Inc., New York (IEEE).



Mr. Sudip Banerjee

Independent Director

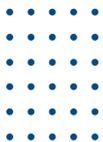
Mr. Sudip Banerjee is an Independent Director of LTTS. He obtained a graduate degree in Arts (Honors course) in Economics from University of Delhi, New Delhi. He holds a diploma in management from the All India Management Association, New Delhi. He has over 32 years of experience in the IT industry. Prior to his appointment as an Independent Director in the Company, he held the position of Chief Executive Officer of Larsen & Toubro Infotech Limited between 2008-2011. Mr. Banerjee is also on the board of directors of Kesoram Industries Limited and IFB Industries Limited and has been an Operating Partner at Capital Square Partners Advisors Pte Ltd, Singapore. He is a member on the advisory board of TAPMI Business School, Jaipur. Mr. Banerjee worked with Wipro Limited ('Wipro') from 1983 to 2008, and was the President, Enterprise Solutions Division at Wipro, and also a member of the Corporate Executive Council of Wipro between 2002 and 2008. He was a member of the Executive Council of NASSCOM during 2000-2002, and again in 2009-2011. He also served as a member on the Board of Governors of Indian Institute of Information Technology, Allahabad. He was appointed as an Independent Director of the Company with effect from January 21, 2016.



Ms. Apurva Purohit

Independent Director

Ms. Apurva Purohit is an Indian businesswoman with over three decades of experience in the corporate world, where she formed significant partnerships with private equity firms and promoters to build and scale up a diverse set of businesses – from early-stage fledgling businesses, to setting up new ventures and to supervising turnarounds in mature and declining organizations. She is also an Independent Director at Mindtree Ltd and Navin Fluorine International Ltd. Ms. Apurva Purohit has recently launched Aazol Ventures Pvt Ltd, a consumer products company which aims to create a market for traditional food items made by self-help groups and micro-entrepreneurs, by reconnecting Indian consumers with their roots and the local food of their regions. She has been a leading voice in the Indian business landscape, advocating gender diversity, probing what ails it, and what organizations and leaders can do to improve this critical imperative. She is also the author of two national bestsellers, 'Lady, You're not a Man – the Adventures of a Woman at Work' and 'Lady, You're the Boss!'. Through her books, Ms. Apurva Purohit aims to empower women and encourage them to achieve their full potential. Over the years, Ms. Apurva Purohit has won multiple business awards and has been named as one of the Most Powerful Women in Business by the India Today Group and Fortune India over several years. She was awarded the Distinguished Alumni Award from IIM Bangalore in 2022. She holds a Bachelor's degree in Science (Physics) and completed her PGDM from IIM, Bangalore. She was a state-level hockey player and played for Tamil Nadu State and Tamil Nadu University.





Mr. R. Chandrasekaran

Independent Director

Mr. R. Chandrasekaran has had an exemplary career spanning over 34 years, in the field of Information Technology. Chandra, as he is popularly known, retired as Executive Vice Chairman of Cognizant, India in March 2019. He serves as an Independent Director on the Board of PNB Housing Finance Limited, NSEIT Limited, and Aujas Networks Limited (subsidiary of NSEIT). He is also part of Chairman's Council NASSCOM (National Association of Software and Services Companies). He holds a B.E. (Hons.) degree from R.E.C. Trichy (NITT) and an MBA from IIM Bangalore. Mr. Chandrasekaran joined Cognizant as a member of the founding team. He has been widely recognized as a significant contributor to growing the company to over 250,000 employees, \$ 16 billion+ in revenue, and establishing its global delivery footprint. He started his career as an engineer with Ashok Leyland, where he spent four years. After completing his MBA from IIM Bangalore in 1985, he joined TCS, where he held positions of increasing responsibility and stature, including stints in the UK and USA.

Through his career Mr. Chandrasekaran has received awards and recognition, which include

- Distinguished Alumni Award from REC Trichy in 2008
- Distinguished Alumni Award from IIM Bangalore in 2015
- CXO of the Year from Business Standard

He is very passionate about education and is on the Advisory Board of Thiagarajar College of Engineering, Madurai and on the Post Graduate Program Committee of NIT Trichy. He is an active supporter of social causes, sponsoring education for underprivileged children, promoting digital literacy in rural areas, offering scholarships to deserving students in NIT and also supporting research in IIM Bangalore.



Mr. Luis Miranda

Independent Director

Mr. Luis Miranda is Chairman & Co-Founder of the Indian School of Public Policy. He is also Chairman of the Centre for Civil Society and CORO and Co-founder of Take Charge, a mentoring program for Catholic youth in Mumbai. Luis, with his wife Fiona, spends his time connecting dots – leveraging their extensive networks to help organizations they are connected with. Fiona and Luis are also #LivingMyPromise signatories, where they have pledged to give away at least 50% of what they have to charity during their lives or in their wills. Luis serves on the board of Educate Girls and SBI Foundation, is Chairman of ManipalCigna Health Insurance, and a Senior Advisor at Morgan Stanley. He is a Trustee of University of Chicago Trust in India and a member of the Global Leaders Group and the Advisory Council of the Rustandy Center for Social Sector Innovation at Chicago Booth. He has been involved in setting up two highly successful companies – HDFC Bank and IDFC Private Equity. HDFC Bank is India's most valuable bank today. Luis stepped down as CEO of IDFC Private Equity in 2010. In 2009, IDFC Private Equity was awarded Best Private Equity Firm in India by Private Equity International and Asian Infrastructure Fund Manager of the Year by Infrastructure Investor. Luis blogs for Forbes, Thrive Global, and Spontaneous Order, and teaches at the Accelerated Development Program of Chicago Booth. He has received an MBA from the Booth School of Business at The University of Chicago, and is a member of the Institute of Chartered Accountants of India.



Big Bets: Engineering Sustainable Growth

OVER THE PAST YEAR, LTTS HAS CONTINUED TO SCALE ITS TECHNOLOGY QUOTIENT, DEVELOPING INNOVATIVE AND SUSTAINABLE ASSETS AND SOLUTIONS FOR DRIVING GLOBAL BUSINESS SUCCESS. TO STRENGTHEN AND DRIVE ITS MARKET LEADERSHIP, THE COMPANY HAS REALIGNED ITS FOCUS ON SIX STRATEGIC INVESTMENT AREAS – ELECTRIC AUTONOMOUS AND CONNECTED VEHICLES (EACV), 5G, AI AND DIGITAL PRODUCTS, DIGITAL MANUFACTURING, MEDTECH, AND SUSTAINABILITY



These six Big Bets constitute LTTS' long-term vision of defining the trends in the ER&D industry, and will act as drivers for technology-led growth over the next decade. LTTS is leveraging its Big Bets focus to propel next-generation cutting-edge technology solutions, in the process delivering breakthrough disruptions across all facets of global industry. We feel that this would help us retain, nurture, and enhance our worldwide customer base, besides garnering new engagements and logos. The Company will continue to make strategic investments that enrich and strengthen the identified pathways, driving a synergy of talent and technology across the domain.

With the Company registering robust growth and continued traction worldwide across each of these focus areas, the six Big Bets as envisaged by LTTS are expected to define the emerging mega trends of the global ER&D industry.



ELECTRIC AUTONOMOUS AND CONNECTED VEHICLES



As the world moves towards large scale vehicle electrification, autonomy and connectivity, we have seen significant traction and marquee deal wins in the EACV space. These include a \$ 45 million engagement with a leading US-based EV major, and a \$ 100 million project for supporting the eVTOL offerings for an air mobility services provider.

LTTs is leveraging its deep expertise across the automotive landscape to help drive the next frontiers in the global EV revolution.

Opportunities

- **Vehicle Electrification:** e-Powertrain, Charging System, Battery Systems, Fuel Cell and New EV Tech
- **Autonomous Vehicles:** Level 2-5 Autonomy, Safety and Security, Vehicle AI, and In-Vehicle Architecture
- **Connectivity and Infotainment:** C-V2X, Infotainment, 5G, Telematics, Infotainment, and Voice Assist

Investments

- **Labs:** EV Lab
- **Platforms:** Inhouse developed EV platform ('eVOLTTs'), AV platform, and Digital Cockpit (DCS)

Capabilities

- High Voltage (>800V) ePowertrain Reference Platform, Integrated Power Converter (3 Phase), 20 KW Charger Platform
- Off Board Grid Charger (50 KW) Platform and data aggregation Platform
- Digital Cockpit Multi Functional Display Platform with inbuilt TCU (Telematics Control Unit)
- ADAS/AD Perception, Behavioral Planning and Mechatronics Platform
- Multi Physics Electric Vehicle Simulation Suite for EV Vehicle Architecture and Sizing



5G



With the growing worldwide acceleration of 5G rollouts, LTTs is well-poised to leverage its chip-to-cloud capabilities to drive connectivity transformation across industries and verticals. Our engineers are playing a leading role in driving the adoption of 5G private networks, network testing and validation, chip development, and enterprise-wide transformation journeys.

AI on 5G has emerged as major area of focus, with the Company driving the next-gen integrations in collaboration with two of the leading global companies active in the domain.

Opportunities

- 5G Private Networks
- Continuous Integration/Continuous Delivery (CI/CD) automation
- AI-on-5G platform
- MEC architecture

Investments

- **Labs:** 5G Lab (Dallas, USA and Munich, Europe), O-RAN/ONAP Setup
- 5G accelerators in O-RAN
- 5G O-RAN-based callbox

Capabilities

- Chip to Cloud services
- Lab as a Service
- Network automation
- Cloud native architecture
- Deployment accelerators
- Enterprise to Enterprise 5G networks and service operations



AI AND DIGITAL PRODUCTS



AI-driven products and solutions continue to grow at an exponential rate across the worldwide industrial landscape. As the importance of automated, data-driven decisions and the demand for software-driven solutions rises, LTTs is leveraging cutting-edge AI algorithms, next-gen solution architectures, and state-of-the-art cybersecurity in enabling the 'Physical to Digital' transformation journeys of its global customers.

Driven by a growing team of young engineers well-versed in the latest developments, LTTs is recognized as a leader in helping realize emerging opportunities across the Phygital space as the connected ecosystem of smart products continues to scale new heights.

Opportunities

- Data as a Service
- Security assessment and mitigation for the Device to Web ecosystem
- Cloudification
- Connected Devices
- Microservices

Investments

- **Labs:** Digital Lab for driving the next frontiers of software-driven solutions, Cloud Security Lab for delivering cutting-edge cybersecurity frameworks ('Cybarogue')
- **New Technology Frontiers:** Metaverse Division
- Edge Intelligence Framework Solution

Capabilities

- Decision Support Kit
- Cybersecurity Accelerators
- App Studio
- Intelligent Edge Management
- Asset Health Kits
- Auto Security Stacks



DIGITAL MANUFACTURING



In the post pandemic scenario, we are witnessing a rapid acceleration in global demand for digital manufacturing technologies. Businesses are refocusing on driving industrial automation, value engineering, and frugal manufacturing to deliver on evolving customer expectations. The transition is underscored by the expansion of sustainable plant operation paradigms, proliferation of paperless and digital factories, and the growing mass adoption of future-ready products.

LTTs is leveraging its core strengths around digital engineering and smart manufacturing in the emerging INDUSTRY X.NOW ecosystem, supporting all stages from 'inception to consumption' to help customers retain and expand their global market leadership.

Opportunities

- Product Twins
- Digital Thread
- Smart Factories
- Industrial Internet of Things (IIoT)
- Digital Asset Management

Investments

- Data Engineering Exchange Platform (DEEP)
- Energy and Sustainability Manager
- Digital Asset Management through Process and Plant Twins
- **Labs:** Digital Twin Center of Excellence
- Digital Twin for Operations (DTO)

Capabilities

- Asset Performance Management
- NPd/NPI cost optimization by minimizing prototypes and driving enhanced collaboration
- Digital transformation and smart factories
- Sourcing and Value Engineering as a Service (SVaaS)
- Transforming plant operation efficiency across energy and water use



MEDTECH



MedTech has evolved to increasingly occupy the centerstage in the post pandemic global ecosystem. LTTS is leveraging its domain capabilities across digital-driven solutions and software, deep understanding of the stringent global regulatory frameworks, and new product design capabilities to deliver next-gen MedTech solutions.

These digital-enabled offerings, including digital front door, remote monitoring capabilities, and software-enabled platforms, are helping global medical OEMs redefine, enhance, and transform their patient and end-user experience paradigms across geographies. As medical data volumes continue to grow, LTTS is also enabling healthcare providers manage their patient information and care systems to deliver next-gen data safety and trust.

Opportunities

- Remote Monitoring
- Data Security and Privacy
- Medical Twin
- Bio-Medical Engineering
- Internet of Medical Things (IoMT)

Investments

- **Labs:** Product Virtualization Lab, Wet Lab
- **Platforms and Solutions:** Chest-rAi™, NIBP Cuffless Solution

Capabilities

- Digital and software-defined product ecosystem
- Medical grade product design including SAMD for Class I, II and III medical devices
- Manufacturing Engineering and Product Sustenance
- Digital Health Suites
- AI-driven healthcare solutions
- 3D printing digitalization



SUSTAINABILITY



Businesses worldwide are awakening to the growing demand for sustainable products and solutions from their end consumers. As a leader in the ER&D domain, LTTS is at the forefront of delivering circular product design and enabling a Net Zero approach across operations and offerings for its customers.

Significant investments have been undertaken during the year to enable the Company to deliver on its commitment towards a cleaner, greener, and more prosperous future for its customers and their end-users.

Opportunities

- Growing global demand for Product Circularity, Energy Transition, Climate Action, Water and Waste Management, Digital and Smart Manufacturing
- Worldwide focus on achieving energy savings and sustainable business operations by 2030

Investments

- **Labs:** Green Hydrogen Lab, Green Certification Lab
- Battery testing
- Product electrification
- Off-Board EV charger solutions

Capabilities

- Design for circularity
- Water and effluent treatment
- Distributed Energy Generation
- Net Zero Products
- Digital manufacturing interventions

Success Stories

01 **\$100 MILLION+ ELECTRIC AIR MOBILITY PROGRAM FOR A LEADING AIR MOBILITY PROVIDER**



During the year, LTTs won a multi-year, \$100 million+ electric air mobility deal from a leading air mobility services provider. The engagement involves LTTs expanding its global presence with an Engineering R&D Centre in Québec, Canada to support the next-gen electric aircraft manufacturer with engineering services for their eVTOL (electric Vertical Takeoff and Landing) air taxi.

The eVTOL air taxi takes off like a helicopter and transitions to flying like a fixed-wing plane using patented Slowed-Rotor Compound technology, and is capable of traveling over 110 km in the air in

25 minutes (or less) at an affordable cost. The single-pilot aircraft carries four passengers and offers urban air mobility, cargo delivery, military support, and medical transport.

Under the purview of the customer's Urban Air Mobility (UAM) business focus, LTTs will be offering structural design analysis, certification support, manufacturing engineering services for systems such as integration for flight controls, air data management, and the cockpit display system.



02 ENGINEERING PARTNER TO ACCELERATE ADOPTION OF INDUSTRY'S FIRST CONVERGED AI-ON-5G PLATFORM



LTS was selected as an engineering partner by a global telecommunications major and a leading chip manufacturer to help accelerate adoption of the industry's first converged AI-on-5G. Our team of engineers will be supporting the telecom and software leader with the customization, integration and deployment of AI applications for deployment on the leading chip manufacturer's AI-on-5G Platform.

With AI already transforming the global business landscape, combining it with the power of 5G networks will enable robust use cases in a quick, secure, and cost-effective manner.

The AI-on-5G platform is a unified solution that brings together developments at the edge to accelerate enterprise digital transformation journeys across industries and verticals. 5G is fast emerging as the connectivity driver for billions of devices worldwide, extending AI's across the connected ecosystem. This is helping enable new use cases and unlocking new markets.

LTS is also supporting the telecom and software leader in developing the future of networks with cloud-native software that run on any cloud infrastructure.

03 DIGITALIZING THE PRODUCTION FACILITIES OF A US-BASED AGRIBUSINESS AND FOOD MAJOR

LTTS is leveraging its digital manufacturing expertise to drive the projected \$300 million greenfield expansion in Europe for a US-based agribusiness and food company. The Company has overtaken significant competition from other leading service providers to emerge as the customer's preferred engineering partner for the multi-year digital transformation engagement, being seen as one of the largest CAPEX projects in Europe in recent years.

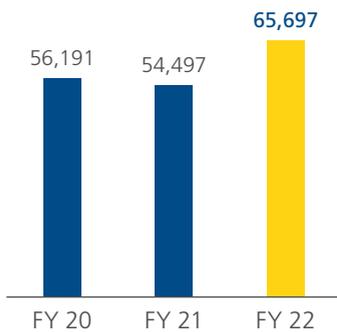
As a part of the initiative, LTTS will be providing remote technologies to assist operations on the shop floor, set up a new digital-enabled facility in Europe, and digitally connect the customer's existing production facilities across North America. LTTS engineers are also leveraging their multi-vertical expertise across plant design and operations in delivering simulation, digital twins, and asset tracking solutions. These offerings are enabling the customer to streamline and optimize their production lines and enhance visibility across their existing operational paradigm.



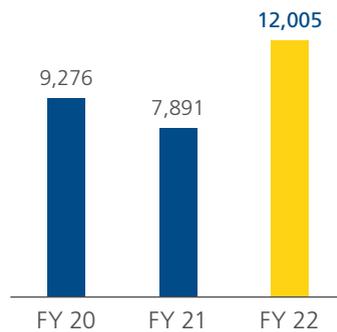
Performance Highlights

DURING FY22, THE COMPANY DELIVERED A ROBUST PERFORMANCE ACROSS ALL SEGMENTS, DRIVEN BY SIGNIFICANT DEAL WINS AND INCREASING SHARE OF DIGITAL AND LEADING EDGE TECHNOLOGIES IN EACH OF ITS BUSINESS VERTICALS.

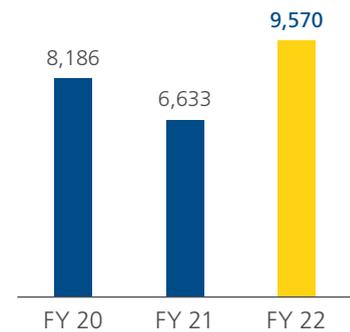
Revenue (₹ mn)



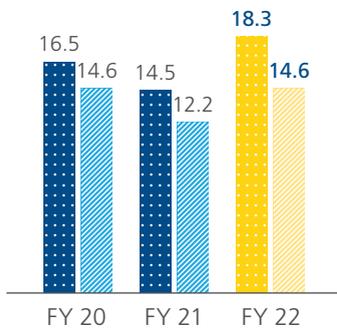
EBIT (₹ mn)



PAT (₹ mn)

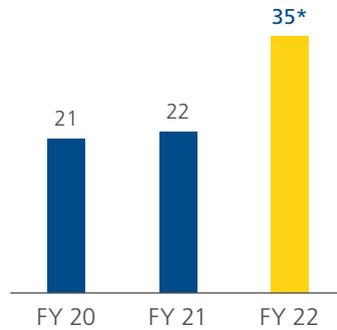


EBIT Margin & PAT Margin (%)



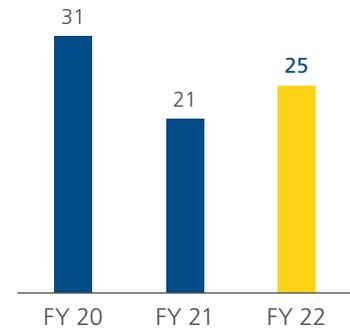
::: EBIT Margin ▨ PAT Margin

Dividend per Share (₹)

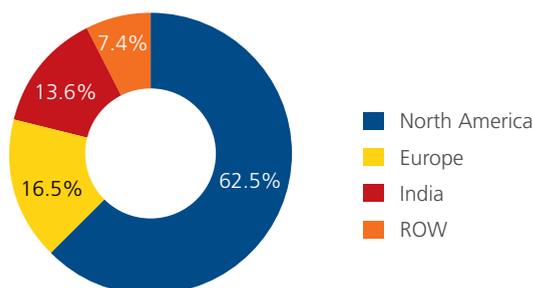


*Includes proposed Final Dividend

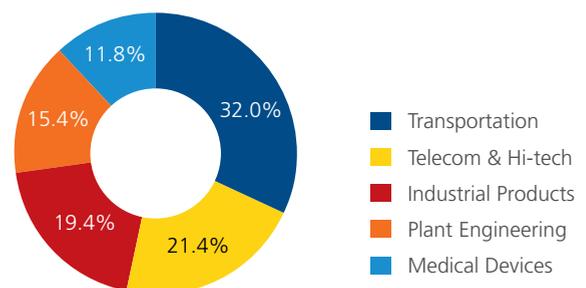
Return on Equity (%)



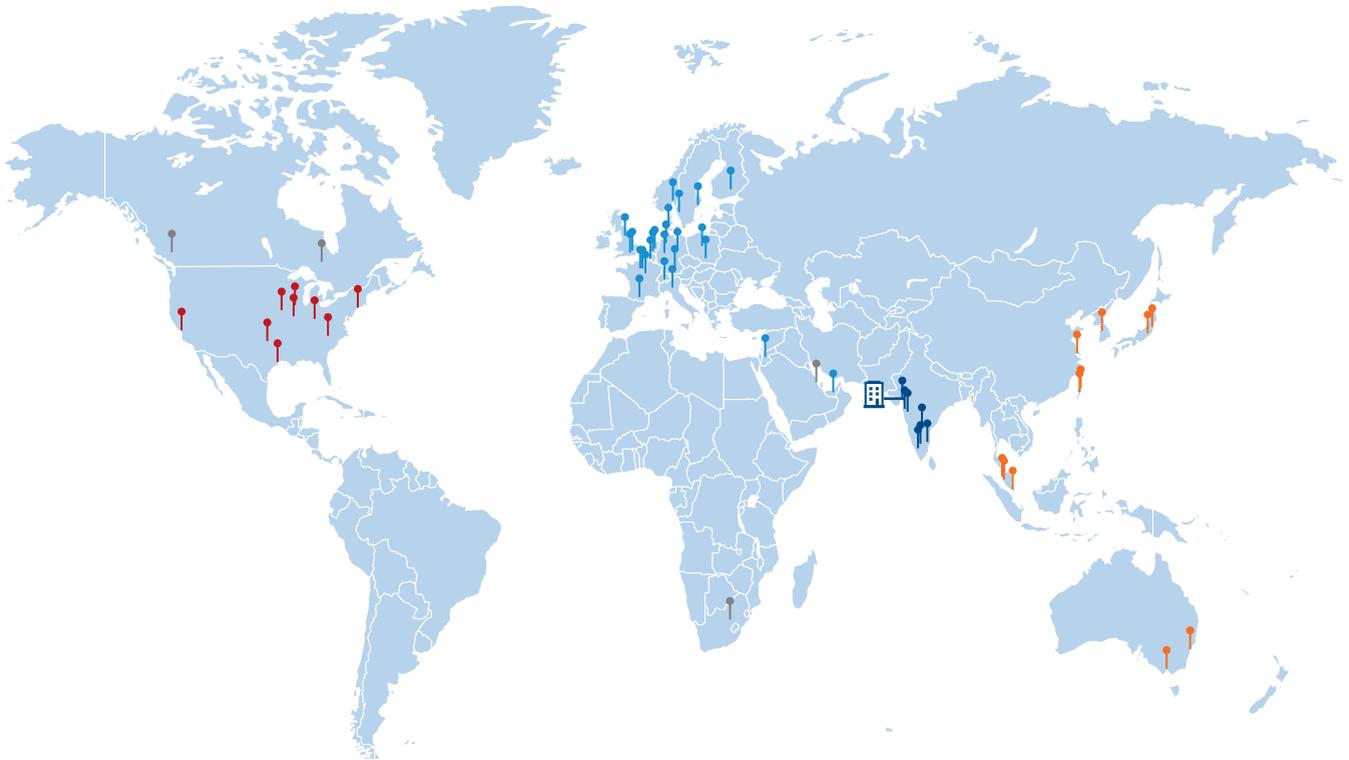
Geography-wise Revenue Breakup FY22 (%)



Business-wise Revenue Breakup FY22 (%)



Global Presence



Head Quarters
Vadodara, India

Registered Office
L&T House,
N.M. Marg,
Ballard Estate,
Mumbai

- **INDIA**
Vadodara
Mumbai
Pune
Bengaluru
Mysuru
Chennai
Hyderabad

- **USA**
California
Santa Clara
Illinois
Peoria
Rockford
Iowa
Bettendorf
New Jersey
Edison
Ohio
Dublin
Texas
Plano
Houston

Connecticut
Windsor Locks

- **EUROPE**
Belgium
Brussels
Denmark
Copenhagen
Finland
Espoo
France
Neuilly-Sur-Seine
Paris
Toulouse
Germany
Leipzig
Munich
Frankfurt
Hamburg
Italy
Milan
Israel
Jerusalem

- Netherlands**
The Hague
Eindhoven
Norway
Baerum
Poland
Warsaw
Kraków
Sweden
Stockholm
Gothenburg
United Kingdom
London
Switzerland
Zurich

- **APAC**
Taiwan
Taipei
China
Shanghai
Japan
Tokyo
Utsunomiya

- UAE**
Abu Dhabi
Malaysia
Petaling Jaya
Cyber Jaya
Singapore
South Korea
Suwon
Australia
Melbourne
Sydney

- **REST OF THE WORLD (ROW)**
Canada
British Columbia
Ontario
South Africa
Pretoria
Kingdom of Saudi Arabia
Al Khobar

Human Resource Initiatives

LTTs' ROBUST HR POLICIES AND PRACTICES, DRIVEN BY AN ABLE TEAM OF PROFESSIONALS, HAS HELPED STREAMLINE AND REVITALIZE THE POST-PANDEMIC BUSINESS SCENARIO. EMPLOYEE HEALTH AND WELL-BEING MEASURES HAVE CONTINUED TO BE THE FOCUS OF VARIOUS TARGETED MEASURES AND INITIATIVES AS THE EFFECTS OF THE PANDEMIC SUBSIDE AND WORK MODELS CONTINUE TO EVOLVE.



Over the past year, the Company has expanded to over 20,800 employees, underscoring the vital role of HR in driving sustainable growth paradigms at an individual level. Through the year, the team undertook several employee-centric initiatives, including:

Project Rendezvous

Project Rendezvous was developed to implement the learnings of the employee engagement survey, EMPulse '21. The initiative had five teams (comprising a total of 150 volunteers), under the guidance of a Project Champion from among senior LTTs leadership, proposing innovative employee well-being measures. Measures were recommended across the entire gamut of an employee journey, and have been implemented across the board to redefine the LTTs experience.

Project Avatar

The Vision, Mission, and Values of an organization play a key role in ensuring its continued success. With this in mind, Project Avatar was initiated to help refine, redefine and restate LTTs' Vision, Mission and Value Statement as we prepared to navigate the future.

The project teams, under the leadership of the CEO & MD, conducted several sessions and discussions before submitting its recommendations to the LTTs leadership. After deliberations, the restated Vision, Mission, and Values were unveiled to the organization and the world.

Global Engineering Academy (GEA)

Technology skill building continues to be a core activity at LTTs. The Global Engineering Academy (GEA), started in 2020, continues to impart technology education and competency development programs for its employees in alignment with the Company's strategic business goals. The GEA trained 3000+ young Engineers (Bachelors and Masters), by offering 27 different technology tracks aligned to BU needs. The GEA has undertaken 394 training sessions to lateral employees and existing employees till date which has benefited over 18,000 LTTs engineers.

The highlight of the year was the creation of Customer Specific Academies which gained traction with several customers, helping drive resulting in collaborative growth. The GEA is also collaborating with UK's Coventry University to develop technologies and deepen skillsets in Autonomous Driving, EVs, and Software Defined Vehicles.

Community Initiatives

As a responsible corporate citizen, LTTs is aware of its role in driving social wellbeing. Through the year, we have undertaken several focused initiatives including:

Mysuru COVID Care Centre

LTTs dedicated a rural COVID Care Centre (CCC) in Saragur, Mysuru. Built in partnership with Swami Vivekananda Youth Movement (SVYM), the CCC will serve a population of over three lakh tribals in the region. The 19-bed center is equipped with oxygen supply, critical care medical equipment, and all other necessary resources. The technology used here enables the safe management and care of patients, and the infrastructure is expected to benefit the local population for up to 15 years, enabling the people of Mysuru to continue availing the benefits of this key healthcare center.

24*7 ICU-on-Wheels

LTTs and Samarthanam Trust launched 24x7 ICU-on-Wheels, a free ambulance service in Bengaluru to assist COVID patients in need of immediate medical attention. The ambulance is equipped with medical necessities such as ventilators, cardiac monitors, defibrillators, oxygen cylinders, emergency kit, other critical care life-saving equipment and medication.

Short Stay Facility & Sneha-Hastha Project

To support the children displaced by the pandemic, LTTs partnered with hope these names are accurate for two projects to provide relief and shelter. Both the CSR initiatives was formally inaugurated by Mrs. Meena Subrahmanyam, President of Prayas Trust.

Short Stay Facility

LTTs partnered with SOS Children's Villages of India to create temporary relief shelters for young girls without parental care. The shelter homes are in SOS Villages' Bengaluru campus.

Sneha-Hastha Project

LTTs partnered with MILT Charitable Trust to provide permanent shelter for children orphaned by the pandemic. The initiative will also focus on the extra-curricular activities such as exercise and dance for a comprehensive development of the children to enable them to lead a fulfilling life as responsible citizens.



Comprehensive Eyecare Centers

LTTs, in partnership with Laxmi Charitable Trust, setup Primary Vision Eye Care Centers in Thane and Raigad districts of Maharashtra. Inaugurated by Ms. Aditi Tatakare, State Minister, Government of Maharashtra, the centers will provide comprehensive eyecare facility to the economically backward sections in the area.

Clean & Renewable Energy

LTTs installed solar panels in four Government-aided schools in Vadodara, Gujarat, in partnership with ARCH Development Foundation. LTTs is committed towards using clean and renewable energy to generate electricity.

Vaccination Drive for Senior Citizens and Children

LTTs, in partnership with Samarthanam Trust, provided vaccination to 9,425 people – two doses for children and COVID-19 booster dose for senior citizens. The team also conducted a drive to raise awareness on the importance of vaccination. Additionally, safety equipment was provided to 14 vaccination centers in rural parts of Karnataka.

Restoration of Veernapalya Flyover

LTTs, in partnership with India Rising Trust, undertook the restoration of the area below Veernapalya Flyover in Bengaluru, Karnataka. Based on the theme of Wild Karnataka, a new section has been added to the area, known as the Bison Section. Earlier, a dumpyard, this area has now been converted into a public utility space showcasing Karnataka's rich bio-diversity.

Awards and Recognition

- Everest Group has positioned LTTS as a 'Leader' in the Semiconductor Annual Engineering Services PEAK Matrix Assessment™ Report
- NASSCOM honored L&T Technology Services with the Engineering and Innovation Excellence Awards 2021 in the 'Engineered-In-India Product of the Year' category for Robotic Endo-Trainer Kit
- LTTS has been recognized as a 'Leader' in Everest Group's Autonomous, Connected, Electric & Shared Mobility Automotive Engineering Study
- NelsonHall positioned LTTS in the 'Leaders' Category in Digital Manufacturing Services in its NEAT Leader 2021 Study
- ISG Group rated LTTS as 'Leader' IoT Consulting & Services and IT/OT Tech Data Convergence
- LTTS' Finance Team was honored for excellence in Consistent Liquidity Management by BW Businessworld CFO Finance Strategy Awards 2021
- Stevie's International Business Award adjudged LTTS' SafeX DevOps framework as the winner in the Achievement in Product Innovation category
- Association of National Advertisers (ANA), USA honored LTTS with the B2 Award 2021 in the Podcast Category for #EngineersFromTheHomeDesk Series
- LTTS won the prestigious Association for Talent Development (ATD) Best Award 2021 and was ranked No. 1 for Talent Development practices
- Confederation of Indian Industry (CII) awarded LTTS with the prestigious Top 25 Innovative Company Award at the 2021 Industrial Innovation Award
- Zinnov rated LTTS as a global ER&D Leader and leader across its core verticals such as Automotive, Aerospace, Medical Devices, Industrial, Semicon & Telecom
- ISG's Life Science Digital Services Study has recognized LTTS as a Leader in Europe & USA in the MedTech and Digital Transformation Services areas
- LTTS' Chest-rAI™ solution recognized in the Innovation in Overall Customer Experience category by ASSOCHAM 2nd Innovators' Excellence Awards 2021
- The 12th Aegis Graham Bell Awards honored LTTS in the Innovation in Cybersecurity category
- US-based Business Intelligence Group recognized LTTS as one of the Best Places to Work
- LTTS was recognized with ASSOCHAM CSR & Sustainability Excellence Award in the Healthcare category
- LTTS has been honored with the Golden Peacock Award for Corporate Social Responsibility 2021, for its work towards rehabilitating the distressed people of Puri, Odisha under Project Neelachala
- The CSR Journal Excellence Awards recognized LTTS in the Environment category for the outstanding social work done under Project Neelachala



Corporate Information

Board of Directors

Mr. A. M. Naik	Founder Chairman
Mr. S. N. Subrahmanyam	Vice Chairman
Mr. Amit Chadha	CEO and Managing Director
Mr. Abhishek Sinha	COO and Whole-Time Director
Dr. Keshab Panda	Non-Executive Director
Mr. Narayanan Kumar	Independent Director
Mr. Sudip Banerjee	Independent Director
Ms. Apurva Purohit	Independent Director
Mr. R. Chandrasekaran	Independent Director
Mr. Luis Miranda	Independent Director

Chief Financial Officer Mr. Rajeev Gupta

Company Secretary Ms. Prajakta Powle

Registered Office L&T House, N.M. Marg, Ballard Estate, Mumbai - 400 001

Corporate Office West Block-II, L&T Knowledge City (IT/ITES) SEZ,
N.H. No. 8, Ajwa Waghodia Crossing,
Vadodara - 390 019

CIN No. L72900MH2012PLC232169

Website www.LTTS.com

Auditors Sharp & Tannan

Registrar & Share Transfer Agent KFin Technologies Limited (www.kfintech.com)

L&T TECHNOLOGY SERVICES LIMITED

Regd. Office: L&T House, N.M. Marg, Ballard Estate, Mumbai 400 001

CIN: L72900MH2012PLC232169

Email: investor@lts.com • Website: www.LTTS.com

Tel No.: +91 22-67525656 • Fax No.: +91 22-67525858

NOTICE

NOTICE is hereby given that the **TENTH ANNUAL GENERAL MEETING** of **L&T TECHNOLOGY SERVICES LIMITED** will be held through **Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM")** on **Friday, July 15, 2022**, at **4.30 p.m. (IST)** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:
 - a. the Audited Financial Statements of the Company for the financial year ended March 31, 2022, the reports of the Board of Directors and Auditors thereon; and
 - b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2022, together with the reports of the Auditors thereon;
2. To declare Final Dividend on equity shares for the financial year ended March 31, 2022;
3. To appoint a Director in place of Mr. S. N. Subrahmanyam (DIN: 02255382) who retires by rotation and, being eligible, offers himself for re-appointment;
4. To appoint a Director in place of Mr. Abhishek Sinha (DIN: 07596644) who retires by rotation and, being eligible, offers himself for re-appointment;
5. To consider and, if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Messrs. MSKA & Associates, Chartered Accountants (Firm Registration No. 105047W), be and are hereby appointed as the Statutory Auditors of the Company, to hold office for a period of 5 (five) consecutive years commencing from conclusion of 10th Annual

General Meeting till conclusion of the 15th Annual General Meeting.

RESOLVED FURTHER THAT the Board of Directors or Audit Committee thereof, be and is hereby authorized to decide and finalize the terms and conditions of appointment, including the remuneration of the Statutory Auditors."

SPECIAL BUSINESS:

6. **REVISION IN REMUNERATION OF MR. AMIT CHADHA (DIN: 07076149) AS THE CHIEF EXECUTIVE OFFICER & MANAGING DIRECTOR**

To consider and, if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V of the said Act and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), consent and approval of the members be and is hereby accorded for revision in remuneration of Mr. Amit Chadha as Chief Executive Officer & Managing Director of the Company w.e.f. April 1, 2022.

RESOLVED FURTHER THAT Mr. Amit Chadha in his capacity as Chief Executive Officer & Managing Director of the Company, be paid remuneration as may be fixed by the Board, from time to time, as prescribed under the Companies Act, 2013 and within the limits approved by the members as per the details given in the explanatory statement forming part of the Notice convening this Annual General Meeting.

RESOLVED FURTHER THAT save as provided in the Explanatory Statement forming part of this Notice, all other terms and conditions of appointment of Mr. Amit Chadha, as approved by the members on March 3, 2021, by way of Postal Ballot, shall remain unchanged."

7. **RE-APPOINTMENT AND REMUNERATION OF MR. ABHISHEK SINHA (DIN: 07596644) AS THE CHIEF OPERATING OFFICER & WHOLE-TIME DIRECTOR**

To consider and, if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V of the said Act and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), consent and approval of the members be and is hereby accorded for re-appointment and payment of remuneration to Mr. Abhishek Sinha (DIN: 07596644) in his capacity as Chief Operating Officer & Whole-Time Director of the Company, for a period of 3 years w.e.f. October 18, 2022 upto and including October 17, 2025.

RESOLVED FURTHER THAT Mr. Abhishek Sinha in his capacity as Chief Operating Officer & Whole-Time Director of the Company, be paid remuneration as may be fixed by the Board, from time to time, as prescribed under the Companies Act, 2013 and within the limits approved by the members as per the details given in the explanatory statement forming part of the Notice convening this Annual General Meeting.”

By Order of the Board of Directors

PRAJAKTA POWLE
Company Secretary & Compliance Officer
(M. No. A20135)

Date: April 21, 2022
Place: Mumbai

NOTES:

- 1) The information required to be provided under the SEBI (Listing Obligations and Disclosure Requirement Regulations), 2015 and the Secretarial Standards on General Meetings, regarding the Directors who are proposed to be appointed/re-appointed and the relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the business under items no. 6 & 7 set out above are annexed hereto. In compliance with the General Circular No. 20/2020 issued by the Ministry of Corporate Affairs, the Board of Directors have considered and decided to include Item Nos. 6 and 7 given above as ‘Special Business’ in the forthcoming Annual General Meeting (“AGM / Meeting”), as they are unavoidable in nature.
- 2) In view of the continued outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 5, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No. 21/2021 dated December 14, 2021 and Circular No. 2/2022 dated May 5, 2022 and all other relevant circulars issued from time to time (hereinafter referred as “MCA Circulars”), physical attendance of the Members to the AGM venue is not required and the Meeting may be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
- 3) Pursuant to the Circular No. 14/2020 dated April 8, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM and hence Proxy Form and Attendance Slip including Route Map are not annexed to this Notice. However, Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
- 4) Corporate/Institutional Members (i.e., other than Individuals, HUF, NRI etc.) are required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at email alwyn.co@gmail.com with a copy marked to evoting@nsdl.co.in and the Company at investor@lts.com. The scanned image of the abovementioned documents should be in the naming format “L&T Technology Services Limited 10th AGM”.
- 5) The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, July 9, 2022, to Friday, July 15, 2022 (both days inclusive).
- 6) If dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend is

subject to deduction of tax at source and will be made on or after July 20, 2022 as under:

- i. To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories", as of end of day on July 8, 2022;
- ii. To all Members in respect of shares held in physical form after giving effect to valid transmission or transposition requests lodged with the Company as of the close of business hours on July 8, 2022.

Final Dividend if approved by the Members at this Meeting will be directly credited to the bank accounts of the shareholders as on the Record Date i.e. Friday, July 8, 2022 as per the details available with the Company. In case of shareholders who have not registered their bank details with the Company, demand drafts will be sent to them in due course.

- 7) Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020, and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/RTA (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).
 - A. A Resident shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by submitting the documents at its dedicated link <https://iris.kfintech.com/form15> on or before July 8, 2022.
 - B. Shareholders are requested to note that, in case, their PAN is not registered, the tax will be deducted at a higher rate of 20%.
 - C. Non-resident shareholders [including Foreign Portfolio Investors (FPIs)] can avail beneficial rates under tax treaty between India and their country of tax residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency

Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by uploading the duly signed scanned documents by visiting <https://iris.kfintech.com/form15> on or before July 8, 2022.

ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF E-MAIL ID FOR OBTAINING COPY OF ANNUAL REPORT:

- 8) In line with the aforesaid MCA Circulars and SEBI Circulars dated January 15, 2021 and May 13, 2022 the Notice calling the AGM is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company or CDSL/NSDL ("Depositories") and has been uploaded on the website of the Company at www.LTTS.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e., www.evoting.nsdl.com.
- 9) Members holding shares in physical form are requested to furnish bank details, e-mail address, change of address etc. to the Company's Registrar & Share Transfer Agents: KFin Technologies Limited, Selenium Tower B, Plot Nos. 31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad 500 032, so as to reach them latest by Friday, July 8, 2022, in order to take note of the same. In respect of members holding shares in electronic mode, the details as would be furnished by the Depositories as at the close of the aforesaid date will be considered by the Company. Hence, Members holding shares in demat mode should update their records at the earliest.

PROCEDURE FOR JOINING THE AGM THROUGH VC / OAVM:

- 10) Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned below for an access to NSDL e-Voting system. After successful login, you can see the link of "VC/OAVM link" placed under "Join General Meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that members who do not have User ID and Password for an e-Voting or have forgotten the User ID and Password may retrieve the same by

following the remote e-Voting instructions mentioned in the Notice to avoid last minute rush.

- 11) For convenience of Members and proper conduct of AGM, Members can login and join 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (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. who are allowed to attend the AGM without restriction on account of first come first serve basis.
- 12) Please note that participants connecting from Mobile devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuations in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
- 13) The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- 14) Members who are not able to join this Meeting over VC/OAVM will be able to view the live webcast of proceedings of AGM by logging on the e-voting website of NSDL by following remote e-voting instructions mentioned in the notice.

PROCEDURE TO RAISE QUESTIONS/SEEK CLARIFICATIONS WITH RESPECT TO ANNUAL REPORT:

- 15) As the AGM is being conducted through VC/OAVM, for smooth conduct of proceedings of the AGM, Members are encouraged to express their views/send their queries in advance mentioning their names, demat account number/folio number, email id, mobile number at *investor@lts.com*. Questions/queries received by the Company by Wednesday, July 13, 2022 till 4:30 p.m. shall be considered and responded during AGM.
- 16) Shareholders who would like to express their views/ask questions during the AGM may register themselves as a Speaker by sending an email to the Company at *investor@lts.com* mentioning their name demat account number/folio number, email id, mobile number by Wednesday, July 13, 2022 till 4.30 p.m.

- 17) Only those Members who register themselves as Speakers will be allowed to express views/ask questions during the AGM. The Company reserves its right to restrict the number of questions and number of Speakers, as appropriate for smooth conduct of the AGM.

PROCEDURE FOR REMOTE E-VOTING AND E-VOTING DURING THE AGM:

- 18) Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of the LODR and MCA circulars, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as voting on the date of the AGM will be provided by NSDL.
- 19) The Members, whose names appear in the Register of Members/list of Beneficial Owners as on Friday, July 8, 2022 i.e. the cut-off date, are entitled to avail either the facility of remote e-voting prior to the AGM or voting at the AGM. Persons who are not members as on the cut-off date should treat this notice for information purposes only.
- 20) Members may cast their votes on electronic voting system from any place (remote e-voting). The remote e-voting period will commence at Tuesday, July 12, 2022, at 9:00 A.M. and will end at Thursday, July 14, 2022, at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members/Beneficial Owners as on the record date, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity capital of the Company as on the cut-off date, being July 8, 2022.
- 21) In addition, the facility for voting through electronic voting system shall also be made available during the AGM. Members attending the AGM who have not cast their votes by remote e-voting shall be eligible to cast their votes through e-voting during the AGM. Members who have voted through remote e-voting shall be eligible to attend the AGM, however, they shall not be eligible to vote at the meeting. Members holding shares in physical form are requested to access the remote e-voting facility provided by the Company through NSDL e-voting system at <https://www.evoting.nsdl.com/>.

GENERAL INFORMATION:

- 22) 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.
- 23) The Company has appointed Mr. Alwyn D'souza, Practicing Company Secretary (Membership No. FCS 5559) or failing him Mr. Vijay Sonone, Practicing Company Secretary (Membership No. FCS 7301) of Alwyn D'Souza & Co, to act as the Scrutinizer for conducting the voting and remote e-voting process in a fair and transparent manner.
- 24) The Scrutinizer will submit his report to the Chairman after completion of the scrutiny. The result of the voting on the Resolutions at the AGM shall be announced by the Chairman or any other person authorized by him immediately after the results are declared.
- 25) Based on the report received from the scrutinizer the Company will submit within 48 hours of the conclusion of the Meeting to the stock exchanges i.e., BSE Limited and National Stock Exchange of India Limited, details of the voting results as required under Regulation 44(3) of the LODR.
- 26) The results declared along with the Scrutinizer's report, will be posted on the website of the Company www.LTTS.com and on the website of NSDL at www.evoting.nsdl.com and will 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 by the Chairman or any person authorized by him in writing and will be communicated to the Stock Exchanges.

PROCEDURE FOR INSPECTION OF DOCUMENTS:

- 27) Relevant documents referred to in the accompanying Notice calling the AGM will be made available for electronic inspection by the Members upon sending the email to the Company at investor@lts.com upto the date of the AGM. The said documents will be available for electronic inspection for the Members without payment of any fee.

- 28) The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts or arrangements in which the Directors are interested under Section 189 of the Act will be available for inspection in electronic mode, based on the request being sent on investor@lts.com.

OTHERS

- 29) There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. Members who have not encashed their dividend warrants/demand drafts pertaining to the year 2016-17, 2017-18, 2018-19, 2019-20, 2020-21, interim and special dividend of 2021-22 may approach the Company/RTA, for obtaining payments thereof.
- 30) The Company has designated an exclusive email id viz. investor@lts.com to enable Investors to register their complaints, if any.
- 31) SEBI has mandated securities of listed companies to be transferred only in dematerialized form with effect from April 1, 2019. In view of the above and to avail various benefits of dematerialization, Members are advised to dematerialize shares that are held by them in physical form.
- 32) 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 email ID correctly in their demat account in order to access e-Voting facility.
- 33) Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of email ids for e-voting for the resolutions set out in this notice:

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 the RTA at einward.ris@kfintech.com.

2. In case shares are held in demat mode, please provide DP ID-Client ID (16-digit DP ID + Client ID 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) by email to the RTA at einward.ris@kfintech.com with a copy marked to the Company at investor@lts.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) below i.e., Login method for e-Voting and joining virtual meetings 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.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Access to NSDL e-Voting system

Step 2: Cast your vote electronically on NSDL e-voting system.

Details on Step 1 is mentioned below: -

A) Login method for e-Voting and joining virtual meeting

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	1. Existing IDeAS user can visit the e-Services website of NSDL viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e., NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Type of shareholders	Login Method
	<ol style="list-style-type: none"> 2. If you are 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 3. Alternatively, visit the e-Voting website of NSDL. Open web browser by typing the following 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 hold 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 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. 4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <p>NSDL Mobile App is available on</p> <p> </p> <p> </p>
Individual Shareholders holding securities in demat mode with CDSL	1. 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.

Type of shareholders	Login Method
	<p>2. 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.</p> <p>3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>4. 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 ESP i.e., NSDL where the e-Voting is in progress.</p>
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. Upon logging in, you will be able to see e-Voting option. 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 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.
Shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode	<p>1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nssl.com/ either on a Personal Computer or on a mobile.</p> <p>2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.</p> <p>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.</p> <p><i>Alternatively, if you are registered for NSDL eservices i.e., IDEAS, you can log-in at https://eservices.nssl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e., Cast your vote electronically</i></p>

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 101456 then user ID is 101456001***

Your Password details are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- How to retrieve your 'initial password'?
 - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e., a .pdf file. Open the .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'.
 - If your email ID is not registered, please follow steps mentioned above in process for those shareholders whose email ids are not registered.
- If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nssl.com.

- (ii) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - (iii) 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.
 - (iv) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- e) After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- f) Now, you will have to click on "Login" button.
- g) After you click on the "Login" button, home page of e-Voting will open.

Details on Step 2 is mentioned below: -

How to cast your vote electronically and join AGM on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. 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.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

How to cast your vote electronically during the AGM on NSDL e-Voting system?

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting

and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e., NSDL and CDSL.

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

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e. July 8, 2022, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on toll free no. 1800 1020 990 and 1800 22 44 30. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. July 8, 2022 may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. 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.

EXPLANATORY STATEMENT

As required by Section 102(1) of the Companies Act, 2013 ("the Act"). The following Explanatory Statement sets out material facts relating to the business under Item Nos. 5 to 7 of the accompanying Notice dated April 21, 2022.

Item No. 5

This explanatory statement is provided though strictly not required as per Section 102 of the Companies Act, 2013 ("the Act").

Pursuant to Section 139 of the Act, Messrs. Sharp & Tannan, Chartered Accountants (M. No. 109982W) were appointed as the Statutory Auditors of the Company for a period of four years from conclusion of 6th Annual General Meeting till conclusion of 10th Annual General Meeting at a remuneration of Rs. 29,18,000 excluding the GST and out of pocket expenses for the FY 2021-22.

As per Section 139(2) of the Act, an audit firm cannot act as an auditor of a company for more than two terms of five consecutive years. Messrs. Sharp & Tannan has already completed two consecutive terms, and hence, the Board of Directors on the recommendation of Audit Committee, subject to the approval of shareholders, have recommended the appointment of Messrs. MSKA & Associates, Chartered Accountants (Firm Registration No. 105047W) as the Statutory Auditors of the Company from the conclusion of 10th Annual General Meeting upto the conclusion of the 15th Annual General Meeting of the Company at a remuneration as given below to conduct audit for FY 2022-23:

Particulars	Fees payable for FY 2022-23 (Amount in ₹)
Fee for conducting Statutory Audit under Companies Act- IFS	15,00,000
Fee for conducting Quarterly Limited review- IFS & CFS for 3 Qtr.	22,50,000
Fees for conducting Tax Audit u/s 44AB of the Income Tax Act	2,50,000
Sub Total	40,00,000
Other certification:	
- ITGC	At actuals
- Transfer Pricing	
Re-imburement of expense	At actuals

There is no material change in the fees payable to the new auditor as compared to the outgoing auditor.

The Committee considered various parameters like capability to serve a diverse and complex business landscape as that of the Company, audit experience in the Company's operating segments, market standing of the firm, clientele served, technical knowledge etc., and found Messrs. MSKA & Associates to be best suited to handle the scale, diversity and complexity associated with the audit of the financial statements of the Company.

The Auditors have informed the Company that their appointment, if made would be within the limits prescribed u/s. 141 of the Act.

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 Board and/or the Audit Committee is further been authorized to approve any change in the terms and conditions of appointment, including the remuneration of the Statutory Auditors.

The Board recommends approval of the appointment and remuneration to the Statutory Auditors by the Members through Ordinary Resolution set forth in Item No. 5 of the Notice.

None of the Directors or Key Managerial Personnel of the Company including their relatives are in any way concerned or interested in the Resolution.

Item No. 6

The shareholders of the Company through a Postal Ballot on March 3, 2021, had approved the appointment of Mr. Amit Chadha as Chief Executive Officer & Managing Director of the Company with effect from April 1, 2021, for a period of three years on the existing terms and conditions. Further, the shareholders at the Annual General Meeting held on July 16, 2021, have approved the revised compensation structure for Mr. Amit Chadha.

On recommendation of Nomination and Remuneration Committee, the Board of Directors in its meeting held on April 21, 2022, have approved the revised compensation structure for Mr. Amit Chadha in line with the prevailing managerial compensation trends in the IT sector, subject to

the approval of the Shareholders. Part III of Schedule V of the Companies Act, 2013 read with SS-2 provides that the appointment and remuneration of Managing Directors and Whole-time Directors in accordance with Part I and Part II of the Schedule V shall be subject to approval of resolution of the shareholders in General Meeting.

The revised terms and conditions of remuneration of Mr. Amit Chadha, Chief Executive Officer & Managing Director of the Company, are as specified in the Addendum Agreement entered into with him and the details of the remuneration payable to Mr. Amit Chadha are as under:

Particulars	Existing Remuneration (Upto March 31, 2022)	Revised Remuneration (w.e.f. April 1, 2022)
Base Salary	USD 5,00,500/- p.a.	USD 5,25,525/- p.a.
Variable Remuneration*	Up to USD 2,00,000/- p.a.	Up to USD 2,10,000/- p.a.
Commission on profit at the sole discretion of the Company	0.1% of the Standalone Profit after Tax, calculated as per the Companies Act, 2013	0.15% of the Standalone Profit after Tax, calculated as per the Companies Act, 2013

*As per the performance criteria mentioned in the contract of employment.

Notes:

1. The Total Remuneration mentioned above may be revised as per the Company's policy subject to annual increment upto 4%, as may be decided by the Board of Directors upon recommendation of the Nomination & Remuneration Committee. 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.
2. Will be entitled to all other benefits, perquisites, as may be applicable as per Company policy.

Brief Profile of Mr. Amit Chadha:

Mr. Amit Chadha is the Chief Executive Officer & Managing Director of the Company and is responsible for providing business & technology leadership, market direction and strategic vision to drive the Company's global performance.

Mr. Amit Chadha was previously Deputy CEO & Whole Time Director, and was running the gamut of business operations, delivery and sales & marketing at LTTTS, and preparing the technology roadmap for the Company's future. Mr. Amit Chadha has been leading the LTTTS' executive management team that oversees the organization's business and strategy implementation.

Mr. Amit Chadha has always been passionate about helping global R&D customers and Fortune 500 companies leverage L&T Technology Services' digital engineering offerings for their strategic differentiation and product development.

He joined LTTTS in 2009, as its Business Head of Americas. Over the years, he has progressively taken on increased responsibility for the Company's business worldwide and helped in its growth, both organically and via acquisitions.

As a core member of the LTTTS leadership team, Mr. Amit Chadha was instrumental in driving the Company through a high-profile Initial Public Offering (IPO) in India and successfully listing it on the National Stock Exchange and the Bombay Stock Exchange.

Mr. Amit Chadha's career which spans over two decades in core engineering & information technology outsourcing, is marked with significant achievements. He has managed P&L for multiple business units, spearheaded organization-wide strategic initiatives and led business development and relationship management activities worldwide.

Mr. Amit Chadha is an Electrical & Electronics Engineer and has done his Global Business Leadership Executive Program with Harvard Business School Publishing. He has also done an Advanced Management Program in Business Leadership from INSEAD, France. Mr. Chadha is currently based in Washington DC.

Disclosures as required under SS-2 on General Meetings are provided as an Annexure to this Notice.

The Addendum Agreement entered into between the Company and Mr. Amit Chadha, Chief Executive Officer and Managing Director of the Company containing the terms and conditions of his remuneration will be open for electronic inspection without any fees by the Members upto the date of the AGM.

The Board recommends approval of the remuneration of Mr. Amit Chadha as Chief Executive Officer and Managing Director by the Members through Ordinary Resolution set forth in Item No. 6 of the Notice.

Except Mr. Amit Chadha, being the appointee, none of the Directors or Key Managerial Personnel of the Company, including their relatives, are in any way concerned or interested in the Resolution set out in Item No. 6.

Item No. 7

On the recommendation of the Nomination & Remuneration Committee, the Board of Directors had appointed

Mr. Abhishek Sinha (DIN: 07596644), as an Additional Director with effect from October 18, 2019. Further, the Shareholders of the Company at the AGM held on July 17, 2020, had approved the appointment of Mr. Abhishek Sinha as Chief Operating Officer & Whole-Time Director of the Company for a period of three years w.e.f. October 18, 2019, upto and including October 17, 2022, on the mentioned terms and conditions of appointment.

On recommendation of Nomination and Remuneration Committee, the Board of Directors at its meeting held on April 21, 2022 have approved the re-appointment of Mr. Abhishek Sinha (DIN: 07596644) for a further term of three years w.e.f. October 18, 2022 to October 17, 2025, subject to shareholders approval.

The details of the remuneration payable to Mr. Abhishek Sinha are as under:

Particulars	Existing Remuneration (Upto March 31, 2022)	Revised Remuneration (w.e.f. April 1, 2022)
Fixed Pay	₹ 1,29,53,010/-	₹ 1,37,30,191/-
Variable Pay	Up to ₹ 31,50,000/-	Up to ₹ 33,39,000/-

Notes:

- The Total Remuneration mentioned above shall be revised as per the Company's policy subject to annual increment upto 8%, as may be decided by the Board of Directors upon recommendation of NRC from time to time. However, the total remuneration shall not exceed the limits approved by the Members and prescribed under Section 197 read with Schedule V of the Companies Act, 2013.*
- Will be entitled to all other benefits, perquisites, as may be applicable as per Company policy.*

Brief Profile of Mr. Abhishek Sinha:

Mr. Abhishek Sinha is the Chief Operating Officer (COO) & Whole Time Director of the Company, focusing on quality, cost-efficient delivery, and client and employee satisfaction. Key Vertical and Horizontal Heads roll up to him.

Mr. Abhishek Sinha has over two decades of industry experience in Business Leadership in both Engineering and Enterprise Software areas. His key strengths are making business competitive through strategy formulation and execution, operational excellence and talent leadership.

Prior to joining LTTs, Mr. Abhishek Sinha was an Executive Board Member & Chief People and Operations Officer (CPOO) at KPIT Technologies Ltd, responsible for laying out the Operational framework and Operational Governance of all businesses within the company (both IT and Engineering) to

help in achieving profitable growth. He was also responsible for creating a highly engaged employee experience through innovative People Practices as the Executive Head of People Function (HR, Learning Organization, Recruitment). Prior to this role, his responsibilities have spanned from managing P&L unit to heading delivery and operations function in the space of Engineering Services, Mobility and BPM (Business Process Management). He has worked in US, UK and Australia in Consulting, Program Management and Account Management roles.

Before joining KPIT, Mr. Abhishek Sinha had a long association with Infosys Technologies from 1993 and until 2013 where he was Vice President and Delivery Head of "Engineering Services" providing Engineering and R&D services to global clients. Under his leadership, Engineering unit emerged as one of the fastest growing and amongst the most profitable units in Infosys. Mr. Abhishek Sinha has completed his B. Tech in Mechanical Engineering from IIT Banaras Hindu University.

Disclosures as required under SS-2 on General Meetings are provided as an Annexure to this Notice.

Part III of Schedule V of the Act read with SS-2 provides that the appointment and remuneration of Managing Directors and Whole-time Directors in accordance with Part I and Part II of the Schedule V shall be subject to approval of resolution of the shareholders in a General Meeting.

The Addendum Agreement entered into between the Company and Mr. Abhishek Sinha, Chief Operating Officer and Whole-Time Director, containing the terms and conditions of his re-appointment and remuneration will be open for electronic inspection without any fees by the Members.

The Board recommends the approval of resolution for re-appointment and remuneration of Mr. Abhishek Sinha by the Members through Ordinary Resolution set forth in Item No. 7.

Except Mr. Abhishek Sinha, being the appointee, none of the Directors or Key Managerial Personnel of the Company, including their relatives, are in anyway concerned or interested in the Resolution set out in Item No. 7.

By Order of the Board of Directors

PRAJAKTA POWLE
Company Secretary & Compliance Officer
(M. No. A20135)

Date: April 21, 2022
Place: Mumbai

(ANNEXURE TO NOTICE DATED APRIL 21, 2022)

DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

[Pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings (SS-2)]

Name of the Director	Mr. S. N. Subrahmanyam	Mr. Abhishek Sinha	Mr. Amit Chadha
Date of Birth	March 16, 1960	June 1, 1972	October 2, 1972
Date of first appointment on the Board	January 10, 2015	October 18, 2019	February 1, 2015
Qualifications	B.Sc., Engg. (Civil) & MBA Finance	B. Tech in Mechanical Engineering	B.E (Electrical and Electronics), Global Business Leadership Executive Program from Harvard Business School Publishing and Advanced Management Program in Business Leadership from INSEAD, France
Expertise	Vast Experience in Design and Build (D&B) contracts, PPP Projects, Engineering and Construction Industry	Diversified and vast experience in the field of engineering, product development and software.	Diversified and vast experience in business development and relationship management activities
Directorships held in other public companies including private companies which are subsidiaries of public companies (excluding foreign companies)	<ol style="list-style-type: none"> Larsen and Toubro Limited Larsen & Toubro Infotech Limited L&T Metro Rail (Hyderabad) Limited Mindtree Limited L&T Finance Holdings Limited L&T Realty Developers Limited 	<ol style="list-style-type: none"> L&T Thales Technology Services Private Limited Seastar Labs Private Limited 	<ol style="list-style-type: none"> Graphene Semiconductor Private Limited
Memberships/ Chairmanships of committees across all companies	<p>Member – Nomination & Remuneration Committee</p> <ol style="list-style-type: none"> L&T Metro Rail (Hyderabad) Limited Mindtree Limited <p>Strategic Investment Committee</p> <ol style="list-style-type: none"> Larsen & Toubro Infotech Limited 	Nil	<p>Member - Risk Management Committee</p> <ol style="list-style-type: none"> L&T Technology Services Limited
Number of Meetings attended during the year	4 out of 5 meetings	5 out of 5 meetings	5 out of 5 meetings
Shareholding of Non-Executive Directors as on March 31, 2022	2,00,000	NA	NA
Relationships between directors inter-se	Nil	Nil	Nil

Board Report

Dear Members,

Your Directors have pleasure in presenting the 10th Annual Report along with the Audited Financial Statements of L&T Technology Services Limited for the year ended March 31, 2022.

Financial Results

(₹ million)

Particulars	Standalone	
	2021-22	2020-21
Profit before depreciation, exceptional and extra ordinary items & tax	14,334	10,688
Less: Depreciation, amortization and obsolescence	1,826	1,737
Profit / (Loss) before exceptional items and tax	12,508	8,951
Add: Exceptional Items	-	-
Profit / (Loss) before tax	12,508	8,951
Less: Provision for tax	3,323	2,220
Profit for the period carried to the Balance Sheet	9,185	6,731
Add: Balance brought forward from previous year	21,235	16,704
Less: Dividend paid for the year (Including dividend distribution tax and deemed dividend)	3,634	2,200
Balance to be carried forward	26,786	21,235

Performance of the Company

State of Company Affairs

The gross sales and other income for the financial year under review were ₹ 60,274 million as against ₹ 51,383 million for the previous financial year registering an increase of 17.3%. The profit before tax from continuing operations including extraordinary and exceptional items was ₹12,508 million and the profit after tax from continuing operations including extraordinary and exceptional items was ₹ 9,185 million for the financial year under review as against ₹ 8,951 million and ₹ 6,731 million respectively for the previous financial year, registering an increase of 39.7% and 36.5% respectively.

COVID-19

At the start of the fiscal, LTTS initiated a comprehensive COVID vaccination drive for its employees and their dependents. All centers across geographies were covered within the ambit of the program, which registered significant participation across all levels.

With a focus on ensuring employee well-being and customer success, the LTTS Central BCP team continued to closely monitor the evolving dynamics of the pandemic. Isolation facilities and tele-medical consulting services were extended across locations to help employees tide over the challenges faced while leveraging existing healthcare resources. Regular communications and updates, for both employees and customers, allowed the Company to maintain and drive an enhanced sense of continuity and security – enabling greater trust and deeper belief in LTTS' commitment to its stakeholders.

During the year, the Company also continued to strengthen and expand its virtualized lab infrastructure to enable its engineers to leverage state-of-the-art solutions while working off-campus. The investments undertaken in this direction constitute a solid foundation of a robust and prosperous future.

With the ongoing decline in the impact of the global pandemic, LTTS has initiated a return-to-office journey on a

rotational basis. The Company's senior leaders across locations are spearheading this transition, which is founded on adhering to all government-mandated safety protocols for a Work from Office paradigm. Regular temperature checks and other key measures constitute the foundations of this approach.

The Company continues to closely monitor the global pandemic, and is prepared to address all potential scenarios that might pose a challenge to the health and well-being of its stakeholders.

Segmental Performance

The Company has five Business Segments, namely Transportation, Industrial Products, Telecom & Hi-Tech, Plant Engineering and Medical Devices. During the year, the contribution to the revenue from various business segments were as follows:

	(₹ million)			
	Revenue for FY 2021-22	% of overall	Revenue for FY 2020-21	% of overall
Transportation	18,030	30.7%	14,740	29.7%
Industrial Products	12,510	21.3%	10,048	20.2%
Telecom & Hi-Tech	10,564	18.0%	10,050	20.3%
Plant Engineering	10,030	17.1%	7,930	16.0%
Medical Devices	7,603	12.9%	6,872	13.8%
Total	58,737	100.0%	49,640	100.0%

The detailed segmental performance is referred in Note No. 39 of the Notes forming part of the standalone financial statements.

Geographical Performance

The revenue contribution of the Company from various Geographies is mentioned herein below:

	(₹ million)				
Sr. No.	Geography	FY 2021-22	% of overall	FY 2020-21	% of overall
1.	North America	34,170	58.2%	28,439	57.3%
2.	Europe	10,637	18.1%	8,603	17.3%
3.	India	9,053	15.4%	7,526	15.2%
4.	Rest of the World	4,877	8.3%	5,072	10.2%
	Total	58,737	100.0%	49,640	100.0%

Capital & Finance

During the year under review, the Company had allotted 4,86,344 Equity Shares of ₹ 2 each upon exercise of stock options by the eligible employees under the Employee Stock Option Scheme - 2016.

As on March 31, 2022 the total paid up equity share capital of the Company was ₹ 21,10,64,334/- consisting of 10,55,32,167 equity shares of ₹ 2 each, fully paid up.

As on March 31, 2022, Larsen & Toubro Limited, Promoter of the Company holds 7,79,86,899 shares constituting 73.90% of the paid-up share capital of the Company.

Capital Expenditure

As at March 31, 2022, the gross fixed and intangible assets including leased assets, stood at ₹ 16,720 million (previous year ₹ 15,464 million) and the net fixed and intangible assets, including leased assets, at ₹ 10,144 million (previous year ₹ 10,196 million). Capital Expenditure during the year is ₹ 1,293 million (previous year ₹ 753 million).

Deposits

During the year ended March 31, 2022, the Company has not accepted any deposits from the public falling within the ambit of Section 73 of the Act and the Rules framed thereunder. Hence the Company does not have any unclaimed deposits as on date.

In compliance with the MCA notification dated January 22, 2019 and Companies (Acceptance of Deposits) Rules, 2014, the Company is required to file with registrar of companies, annual return in Form DPT-3 for receipts of money or loan by the Company, which are not considered as deposits outstanding as on March 31, 2022.

The Company would be complying with this requirement within the prescribed timelines.

Depository System

As the members are aware, the Company's shares are compulsorily tradable in electronic form only. As on March 31, 2022, 99.98% of the Company's total paid-up capital representing 10,55,11,621 shares are in dematerialized form. Pursuant to the provisions of the LODR w.e.f. April 1, 2019 all transfer of shares except transmission and transposition are mandatorily required to be carried out only in dematerialized form.

Further, with effect from January 24, 2022, all requests for transmission, transposition, issue of duplicate share certificate, claim from unclaimed suspense account, renewal/exchange of securities certificate, endorsement, sub-division/splitting of securities certificate and consolidation of securities certificates/folios will be processed and mandatorily a letter of confirmation will be issued, which needs to be submitted to Depository Participant to get credit of these securities in

dematerialized form. Shareholders desirous of availing these services are requested to refer to the detailed procedure for availing these services provided on the website of the Company at www.LTTS.com.

In view of the numerous advantages offered by the depository system as well as to avoid frauds, members holding shares in physical mode are advised to avail of the facility of dematerialization from either of the depositories. The Company has not accepted any physical transfer of shares during the year under review.

Further in adherence to SEBI’s circular to enhance the due-diligence for dematerialization of the physical shares, the Company has provided the static database of the shareholders holding shares in physical form to the depositories which would augment the integrity of its existing systems and enable the depositories to validate any dematerialization request.

Transfer to Investor Education and Protection Fund

There are no amounts that are due to be transferred to Investor Education and Protection Fund by the Company.

The Company has sent adequate communication to the members whose dividends are unclaimed, requesting them to provide/update bank details with the RTA/Company, so that

dividends paid by the Company are credited to the investors’ account on timely basis.

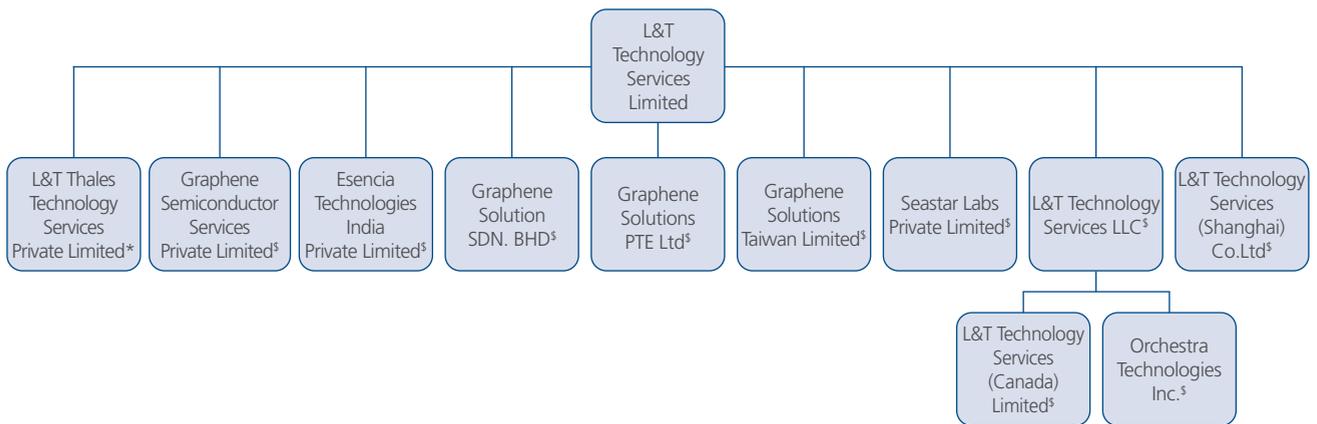
The Company has sent communication to shareholders holding shares in physical form for collecting details of their bank account such as Bank name, Bank Branch, MICR number, IFSC Code for payment of dividend to such shareholders, whose dividend remained unclaimed/unpaid. The Company hereafter will be crediting the dividend through electronic mode instead of revalidating and issuing fresh warrants or Demand Drafts to the shareholders.

Pursuant to the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has appointed the Company Secretary as the Nodal Officer for carrying out the necessary functions under the applicable provisions of the Act and the rules made thereunder.

Subsidiary/Associate/Joint Venture Companies

During the year under review, Esencia Technologies Inc., a wholly owned subsidiary of L&T Technology Services LLC (‘LTTS LLC’), was merged with LTTS LLC with effect from October 1, 2021.

Post the said merger, the following is the Group structure of the Company:



* holding in the company - 74%

\$ holding in the company - 100%

The Company has formulated a policy on the identification of material subsidiaries in line with Regulation 16(c) of the LODR as amended, and the same is placed on the website at <http://www.lts.com/investors/>. The Company does not have any material subsidiaries.

A. Performance and Financial Position of each subsidiary/associate and joint venture companies

A statement containing the salient features of the financial statement of subsidiaries/associate/joint venture companies and their contribution to the overall performance of the Company is annexed to this Report at page no. 261.

Particulars of Loans Given, Investments Made, Guarantees Given or Security Provided by the Company

The Company has disclosed the full particulars of the loans given, investments made or guarantees given or security provided as required under Section 186 of the Act and Regulation 34(3) read with Schedule V of the LODR in Note 36 forming part of the financial statements.

Particulars of Contracts or Arrangements with Related Parties

Pursuant to the amendments in the LODR the Audit Committee has approved the amendments to the Related Party Transaction Policy and its Guidelines and the Policy has been uploaded on the Company's website <http://www.lts.com/investors>.

The Company has a process in place of periodically reviewing and monitoring related party transactions.

All the related party transactions were in the ordinary course of business and at arm's length. The Audit Committee has approved all the related party transactions for FY 2021-22 and omnibus approval of the Audit Committee is obtained before the commencement of the financial year for all the transactions for FY 2022-23 as required under the provisions of Section 177 of the Act.

There are no materially significant related party transactions that may have conflict with the interest of the Company.

Amount to be Carried to Reserves

The Company has not transferred any amount to the reserves during the current financial year.

Dividend

The Board at its meeting held on October 19, 2021 declared a special dividend of ₹ 10/- (500%) per equity share amounting

to ₹ 947.15 million (the total payout including Tax Deducted at Source amounted to ₹ 1,054.38 million). The dividend was paid on November 10, 2021.

Further, the Board at its meeting held on January 18, 2022 declared an interim dividend of ₹ 10/- (500%) per equity share amounting to ₹ 948.50 million (the total payout including Tax Deducted at Source amounted to ₹ 1,055.11 million). The dividend was paid on February 10, 2022.

Further, the Board of Directors, in its meeting held on April 21, 2022 have recommended the payment of final dividend of ₹ 15/- (750%) per equity share of ₹ 2 each for the financial year ended March 31, 2022. The proposal is subject to the approval of shareholders at the ensuing Annual General Meeting (AGM) to be held on July 15, 2022.

The final dividend on equity shares, if approved by the members, would involve a cash outflow (including Tax Deducted at Source) of ₹ 1,583 million.

The Dividend is based upon the parameters mentioned in the Dividend Distribution Policy approved by the Board of Directors of the Company which is in line with Regulation 43A of the LODR. The Policy is provided as Annexure 'A' forming a part of this Board Report and also uploaded on the Company's website at <https://www.lts.com/investors/corporate-governance>

Material Changes and Commitments Affecting Financial Position of the Company, between the end of the Current Financial Year and the date of the Report

Other than stated elsewhere in this report, there are no material changes and commitments affecting the financial position of the Company between the end of the current financial year and the date of this report.

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

Information as required to be given under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is provided in **Annexure 'B'** forming part of this Board Report.

Risk Management Policy

The Risk Management Committee comprises of Mr. R. Chandrasekaran, Mr. Amit Chadha and Mr. Rajeev Gupta. Mr. R. Chandrasekaran is the Chairman of the Committee.

The Committee is responsible for monitoring and reviewing the risk management plan and ensuring its effectiveness.

The Company has formulated a risk management Policy and has in place a mechanism to inform the Board Members about risk assessment, including cyber security and ESG risks and minimization procedures and periodical review to ensure that executive management controls risk by means of a properly designed framework. The details of the same are given in **Annexure 'D'** - Report on Corporate Governance forming part of this Board Report. During the year under review, the Board of Directors on the recommendation of the Risk Management Committee have amended the Risk Management Policy and Framework to include enterprise risk management function, risk management framework and aligning enterprise risk management with other lines of defence.

A detailed note on risk management and the internal controls with reference to the financial statement is given under the financial review section of the Management Discussion and Analysis on page no. 115 and 120 of the Annual Report.

Corporate Social Responsibility

The Corporate Social Responsibility (CSR) Committee comprises of 2 Independent Directors and 1 Non-Executive Director. The CSR Committee comprises of Mr. Sudip Banerjee, Chairman, Mr. R. Chandrasekaran and Dr. Keshab Panda as its Members.

During the year under review, two meetings of the CSR Committee were held on April 30, 2021 and October 18, 2021.

The disclosures required to be given under Section 135 of the Act read with Rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time are provided in **Annexure 'C'** to the Board report.

The CSR Policy framework is available on its website https://www.lts.com/sites/default/files/investors/corporate-gov/pdf/Corporate_Social_Responsibility_Policy.pdf

The Board on recommendation of the CSR Committee of the Company have amended the CSR Policy of the Company in line with the recent CSR amendments.

The Chief Financial Officer of the Company has certified that CSR funds so disbursed for the projects have been utilized for the purposes and in the manner as approved by the Board.

Contribution towards CSR Activities

During the year ended March 31, 2022, the Company has spent an amount of ₹ 187 million as compared to ₹ 174 million (2% of the average net profits of the immediately preceding three financial years). Thus, the Company spent

excess amount of ₹ 13 million, which can be set off till FY 25, in line with the amendments to the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Policy of 'Work From Home' implemented for fighting the threat of COVID-19 Pandemic

In line with the Govt of India's directive, State wise guidelines and directives issued by respective countries, and as a protective step for all its employees welfare and safety, the Company had put in place a Policy of "Work From Home" for all its employees from March 23, 2020 at all its Centers and Offices in India and overseas, with the objective of well-being and safety of all its employees. LTTS is currently working on a hybrid model. The provisions of Work from Home policy is applicable to the employees working from home. The said initiative has helped the Company to fight against the threat of Covid-19.

Directors and Key Managerial Personnel Appointed /Resigned during the year

The terms and conditions of appointment of the Independent Directors are in compliance with the provisions of the Act and the LODR and are placed on the website of the Company <https://www.lts.com/investors/corporate-governance>.

A. Appointment/Re-appointment of Directors & Key Managerial Personnel:

During the year under review, the following appointments/re-appointments were made on Board:

- a. Mr. Luis Miranda was appointed as an Independent Director of the Company with effect from October 19, 2021 for a term of five years up to and including October 18, 2026, same was approved by way of Postal Ballot by the shareholders of the Company on December 25, 2021.
- b. Mr. Narayanan Kumar was re-appointed as an Independent Director for a term of three years and six months with effect from July 15, 2021 upto and including January 14, 2025, same was approved by the shareholders in the 9th Annual General Meeting held on July 16, 2021.
- c. Mr. S. N. Subrahmanyam & Mr. Abhishek Sinha, Directors are liable to retire by rotation at the ensuing AGM and being eligible, offer themselves for re-appointment.
- d. Mr. Abhishek Sinha is re-appointed as Chief Operating Officer & Whole-Time Director for a period of three years with effect from October 18, 2022 upto and including October 17, 2025, subject to the approval of the shareholders at the ensuing AGM.

- e. Ms. Prajakta Powle was appointed as the Company Secretary and Compliance Officer of the Company with effect from March 17, 2022.

Pursuant to the amendments in the Companies (Appointment and Qualification of Directors) Rules, 2014, all the Independent Directors of the Company have registered themselves with the Databank of Independent Directors. The Directors who were not exempted from the requirement of appearing in the online proficiency test, have successfully qualified in the online proficiency self-assessment.

The Company has also disclosed on its website <http://www.lts.com/investors/> details of the familiarization programs formulated to educate the Directors regarding their roles, rights and responsibilities in the Company and the nature of the industry in which the Company operates, the business model of the Company, etc.

The Board opines that all the Independent Directors on the Board possess integrity, necessary expertise and experience for performing their functions diligently.

B. Resignation/Superannuation of Directors & Key Managerial Personnel:

- a. Mr. Samir T. Desai ceased to be an Independent Director of the Company on August 26, 2021 on account of his resignation from the Company.
- b. Mr. Kapil Bhalla superannuated as the Company Secretary and Compliance Officer of the Company with effect from October 29, 2021.

The Board places on record its appreciation for the contribution made by the aforesaid Director and the KMP.

Number of Meetings of the Board of Directors

This information is given in **Annexure 'D'** - Report on Corporate Governance forming part of this Board Report. Members are requested to refer to page no. 71 of this Annual Report.

Audit Committee

This information is given in **Annexure 'D'** - Report on Corporate Governance forming part of this Report. Members are requested to refer to page no. 76 of the Annual Report.

Company Policy on Director's Appointment and Remuneration

The Company has in place a Nomination and Remuneration Committee (NRC) in accordance with the requirements of

Section 178 of the Act read with rules made thereunder and Regulation 19 of the LODR.

The details of the same are given in **Annexure 'D'** - Report on Corporate Governance forming part of this Board Report. Members are requested to refer to page no. 78 of this Annual Report.

NRC has formulated a policy on director's appointment and remuneration including recommendation of remuneration of the key managerial personnel and senior management personnel and the criteria for determining qualifications, positive attributes and independence of a Director and also disclosed the Policy on the Company's website <http://www.lts.com/> and is also enclosed to the Board report as **Annexure 'H'**. During the year under the review, the Company had amended the said Policy in line with amendments in the Act.

The Committee has formulated a policy on Board diversity.

Stakeholders' Relationship Committee

The Company has in place a Stakeholders' Relationship Committee in terms of the requirements of the Act read with the rules made thereunder and Regulation 20 of the LODR.

The details of the same are given in **Annexure 'D'** - Report on Corporate Governance forming part of this Board Report. Members are requested to refer to page no. 81 of this Board Report.

Declaration of Independence

The Company has received Declarations of Independence from Independent Directors as stipulated under Section 149(7) of the Act and Regulation 25(8) of the LODR confirming that he/she is not disqualified from appointing/continuing as Independent Director as per the criteria laid down in Section 149(6) of the Act and Regulation 16(1)(b) of the LODR. The same are also displayed on the website of the Company at <https://www.lts.com/investors/corporate-governance>. The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Act.

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 Act. For the year ended March 31, 2022, the Board is of the opinion that the Company has sound IFC commensurate with the nature and size of its business operations and operating effectively and no material weaknesses exist. 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.

Directors Responsibility Statement

The Board of Directors of the Company confirms that:

- a. In the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. 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 at the end of the financial year and of the profit of the Company for that period;
- c. 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;
- d. The Directors have prepared the Annual Accounts on a going concern basis;
- e. The Directors have laid down an adequate system of internal financial control to be followed by the Company and such internal financial controls are adequate and operating efficiently;
- f. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively.

Performance Evaluation of Board, its Committees and Directors

The Nomination and Remuneration Committee (NRC) and the Board have laid down the manner in which formal annual evaluation of the performance of the Board, Committees, Chairman and individual Directors has to be made.

All Directors responded through a structured questionnaire giving feedback about the performance of the Board, its Committees, individual Directors and the Chairman.

The Company had engaged an external agency to facilitate the process of annual evaluation of the performance of the

Board, Committees, Chairman and the individual Directors. The said external agency was responsible to receive the responses from the Directors, to consolidate and analyze their responses and present the same to the Chairman of the NRC. The external agency used its IT platform for the entire board evaluation process right from initiation till conclusion in order to ensure that the entire process is done in a confidential, transparent and independent manner without the involvement of the Management or the Company's IT system to ensure an unbiased feedback.

The questionnaires cover the Board composition, its structure, its culture, its effectiveness, its functioning, information availability, adequate discussions etc. These questionnaires' also cover specific criteria and the grounds on which all directors in their individual capacity will be evaluated.

Evaluation of Independent Directors was done by Board including assessment of their performance and their independence of management.

The inputs given by all the directors were discussed in the meeting of the Independent Directors held in accordance with Schedule IV of the Act on April 21, 2022. The performance evaluation of the Board, Committees, Chairman and Directors was also reviewed by the NRC as well as in the Board Meeting. The Group Chairman had an individual discussion with all the Independent Directors and the Chairman of the NRC also had a discussion with all the Executive Directors individually. Most of the suggestions from the Board Evaluation exercise have been suitably implemented such as meetings of Chairman of NRC with individual directors and Action Taken Report of Board decisions.

Disclosure of Remuneration

The details of remuneration as required to be disclosed under the Act and the rules made thereunder are given in the **Annexure 'E'** forming part of this Board Report.

The information in respect of employees of the Company required pursuant to Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, is provided in **Annexure 'F'** forming part of this Board Report.

In terms of Section 136(1) of the Act and the rules made thereunder, the Report and Accounts are being sent to the shareholders excluding the aforesaid Annexure. Any Shareholder interested in obtaining copy of the same may write to the Company Secretary at the registered office of the

Company. None of the employees listed in the said Annexure are related to any Director of the Company.

Compliance with Secretarial Standards on the Board 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.

Vigil Mechanism

The Whistle Blower Policy of the Company meets the requirement of the Vigil Mechanism framework under the Act and Regulation 22 of the LODR. As per the provisions of Section 177(9) of the Act, the Company is required to establish an effective Vigil Mechanism for directors and employees to report genuine concerns.

The details of the same are given in **Annexure 'D'** - Report on Corporate Governance forming part of this Report. Members are requested to refer to page no. 83 of the Annual Report.

Protection of Women at Workplace

The Company has constituted an Internal Complaints Committee ('ICC') in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. The ICC has been constituted as per the aforesaid Act, to redress the complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the year under review, no cases of sexual harassment were received on POSH [(Policy on prevention of Sexual Harassment) of Women at Workplace].

Awareness workshops/training programmes are conducted across the Company to sensitize employees to uphold the dignity of their colleagues at work place especially with respect to prevention of sexual harassment.

Consolidated Financial Statements

Your Directors have pleasure in attaching the Consolidated Financial Statements pursuant to Section 129(3) of the Act and Regulation 34 of the LODR and prepared in accordance with the applicable Accounting Standards prescribed by the Institute of Chartered Accountants of India (ICAI), in this regard.

Auditors Report

The Auditors' report to the shareholders does not contain any qualification, observation or comment or adverse remark(s).

Statutory Auditors

In view of the mandatory requirement of the rotation of Auditors' and in accordance with the provisions of the Act, Sharp & Tannan, (firm registration number 109982W) Chartered Accountants, were appointed as Statutory Auditors for a period of 4 continuous years from the conclusion of 6th Annual General Meeting (AGM) till the conclusion of 10th AGM of the Company, in the AGM held on August 22, 2018.

The Company's Auditors Messrs. Sharp & Tannan will be completing a period of ten years as Statutory Auditors of the Company. In view of the mandatory rotation of auditor and in accordance with the provisions of the Act, it is proposed to appoint Messrs. MSKA & Associates, Chartered Accountants (Firm Registration No. 105047W) as Statutory Auditors for a period of five continuous years i.e. from the conclusion of the 10th AGM till the conclusion of the 15th AGM of the Company.

The Board places on record its appreciation for the services rendered by Messrs. Sharp & Tannan as the Statutory Auditors of the Company.

Certificate from the Auditors has been received to the effect that they are eligible to act as Auditors of the Company and their appointment would be within the limits as prescribed under Section 141 of the Act.

The Auditors have confirmed that they have subjected themselves to the peer review process of 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 as well as declared that they have not taken up any prohibited non-audit assignments for the Company.

The Audit Committee reviews the independence and objectivity of the Auditors and the effectiveness of the Audit process.

For the financial year 2021-22, the total fees paid by the Company and its subsidiaries, on a consolidated basis, to the Auditors and all entities in the network firm/entity of which the Auditors are a part thereof for all the services provided by them is ₹ 4.14 million.

The Auditors attend the AGM of the Company. Also see page no. 84 forming part of **Annexure 'D'** of the Board Report.

Secretarial Audit Report

The Board had appointed Alwyn Jay & Co., (firm registration no. P2010MH21500), Practising Company Secretaries, to carry out Secretarial Audit under the provisions of Section 204 of the Act for the financial year 2021-22.

The Secretarial Audit Report issued by Alwyn Jay & Co., Practising Company Secretaries is attached as **Annexure 'G'** to this Board Report.

The Secretarial Auditor's Report to the shareholders does not contain any qualification or reservation or adverse remark.

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

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

Annual Return

As per the provisions of Section 92(3) of the Act the Annual Return of the Company for the financial year 2021-22 is available on the website of the Company at <https://www.lts.com/investors/corporate-governance>.

Other Disclosures

1. Corporate Governance Report

Pursuant to Regulation 34 read with Schedule V of the LODR a Report on Corporate Governance and a certificate obtained from the Statutory Auditors confirming compliance, is provided in **Annexure 'D'** - Report on Corporate Governance forming part of this Board Report.

2. Employee Stock Option Scheme

There has been no material change in the Employee Stock Option Scheme – 2016 (ESOP Scheme - 2016) during the current financial year. The ESOP Scheme - 2016 is in compliance with the SBEB Regulations.

The disclosure relating to the ESOP Scheme - 2016 required to be made under the Act and rules made thereunder and the SBEB Regulations is provided on the website of the Company <http://www.lts.com/investors/>.

The Secretarial Auditors' certificate confirming compliance with the Act and the SBEB Regulations is provided in **Annexure 'D'** - Report on Corporate Governance forming part of this Board Report.

3. No disclosure is required under Section 67(3)(c) of the Act in respect of voting rights not exercised directly by the employees of the Company as the provisions of the said section are not applicable.

4. Credit Rating

The Company enjoys a good reputation for its sound financial management and the ability to meet its financial obligations. The Company has received CRISIL AAA/stable and CRISIL A1+ rating for its long term and short-term financial instruments of the Company respectively.

5. Reporting of Frauds

The Auditors of the Company have not reported any instances of fraud committed against the Company by its officers or employees as specified under Section 143(12) of the Act.

6. KYC registration for holders of physical securities:

As per SEBI circular dated November 3, 2021, the Company has sent notice to all holders of physical securities asking them to furnish their PAN, details of Nomination, Contact details (viz. address, mobile and email), Bank Account details and specimen signature ("KYC information") to Kfin Technologies Limited on or before March 31, 2023.

All shareholders of the Company holding shares in physical form are requested to update their KYC information with Kfin Technologies Limited at the earliest. The relevant forms for updating the KYC information are provided on the website of the Company at [lts.com/investors/investor-services](https://www.lts.com/investors/investor-services).

7. Business Responsibility Reporting

As per Regulation 34 of the LODR a separate section on Business Responsibility Reporting forms a part of the Annual Report (refer pages 124 to 133) describing initiatives taken by the Company from an environmental, social and governance perspective. The activities carried out by the Company as a part of its CSR initiatives during FY 2021-22 are covered in the same.

8. Statutory Compliance

The Company complies with all applicable laws, rules and regulations, pays applicable taxes on time, ensure taking care of all its stakeholders and initiates sustainable activities and ensures statutory CSR Spend. The Company has an in-house Compliance Tool to monitor all the compliances.

9. MSME

The Ministry of Micro, Small and Medium Enterprises vide their Notification dated 2nd November 2018 has instructed all the companies registered under the Act with a turnover of more than Rupees Five Hundred crore to get themselves onboarded on the Trade Receivables Discounting System platform (TReDS), set up by the Reserve Bank of India. In compliance with this requirement, the Company has registered itself on TReDS through -KredX Early-.

The Company has complied with the requirement of submitting a half yearly return to the MCA within the specified timelines.

Acknowledgement

Your Directors take this opportunity to thank the customers, vendors, academic institutions, Financial Institutions, Regulatory Authorities, Stock Exchanges and all the various stakeholders

for their continued co-operation and support to the Company. Your Directors also acknowledge the support and co-operation from the Government of India and the Governments of various countries, the concerned State Governments, other Government Departments and Governmental Agencies. The Directors appreciate the significant contributions made by the employees of the Company and its subsidiaries during the year under review and value the contributions made by every member of the LTTS family globally.

For and on behalf of the Board

Amit Chadha

CEO & Managing Director
(DIN: 07076149)

Place: Mumbai
Date: April 21, 2022

S. N. Subrahmanyam

Vice Chairman
(DIN: 02255382)

Place: Mumbai
Date: April 21, 2022

Annexure A

DIVIDEND DISTRIBUTION POLICY

INTRODUCTION

As per Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, prescribed Listed Companies are required to frame a Dividend Distribution Policy.

PURPOSE

The purpose of this Policy is to regulate the process of dividend declaration and its pay-out by the Company which would ensure a regular dividend income for the shareholders and long term capital appreciation for all stakeholders of the Company.

AUTHORITY

This Policy has been adopted by the Board of Directors of L&T Technology Services Limited ('the Company') at its Meeting held on May 3, 2017. The Policy shall also be displayed in the annual reports and also on the website of the Company.

FORMS OF DIVIDENDS

The Companies Act provides for two forms of Dividend:

- **Final Dividend**

The final dividend is paid once for the financial year after the annual accounts are prepared. The Board of Directors of the Company has the power to recommend the payment of final dividend to the shareholders for their approval at the general meeting of the Company. The declaration of final dividend shall be included in the ordinary business items that are required to be transacted at the Annual General Meeting.

- **Interim Dividend**

This form of dividend can be declared by the Board of Directors one or more times in a financial year as may be deemed fit by it. The Board of Directors shall have the absolute power to declare interim dividend during the financial year, as and when they consider it fit, in line with this policy. The Board should consider declaring an interim dividend after finalization of quarterly/ half yearly financial results.

QUANTUM OF DIVIDEND AND DISTRIBUTION

Dividend payout in a particular year shall be determined after considering the operating and financial performance of the Company and the cash requirement for financing the Company's future growth. In line with the past practice, the payout ratio is expected to grow in accordance with the profitable growth of the Company under normal circumstances.

DECLARATION OF DIVIDEND

Dividend shall be declared or paid only out of-

- 1) Current financial year's profit:
 - a) after providing for depreciation in accordance with law;
 - b) after transferring to reserves such amount as may be prescribed or as may be otherwise considered appropriate by the Board at its discretion
 - c) after appropriating any other item as mandated by prescribed accounting standards
- 2) The profits for any previous financial year(s) after providing for depreciation in accordance with law and remaining undistributed; or
- 3) Out of 1) & 2) both.

The circumstances under which shareholders may not expect dividend/or when the dividend could not be declared by the Company shall include, but are not limited to, the following:

- A. Due to operation of any other law in force;
- B. Due to losses incurred by the Company and the Board considers it appropriate not to declare dividend for any particular year;
- C. Due to any restrictions and covenants contained in any agreement as may be entered with the Lenders and
- D. Because of any default on part of the company.

FACTORS AFFECTING DIVIDEND DECLARATION

The Dividend pay-out decision of any company, depends upon certain external and internal factors-

External Factors:

- Legal/ Statutory Provisions: The Board should keep in mind the restrictions imposed by Companies Act, any other applicable laws with regard to declaration and distribution of dividend. Further, any restrictions on payment of dividend by virtue of any regulation as

may be applicable to the Company may also impact the declaration of dividend.

- **State of Business Environment:** The Board will endeavor to retain larger part of profits to build up reserves to absorb future shocks in case of uncertain or recessionary economic conditions.
- **Nature of Industry:** The nature of industry in which a company is operating, influences the dividend decision, like stability of earnings will influence stable dividend.
- **Taxation Policy:** The tax policy of a country also influences the dividend policy of a company. The rate of tax directly influences the amount of profits available to the company for declaring dividends.
- **Capital Markets:** In case of unfavorable market conditions, the Board may resort to a conservative dividend pay-out in order to conserve cash outflows and reduce the cost of raising funds through alternate resources.

Internal Factors:

Apart from the various external factors, the Board shall take into account various internal factors including the financial parameters while declaring dividend, which inter alia will include -

- **Magnitude and Stability of Earnings:** The extent of stability and magnitude of the company's earnings will directly influence the dividend declaration. Thus, the dividend is directly linked with the availability of the earnings (including accumulated earnings) with the company.
- **Liquidity Position:** A company's liquidity position also determines the level of dividend. If a company does not have sufficient cash resources to make dividend payment, then it may reduce the amount of dividend pay-out.

- **Future Requirements:** If a company foresees some profitable investment opportunities in near future including but not limited to Brand/ Business Acquisitions, Expansion of existing businesses, Additional investments in subsidiaries/associates of the Company, Fresh investments into external businesses, then it may go for lower dividend and vice-versa.
- **Leverage profile and liabilities of the Company.**
- **Any other factor as deemed fit by the Board.**

RETAINED EARNINGS

The portion of profits not distributed among the shareholders but retained and used in business are termed as retained earnings. It is also referred to as ploughing back of profit. The Company should ensure to strike the right balance between the quantum of dividend paid and amount of profits retained in the business for various purposes. These earnings may be utilized for internal financing of its various projects and for fixed as well as working capital. Thus the retained earnings shall be utilized for carrying out the main objectives of the Company and maintaining adequate liquidity levels.

PARAMETERS THAT SHALL BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARE

The Company does not have different classes of shares and follows the 'one share one vote' principle.

REVIEW & AMENDMENT

The Policy shall be reviewed as and when required to ensure that it meets the objectives of the relevant legislation and remains effective. The Board has the right to change/amend the policy as may be expedient taking into account the law for the time being in force.

Annexure B

A. CONSERVATION OF ENERGY:

At LTTs, we are focused on being environmentally sustainable and at the same time provide best of facilities and work environment to our employees.

Some of the conservation measures incorporated are as follows:

- Mysuru, Chennai and Bengaluru campuses have installed LED lights to conserve energy at the premise with occupancy sensors
- Provision of EV charging stations at Bengaluru, Vadodara and Mumbai (Airoli) campuses with a capacity of 34 EVs
- Double glazed facades are installed in our campuses with a reduced HVAC usage to maintain a comfortable environment inside the office premise
- Shifted our Mumbai (Powai) office to a LEED Platinum certified building
- Maintaining optimal use of chillers during winter and use of fresh air to maintain ambient room temperature
- Optimised use of ODD/EVEN Floor Lift operations & keeping 2 Lifts OFF during NON-PEAK hours, to reduce power consumption

The Company has taken following steps for utilizing alternate sources of energy:

- In Vadodara office, installed 7 kw solar power plant & 14 solar street lights for internal usage
- In Bengaluru office, have initiated replacement of CFL with LED
- Installation of relays for emergency lights, Increased AC set point by 1 °C at Server / Hub rooms
- Reduced AHU fan speed to 80% at RGA office, Bengaluru

The Company is in the process of evaluating options for increasing the usage of alternate source of energy.

Energy Consumption details :

Comparison	FY 2021-22*	FY 2020-21**
Unit Consumed per Annum (in KWH)	31.56L	13.41L
Saving in terms of power consumption (KWH)	-3.47L	7.55L
AVG per unit Rate per Annum in INR	9.37	9.49
Savings in terms of INR	-24.33L	123.62L

*Increase due to return to work from offices.

**Decrease due to Covid impact.

B. TECHNOLOGY ABSORPTION:

Technology defines the core of LTTs' operational paradigm. The Company is committed to leveraging the latest technologies and trends in defining its investments and developing new capabilities for ensuring industry-leading growth for global customers.

At the start of the present fiscal, LTTs identified and announced its six Big Bets – strategic technology focus areas which would drive the ER&D industry trends for the next decade. These include EACV, 5G, AI and Digital Products, Digital Manufacturing, MedTech, and Sustainability. Each of these emerging technology domains constitute the Company's focus for driving new investments and supporting its engineers in delivering unmatched results across industries and verticals.

The emphasis on the Big Bets in driving technology absorption is complemented by robust in-house innovation programs – Reveries and TechExpression®, where our engineers are encouraged to submit PoCs (Proof of Concept) and use cases aligned to the domains identified. All ideas generated during these events, in addition to the year-round submissions by our inventors, are further nurtured, explored, and promoted as a part of a vibrant

innovation culture that has seen LTTs file over 850 patents in collaboration with its customers worldwide.

Infrastructure expansion and revitalization comprises another key facet of LTTs' focus on driving technology absorption. During the year, the Company unveiled several new labs, including, 5G, Electric Vehicle, and Sensors, as a reaffirmation of this commitment. The Global Engineering Academy (GEA) is also driving close partnership engagements with some of the leading global institutions for developing our talent base across such emerging areas like EV, ADAS, and the Metaverse.

LTTs continues to invest in developing and delivering state-of-the-art platforms and solutions, including the AI-powered - AiKno™(enabling solutions for engineering AI use cases across verticals), Chest-rAi™ (AI-based chest X-Ray analysis system for improving speed and accuracy of diagnosis), and eVOLTSS (a home-grown EV technology demonstrator solution).

While the Company is undertaking several key measures to drive the growth of technology as a part of its operational paradigm, it is also aware of its role in helping expand this trait to reach young, aspiring engineers. This vision manifests in TECHgium® — LTTs' flagship, multi-stage, open innovation challenge for engineering students across the nation. The event, which saw participation from over 30,000 aspirants from some of the premier engineering institutes of the country, acts a platform to inspire young minds with exposure to real-world use cases and challenges. The Company believes that this interaction goes a long way towards driving all-round technology absorption amongst our youth, who hold the key to our future.

HR DIGITISATION

At LTTs, we believe our HR digital transformation is a continuous process revolving around alignment and drive across people, processes, and product with integrated stack as foundational element.

We continued this year to disrupt and reformulate digitization. With having state of the art technology in place, we now have an HR Landscape that's seamless, simple and enhancing employee experience as its core objective. We have the following modules in place:

- Enhanced employee lifecycle management processes from hire to retire

- Digital learning experience
- Onboarding and recruitment module
- AI based efficient and quick sourcing mechanism
- Video interviewing, online offer process
- Performance goal and continuous feedback system
- Enhanced career development and succession planning automation
- Workforce analytics to have information at tip of finger for leadership team
- iSuggest: A complete online platform that allows employees to give suggestions for improving employee experience

Automation and Artificial Intelligence/Machine Learning are backbone for our operational efficiency. With introduction of ASK GENIE, employees can use the bot to complete all transactional activities such as leave application, attendance regularization, updating personal information, knowing policies, etc. anywhere, anytime on their mobile devices, while on the move. Our HR Helpdesk minimizes dependency on HR and empowers employees with required information at their fingertips. Our easy to access 1 pager policies in systems helps employees to know the policies in much-simplified way.

Our digital technology developments have been undertaken with these objectives in mind:

1. Provide a simple system to help employees to make their work life easy
2. Provide a stellar employee experience
3. Ensure increased productivity and improved business outcome

c. FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Company exports engineering and designing services to North America, Europe, Middle East, Japan, Korea, and other APAC countries.

The total foreign exchange earned and used for the period under review is as under:

Particulars	₹ million
Foreign exchange earned	53,130
Foreign exchange used	24,616

Annexure C

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

1. Brief outline on CSR Policy of the Company.

L&T Technology Services cherishes a rich legacy of building India's social infrastructure using the twin forces of technology and innovation. Our Corporate Social Responsibility (CSR) activities have always been focused on addressing the problems faced by the people of the nation, especially those in underprivileged areas that have no or limited access to basic amenities such as health, education, water, electricity and employment.

The CSR policy of the Company is guided by the core values put by its parent Larsen & Toubro Limited. The CSR activities identified, evaluated and undertaken are carried out by partnering with credible NGOs and by involving the community at large, in the following areas which have been the main thrust areas for the CSR activities:

- a. Health
- b. Education & Skill Development
- c. Water
- d. Environment
- e. Sports for disabled

A. Health

Good health is key to a good life and making healthcare accessible to all is the ultimate goal. With 65% of India's population residing in rural areas, nearly 86% of the medical visits are made by people from rural areas, the majority of whom travel more than 100 km to avail treatment.

At LTTS, we have designed our healthcare initiatives with a particular focus on remote, rural corners of India and people from the most underserved sections. With an effort to augment existing Government facilities and schemes, we focus on bringing healthcare closer to the vulnerable communities.

This year, India battled one of the deadliest waves of Covid-19. So, alongside our regular healthcare interventions, we focused on providing relief to people affected with Covid-19 as well.

Our interventions in the domain of Healthcare can be summed as follows:

a) Regular Healthcare Interventions

- Cancer Prevention and Awareness- Awareness on Cancer prevention, early detection and diagnosis conducted amongst underserved sections of the society in Karnataka. 7577 people benefitted through 23 screening camps, 6 surveys, 111 cancer survivor kits, Bridge Fund and Treatment fund.
- Comprehensive Eye care- 7316 people from economically vulnerable sections in Thane and Raigad, Maharashtra underwent comprehensive eye checkup through 2 Primary Vision Centres.
- Geriatric Care- 18424 people benefitted through Primary Health care consultations delivered free of cost, through a Mobile Health Unit in and around villages in Vadodara.
- Rural Healthcare- 6030 people benefitted through healthcare delivered at their doorsteps through a Mobile Clinic equipped with doctors and paramedic staff in and around Dharampur, Gujarat. Apart from basic health checkups, awareness sessions on various nutritional requirements, hygiene and anaemia were also conducted.
- Infrastructure Support- An ultrasound equipment was donated to the Military Hospital at Wellington, Tamil Nadu to aid modern medical treatment.
- Improved Hygiene through Technology- With a bid to replace manual scavenging with advanced technology, we supported fabrication and distribution of 2 HomoSEP robots that would be used to clean septic tanks and inspect sewer lines.
- Supported Research on Cancer through development of Anti-cancer drug Camptothecin via Novel Microbial Fermentation Route.

b) Covid-19 Support

Our Covid-19 interventions covered two broad spectra- Relief measures and Preventive measures.

Through Relief Measures, we

- Supported construction and running of a 19 bed Makeshift Hospital with oxygen support near Mysore.
- Facilitated setting up and operation of 2 Ambulances with ICU support to ferry Covid affected economically vulnerable patients from their homes to the hospitals, 24/7, free of cost.
- Supported installation of an Oxygen Plant at Saidapet Govt Hospital in Chennai.
- Provided short term stay support to children whose parents are affected by Covid-19.
- Supported children who have been orphaned because of the pandemic.
- Provided Isolation kits to help people combat the virus.
- Facilitated procurement of Medical Equipment.

Through Preventive Measures, we

- Supported vaccination of elderly people, students, and people with disabilities.
- Supported a Genome sequence study of the virus that would aid the development of more efficient vaccines.

B. Education and Skill Development

Education:

Education is pivotal to balancing and knitting India's socio-economic fabric. Over the years, with new schemes, policies and initiatives, India has made remarkable progress in improving access to quality education, elementary school enrolment and reducing the number of school drop-outs. 13.46 million school dropouts in 2006 plummeted sharply to 6.1 million in 2014, adding a ray of hope to providing basic education to all.

Covid-19, however seemed to suddenly halt this unabated progress. Schools across the country were shut down to contain the spread of the virus, hindering millions of children from attending regular classes.

Being an Engineering Research & Development organization, innovation has always been at our core. We decided to take the challenge posed by

the pandemic in our stride and structure initiatives that would aid continued, blended learning. Through digital education, infrastructural support and exposure to practical learning, this year we benefitted students. Our initiatives include:

- Digital education- 1452 students from classes V to X from remote rural Government aided schools continued their learning during the pandemic through 1335 teaching hours.
- Mobile Science Labs- Students benefitted through 1277 online sessions spanning 1627 hours, covering 119 topics.
- Mini Science Labs- Around 5500 students benefitted through 89 workshops. 128 teachers trained. 528 students attended a virtual science fair and 98 students participated in 4 competitions.
- Infrastructure support- Alongside encouraging students, it is also imperative, they have the proper infrastructure for learning. We supported development of labs in schools, labs for higher learning in data sciences and digital framework for a Teacher's Learning centre.
- Community Library- We facilitated setting up of 20 community libraries with 11529 books, 20 kindle tablets and other stationery products to inculcate the habit of reading amongst around 600 children from Majuli, Assam.

Skill Development:

Skilled workers are crucial to the enhancement of efficient and flexible labour markets. It significantly brings about reduction in skills bottlenecks and facilitates imbibition of workers with the required skillsets into the economy with improved job opportunities. The pandemic was challenging in multiple dimensions, but it has brought about one of the most disastrous effects on the job market.

Thus, this year, our focus was to train young people including people with disabilities and women from marginalized backgrounds in various vocational and entrepreneurship skills that would help them move towards securing jobs and financial stability. We undertook the following interventions:

- Trained 75 young people including women from marginalized backgrounds in Entrepreneurship trainings. Out of them 41 people have now set up

a business of their own, earning around ₹ 5000 per month.

- Trained 110 people in various sector specific skills like agriculture-based trainings, vocational skills, and entrepreneurship skills.
- Trained 100 People with disabilities from underserved sections in vocational skills like computer usage, spoken English etc. to make them more suited for the job market. 59 people have been placed in various organizations.
- Trained 156 people in agriculture-based trainings and computer skills from backward populations of Boisar in Maharashtra.
- 350 students from rural Gujarat were given exposure on Tally and 550 rural youth were given trainings on Tally, Triple C and digital literacy to better their chances at employability.

C. Water Conservation

India accounts for 4% of the global water resources, qualifying it as a “water-rich” country. The country receives plenty of water as rainfall during monsoon, but due to lack of storage facilities, only a small percentage of that water is added to the reserve. Moreover, due to its large population size and a significant mismatch of spatial distribution of water with the population, per capita availability of water is quite poor. India's per capita availability of water is 1545 m³, making it a highly water stressed country.

Rapid economic and demographic change is leading to a greater demand for clean and potable water. Additionally, a nation with an agrarian economy, the requirement of water is always on the rise.

To address this problem of water storage and usage, we designed Integrated Village development programmes in water starved areas, with a keen focus on recharging groundwater levels, decreasing surface run off, improving soil quality and agricultural practices, and empowering the community towards self-sustenance.

- In Tamil Nadu, around 1550 people and 1045 households benefitted through construction of water harvesting structures, demonstration and adoption of sustainable agricultural practices and various trainings, awareness programmes and exposure visits.

- In Gujarat, 74 hectare of land was brought under irrigation through 10 solar pumps, benefitting 157 tribal farmers. Agro-horticultural activities benefitted 162 farmers. Soil Conservation activities helped 351 people and various training & awareness sessions benefitted 1331 people.

D. Environment

The Indian culture has an inherent practice of environment conservation. Traditionally, we have been taught to respect nature, to be cognizant of the fact that human life is closely interlinked with those of other animals and plants and that the destruction of one would cause an irreversible damage to the ecological balance. However, over the years, there has been progressive pressure on the environment and natural resources, the alarming consequences of which are becoming evident through climate crisis, increased pollution, and global warming.

Through our CSR theme of Environment, we focus on designing interventions that are sustainable and in alignment with our country's commitment as signatories to the Paris Agreement 2015 and the very recent UN agreement to ending plastic pollution.

Key Environmental interventions this year included:

- Maintenance of solar panels in remote tribal hamlets of Kanthanahaadi & Vaderaahalli Haadi in Karnataka, benefitting 196 people. Additionally, a handloom unit has been set up in Kanthanahaadi, acting as a source of income for the tribal women. The Anganwadi in Kanthanahaadi is acting as a day care centre, ensuring proper care for infants.
- Solid Waste Management- Apart from awareness generation and sensitization, 13255 kg wet waste and 4058 kg dry waste was collected. 3029 kg plastic waste was collected and recycled into 24 benches and 3460 paver blocks.
- Maintenance of a 6.5 km median in Navi Mumbai through regular watering of plants, proper upkeep of signage poles, solar mashals, spike lights and paintings.
- Maintenance of 35,000 sq km area below Veeranaplaya Flyover in Bangalore. A new “Bison” themed section with 2 life-sized models of bison made with vertical MS sheets was inaugurated. The area serves as a public utility space and generates awareness on the wildlife of Karnataka.

- Installation of solar panels in 8 Government aided schools in Vadodara to promote the usage of renewable energy. Students in these schools were also educated on waste management practices and the environment in general.
- Eco-restoration of Huvinayakanahalli Lake in Bangalore through desilting of channels, plantation of saplings, improving water holding capacity of the lake and recharging the ecosystem overall. Additionally, awareness sessions for local community were conducted to generate a sense of ownership.
- Promoting usage of clean energy through distribution of 1470 fuel efficient boilers to underserved communities dwelling around Protected Areas in Karnataka. Each boiler reduces carbon emission by 2 tonnes per year.
- Construction of a renewable energy powered “Green Office” in IIT Madras campus using solar panels, lithium-ion batteries, water electrolyzers, zinc-air batteries, and carbon dioxide recycling stations.
- Plantation of 57054 saplings of 94 varieties to increase the green cover in Valsad district of Gujarat. The saplings on maturity will aid an annual carbon sequestration of 1500 tonnes approximately.
- Integrated Village Development of 3 villages in Ahmednagar, Maharashtra through livestock related activities, construction of 1 RO plant and construction of vertical kitchen gardens, promoting nourishment amongst the community. This project has benefitted 267 people as of March 31, 2022.
- Revival of Bidruguppe-Chikka Lake in Bangalore by enhancing the water holding capacity of the lake, planting saplings that will attract insects and other animals, giving rise to a healthy ecosystem and involving community members to generate awareness and ownership.

E. Corporate Volunteering Programme (CVP):

CSR interventions have not remained restricted to the projects executed on field. We have ensured a hearty participation by LTTs employees through various employee volunteering programmes. Our employees have taught underprivileged students online, given career guidance to budding engineering students and contributed towards relief and rehabilitation work. Employees who volunteer to spare their available time for social cause are named as “Samaritans”.

126 Samaritans dedicated 1298 hours to volunteering work for 727 beneficiaries across LTTs locations during the year.

2. Composition of CSR Committee:

Sr. 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.	Mr. Sudip Banerjee	CSR Committee Chairman/ Independent Director	2	2
2	Mr. R. Chandrasekaran	CSR Committee Member/ Independent Director	2	2
3	Dr. Keshab Panda	CSR Committee Member/ Non-Executive Director	2	2

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.

Composition of CSR Committee -

https://www.ltt.com/sites/default/files/investors/corporate-gov/pdf/Composition-of-Committees-LTTs_0.pdf

CSR Policy & CSR projects - *<https://www.ltt.com/about-us/csr>*

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 (attach the report).

There are no projects that qualify for impact assessment report for FY2021-22, hence no impact assessment has been carried out.

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: Not applicable

6. Average net profit of the company as per section 135(5): ₹ 8,703 million

7. (a) Two percent of average net profit of the company as per section 135(5): ₹ 174 million

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : NIL

(c) Amount required to be set off for the financial year, if any : NIL

(d) Total CSR obligation for the financial year (7a+7b-7c) : ₹ 174 million

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹ million)	Amount Unspent (in ₹ million)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
187	-	NA	NA	-	NA

(b) Details of CSR amount spent against ongoing projects for the financial year: NA

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1) Sr. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the Project		(6) Amount spent on the project (in ₹ million)	(7) Mode of implementation Direct (Yes/No)	(8) Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1	Integrated Village Development	IV	No	Gujarat	Dang	18.8	No	Aga Khan Rural Support Programme (India)	CSR00004229
2	Covid-19 Relief	I	No	Karnataka	Bangalore	13.91	No	Samarthanam Trust for the Disabled	CSR00000063
3	Promotion of Renewable energy through Green Office	IX B	No	Tamil Nadu	Chennai	12.6	No	Indian Institute of Technology, Madras	CSR00004320
4	Watershed Management Projects	IV	No	Tamil Nadu	Chengalpattu & Kancheepuram	10.29	No	National Agro Foundation	CSR00000610

(1) Sr. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the Project		(6) Amount spent on the project (in ₹ million)	(7) Mode of implementation Direct (Yes/No)	(8) Mode of implementation – Through implementing agency	
				State	District			Name	CSR registration number
5	Promotion of Clean Energy through fuel-efficient boilers	IV	No	Karnataka	Villages near Protected areas of Karnataka	9.75	No	Junglescapes Charitable Trust	CSR00011866
6	Robotized homogenization/ cleaning in Septic tanks & sewer lines	IX B	No	Tamil Nadu	Chennai	9.4	No	Indian Institute of Technology, Madras	CSR00004320
7	Miyawaki Plantation	IV	No	Gujarat	Valsad	9.4	No	Enviro Creators Foundation	CSR00003641
8	Covid-19 Support	I	No	Tamil Nadu	Chennai	7.74	Yes	Direct	NA
9	Covid-19 Relief	I	No	Karnataka	Mysore	6	No	Swami Vivekananda Youth Movement	CSR00002215
10	Development of Anti-Cancer Drug	IX B	No	Tamil Nadu	Chennai	5	No	Indian Institute of Technology, Madras	CSR00004320
11	Cancer Awareness & Prevention	I	No	Karnataka	Bangalore/ Mangalore	4.23	No	Indian Cancer Society	CSR00000792
12	Eco-restoration of Lake	IV	No	Karnataka	Bangalore	4.18	No	Eco Watch	CSR00001382
13	Watershed Management Projects	IV	No	Tamil Nadu	Chengalpattu & Kancheepuram	4.13	No	National Agro Foundation	CSR00000610
14	Solid Waste Management	IV	No	Gujarat	Vadodara	4	No	Kachare Se Azadi Foundation	CSR00000425
15	Medical Equipment Support	I	No	Tamil Nadu	Nilgiris	3.48	Yes	Direct	NA
16	Covid-19 Relief	IX B	No	Karnataka	Bangalore	3.47	No	Indian Institute of Science, Bangalore	CSR00007370
17	Equipment Support for computational data science lab & separations lab	IX B	No	Karnataka	Bangalore	3.42	No	Indian Institute of Science, Bangalore	CSR00007370
18	Mobile Health Unit	I	No	Gujarat	Dharampur	3.4	No	Shrimad Rajchandra Sarvamangal Trust	CSR00000266
19	Integrated Village Development	IV	No	Maharashtra	Ahmednagar	2.64	No	Vanarai	CSR00001205
20	Under Flyover Beautification Project	IV	No	Karnataka	Bangalore	2.6	No	India Rising Trust	CSR00003744
21	Entrepreneurship skills training to youth	II	No	Karnataka	Raichur/Yadgir	2.57	No	Head Held High Foundation	CSR00000919
22	Eco School Project	IV	No	Gujarat	Vadodara	2.51	No	Advance Resource Centre for Humanitarian Development Foundation	CSR00001215
23	Skills training to youth with disabilities	II	No	Karnataka	Belgaum/Bellary	2.5	No	Samarthanam Trust for the Disabled	CSR00000063
24	Skill development of youth	II	No	Gujarat	Kharel	2.43	No	Larsen and Toubro Public Charitable Trust	CSR00004501

(1) Sr. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/ No)	(5) Location of the Project		(6) Amount spent on the project (in ₹ million)	(7) Mode of implementation Direct (Yes/No)	(8) Mode of implementation – Through implementing agency	
				State	District			Name	CSR registration number
25	Public Space Maintenance	IV	Yes	Maharashtra	Mumbai	2.27	Yes	Direct	NA
26	Digital Education for classes 5-8	II	No	Andhra Pradesh/ Jharkhand/ West Bengal	Rural areas of the states	2.2	No	eVidyaloka Trust	CSR00000867
27	Eco School Project	IV	No	Gujarat	Vadodara	2.2	No	Advance Resource Centre for Humanitarian Development Foundation	CSR00001215
28	Skills training to tribal community	II	No	Karnataka	Mysore	2	No	Swami Vivekananda Youth Movement	CSR00002215
29	Comprehensive Eye Care	I	No	Maharashtra	Thane, Raigad	1.89	No	Laxmi Charitable Trust	CSR00004856
30	Digital Education for classes 9 & 10	II	No	Karnataka	Rural Karnataka	1.89	No	Prerana	CSR00002477
31	Mobile Health Unit	I	No	Gujarat	Vadodara	1.8	No	HelpAge India	CSR00000901
32	Watershed Management Projects	IV	No	Tamil Nadu	Chengalpattu & Kancheepuram	1.6	No	National Agro Foundation	CSR00000610
33	Covid-19 Relief	I	No	Maharashtra	Pune	1.5	No	Symbiosis Society	CSR00005192
34	Covid-19 Relief	I	No	Karnataka/ Tamil Nadu	Bangalore/ Chennai	1.5	No	SOS Children's Villages of India	CSR00000692
35	Setting up Community Library	V	No	Assam	Majuli	1.5	No	Ayang Trust	CSR00006610
36	Digital Infrastructure support	II	No	Gujarat	Kharel	1.4	No	Larsen and Toubro Public Charitable Trust	CSR00004501
37	Lake Revival	IV	No	Karnataka	Bangalore	1.2	No	United Way of Bengaluru	CSR00000324
38	Operating a Skill Development Centre	II	No	Maharashtra	Boisar	1.07	No	Seva Sahayog Foundation	CSR00000756
39	Integrated Tribal Development Project	IV	No	Karnataka	Mysore	1.04	No	Swami Vivekananda Youth Movement	CSR00002215
40	Covid-19 Relief	I	No	Maharashtra	Palghar	1	No	Dr. M.L Dhawale Memorial Trust	CSR00002539
41	Equipment support for campus school	IX B	No	Karnataka	Bangalore	0.93	No	Indian Institute of Science, Bangalore	CSR00007370
42	Covid-19 Relief	I	No	Karnataka	Rural Karnataka	0.89	No	Samarthanam Trust for the Disabled	CSR00000063
43	Mobile Science Lab	II	No	Karnataka/ Tamil Nadu/ Maharashtra	Rural areas of the states	0.79	No	Agastya International Foundation	CSR00003442
44	Mini Science Lab	II	No	Gujarat	Vadodara	0.6	No	Advance Resource Centre for Humanitarian Development Foundation	CSR00001215

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. 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 on the project (in ₹ million)	Mode of implementation Direct (Yes/No)	Mode of implementation – Through implementing agency	
				State	District			Name	CSR registration number
45	Integrated Tribal Development Project	IV	No	Karnataka	Mysore	0.44	No	Swami Vivekananda Youth Movement	CSR00002215
46	Covid-19 Relief	I	No	Karnataka	Bangalore	0.3	No	MILT Charitable Trust	CSR00009259
Total of 8C						178.46			

- (d) **Amount spent in Administrative Overheads:** ₹ 8.7 million
- (e) **Amount spent on Impact Assessment, if applicable :** NA
- (f) **Total amount spent for the Financial Year (8b+8c+8d+8e) :** ₹ 187 million
- (g) **Excess amount for set off, if any :** ₹ 13 million

Sr. No.	Particulars	(₹ million)	
		FY 21-22	FY 20-21
(i)	Two percent of average net profit of the company as per section 135(5)	174	156
(ii)	Total amount spent for the Financial Year	187	157.19
(iii)	Excess amount spent for the financial year [(ii)-(i)]	13	1.19
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	13	1.19

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6) the Act (in ₹)	Amount spent in the reporting Financial Year (in ₹)	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 ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	FY 19	-	-	-	-	-	Unspent amount of FY 19 spent in FY 20
2.	FY 20	-	-	-	-	-	No unspent amount in FY 20
3.	FY 21	-	-	-	-	-	No unspent amount in FY 21
TOTAL							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(₹ million)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed/ Ongoing
1.	FY31.03.2021_2	Disaster Resilient Homes	2019-20	Dec 19- Mar 22	78.28	15.11	78.28	Completed
TOTAL					78.28	15.11	78.28	

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 (asset-wise details):

- (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: **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

The CSR Committee confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company.

Sd/-
Amit Chadha
(CEO & Managing Director)

Sd/-
Sudip Banerjee
(Chairman CSR Committee)

Annexure D

CORPORATE GOVERNANCE REPORT

Corporate Governance

Corporate governance is about maximizing shareholder value and it is one of the essential pillars for building an efficient and sustainable environment. Corporate Governance is a set of principles, processes and systems which govern a company. The elements of Corporate Governance are independence, transparency, accountability, responsibility, compliance, ethics, values and trust. Corporate Governance helps in maximizing value for all Stakeholders, i.e. investors, employees, shareholders, customers, suppliers, environment and the community at large. Ethical business conduct, integrity and commitment to values, which enhance and retain stakeholders' trust are the traits of your Company's Corporate Governance.

The Company has established systems and procedures to ensure that its Board of Directors are well informed and well equipped to fulfill its overall responsibilities and to provide management with the strategic direction needed to create long term shareholders' value. The Company emanates its values from the rich governance and disclosure practices followed by L&T Group.

Company's Corporate Governance Philosophy

Our corporate governance reflects LTTTS' value system and culture. The Company recognizes that good governance is a continuing exercise and hence your Company is committed to continuously scaling up its corporate governance standards. In line with the L&T Group philosophy, your Company firmly believes in adherence to good corporate governance practices and constant efforts are made to improve such practices and to adopt emerging best practices. The Company has adopted a consolidated Code of Conduct, wherein Part A is for its employees including the Managing Director and the Executive Directors and Part B is for members of Board and senior management. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors which suitably incorporates the duties of independent directors as laid down in the Companies Act, 2013 ("the Act").

Good corporate governance has been a cornerstone of the entire management process, the emphasis being on professional management, with a decision-making model based on empowerment and meritocracy. Together, the management and Board ensure that LTTTS remains a Company of uncompromised integrity and excellence.

Corporate Governance Guidelines

The Company's essential character revolves around values based on transparency and openness, integrity, professionalism and accountability. The Management continuously strives to follow the global best practices and timely disclosure of accurate information pertaining to financials & performance in accordance with good governance practices. As a good corporate citizen, the Company is committed to sound corporate practices and to build confidence of its various stakeholders in it thereby paving the way for its long-term success.

Further, in order to strengthen the corporate governance culture within the Company, training and awareness program on Corporate Governance and related policies for employees is also initiated by the Company since 2017-18. The Company has a strong legacy of fair, transparent and ethical governance practices. Future proof value-creation and accelerate excellence through ethical, transparent and agile corporate governance practices that lead with ownership, trust and integrity.

Board of Directors

a. Composition of the Board:

The Board of Directors along with its committees possess varied skills and expertise and have diverse background which enables them to provide requisite leadership and guidance to the Company's senior management team and also direct, supervise and closely monitor the performance of the Company.

The Company's policy is to have an appropriate mix of Executive, Non-Executive & Independent Directors. As on March 31, 2022, the Board comprises of 10 Directors, of which, 2 are Executive Directors, 3 are Non-Executive Directors and 5 are Independent Directors. The Board is chaired by Mr. A. M. Naik, Non-Executive Chairman. The composition of the Board is in conformity with the provisions of the Act and Regulation 17 of the LODR.

The Board Members are not related to each other. The number of Directorships held by Executive, Non-Executive and Independent Directors are within the permissible limits under LODR and Act. The Directors have provided necessary disclosures regarding change in committee positions, if any, during the year. Further, none of the Directors on the Company's Board is a member

of more than 10 committees and chairperson of more than 5 committees across all public limited companies during the year.

b. Meetings of the Board:

The Board Meetings are held at regular intervals with a time gap of not more than 120 days between two consecutive meetings. For the smooth conduct of business, additional meetings are held whenever deemed necessary. During the year under review, 5 board meetings were held on May 3, 2021, July 14, 2021, October 19, 2021, January 18, 2022, and March 16, 2022.

The Independent Directors met on April 21, 2022, to discuss, inter alia, the performance evaluation of the Board, Committees, Chairman and the Individual Directors.

The Company Secretary prepares the agenda and the explanatory notes and finalizes the same in consultation with the Chairman. The agenda and the explanatory notes are circulated in advance to the Directors. As a green initiative, the agenda is circulated to the Directors through a secured web-based application. Every Director is free to suggest the inclusion of any item(s) in the agenda. The yearly calendar of meetings is finalized before the beginning of the year to make it convenient for the Directors to make themselves available for the meetings. The Board meets at least once in every quarter, inter alia, to review the quarterly financial results. The Company also provides Video Conference facility, if required, for

participation of the Directors at the Board/Committee Meetings. Presentations are made on business operations to the Board by the CEO & Managing Director and Chief Operating Officer & Whole-Time Director of the Company. Senior Management Personnel are invited, as and when necessary to the meetings to provide additional inputs for the items being discussed by the Board of Directors. The respective Chairman of the Board Committees apprise the Board Members of the important issues and discussions in the Committee Meetings. The minutes of the Committee Meetings are also circulated to the Board. In case of urgent matters, resolutions are also passed by circulation, for such matters as permitted by law and taken on record in the immediately upcoming meeting.

The proceedings of the Meetings of the Board of Directors are noted and the draft minutes are circulated amongst the Members of the Board for their perusal. Comments, if any, received from the Directors are also incorporated in the Minutes, in consultation with the Chairman. The minutes are approved and entered in the minutes book within 30 days of the Board meeting. Thereafter the minutes are signed and dated by the Chairman of the Board at the next meeting.

The Board of Directors takes note of the minutes of the Committee Meetings held in the previous quarter, at its meetings. The Board also take note of the gist of discussion/decision taken by its subsidiary companies.

The following is the composition of the Board of Directors as on March 31, 2022. The Directors strive to attend all the Board/Committee meetings. Their attendance at the Meetings held during the year and at the last Annual General Meeting was as under:

Name of Director	Category	Meetings held during the year	No. of Board Meetings Attended	Attendance at last AGM
Mr. A. M. Naik	Non-Executive Chairman	5	5	Yes
Mr. S. N. Subrahmanyam	Non-Executive Vice-Chairman	5	4	Yes
Mr. Amit Chadha ¹	Chief Executive Officer & Managing Director	5	5	Yes
Mr. Abhishek Sinha ²	Chief Operating Officer and Whole-Time Director	5	5	Yes
Dr. Keshab Panda ³	Non-Executive Director	5	5	Yes
Mr. Samir T. Desai ⁴	Independent Director	2	2	Yes
Mr. Narayanan Kumar ⁵	Independent Director	5	5	Yes
Mr. Sudip Banerjee	Independent Director	5	5	Yes
Ms. Apurva Purohit	Independent Director	5	5	Yes
Mr. R. Chandrasekaran	Independent Director	5	5	Yes

Name of Director	Category	Meetings held during the year	No. of Board Meetings Attended	Attendance at last AGM
Mr. Luis Miranda ⁶	Independent Director	2	1	NA

Meetings held during the year are expressed as number of meetings eligible to attend.

¹Appointed as Chief Executive Officer & Managing Director w.e.f. April 1, 2021.

²Re-appointment as Chief Operating Officer and Whole-Time Director proposed w.e.f. October 18, 2022.

³Appointed as Non-Executive Director w.e.f. April 1, 2021.

⁴Ceased to be Independent Director w.e.f. August 26, 2021.

⁵Re-appointed as Independent Director w.e.f. July 15, 2021.

⁶Appointed as Independent Director w.e.f. October 19, 2021.

Notes:

- None of the above Directors are related inter-se.
- None of the Directors hold the office of director in more than the permissible number of companies under Section 165 of the Act or Regulation 17A of the LODR.

During the year under review, Mr. Samir T. Desai resigned as an Independent Director of the Company w.e.f. August 26, 2021, on account of his other professional commitments. He has confirmed to the Company that there are no other material reasons for his resignation.

The names of the listed entities (whose equity and debt securities are listed) wherein the Director holds directorships as on March 31, 2022 are as follows:

Name of Director	Names of Listed entities where the Director holds Directorship	Category of Directorship
Mr. A. M. Naik	Larsen & Toubro Limited Larsen & Toubro Infotech Limited L&T Technology Services Limited Mindtree Limited	Non-Executive Chairman Non-Executive Chairman Non-Executive Chairman Non-Executive Chairman
Mr. S. N. Subrahmanyam	Larsen & Toubro Limited Larsen & Toubro Infotech Limited L&T Technology Services Limited Mindtree Limited L&T Metro Rail (Hyderabad) Limited L&T Finance Holdings Limited	Chief Executive Officer & MD Non-Executive Vice-Chairman Non-Executive Vice-Chairman Non-Executive Vice-Chairman Chairman Non-Executive Chairman
Mr. Amit Chadha ¹	L&T Technology Services Limited	Chief Executive Officer & Managing Director
Mr. Abhishek Sinha ²	L&T Technology Services Limited	COO & Whole-Time Director
Dr. Keshab Panda ³	L&T Technology Services Limited	Non-Executive Director
Mr. Narayanan Kumar ⁴	Larsen and Toubro Limited Mphasis Limited Take Solutions Limited Entertainment Network (India) Limited Indus Tower Limited (formerly Bharti Infratel Limited) L&T Technology Services Limited	Independent Director Independent Director Independent Director Independent Director Independent Director Independent Director

Name of Director	Names of Listed entities where the Director holds Directorship	Category of Directorship
Mr. Sudip Banerjee	IFB Industries Limited Kesoram Industries Limited Larsen & Toubro Infotech Limited L&T Technology Services Limited	Non-Executive Director Independent Director Independent Director Independent Director
Ms. Apurva Purohit	Mindtree Limited L&T Technology Services Limited Navin Fluorine International Limited	Independent Director Independent Director Independent Director
Mr. R. Chandrasekaran	Mindtree Limited PNB Housing Finance Ltd L&T Technology Services Limited	Independent Director Independent Director Independent Director
Mr. Luis Miranda ⁵	L&T Technology Services Limited	Independent Director

¹Appointed as Chief Executive Officer & Managing Director w.e.f. April 1, 2021.

²Re-appointment as Chief Operating Officer and Whole-Time Director proposed w.e.f. October 18, 2022.

³Appointed as Non-Executive Director w.e.f. April 1, 2021.

⁴Re-appointed as Independent Director w.e.f. July 15, 2021.

⁵Appointed as Independent Director w.e.f. October 19, 2021.

As on March 31, 2022, the number of other Directorships & Memberships/Chairmanships of Committees of the Board of Directors are as follows:

Name of Director	No. of other company Directorships	No. of Committee Membership	No. of Committee Chairmanship
Mr. A. M. Naik	5	0	0
Mr. S. N. Subrahmanyam	6	0	0
Mr. Amit Chadha ¹	0	0	0
Mr. Abhishek Sinha ²	0	0	0
Dr. Keshab Panda ³	0	1	0
Mr. Narayanan Kumar ⁴	7	3	4
Mr. Sudip Banerjee	3	2	0
Ms. Apurva Purohit	3	1	1
Mr. R. Chandrasekaran	5	3	0
Mr. Luis Miranda ⁵	0	1	1

¹Appointed as Chief Executive Officer & Managing Director w.e.f. April 1, 2021.

²Re-appointment as Chief Operating Officer and Whole-Time Director proposed w.e.f. October 18, 2022.

³Appointed as Non-Executive Director w.e.f. April 1, 2021.

⁴Re-appointed as Independent Director w.e.f. July 15, 2021.

⁵Appointed as Independent Director w.e.f. October 19, 2021.

Notes:

1. Other Company Directorship includes directorship in all entities whose securities are listed, public limited companies (whether listed or not) and excludes private limited companies, foreign companies and Section 8 companies.
2. The other Committee Chairmanships/Memberships are disclosed as per Regulation 26 of the LODR.

c. Information to the Board:

The Board of Directors has complete access to the information within the Company, which inter alia includes -

- Annual revenue budgets and capital expenditure plans
- Quarterly results and results of business segments
- Financing plans of the Company
- Minutes of meeting of Board of Directors, Audit Committee, Nomination & Remuneration Committee, Stakeholders’ Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee
- Details of any joint venture, acquisitions of companies or collaboration agreement
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems
- Materially relevant default, if any, in financial obligations to and by the Company or substantial non-payment for goods sold or services rendered, if any

- Any issue, which involves possible public or product liability claims of substantial nature, including any Judgment or Order, if any, which may have strictures on the conduct of the Company
- Developments in respect of human resources
- Compliance or Non-compliance of any regulatory, statutory nature or listing requirements and investor service such as non-payment of dividend, delay in share transfer, etc., if any
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.

d. Post-meeting internal communication system:

The important decisions taken at the Board/Committee meetings are communicated to the concerned departments promptly.

e. Board Skill Matrix:

The Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company along with the name of directors who possess such skills/expertise/competencies:

Skill Area	Description
Leadership	Ability to envision the future and prescribe a strategic goal for the Company, help the Company to identify possible road maps, inspire and motivate the strategy, approach, processes and other such key deliverables and mentor the leadership team to channelize its energy/efforts in appropriate direction. Be a thought leader for the Company and a role model in good governance and ethical conduct of business, while encouraging the organisation to maximise shareholder value.
Strategy and Planning	Ability to think strategically; identify and critically assess strategic opportunities and threats. Has a Knack to offer a solution based approach in developing the effective strategies in the context of the strategic objectives of the Company.
Global Experience/ International Exposure	Ability to have access and understand business models of global corporations, relate to the developments with respect to leading global corporations and assist the Company to adapt to the local environment, understand the geo political dynamics and its relations to the Company's strategies and business prospects and have a network of contacts in global corporations and industry worldwide.
Governance, Risk Management and Compliance	Commitment, belief and experience in the application of corporate governance principles and setting up corporate governance practices to support the Company's robust legal, risk and compliance systems and governance policies/practices. Ability to identify key risks associated with the operations of the Company including broad legal and regulatory framework and its mitigation plans.
Engineering Research & Development	Domain knowledge in businesses and closely follow the technology trends in the ER&D industry and focus on key technology areas that impact the various verticals we operate viz. digital engineering, mobility and augmented reality, IOT, automation of knowledge, robotics, autonomous & near-autonomous vehicles, imaging and video. Having knowledge of the industry wherein the Company operates through its various verticals such as Transportation, Industrial Products, Telecom & Hi-tech, Medical Devices and Plant Engineering. Understanding of the current drivers of innovation in the technology market. Experience in delivering services in response to market demand.

Skill Area	Description
Finance, Accounts & Audit	Qualifications and/or experience in accounting and/or finance or the ability to understand financial policies, disclosure practices, financial statements and critically assess financial viability and performance; contribute to strategic financial planning and oversee budgets and the efficient use of available resources and ability to analyze adequacy of internal financial controls.
Relationship with Clients/Customers	Experience in engaging with management of businesses and organizations and other customers to assess business needs and ability to maintain positive relationships with clients/customers over time.
Stakeholder Engagement & Industry advocacy	Ability to engage with key stakeholders including relevant industry investor and business customers to effectively engage/network and communicate with them. Ability to develop professional relationship with the Policy makers and Regulators for contributing to the shaping of Government policies in the areas of Company business and experience in managing government relations and industry advocacy strategies.
Contributor and Collaborator	The ability to critically analyze complex and detailed information, deal appropriately with key issues and suggest solutions to problems. Have ability to work as part of a team and demonstrate the passion and time to make a genuine and active contribution in the Board decision making.

Name of the Director	Leadership	Strategy & Planning	Global Experience/ International Exposure	Governance, Risk Management and Compliance	Engineering Research & Development	Finance, Accounts & Audit	Relationship with Clients/ Customers	Stakeholder Engagement & Industry advocacy	Contributor and Collaborator
Mr. A.M. Naik	√	√	√	√	√	√	√	√	√
Mr. S.N. Subrahmanyam	√	√	√	√	√	√	√	√	√
Mr. Amit Chadha	√	√	√	√	√	√	√	√	√
Mr. Abhishek Sinha	√	√	√	√	√	√	√	√	√
Dr. Keshab Panda	√	√	√	√	√	√	√	√	√
Mr. Narayanan Kumar	√	√	√	√	√	√	√	√	√
Mr. Sudip Banerjee	√	√	√	√	√	√	√	√	√
Ms. Apurva Purohit	√	√	√	√	√	√	√	√	√
Mr. R. Chandrasekaran	√	√	√	√	√	√	√	√	√
Mr. Luis Miranda	√	√	√	√	√	√	√	√	√

As evaluated by constituent Board of Directors

Board Committees

The Board currently has the following five Committees: 1) Audit Committee, 2) Nomination and Remuneration Committee, 3) Stakeholders' Relationship Committee, 4) Corporate Social Responsibility Committee and 5) Risk Management Committee.

The terms of reference of the Board Committees are in compliance with the provisions of the Act, the LODR and are also decided by the Board from time to time. The Board is responsible for constituting, assigning and appointing the members of the Committees. Based on the recommendation,

suggestions and observations of the Committee, the Board of Directors take an informed decision. Draft minutes of the committee meetings are circulated to the members of those committees for their comments and thereafter, confirmed in its next meeting, in terms of Secretarial Standard on Meeting of the Board of Directors (SS-1) issued by the Institute of Company Secretaries of India.

The brief description of terms of reference of the Committees, the composition of the Committees including the number of meetings held during the financial year and the related attendance are provided below:

Audit Committee

• Terms of Reference

The terms of reference of the Audit Committee include the following:

1. 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;
2. Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - b) Changes, if any, in accounting policies and practices and reasons for the same;
 - c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - d) Significant adjustments made in the financial statements arising out of audit findings;
 - e) Compliance with listing and other legal requirements relating to financial statements;
 - f) Disclosure of any related party transactions; and
 - g) Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To establish and review the functioning of the whistle blower mechanism;
19. Approval of appointment of Chief Financial Officer (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

20. Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments existing as on the date of coming into force of this provision;
21. Review of Management's discussion and analysis of financial condition and results of operations;
22. Review of Statement of significant related party transactions, submitted by the management;
23. Review of Management letters / letters of internal control weaknesses issued by the statutory auditors;
24. Review Internal audit reports relating to internal control weaknesses;
25. Review the appointment, removal and terms of remuneration of the chief internal auditor; and
26. Review of Statement of deviations if any;
27. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board or specified/ provided under the Companies Act, 2013 or Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") or by any other regulatory authority.

- **Composition**

The Audit Committee has been in place since 2014. As on March 31, 2022, the Audit Committee was comprising of three Independent Directors. The Chairman of the Committee is an Independent Director. During the year under review, the Audit Committee was re-constituted wherein, Mr. Samir T. Desai ceased to be a member of the Committee due to his resignation from the Company. Further, Mr. Sudip Banerjee was appointed as a Chairman of the Committee and ceased to be a Chairman w.e.f. October 30, 2021. Mr. Luis Miranda was then appointed as Chairman of the Committee and Mr. Narayanan Kumar was designated as member of the Committee.

- **Meetings**

During the year ended March 31, 2022, Audit Committee met 5 (Five) times on May 3, 2021, July 14, 2021, October 18, 2021, October 19, 2021 and January 18, 2022.

The attendance of Members at the Meetings was as follows:

Name of Director	Position in the Committee	No. of Meetings held during the year	No. of Meetings Attended
Mr. Luis Miranda ¹	Chairman	1	1
Mr. Narayanan Kumar ²	Member/ Chairman	5	5
Mr. Samir T. Desai ³	Member	2	2
Ms. Apurva Purohit	Member	5	5
Mr. Sudip Banerjee ⁴	Chairman	2	2

¹Appointed as Chairman w.e.f. October 30, 2021.

²Ceased to be Chairman and designated as member of the Committee w.e.f. September 29, 2021.

³Ceased to be Chairman of the Committee w.e.f. August 26, 2021.

⁴Appointed as Chairman of the Committee w.e.f. September 29, 2021 and ceased to be Chairman of the Committee w.e.f. October 30, 2021.

Meetings held during the year are expressed as number of meetings eligible to attend.

All the members of the Audit Committee are financially literate and have accounting and financial management expertise.

Additionally, CFO & Whole-Time Director of Larsen & Toubro Limited, CEO & Managing Director, COO & Whole-Time Director and CFO of the Company are permanent invitees to the Meetings of Audit Committee. Statutory and Internal Auditors or their representatives are permanent invitees for the meetings of the Committee. Further, Senior Management Personnel are invited, as and when necessary to the meetings to provide additional inputs for the items being discussed by the Audit Committee. The Company Secretary is the Secretary to the Committee. The Chairman of the Audit Committee also has discussions with Internal & Statutory Auditors without presence of the management.

- **Internal Audit**

Messrs. Aneja Associates are the Internal Auditors of the Company. From time to time, they review Company's systems of internal controls covering financial, operational, compliance, IT applications, etc. and presentations were made to the Audit Committee on quarterly basis covering the scope of their audit and their findings. To maintain its objectivity and independence, the Internal Auditor

reports to the Chairman of the Audit Committee and significant audit observations, comments and corrective actions thereon are presented to the Audit Committee in its meeting. The Board of Directors had appointed M/s. Aneja Associates as the Internal Auditors of the Company for a period of 3 years commencing from May 3, 2020 till May 2, 2023.

Nomination and Remuneration Committee

Terms of Reference

The terms of reference of the Nomination and Remuneration Committee include the following:

1. To identify, review, assess and recommend to the Board the appointment of executive and non-executive Directors and senior management personnel;
2. To formulate criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy for appointment and remuneration of the directors, key managerial personnel and senior management personnel and other employees;
3. To formulate a criteria for evaluation of performance of independent directors and the Board of Directors;
4. To consider and approve employee stock option schemes and to administer and supervise the same;
5. Devising a policy on Board diversity;
6. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
7. Recommend to the board, all remuneration, in whatever form, payable to senior management; and
8. Any other terms of reference as may be referred by the Board or as may be provided under the Companies Act, or the Listing Regulations, or by any other regulatory authority.

• Composition

The Nomination and Remuneration Committee ('NRC') has been in place since February 15, 2014. As on March 31, 2022 the NRC comprised of three Members including two Independent Directors and a Non-Executive Chairman of the Board. The Chairman of the Committee is an Independent Director. During the year under review, Mr. Samir T. Desai ceased to be the Chairman of the Committee on account of his resignation from the Company. Further, NRC was re-constituted by inducting Mr. Sudip Banerjee as a member of the Committee and

Mr. Narayanan Kumar was designated as a Chairman of the Committee.

• Meetings

During the year ended March 31, 2022, the NRC met 5 (Five) times on May 3, 2021, July 14, 2021, October 19, 2021, January 18, 2022 and March 16, 2022.

The attendance of Members at the NRC Meetings was as follows:

Name of Director	Position in the Committee	No. of Meetings held during the year	No. of Meetings Attended
Mr. Samir T. Desai ¹	Chairman	2	2
Mr. Narayanan Kumar ²	Member/ Chairman	5	5
Mr. A.M. Naik	Member	5	5
Mr. Sudip Banerjee ³	Member	3	3

¹ Ceased to be Chairman of the Committee w.e.f. August 26, 2021.

² Designated as Chairman of the Committee w.e.f. September 29, 2021.

³ Appointed as Member of the Committee w.e.f. September 29, 2021.

Meetings held during the year are expressed as number of meetings eligible to attend.

• Board Membership Criteria

While screening, selecting and recommending to the Board new members, the NRC ensures that the Board is objective, there is absence of conflict of interest, ensures availability of diverse perspectives, business experience, legal, financial & other expertise, integrity, managerial qualities, practical wisdom, ability to read & understand financial statements, commitment to ethical standards and values of the Company and ensure healthy debates & sound decisions.

While evaluating the suitability of a Director for re-appointment, besides the above criteria, the NRC considers the past performance, attendance & participation in and contribution to the activities of the Board by the Director.

The Independent Directors comply with the definition of Independent Directors as given under Section 149(6) of the Act and Regulation 16(1)(b) of the LODR and other applicable provisions, if any. While appointing/re-appointing any Independent Directors/Non-Executive Directors on the Board, the NRC considers the criteria as laid down in the Act and the LODR.

All the Independent Directors give a certificate confirming that they meet the "independence criteria" as mentioned in Section 149(6) of the Act and the LODR.

These certificates have been placed on our corporate website www.LTTS.com.

The Board has taken on record the declaration and confirmation submitted by the Independent Directors after assessing the veracity of the same.

The Board is of the opinion that the Independent Directors fulfill the conditions specified in the LODR and are independent of the management.

- **Remuneration Policy**

The remuneration of the Board members is based on various factors viz., the Company's size & global presence, its economic & financial position, industrial trends, compensation paid by the peer companies, etc. Compensation reflects each Board member's responsibility and performance. The level of compensation to Executive Directors is designed to be competitive in the market for highly qualified executives.

The Whole-Time Directors are paid remuneration by way of salary, perquisites, variable pay and commission, wherever applicable based on recommendation of the NRC, approval of the Board and the shareholders. The commission payable is based on the performance of the business/function as well as other qualitative factors. The commission is calculated with reference to net profits of the Company in the financial year subject to overall ceilings stipulated under Section 197 of the Act.

The Independent Directors and Non-Executive Chairman are paid remuneration by way of commission & sitting fees. The Company is paying sitting fees of ₹ 50,000/- for attending each meeting of the Board and ₹ 25,000/- for attending each Committee Meeting during the year to the Independent Directors and Non-Executive Director/Chairman. The commission paid to them is subject to a limit of not exceeding 1% p.a. of the profits of the Company as approved by shareholders (computed in accordance with Section 197 of the Act).

The Non-Executive Chairman provides leadership to Board and guidance and mentorship to the leadership team for implementing the strategy plan and business objectives. The Chairman is paid a fixed commission which is recommended by the NRC and is approved by the Board.

The commission to Independent Directors is distributed broadly on the basis of their attendance, contribution at the Board, the Committee Meetings and Chairmanship of Committees etc.

The Company also has in placed the Nomination and Remuneration Policy as per the provisions of the Act as amended from time to time. The said Policy also forms part of this Annual Report.

As required under the provisions of Regulation 46 of the LODR, the criteria for payment to Independent Directors/ Non-Executive Directors is made available on the investor page of our corporate website www.LTTS.com.

Performance Evaluation Criteria for Independent Directors:

The Performance Evaluation questionnaire covers specific criteria with respect to the Board & Committee composition, structure, culture, effectiveness of the Board and Committees, functioning of the Board and Committees, information availability, remuneration structure, succession planning etc. It also contains specific criteria for evaluating the performance of the Chairman and Individual Directors.

The Company has appointed an external agency to carry out the performance evaluation of the Board of Directors, its Committees, individual Directors and Chairman of the Company. The external agency had received the responses of the Directors and consolidated and analyzed the said responses.

The Board Performance Evaluation inputs were highlighted by the Chairman of Nomination and Remuneration Committee in its meeting as well as in the Board Meeting held on April 21, 2022.

Members are also requested to refer to page no. 53 of the Board Report.

- Details Of Remuneration Paid/Payable To Directors For The Year Ended March 31, 2022**

- (a) Executive Directors:**

The details of remuneration paid/payable to the Executive Directors are as follows:

(₹ million)

Name of Director	Salary	Perquisites	Perquisites related to ESOPs*	Commission	Variable Pay	Total
Mr. Amit Chadha ¹ , Chief Executive Officer & Managing Director ⁵	37.16	-	139.69	9.59	14.24	200.68
Mr. Abhishek Sinha, Chief Operating Officer and Whole-Time Director	12.72	0.08	2.51	-	3.01	18.33

*Represents the perquisite value related to ESOPs exercised during the year in respect of stock options granted over the past several years by the Company and includes tax on ESOPs.

¹Appointed as Chief Executive Officer & Managing Director w.e.f. April 1, 2021.

⁵Mr. Amit Chadha has been paid remuneration in USD. Accordingly, the figures mentioned in INR are equivalent to USD.

The above amount does not include gratuity and leave encashment.

Notice period for termination of appointment of Managing Director and other Whole-Time Directors is three months on either side. No severance pay is payable on termination of appointment.

Details of Options granted under Employee Stock Option Schemes are provided on the website of the Company www.LTTS.com.

- (b) Independent Directors/Non-Executive Directors:**

The details of remuneration paid/payable to the Independent Directors/Non-Executive Directors are as follows:

(₹ million)

Name of Director	Category	Sitting fees for Board Meetings	Sitting fees for Committee Meetings	Commission	Total
Mr. A. M. Naik	Non-Executive Chairman	0.25	0.13	11.00	11.38
Mr. S. N. Subrahmanyam	Non-Executive Vice-Chairman	-	-	-	-
Dr. Keshab Panda ^{*1}	Non-Executive Director	0.25	0.10	4.09	264.02 [@]
Mr. Samir T. Desai ^{*2}	Independent Director	0.10	0.10	2.65	2.85
Mr. Narayanan Kumar	Independent Director	0.25	0.25	2.38	2.88
Mr. Sudip Banerjee	Independent Director	0.25	0.22	2.13	2.60
Ms. Apurva Purohit	Independent Director	0.25	0.18	1.82	2.25
Mr. R. Chandrasekaran	Independent Director	0.25	0.10	1.53	1.88
Mr. Luis Miranda ³	Independent Director	0.05	0.02	0.38	0.45

¹Appointed as Non-Executive Director w.e.f. April 1, 2021.

²Resigned as Independent Director w.e.f. August 26, 2021.

³Appointed as Independent Director w.e.f. October 19, 2021.

*The Commission paid to Dr. Keshab Panda and Mr. Samir T. Desai was in USD, the figure mentioned above is INR Equivalent of USD. The sitting fees paid to Dr. Keshab Panda was in USD, the figure mentioned above is INR Equivalent of USD.

@Represents perquisite value related to ESOPs exercised during the year in respect of stock options granted over the past several years by the Company and post-employment benefits.

Shares and convertible instruments held by the Non-Executive Directors as on March 31, 2022, are as follows:

Names	No. of Shares held
Mr. A.M. Naik	1,000
Mr. S.N. Subrahmanyam	2,00,000
Dr. Keshab Panda	88,325

Stakeholders' Relationship Committee

• Terms of Reference

The terms of reference of the Stakeholders' Relationship Committee include the following:

1. To redress grievances of shareholders, debenture holders and other security holders;
2. Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
3. Issue of duplicate certificates and new certificates on split/consolidation/renewal;
4. To consider and resolve grievances related to non-receipt of declared dividends, annual report of the Company or any other documents or information to be sent by the Company to its shareholders;
5. Resolving the grievances of the security holders of the listed entity 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.;
6. Review of measures taken for effective exercise of voting rights by shareholders;
7. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
8. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company; and
9. Carrying out any other function as may be decided by the Board or specified/provided under the Companies Act, 2013 or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or by any other regulatory authority.

• Composition

The Stakeholders' Relationship Committee (SRC) as on March 31, 2022, comprised of two Independent Directors and one Non-Executive Director as its members. The Chairperson of the Committee is an Independent Director of the Company. During the year under review,

SRC was re-constituted by inducting Mr. Luis Miranda as a member in place of Mr. Sudip Banerjee.

• Meetings

During the year ended March 31, 2022, the SRC met 2 (Two) times on April 30, 2021 and October 18, 2021. The attendance of Members at the Meeting was as follows:

Name of Director	Position in the Committee	No. of Meetings held during the year	No. of Meetings Attended
Ms. Apurva Purohit	Chairperson	2	2
Mr. Sudip Banerjee ¹	Member	2	2
Dr. Keshab Panda	Member	2	2
Mr. Luis Miranda ²	Member	0	0

¹ Ceased to be Member of the Committee w.e.f. October 30, 2021.

² Appointed as Member of the Committee w.e.f. October 30, 2021.

Meetings held during the year are expressed as number of meetings eligible to attend.

During the year under review, Mr. Kapil Bhalla superannuated as Company Secretary & Compliance Officer of the Company w.e.f. October 29, 2021. Further, Ms. Ankita Gawankar was appointed as the Interim Compliance Officer w.e.f. October 30, 2021 and she resigned w.e.f. March 16, 2022. Post which, Ms. Prajakta Powle, was appointed as the Company Secretary and Compliance Officer of the Company w.e.f. March 17, 2022.

• Number of Requests/Complaints

During the year, the Company has resolved investor grievances expeditiously.

During the year, the Company/its Registrar received the following complaints from SEBI/Stock Exchanges and queries from shareholders, which were resolved within the time frames laid down by SEBI.

Particulars	Opening Balance	Received	Resolved	Pending
Statutory Complaints: SEBI/Stock Exchange	NIL	2	2	NIL
Shareholder Queries	NIL	46	46	NIL
Dividend Related	NIL	249	249	NIL

The Board has delegated the powers to approve transfer of shares to Share Transfer Committee comprising of Chief Financial Officer and Company Secretary. Pursuant to SEBI press release dated December 3, 2018, requests for transfer of securities after April 1, 2019,

were to be executed only in dematerialised form and hence the Share Transfer Committee had not approved any request for transfer of shares in physical form during the year under review.

Corporate Social Responsibility Committee

• Terms of Reference

The terms of reference of the Corporate Social Responsibility (CSR) Committee are as under:

1. 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;
2. To recommend the amount of expenditure to be incurred on the CSR activities referred to in the above clause; and
3. 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.

• Composition

As on March 31, 2022 the CSR Committee comprised of two Independent Directors and one Non-Executive Director as its members. The Chairman of the Committee is an Independent Director.

• Meetings

During the year, the Committee met 2 (Two) times on April 30, 2021 and October 18, 2021.

The attendance of Members at the Meetings was as follows:

Name of Director	Position in the Committee	No. of Meetings held during the year	No. of Meetings Attended
Mr. Sudip Banerjee	Chairman	2	2
Dr. Keshab Panda	Member	2	2
Mr. R. Chandrasekaran	Member	2	2

Meetings held during the year are expressed as number of meetings eligible to attend.

During the financial year 2021-22, the Company was required to spend a total amount of ₹ 174 million (being 2% of the average net profits for the last three years) on CSR activities and the said amount has been fully spent on the various CSR projects undertaken by the Company in partnership with various NGOs and Agencies. The Company in FY 21-22 however has spent ₹ 187 million on CSR activities against the budget of ₹ 174 million. Pursuant to the amendments to the Companies (Corporate Social Responsibility Policy) Rules, 2014, a company which spends in excess of the prescribed requirements under Section 135 shall be allowed to set off the excess amount upto immediately succeeding three financial years. Accordingly, the Company will be taking set-off of ₹ 13 million upto FY 2025. The necessary resolutions have been passed in this regard.

The detailed disclosure of CSR spending during the year has been given in Annexure 'C' forming part of this Board Report. Please refer to Page 61 of this Annual Report.

Risk Management Committee

• Terms of Reference

The terms of reference of the Risk Management Committee include the following:

1. Framing, implementing, reviewing and monitoring the risk management plan for the Company;
2. Laying down risk assessment and minimization procedures and the procedures to inform Board of the same;
3. Oversight of the risk management policy/enterprise risk management framework (identification, impact assessment, monitoring, mitigation & reporting);
4. Review key strategic risks at domestic/international, macro-economic & sectoral level (including market, competition, political & reputational issues);
5. Review significant operational risks; and
6. Review of risks specifically associated with cyber security; and
7. Performing such other activities as may be delegated by the Board of Director or specified/ provided under the Companies Act, 2013 or by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or statutorily prescribed under any other law or by any other regulatory authority.

- **Composition**

The Risk Management Committee as on March 31, 2022 comprised of Mr. R. Chandrasekaran, Independent Director as the Chairman, Mr. Amit Chadha, Chief Executive Officer & Managing Director and Mr. Rajeev Gupta, Chief Financial Officer as its members. The majority of members including the Chairman of the Committee are Board members.

- **Meetings**

During the year the Risk Management Committee met 2 (Two) times on April 30, 2021 and October 18, 2021.

Name of Director	Position in the Committee	No. of Meetings held during the year	No. of Meetings Attended
Mr. R. Chandrasekaran	Chairman	2	2
Mr. Amit Chadha ¹	Member	2	2
Mr. Rajeev Gupta	Member	2	2

¹Appointed as a member of the Committee w.e.f. April 1, 2021

Meetings held during the year are expressed as number of meetings eligible to attend.

Other Information:

- **Directors' Familiarization Program**

All Directors are aware and are also updated as and when required of their responsibilities, roles and liabilities.

The internal newsletters of the Company are circulated to all the Directors and the press releases, etc. are uploaded on website of the Company so that our Directors are updated about the operations of the Company.

The website of the Company is regularly updated with regards to all the business developments, so that they are updated about the operations of the Company.

The Board of Directors have complete access to the information within the Company. Minutes of all committees and summary of the minutes of the subsidiaries are being included as a part of Agenda to the Board. Systems, procedures and resources are in place to ensure that every Director is supplied, in a timely manner, with precise and concise information in a form and of a quality appropriate to effectively enable/discharge his/her duties.

Information and data are shared with the Directors in an orderly manner so that the Directors are able to contribute effectively to the Board discussions. Presentations are

made regularly to the Board/Audit Committee/CSR Committee/Risk Management Committee and SRC where Directors get an opportunity to interact with senior managers. Presentations, inter alia, cover business strategies, management structure, HR policy, succession planning, quarterly and annual results, budgets, review of Internal Audit, Corporate Social Responsibility and risk management framework etc.

Independent Directors through their interactions and deliberations give suggestions for improving overall effectiveness of the Board and its Committees. Independent Directors have the freedom to interact with the Company's management.

As part of the appointment letter issued to Independent Directors, the Company has stated that it will facilitate attending seminars/programs/conferences designed to train directors to enhance their role as an Independent Director.

This information is also available on the website of the Company www.LTTS.com.

- **Risk Management Framework:**

Please refer page no. 113 of Board Report.

- **Vigil Mechanism/Whistle Blower Policy:**

The Company has a Whistle Blower Policy in place since October 2014 to encourage and facilitate employees to report concerns about unethical behavior, actual/suspected frauds and violation of Company's Code of Conduct. The Policy provides for adequate safeguards against victimization of persons who avail the same and provides for direct access to the Chairman of the Audit Committee. The Audit Committee of the Company oversees the implementation of the Whistle-Blower Policy. The Policy also establishes adequate safeguards to enable employees to report instances of leak of unpublished price sensitive information.

The Company has disclosed information about the establishment of the Whistle-Blower Policy on its website at <https://www.ltts.com/investors/corporate-governance>. During the year, no personnel has been declined access to the Audit Committee, wherever desired.

The Company has a Whistle Blowing Investigation Committee (WBIC) to manage complaints under the said Policy. The WBIC consists of the Senior Executives of the Company. The WBIC is responsible for end to

end management of the investigations from receipt of complaints to bringing them to a logical conclusion, keeping in mind the interest of the Company.

Employees are encouraged to report any wrong-doings having an adverse effect on the Company's financials/image and instances of leak of unpublished price sensitive information. An employee can report any wrong-doing in oral or written form. Whistle blowers are assured by the management of full protection from any kind of harassment, retaliation, victimization or unfair treatment.

The Company with reference to the Whistle Blower mechanism has created an online platform "Ethics Line" which offers an independent multi-channel interface to employees for reporting unethical conduct/malpractice they may see around them, in case of any hesitation to report face to face. Through the said helpline employees raise their concerns and the same are addressed and necessary action is taken by the Company. The said helpline and the management maintain anonymity of the whistle-blower at all times. It helps build a culture of trust, transparency, honest communication and ethical conduct and provides employees with non-threatening and impartial way of communicating their concerns while allowing the organization to act on the tip-offs as per process. One of the constant endeavors is to promote "ZERO TOLERANCE" for values violation & unethical conduct at the workplace. To promote this culture, "Ethics Line" plays an important role.

The Audit Committee is periodically briefed about the various cases received, the status of the investigation, findings and action taken, if any.

During the year, the Company received total 8 complaints under Ethics Line. Appropriate actions wherever required were taken by the Company on the same.

Please refer page no. 54 of the Board Report.

- **Statutory Auditors**

In the case of appointment of new auditors, the Audit Committee evaluates various audit firms based on approved criteria as given herein below. The Audit firms are required to make a presentation to the Audit Committee. The Committee considers factors such as compliance with the legal provisions, number/nature/size and variation in client base, skill sets available in the firm both at partner level and staff level, international

experience, systems and processes followed by the firm, training and development by the firm to its partners and staff, etc. during the process of evaluation. Based on merit and the factors mentioned above, the Committee finalizes the firm to be appointed and recommends the appointment of Auditors to the Board and shareholders for approval.

The above process was followed by the Company while appointing M/s Sharp & Tannan as the Statutory Auditors of the Company in 2012. The Company's Auditors M/s Sharp & Tannan will be completing ten years as Statutory Auditors of the Company. In view of the mandatory rotation of auditor and in accordance with the provisions of the Act, it is proposed to appoint M/s MSKA & Associates, Chartered Accountants (Firm Registration No. 105047W) as Statutory Auditors for a period of five continuous years i.e. from the conclusion of the 10th Annual General Meeting till the conclusion of the 15th Annual General Meeting of the Company subject to the approval of the shareholders. The Company has followed the above process of evaluation for appointing the new Statutory Auditors.

For the Financial year 2021-22, the total fees paid by the Company and its subsidiaries on a consolidated basis, to Sharp & Tannan, Statutory Auditor and all entities in the network firm/network entity of which the Statutory Auditors are part thereof for all the services provided by them is ₹ 4.14 Mn.

Also refer to Page 54 of the Board Report.

- **Code of Conduct**

The Company has laid down a Code of Conduct for all Board members and senior management personnel. The Code of Conduct is available on the website of the Company www.LTTS.com. The declaration of Chief Executive Officer & Managing Director is given below:

TO THE SHAREHOLDERS OF L&T TECHNOLOGY SERVICES LIMITED

Sub: Compliance with Code of Conduct

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

Amit Chadha
CEO & Managing Director

Date: April 21, 2022
Place: Mumbai

- **General Body Meeting**

The last three Annual General Meetings of the Company were held as under:

Financial Year	Date	Venue	Time
2020-21	July 16, 2021	Held through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM")	4.30 PM
2019-20	July 17, 2020	Held through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM")	4.30 PM
2018-19	July 20, 2019	Birla Matushri Sabhagar, 19, Marine Lines, Mumbai 400020	3.30 PM

The following Special Resolutions were passed by the members during the past three Annual General Meetings:

Annual General Meeting held on July 16, 2021:

- To approve Re-appointment of Mr. Narayanan Kumar (DIN: 00007848) as an Independent Director of the Company.
- To approve Appointment and Continuation of Mr. A.M Naik (DIN: 00001514), as a Non-Executive Director of the Company, who has attained the age of Seventy-Five Years.

Annual General Meeting held on July 17, 2020:

- No special resolutions were listed in the agenda for the meeting.

Annual General Meeting held on July 20, 2019:

- To approve Re-appointment and Continuation of Mr. Samir Desai (DIN: 01182256) as an Independent Director of the Company.

Postal Ballot

During the year, the Company sought the approval of shareholders through postal ballot in accordance with Section 110 of the Act, read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 and MCA circulars issued from time to time, for the following business:

- Appointment of Mr. Luis Miranda (DIN: 01055493) as an Independent Director of the Company for a period of 5 years w.e.f. October 19, 2021.

The Notice of Postal Ballot was approved by the Board of Directors through Circular Resolution dated November 20, 2021. The aforesaid resolution was duly passed and the results of postal ballot through remote e-voting were announced on December 25, 2021. Mr. Alwyn D'souza, Practising Company Secretary (Membership No. FCS 5559) was appointed as the Scrutinizer to scrutinize the postal ballot via remote e-voting process in a fair and transparent manner.

Resolution	No. of Votes Polled	No. of Votes Cast in Favour	No. of Votes Cast Against	% of Votes Cast in Favour on Votes Polled	% of Votes
Appointment of Mr. Luis Miranda (DIN: 01055493) as an Independent Director of the Company	92697521	92689152	8369	99.9910	0.0090

Disclosures:

- During the year, there were no transactions of material nature with the Directors or the Management or relatives or the subsidiaries or related parties that had potential conflict with the interests of the Company.
- Details of all related party transactions form a part of the accounts as required under IND AS 24 and the same are given on page 190 of the Annual Report.
- The Company has followed all relevant Accounting Standards notified by the Companies (Indian Accounting Standards) Rules, 2015 while preparing the Financial Statements.
- The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities

on all matters relating to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or any other statutory authorities relating to the above.

- The Company has obtained Certificate from Alwyn Jay & Co., Company Secretaries confirming that Directors have not been debarred or not been disqualified from being appointed or continuing as Directors by SEBI/MCA or any other authority. The said Certificate is part of the Corporate Governance Report.
- The policy for determining material subsidiaries and related party transactions is available on our website www.LTTS.com.

- G. Details of risk management including foreign exchange risk, commodity price risk and hedging activities form a part of the Management Discussion & Analysis. Please refer to page 113 of this Annual Report.
- H. Details in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 form a part of the Board Report. Please refer to page 54 of this Annual Report.
- I. The Company has not given loans to firms/companies in which directors are interested.

Means of Communication:

Financial Results	Quarterly & Annual Results are published in prominent daily newspaper viz. The Financial Express and Loksatta. The results are also posted on the Company's website www.LTTS.com .
News releases	Official news releases are sent to stock exchanges as well as displayed on the Company's website: www.LTTS.com .
Website	The Company's website www.LTTS.com provides comprehensive information about its portfolio of businesses. Section on "Investors" serves to inform and service the Shareholders allowing them to access information at their convenience. The quarterly shareholding pattern of the Company is available on the website of the Company as well as the Stock Exchanges. The entire Annual Report and Accounts of the Company are available on the websites of the Stock Exchanges. The Annual Report and Accounts of the Company and its subsidiaries are also available on the website of the Company in downloadable format.
Filing with Stock Exchanges	Information to Stock Exchanges is being filed online on NEAPS for NSE and BSE Listing Centre for BSE.
Annual Report	Annual Report is circulated to all the members and all others like auditors, secretarial auditor, equity analysts, etc.
SEBI Complaints Redress System (SCORES)	Investor complaints are processed at SEBI in a centralized web-based complaints redress system. The salient features of this system are centralized database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaints and their current status.
Management Discussion & Analysis	This forms a part of the Annual Report which is sent to the shareholders of the Company.
Presentations/ Investor call made to Institutional Investors and Analysts	The schedule of analyst/institutional investor meets and presentations, if made to them are placed on the website of the Company. The quarterly Earning Conference Call transcript is made available to the investors on the Company's website.

Compliance Monitoring System

The statutory compliances have become a catalyst for Corporate Governance. A good statutory compliance system has become vital for effective conduct of business operations. As a major portion of the Company's business is conducted abroad, apart from ensuring compliance with Indian statutes, the Company also complies with the statutes of the countries where the Company has presence.

With a view to strengthen this system, the Company has taken steps to automate the said system and has framed a web-based portal which will provide the users a web-based access, controls based on a defined authorization matrix. Besides connecting all the compliance owners across time zones to a common corporate platform, the portal is expected to serve as a repository of the compliance exercise yielding substantial saving in resources and efforts for tracking compliance. The Company has enhanced the existing Statutory

Compliance Monitoring system to extend the scope of the system by including all overseas location of the Company as well to monitor the compliance more efficiently and make it more user-friendly.

Unclaimed Shares

During the year under review none of the shareholders had approached for transfer of shares out of the said shares lying in the escrow account. As on March 31, 2022, the Company has 16 unclaimed shares lying with it from its public issue.

General Shareholders' Information

Financial Year

The financial year of the Company is from April 1 to March 31.

Annual General Meeting:

The Annual General Meeting of the Company to be convened on Friday, July 15, 2022 at 4.30 p.m. through Video Conferencing.

In view of the situation caused by Covid-19 pandemic and in line with the exemption granted to all the Companies by the MCA vide its Circular No. 20/2020 dated May 5, 2020, Circular No. 39/2020 dated December 31, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No. 19/2021 dated December 8, 2021, Circular No. 21/2021 dated December 14,

2021 and Circular No. 2/2022 dated May 5, 2022 the 10th Annual General Meeting of the Shareholders is being held through Video Conferencing mode only. In line with the aforesaid Circulars issued by MCA, the Company shall provide Video-Conferencing Facility for Shareholders to enable them to attend the Annual General Meeting on first-come-first-serve basis.

Financial calendar:

Annual Results of 2021-22	April 21, 2022
E-Mailing of Annual Reports to the registered email ids of the shareholders whose email ids are registered with the Company**	Fourth week of June, 2022
First Quarter Results	During third week of July, 2022*
Annual General Meeting	July 15, 2022
Payment of Dividend	On or after July 20, 2022
Second Quarter results	During third week of October, 2022*
Third Quarter results	During third week of January, 2023*

*Tentative dates

**In view of the situation caused by Covid-19 Pandemic, MCA vide its Circular No. 20/2020 dated May 5, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No. 19/2021 dated December 8, 2021, Circular No. 21/2021 dated December 14, 2021 & Circular No. 02/2022 dated May 5, 2022 and by SEBI vide its Circular No. SEBI/HO/CFD/CMD1/CIR/PI/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/PI/2021/11 dated January 15, 2021 & Circular No. SEBI/HO/CFD/CMD2/CIR/PI/2022/62 dated May 13, 2022, granting exemption to all the Companies for the current calendar year i.e. 2022 from sending physical copies of the Annual Report to the shareholders. Accordingly, the Annual Report for FY 21-22 along with the Notice for the 10th Annual General Meeting is sent only through email.

Book Closure:

The dates of Book Closure are from Saturday, July 9, 2022 to Friday, July 15, 2022 (both days inclusive) to determine the members entitled to the dividend for FY 2021-2022.

Listing of Equity Shares on Stock Exchanges:

The shares of the Company are listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

Listing Fees to Stock Exchanges:

The Company has paid the Listing Fees for the year 2021-2022 to the above Stock Exchanges.

Custodial Fees to Depositories:

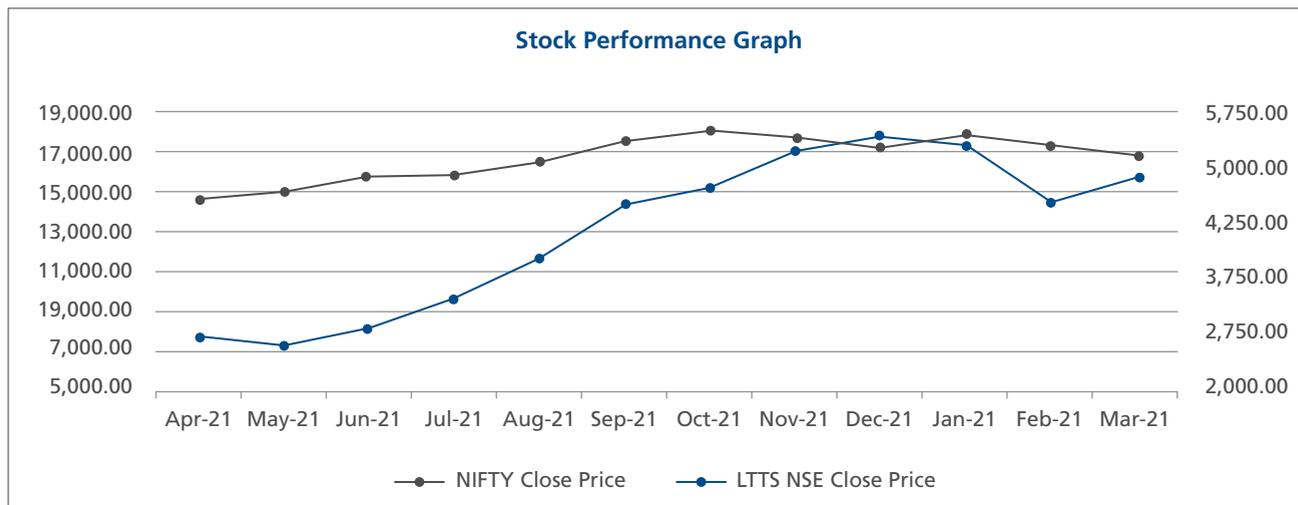
The Company has paid custodial fees for the year 2021-2022 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Stock Code/Symbol:

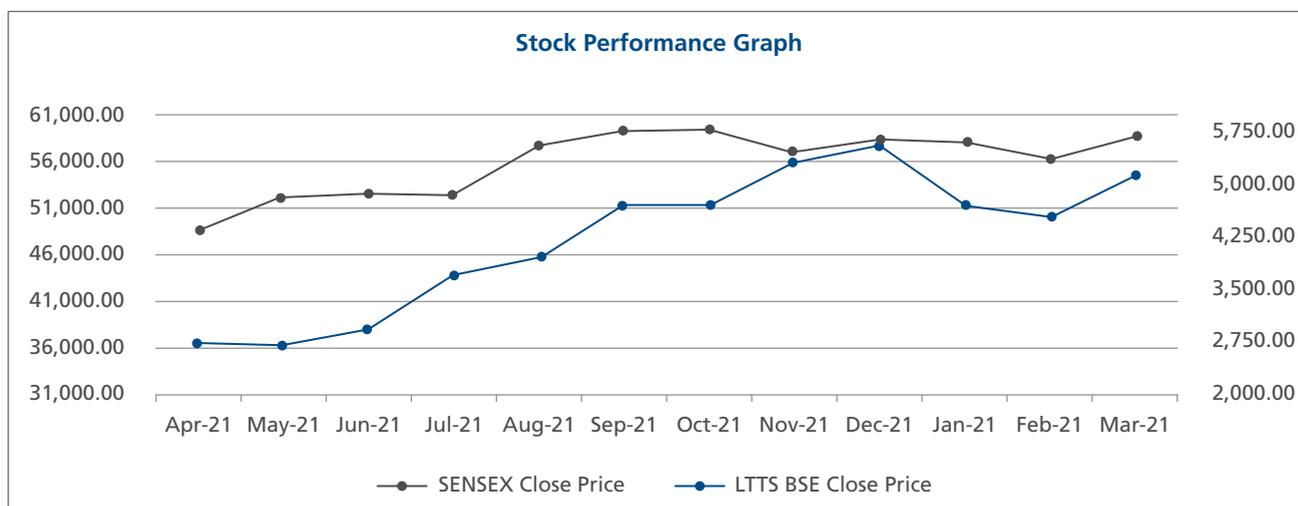
BSE Limited (BSE)	Scrip Code: 540115
National Stock Exchange of India Limited (NSE)	Scrip Code: LTTS
ISIN	INE010V01017
Corporate Identification Number	L72900MH2012PLC232169

Stock market data for the year 2021-2022:

Month	LTTS NSE Price (₹)			NIFTY		
	High	Low	Month Close	High	Low	Month Close
2021						
April	2,779.91	2,663.80	2,712.72	14,714.81	14,487.31	14,613.85
May	2,652.69	2,577.77	2,612.84	15,044.09	14,893.03	14,983.53
June	2,853.94	2,776.05	2,811.40	15,799.07	15,656.16	15,733.68
July	3,273.66	3,153.04	3,217.10	15,842.32	15,720.36	15,783.10
August	3,842.29	3,717.96	3,769.34	16,516.49	16,372.00	16,470.46
September	4,572.22	4,398.80	4,494.81	17,581.47	17,420.85	17,508.61
October	4,847.41	4,606.05	4,711.40	18,136.47	17,932.95	18,020.22
November	5,309.94	5,115.33	5,231.94	17,846.72	17,607.06	17,718.89
December	5,481.65	5,313.76	5,399.48	17,284.05	17,073.56	17,174.27
2022						
January	5,398.58	5,212.42	5,292.75	17,866.77	17,635.91	17,770.62
February	4,575.84	4,413.59	4,502.97	17,350.48	17,073.36	17,225.94
March	4,910.64	4,768.77	4,846.26	16,965.36	16,716.87	16,864.67



Month	LTTS BSE Price (₹)			BSE SENSEX		
	High	Low	Month Close	High	Low	Month Close
2021						
April	3062.45	2526.00	2730.35	50375.77	47204.50	48782.36
May	2817.60	2476.40	2709.95	52013.22	48028.07	51937.44
June	2977.35	2647.75	2903.45	53126.73	51450.58	52482.71
July	3818.20	2801.20	3710.25	53290.81	51802.73	52586.84
August	4024.00	3515.55	3920.15	57625.26	52804.08	57552.39
September	5000.00	3861.00	4696.20	60412.32	57263.90	59126.36
October	5469.20	4335.10	4721.80	62245.43	58551.14	59306.93
November	5819.20	4725.00	5277.05	61036.56	56382.93	57064.87
December	5656.90	4989.20	5599.05	59203.37	55132.68	58253.82
2022						
January	5,958.10	4,316.00	4,694.70	61,475.15	56,409.63	58,014.17
February	4,825.25	4,180.00	4,533.90	59,618.51	54,383.20	56,247.28
March	5,150.00	4,425.05	5,102.05	58,890.92	52,260.82	58,568.51



Registrar and Share Transfer Agent:

KFin Technologies Limited
 Unit: L&T Technology Services Limited
 Selenium Tower B, Plot 31-32,
 Financial District, Nanakramguda
 Serilingampally Mandal, Hyderabad,
 Telangana- 500 032
 Tel: (91 40) 6716 2222
 Fax: (91 40) 2343 1551
 Email: einward.ris@kfintech.com

a) Share Transfer System:

The Company's investor services are handled by KFin Technologies Limited who are the Company's RTA. Pursuant to SEBI press release dated December 3, 2018, except in case of transmission or transposition of securities, requests for effecting transfer of securities after April 1, 2019, have not been processed by the Company unless the securities were held in the dematerialized form with a depository.

Physical shares received for dematerialization are processed and completed within a period of 21 days from the date of receipt.

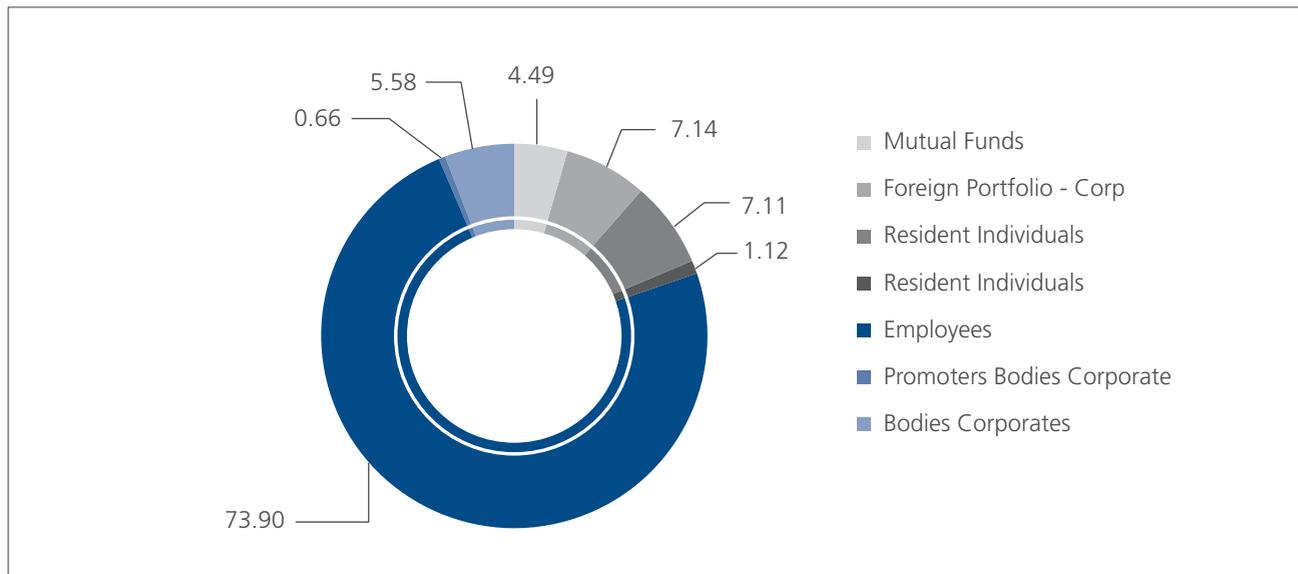
As required under Regulation 40 of the LODR, a certificate on yearly basis confirming due compliance of share transfer formalities by the Company from Practicing Company Secretary has been submitted to Stock Exchanges within stipulated time.

Distribution of Shareholding as on March 31, 2022:

No. of shares	Shareholders		Shareholding	
	Number	Percentage	Number	Percentage
Upto 500	2,26,589	98.99	57,84,579	5.48
501-1000	1,120	0.49	8,14,473	0.77
1001-2000	499	0.23	7,10,509	0.68
2001-3000	152	0.07	3,79,046	0.36
3001-4000	99	0.04	3,49,933	0.33
4001-5000	50	0.02	2,25,871	0.21
5001-10000	146	0.06	10,27,668	0.97
10001 & above	239	0.10	9,62,40,088	91.20
Total	2,28,894	100.00	10,55,32,167	100.00

Categories of Shareholders are as under:

Category	31.03.2022		31.03.2021	
	No of shares	%	No of shares	%
Mutual Funds	47,36,308	4.49	60,36,159	5.75
Foreign Portfolio - Corp	75,39,365	7.14	95,11,426	9.05
Resident Individuals	74,98,080	7.11	60,45,758	5.76
Employees	11,82,645	1.12	10,26,239	0.98
Promoters Bodies Corporate	7,79,86,899	73.90	7,79,86,899	74.24
Bodies Corporates	6,96,330	0.66	11,43,540	1.09
Others	58,92,540	5.58	32,95,802	3.13
Total	10,55,32,167	100	10,50,45,823	100

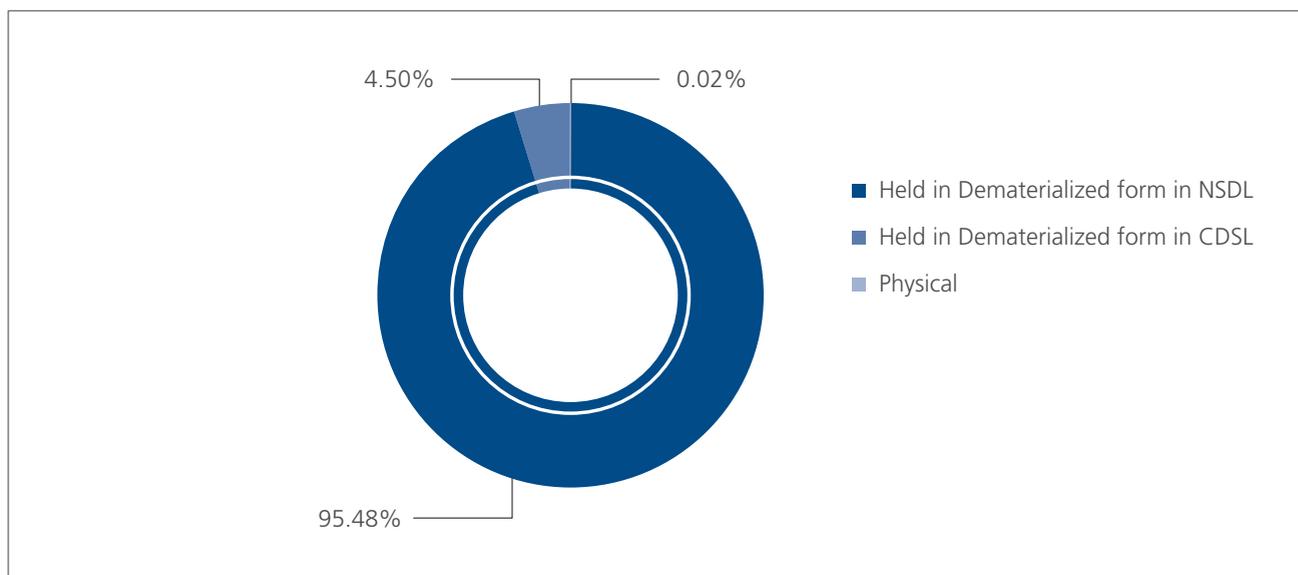


b) Dematerialization of Shares:

The Company's Shares are required to be compulsorily traded in the Stock Exchanges in dematerialized form.

As on March 31, 2022, the number of shares held in dematerialized and physical mode are as under:

Particulars	Number of shares	% of total capital issued
Held in Dematerialized form in NSDL	10,07,63,193	95.48
Held in Dematerialized form in CDSL	47,48,428	4.50
Physical	20,546	0.02
Total	10,55,32,167	100



Members holding shares in physical format can convert the same into electronic holdings which will negate risks associated with physical certificates.

Members holding shares in dematerialized form can intimate all changes viz. pertaining to change of address, change in email id, bank details etc. to their Depository Participants whilst those holding shares in physical form can intimate such changes to the Company's Register and Share Transfer Agent (RTA). The Company collected PAN and bank account details of securities holders whose dividend remain unpaid/unclaimed, hereinafter all payments of dividend will be made in electronic formats.

c) Address for Correspondence:

Address of the Registrar and Share Transfer Agent (RTA)	KFin Technologies Limited Unit: L&T Technology Services Limited Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad 500 032 Tel: (91 40) 6716 2222 Fax: (91 40) 2343 1551 Toll free no.: 1800 419 8283 Email: einward.ris@kfintech.com Website: https://www.kfintech.com
Address of the Compliance Officer	Prajakta Powle L&T Technology Services Limited A.M. Naik Tower, 6 th Floor, L&T Campus, Gate No. 3, Jogeshwari-Vikhroli Link Road, Powai, Mumbai 400072 Tel: (91 022) 6892 5257 Fax: (91 022) 6705 9695 E-mail: investor@lts.com

Global Locations:

The Company has a network of offices all around the globe. The sales offices and delivery centers of the Company are located in USA, Canada, UK, Sweden, Poland, Norway, Netherlands, Italy, Germany, France, Finland, Denmark, Belgium, Israel, UAE, South Korea, Japan, Singapore, Malaysia, Australia, South Africa, China, Switzerland and Saudi Arabia.

India Locations:

As on March 31, 2022, the Company has delivery centers located at Mumbai, Vadodara, Chennai, Bengaluru, Mysuru and Hyderabad.

The Registered Office of the Company is located at L&T House, Ballard Estate, N.M. Marg, Fort, Mumbai- 400001 and the Corporate Office of the Company is located at 5th Floor, West Block-II, L&T Knowledge City (IT/ITES) SEZ, N.H. No. 8, Ajwa-Waghodia Crossing, Vadodara 390 019.

d) Shareholder Grievances:

The Company has designated an e-mail id viz. *investor@lts.com* to enable shareholders to contact in case of any queries/complaints. The Company strives to resolve any complaint within 7 working days.

Securities Dealing Code

Pursuant to Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (SEBI Insider Trading Regulations) the Company has adopted its Securities Dealing Code ('Code') for prevention of insider trading. The objective of the Code is to prevent dealing in the shares of the Company by an Insider while in possession of information known only to them, and not yet made publicly available by the Company, which, when made publicly available, can materially impact the price of the Company's securities.

The Code lays down stringent guidelines for the Designated Persons and creates the necessary framework for transacting in the Company's securities, after seeking prior clearance for transactions wherever necessary, and a mechanism for periodical reporting of transactions.

The objective of the Code is to prevent purchase and/or sale of shares of the Company by an Insider on the basis of unpublished price sensitive information. Under this Code, Designated Persons (Directors, Advisors, Officers and other concerned employees/persons) are prevented from dealing in the Company's shares during the closure of Trading Window. To deal in securities beyond specified limit, permission of Compliance Officer is also required.

All the employees falling in the Designated Persons category are also required to disclose related information periodically as defined in the Code. Directors and Designated Persons who buy and sell shares of the Company are prohibited from entering into a contra transaction i.e. an opposite transaction i.e. sell or buy any shares of the Company during the next six months following the prior transactions. Pursuant to the enactment of the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, the Company has suitably modified the provisions of the Code which are effective from 1st April 2019. Further, the Company modifies the Code as and when there are amendments in the SEBI (Prohibition of Insider Trading) Regulations, 2015.

Ms. Prajakta Powle, Company Secretary has been designated as the Compliance Officer. Mr. Rajeev Gupta is the Chief Investor Relations Officer of the Company.

The Company has also formulated the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information which is available on Company's Website www.LTTS.com.

Awareness sessions/workshops on Governance practices:

Employees across the Company are being sensitized about the various policies and governance practices of the Company. The Company has in-house training workshops on Corporate Governance with the help of an external faculty covering basics of Corporate Governance as well as internal policies and compliances under Code of Conduct, Whistle Blower Policy, Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, SEBI Insider Trading Regulations, etc.

Secretarial Audit as per SEBI Requirements:

As stipulated by SEBI, a Qualified Practicing Company Secretary carries out Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges. The Audit confirms that the total Listed and Paid-up capital is in agreement with the aggregate of the total number of shares in dematerialized form and in physical form. Appropriate actions are taken to continuously improve the quality of compliance.

The Company also has adequate software and systems to monitor compliance.

Secretarial Audit as per Companies Act, 2013:

Pursuant to the provisions of Section 204(1) of the Act, Alwyn Jay D'souza & Co., Company Secretaries, conducts the secretarial audit of the compliance of applicable statutory provisions and the adherence of good corporate practices by the Company.

Pursuant to the SEBI circular dated February 8, 2019, the Company has obtained an annual secretarial compliance report from, Alwyn Jay D'souza & Co., Company Secretaries and have submitted the same to the Stock Exchanges within the prescribed timelines.

Group Governance:

All the subsidiaries of the Company are following strong governance practices as prescribed by Parent company LTTS, the Company also periodically monitors transactions in subsidiary and step down subsidiaries by way of receiving checklists from these companies.

CEO/CFO Certificate

To the Board of Directors of L&T Technology Services Limited

Dear Sirs,

Sub: CEO/CFO Certificate

{Issued in accordance with provisions of Regulation 17(8) of SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015}

We have reviewed the consolidated financial statements, read with the consolidated cash flow statement of L&T Technology Services Limited for the year ended March 31, 2022 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 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 the Audit Committee, deficiencies, if any, in the design or operation of such internal controls of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
 - (i) that there were no significant changes in internal controls over financial reporting during the year; and
 - (ii) that there were no significant changes in accounting policies made during the year; and
 - (iii) that there were no instances of significant fraud of which we have become aware.

Yours Sincerely,

Rajeev Gupta
Chief Financial Officer

Place: Mumbai
Date: April 20, 2022

Amit Chadha
CEO & Managing Director

Place: Mumbai
Date: April 20, 2022

COMPLIANCE CERTIFICATE

**[Pursuant to Regulation 13 of the Securities Exchange Board of India
(Share Based Employee Benefits and Sweat Equity) Regulations, 2021]**

To,
The Members,
L&T Technology Services Limited

We, Alwyn Jay & Co., Company Secretary in practice, have been appointed as the Secretarial Auditor vide a resolution passed at its meeting held on 3rd May, 2021 by the Board of Directors of L&T Technology Services Limited (hereinafter referred to as 'the Company'), having CIN L72900MH2012PLC232169 and having its registered office at L&T House, N. M. Marg, Ballard Estate, Mumbai - 400001. This certificate is issued under Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (hereinafter referred to as "the Regulations"), for the year ended 31st March, 2022.

Management Responsibility:

It is the responsibility of the Management of the Company to implement the Scheme including designing, maintaining records and devising proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Verification:

The Company has implemented L&T Technology Services Limited Employee Stock Option Scheme, 2016 (ESOP Scheme – 2016) in accordance with the Regulations and the Special Resolution(s) passed by the members at the General Meeting of the Company held on 21st January, 2016.

For the purpose of verifying the compliance of the Regulations, we have examined the following:

1. Scheme received from/furnished by the Company;
2. Articles of Association of the Company;
3. Resolutions passed at the meeting of the Board of Directors;
4. Shareholders resolutions passed at the General Meeting;
5. Minutes of the meetings of the Nomination & Remuneration Committee;
6. Relevant Accounting Standards as prescribed by the Central Government;
7. Detailed terms and conditions of the scheme as approved by Nomination & Remuneration Committee;
8. Bank Statements towards Application money and perquisite tax received under the scheme(s);
9. Exercise Price / Pricing formula;
10. Statement filed with recognised Stock Exchange(s) in accordance with Regulation 10 of these Regulations;
11. Disclosure by the Board of Directors;
12. Relevant provisions of the Regulations, Companies Act, 2013 and Rules made thereunder;

Certification:

In our opinion and to the best of our knowledge and according to the verifications as considered necessary and explanations furnished to us by the Company and its Officers, we certify that the Company has implemented the ESOP Scheme – 2016 in accordance with the applicable provisions of the Regulations and Resolution(s) of the Company in the General Meeting.

Assumption & Limitation of Scope and Review:

1. Ensuring the authenticity of documents and information furnished is the responsibility of the Board of Directors of the Company.
2. Our responsibility is to give certificate based upon our examination of relevant documents and information. It is neither an audit nor an investigation.
3. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.
4. This certificate is solely for your information and it is not to be used, circulated, quoted, or otherwise referred to for any purpose other than for the Regulations.

ALWYN JAY & Co.
Company Secretaries

Jay D'souza

Partner

FCS 3058

Certificate of Practice No.6915

UDIN : F003058D000177793

Place: Mumbai

Date: 21st April, 2022

ANNEXURE TO DIRECTORS' REPORT**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

[Pursuant to Regulation 34(3) read with sub-clause (10)(i) of Clause C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members of
L&T Technology Services Limited
L&T House, N. M. Marg,
Ballard Estate,
Mumbai - 400001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **L&T Technology Services Limited** having **CIN L72900MH2012PLC232169** and having registered office at L&T House, N. M. Marg Ballard Estate, Mumbai - 400001 IN (hereinafter referred to as '**the Company**'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Sub-clause 10(i) of Clause C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **31st March, 2022** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Designation	Date of appointment
1	Anilkumar Manibhai Naik	00001514	Director	27/06/2014
2	Sekharipuram Narayanan Subrahmanyam	02255382	Director	10/01/2015
3	Amit Chadha	07076149	Managing Director	01/02/2015
4	Abhishek Sinha	07596644	Whole Time Director	18/10/2019
5	Keshab Panda	05296942	Director	14/06/2012
6	Narayanan Kumar	00007848	Director	15/07/2016
7	Sudip Banerjee	05245757	Director	21/01/2016
8	Apurva Purohit	00190097	Director	11/12/2019
9	Chandrasekaran Ramakrishnan	00580842	Director	19/10/2020
10	Luis Miranda	01055493	Director	19/10/2021

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

ALWYN JAY & Co.
Company Secretaries

Jay D'souza
Partner
FCS 3058

Place: Mumbai
Date: 21st April, 2022

Certificate of Practice No.6915
UDIN : F003058D000177793

Independent Auditors' Certificate on Corporate Governance To the members of L&T Technology Services Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 30 August 2018.
2. We have examined the compliance of conditions of corporate governance by L&T Technology Services Limited ('the Company'), for the year ended on 31 March 2022, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

Management's responsibility

3. 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

4. Our responsibility is to examine 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.
5. 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.
6. 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 is 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.
7. 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

8. 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 regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of schedule V of the SEBI Listing Regulations, as applicable during the year ended 31 March 2022.
9. 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

10. The certificate is addressed to and provided to the members of the Company solely for the purpose of complying with the aforesaid SEBI Listing Regulations and may not be suitable for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing.

SHARP & TANNAN
Chartered Accountants
Firm's registration no.109982W
by the hand of

Firdosh D. Buchia
Partner

Membership no. 038332
UDIN: 22038332AKSFKB1591

Mumbai, 10 June 2022

Annexure E

A) Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2021-22, the percentage increase in remuneration of each Director & Key Managerial Personnel (KMP) during the financial year 2021-22

(₹ million)

Name of the Director/KMP	Designation	2021-2022		
		Total Remuneration	Ratio of Remuneration to the median remuneration	Percentage increase in Remuneration
Mr. A. M. Naik	Founder Chairman	11.38	12.99	0.2%
Mr. S. N. Subrahmanyam	Non-Executive Vice Chairman	-	-	NA
Mr. Amit Chadha ¹	Chief Executive Officer & Managing Director	200.68 [@]	229.11	111.5%
Mr. Abhishek Sinha ²	Chief Operating Officer and Whole-Time Director	18.33	20.93	34.6%
Dr. Keshab Panda ³	Non-Executive Director	264.02 ^{@*}	301.43	75.0%
Mr. Samir T. Desai ⁴	Independent Director	2.85 [#]	3.26	-51.9%
Mr. Narayanan Kumar ⁵	Independent Director	2.88	3.28	29.2%
Mr. Sudip Banerjee	Independent Director	2.60	2.97	60.0%
Ms. Apurva Purohit	Independent Director	2.25	2.57	12.5%
Mr. R. Chandrasekaran	Independent Director	1.88	2.14	127.3%
Mr. Luis Miranda ⁶	Independent Director	0.45	0.51	NA
Mr. Rajeev Gupta	Chief Financial Officer	20.94	23.90	168.7%
Mr. Kapil Bhalla ⁷	Company Secretary	5.48	6.26	-7.7%
Ms. Prajakta Powle ⁸	Company Secretary	0.19	0.22	N.A.

Notes:

¹Appointed as Chief Executive Officer & Managing Director w.e.f. April 1, 2021.

²Re-appointment as Chief Operating Officer and Whole-Time Director proposed w.e.f. October 18, 2022.

³Appointed as Non-Executive Director w.e.f. April 1, 2021.

⁴Ceased to be Independent Director w.e.f. August 26, 2021.

⁵Re-appointed as Independent Director w.e.f. July 15, 2021.

⁶Appointed as Independent Director w.e.f. October 19, 2021.

⁷Superannuated as Company Secretary & Compliance Officer w.e.f. October 29, 2021.

⁸Appointed as Company Secretary & Compliance Officer w.e.f. March 17, 2022.

[@]The remuneration of Dr. Keshab Panda and Mr. Amit Chadha was paid in US Dollars. However, the figure mentioned above is INR equivalent of US Dollar. Further, the remuneration paid to them were higher on account of perquisite value related to employee stock options exercised during the year.

[#]The commission of Mr. Samir T. Desai was paid in US Dollars. However, the figure mentioned above is INR equivalent of US Dollar.

^{*}Represents sitting fees, commission, perquisite value related to ESOPs exercised during the year in respect of stock options granted over the past several years by the Company and post-employment benefits.

B) Percentage increase in the median remuneration of all employees in the financial year 2021-22:

The median remuneration of employees of the Company during the financial year was ₹ 8,75,883. In the financial year, there was a decrease of 0.25 % in the median remuneration of employees.

C) Number of permanent employees on the rolls of Company as on March 31, 2022:

There were 20,165 permanent employees on the rolls of Company as on March 31, 2022.

D) Average percentile increase already made in the salaries of the 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 managerial remuneration

The Average Annual increase was around 6% in India and around 1.5% outside India. The average increase in managerial remuneration was 77%. The average increase is not comparable since the increase is primarily on account of exercise of stock options.

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

It is hereby affirmed that the remuneration paid is as per the remuneration policy for Directors, Key Managerial Personnel and other employees.

Annexure G

Form No. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

[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,
L&T Technology Services Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **L&T Technology Services Limited** (CIN: L72900MH2012PLC232169) (hereinafter called "the Company").

Subject to limitation of physical interaction and verification of records caused by COVID-19 Pandemic restrictions, the Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts and statutory compliances to express our opinion thereon.

Based on our verification of the Company's statutory registers, books, papers, minute books, forms and returns filed and other records maintained by the Company and the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2022** complied with the statutory provisions listed hereunder and also that the Company has followed proper Board-processes and has required compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2022** 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 for compliance to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, **as applicable**;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') **as amended from time to time**:
 - (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, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (upto 12th August, 2021) and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (with effect from 13th August, 2021);
 - (e) 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 – **Not Applicable to the Company**;
 - (f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **Not applicable to the Company**;

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - **Not applicable to the Company;**
 - (h) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - **Not applicable to the Company;**
 - (i) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
- (vi) Other specific business/industry related laws applicable to the Company:

The Company has complied with specific applicable laws, rules, regulations and guidelines viz., The Information Technology Act, 2000 and rules made thereunder, 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, The Trade Marks Act, 1999, Indian Telegraph Act, Telecom Regulatory Authority of India (TRAI)/Department of Telecommunication (DOT) Guidelines, Other Service Provider Guidelines (Governed by DOT) and other applicable general laws, rules, regulations and guidelines.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India; and
- (ii) SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We 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 that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for a meaningful participation at the meeting.

The minutes of the Board Meetings and Committee Meetings have not identified any dissent by members of the Board/Committee of the Board, hence we have no reason to believe that the decisions by the Board were not approved by all the directors present. The Minutes of the Board Meetings and Committee Meetings were duly approved at the meeting by the Chairman of the Meeting. However, due to COVID-19 Pandemic restrictions, the minutes of the Board Meetings and Committee Meetings were physically signed at a later date.

We 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 its size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the following events/actions have taken place, having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards:

1. Approval of the Board of Directors of the Company at its meeting held on 3rd May, 2021 was obtained to increase the limit of Investment falling under the provisions of section 186 of the Act from ₹ 1,500 Crores to ₹ 2,000 Crores.
2. Approval of the Board of Directors of the Company at its meeting held on 3rd May, 2021 was obtained to increase the limit of Borrowings (Non-Fund Based) falling under the provisions of section 180(1)(c) of the Act from ₹ 50 Crores to ₹ 100 Crores.

3. The Board of Directors of the Company at its meeting held on 19th October, 2021 had approved the Scheme of Amalgamation of Esencia Technologies India Private Limited, Graphene Semiconductor Services Private Limited and Seastar Labs Private Limited with the Company.
4. Issue and Allotment of 4,86,344 Equity shares of face value of ₹ 2/- each under the Employee Stock Option Scheme, 2016.
5. Approval of the Board of Directors of the Company at its meeting held on 18th January, 2022 was obtained to increase the limit of Investment falling under the provisions of section 186 of the Act from ₹ 2,000 Crores to ₹ 3,000 Crores.
6. Esencia Technologies Inc., a wholly owned subsidiary of L&T Technology Services LLC ('LTTS LLC'), was merged with LTTS LLC with effect from October 1, 2021.

ALWYN JAY & Co.
Company Secretaries

Jay D'Souza
(Partner)
FCS.3058

Place : Mumbai [Certificate of Practice No.6915]
Date : 21st April, 2022 [UDIN : F003058D000177683]

Note: 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.

To
The Members,
L&T Technology Services Limited

Our Secretarial Audit Report of even date is to be read along with this letter.

1. The compliance of provisions of all laws, rules, regulations, standards applicable to **L&T Technology Services Limited** (hereinafter called 'the Company') is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. We believe that the processes and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Wherever required, we have obtained the management representation about list of applicable laws, compliance of laws, rules and regulations and major events during the audit period.
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.

ALWYN JAY & Co.
Company Secretaries

Jay D'Souza
(Partner)
FCS.3058

Place : Mumbai
Date : 21st April, 2022

[Certificate of Practice No.6915]
[UDIN : F003058D000177683]

Annexure H

NOMINATION & REMUNERATION POLICY

The Board of Directors of L&T Technology Services Limited ("the Company") had constituted the "Nomination and Remuneration Committee" which is in compliance with the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR")

1. OBJECTIVE:

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of LODR. The Key Objectives of the Committee would be:

- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its Committees and individual directors to be carried out by the Board or the Nomination & Remuneration Committee or by an Independent External Agency and review its implementation and compliance;
- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;
- To ensure that level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;
- Devising a policy on Board diversity;

2. DEFINITIONS:

- 2.1. **Act** means the Companies Act, 2013 or Companies Act, 1956 as may be applicable and Rules framed thereunder, as amended from time to time.
- 2.2. **Board** means Board of Directors of the Company.
- 2.3. **Directors** mean Directors of the Company.
- 2.4. **Executive Directors** means the Executive Chairman if any, Chief Executive Officer and Managing Director, Deputy Managing Director, if any and Whole-time Directors.
- 2.5. **Key Managerial Personnel (KMP) means**
 - Chief Executive Officer or the Managing Director or the Manager;
 - Whole-time director;
 - Chief Financial Officer;
 - Company Secretary;
 - Senior Management Personnel designated as such by the Board and
 - Such other officer as may be prescribed.
- 2.6. **Senior Management Personnel** means all members of management one level below the Executive Directors including the Chief Financial Officer and Company Secretary.

3. ROLE OF COMMITTEE:

3.1. Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

3.2. Policy for appointment and removal of Director, KMP and Senior Management

3.2.1. Appointment criteria and qualifications

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, and recommend to the Board his / her appointment.

Appointment and Remuneration of KMP or Senior Management Personnel is in accordance with the HR Policy of the Company. The Company's policy is committed to acquire, develop and retain a pool of high calibre talent, establish systems and practises for maintaining transparency, fairness and equity and provides for payment of competitive pay packages matching industry standards.

- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Director who has attained the retirement age fixed by the Board/NRC or as approved by the Shareholders pursuant to the requirement of the Act/LODR.

3.2.2. Term / Tenure

- a) Executive Directors:
The Company shall appoint or re-appoint any person as its Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
- b) Independent Director:
- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report. The rationale for such re-appointment shall also be provided in the Notice to Shareholders proposing such re-appointment.

- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

- c) Maximum Number of Directorships:

A person shall hold maximum directorship as prescribed under LODR, as amended from time to time.

3.2.3. Evaluation

The Committee shall by itself or through the Board or an independent external agency carry out evaluation of performance of the Board/Committee, Individual Directors and Chairman at regular interval (yearly) and review implementation and compliance.

The Company may disclose in the Annual Report:

- a. Observation of the Board Evaluation for the year under review
- b. Previous years observations and actions taken
- c. Proposed actions based on current year's observations

3.2.4. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

3.2.5. Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act or the prevailing policy of the Company, as applicable. The Board /Committee will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

3.3. Policy relating to the Remuneration for the Executive Director, KMP and Senior Management Personnel

3.3.1. General:

- a) The remuneration / compensation / commission etc. to the Executive Directors will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the approval of the shareholders of the Company.
- b) The remuneration and commission to be paid to Executive Directors shall be in accordance with the percentage / limits / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act.
- c) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Executive Directors.
- d) Where any insurance is taken by the Company on behalf of its Executive Directors, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.
- e) Remuneration of other KMP or Senior Management Personnel, in any form, shall be as per the policy of the Company based on the grade structure in the Company.

3.3.2. Remuneration to Executive directors / KMP and Senior Management Personnel:

- a) **Fixed pay:**
The Executive Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee or policy of the Company. In case of remuneration to Directors, the breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders.
- b) **Minimum Remuneration:**
If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Executive Directors in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of shareholders and other appropriate authorities, if required.
- c) **Provisions for excess remuneration:**
If any Chairman/Managing Director/Whole-time Directors draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without approval, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless approved by the shareholders of the Company by passing a special resolution within 2 years from the date of sum become refundable
- d) **Stock Options in Subsidiary Companies:**
Executive Directors may be granted stock options in subsidiary companies as per their Schemes and after taking necessary approvals. Perquisites may be added to the remuneration of concerned directors and considered in the limits applicable to the Company.

3.3.3. Remuneration to Non-Executive / Independent Director:

a) **Remuneration / Commission:**

The remuneration / commission shall be fixed as per the limits and conditions mentioned in the Articles of Association of the Company and the Act.

b) **Sitting Fees:**

The Non-Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rupees One Lac per meeting of the Board or Committee.

c) **Minimum Remuneration:**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Non-Executive, Independent Directors in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the prior approval of shareholders and other appropriate authorities, if required.

d) **Commission:**

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act. If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration/ commission to its Independent Director and Non-Executive Directors in accordance with the provisions of Schedule V of the Act, as amended from time to time of the Act. The Board of Directors will fix the Commission payable to Directors on the basis of number of Board/Committee meetings attended during the year and Chairmanships of Committees.

e) **Stock Options:**

An Independent Director shall not be entitled to any stock option of the Company. Non-Executive Directors are eligible for Stock options in accordance with Schemes formulated by the Company.

4. CONSTITUTION AND QUORUM OF THE COMMITTEE:

4.1 The Constitution and Quorum of the Committee shall be as per applicable provisions of the Act and LODR, as may be amended from time to time.

5. CHAIRPERSON:

5.1 Chairperson of the Committee shall be an Independent Director.

5.2 Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.

5.3 In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.

5.4 Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to attend and to answer the shareholders' queries.

6. FREQUENCY OF MEETINGS:

The meeting of the Committee shall be held at least once in a year and such regular intervals as may be required.

7. COMMITTEE MEMBERS' INTERESTS:

7.1 A member of the Committee is not entitled to be present/participate in discussion when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

7.2 The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

8. SECRETARY:

The Company Secretary of the Company shall act as Secretary of the Committee.

9. VOTING:

Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

10. NOMINATION DUTIES:

The duties of the Committee in relation to nomination matters include:

- 10.1** Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
- 10.2** Determining the appropriate size, diversity and composition of the Board;
- 10.3** Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- 10.4** Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- 10.5** Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- 10.6** Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;
- 10.7** Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- 10.8** Recommend any necessary changes to the Board; and
- 10.9** Considering any other matters, as may be requested by the Board.

11. REMUNERATION DUTIES:

The duties of the Committee in relation to remuneration matters include:

- 11.1** To consider and determine the Remuneration Policy, based on the performance and also bearing in mind

that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.

- 11.2** To ensure the remuneration maintains a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company.
- 11.3** To delegate any of its powers to one or more of its members or the Secretary of the Committee.
- 11.4** To consider any other matters as may be requested by the Board.
- 11.5** To review Professional indemnity and liability insurance for Directors and senior management.

12. MINUTES OF NOMINATION AND REMUNERATION COMMITTEE MEETING:

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

13. REVIEW & AMENDMENT:

- 13.1** The Policy shall be reviewed as and when required to ensure that it meets the objectives of the relevant legislation and remains effective. The Nomination and Remuneration Committee & Board has the right to change/amend the policy as may be expedient taking into account the law for the time being in force.
- 13.2** In case of any subsequent changes in the Act or LODR which makes any of the provisions in the Policy inconsistent with the Act or LODR, then the provision of the Act or LODR would prevail over the Policy and the provisions of the Policy would be modified in due course to make it consistent with law.

Management Discussion and Analysis

1. Business Profile

Overview

L&T Technology Services Limited (LTTS) is a leading global pure-play Engineering Research and Development (ER&D) services company. It offers consultancy, design, development, and testing services across the product and process development life cycle.

LTTS provides services and solutions in the areas of software and digital engineering, embedded systems, engineering analytics and plant engineering. The Company's customer base includes 69 Fortune 500 companies and 57 of the world's top 100 ER&D companies active across industrial products, transportation, telecom & hi-tech, medical devices, and plant engineering. Its technologists work with global firms to offer smart solutions and services that drive new product development, facilitate remote asset management, and enable virtual product design and prototyping.

868 patents, 605 co-authored with customers and 263 filed independently, bear witness to LTTS' deep innovation capabilities. The commitment has translated into several first-of-its-kind products and solutions, including the world's most intelligent campus, mesh network for power grids, dual touchscreen android smartphone, AI-based radiology assist solution, and a high-voltage electric powertrain for off-highway vehicles.

LTTS' business differentiators include its value-maximizing customer-centric innovations, deep domain expertise, and a multi-vertical presence across major industry segments. The company is actively engaged with over 300 global companies across multiple industries, including:

Transportation: Driving Growth for 8 of the Top 10 Global OEMs

LTTS' Transportation engineering services enable OEMs worldwide to develop next-generation vehicles and aircraft, achieve a faster time to market, and drive innovation across the value chain.

In the Automotive sector, LTTS partners with global customers through robust and reliable platform and solution offerings across key emerging areas, including, Electrical Vehicle (EV) technologies, Advanced Driver Assistance Systems (ADAS), and Autonomous Drive (AD) frameworks.

The Company has over a decade of expertise in the Trucks and Off-highway segment and offers its services across Construction and Mining, Cranes and Material Handlers, Commercial Vehicles, Agricultural and Gardening Equipment, Powersports, and Polymer industries.

LTTS' Aerospace offerings cover the widest spectrum across aero engines, aerostructures and systems, avionics, air traffic management systems, and new-age digital transformation solutions. The Company is helping Aerospace OEMs and Tier 1 manufacturers maximize ROI, meet compliance standards, and enhance quality.

Industrial Products: Enabling Product Portfolios for 7 of the Top 10 Global Companies

LTTS leverages its deep domain expertise in software, electronics, connectivity, mechanical engineering, industrial networking protocols, IIoT, smart industry products, test frameworks, and enterprise control systems to support global customers. This translates into a robust presence across building automation, home and office product design, energy management, process control and machinery design.

The Company is also involved in supply chain optimization and standardization to help customers explore alternate sourcing avenues in the post-pandemic global economy. With digital manufacturing emerging as a major focus area, LTTS is spearheading digital transformation initiatives for customers to help unlock the true potential of emergent technologies in the Industry 4.0 ecosystem.

Telecom & Hi-Tech: Transforming the Landscape for 8 of the Top 10 Global Technology Majors

LTTS' Telecom and Hi-Tech vertical provides engineering services and solutions across five key domains – Telecom, Consumer Electronics, Semiconductors, Independent Software Vendors (ISVs), and Media & Entertainment (M&E).

LTTS is leveraging its extensive capabilities to enable leading telecom OEMs and CSPs across geographies. The Company supports organizations worldwide in unlocking the value of private networks for business applications.

For the consumer electronics segment, LTTS provides services in the areas of product conceptualization, design and development, platform software development, testing and certification, manufacturing support, product maintenance, and product launch. LTTS supports its semiconductor customers with a range of services covering hardware system design, platform software development, modem services, verification and validation, multimedia, connectivity, storage, mechanical engineering, and customer engineering facilities.

LTTS partners with leading ISVs to deliver application engineering, VLSI, cloud engineering, product uplift, platform development and migration, product support, and testing and certification services. In M&E, LTTS provides services across product engineering, conceptualization, design and development, testing and certification, manufacturing support, maintenance, and value engineering. The Company is pursuing key partnerships with leading participants in the emerging OTT space.

Plant Engineering: Delivering Transformation Journeys for 7 of the Top 10 Global Manufacturers

LTTS provides end-to-end solutions across designing, engineering, project management, handover operations, and delivery and maintenance of custom digital solutions. As a leading Engineering, Procurement, and Construction Management (EPCM) services specialist, LTTS supports all key stages across a plant's lifecycle – from conceptualization to commissioning, leveraging a consulting-led framework built on years of expertise and specialization. The Company has also set up Value Engineering Centers to drive business success for its global customers

The Company's digital solutions further enable manufacturers to upgrade and integrate their legacy systems with smart platforms to help drive state-of-the-art connectivity and synergy for transforming business outcomes. With emergent technologies redefining the plant engineering landscape, digital twins and digital thread have emerged as the twin enablers in driving the transformation journey.

LTTS' Plant Engineering vertical caters to diverse industries, including Consumer Packaged Goods, Chemicals, and Energy & Utilities.

Medical Devices: Redefining Wellbeing with 3 of the Top 5 Global Healthcare OEMs

LTTS helps medical device OEMs worldwide accelerate product development cycles, reduce time to market, deliver sustained value engineering, and ensure seamless multi-geography compliant product launches. The Company works closely with leading global medical device manufacturers and healthcare providers to offer solutions around remote medical care, regulatory compliances and approvals, in-vitro diagnostics, patient mobility solutions, surgical services, home healthcare, and Medical Internet of Things (MIoT).

The LTTS team leverages its deep domain expertise and innovation-driven outlook to deliver cutting-edge pre-compliance testing and validation support. It also helps customers with product/compliance remediation frameworks, complaint management systems, and regulatory documentation support. LTTS is focusing on redefining legacy medical product design methodologies for ensuring the widest possible compliance with diverse regulatory regimes across territories and regions.

2. Business Environment

NASSCOM reports that the current global pandemic has accelerated the growth of demand for digital transformation and other software-led business journeys. This has had a direct positive impact on offshoring for key R&D destinations, including India.

A sense of heightened immediacy, calling for rapid delivery schedules measured in months as opposed to years earlier, translates to a growing focus on implementing new-age customer-centric solutions through robust, data-driven business models. The scenario is further strengthened by a rapid on-ground shift towards vehicle electrification, smart manufacturing practices, digital products and solutions, state-of-the-art healthcare options, streamlined connectivity, and a sustainable approach to business operations. These key trends will help shape the global ER&D ecosystem, direct investment decisions, and define growth plans for the future. R&D investments alone are expected to grow by 10% to 20% for over a third of the leading technology firms as they explore opportunities for innovation and build new products and services to meet evolving customer demand patterns.

ER&D companies are playing a key role in helping realize the potential of this transition, with global spending during FY 22 expected to continue its robust upward trajectory. Zinnov estimates the industry to register a 9% CAGR to reach USD 2.1 trillion by 2024.

Digital engineering offerings, set to exceed USD 1 trillion by 2024, are witnessing significant traction with Industry 4.0, digital thread/digital twins, and cloud engineering services and solutions driving the growth trajectory.

A stable recovery and growth pattern, therefore, seems to characterize the present market conditions.

The Indian ER&D sector, valued at USD 31 billion in 2019, is well-positioned to harness these favorable conditions and is projected to be worth over USD 63 billion by 2025. As a pure-play ER&D market leader, LTTTS stands to benefit from leveraging its set of well-defined offerings. With established credentials as an innovation leader and deep cross-industry experience, the Company is set to strengthen its robust growth trajectory by providing a unique proposition to customers across industries and domains.

LTTTS' strength in Engineering and Technology is underscored in the ratings by key industry analysts, including, Zinnov, Everest, ISG, ARC, IDC and NelsonHall, who have consistently rated LTTTS as a leader across various categories.

3. Major Achievements

Despite the challenging period due to the continuing impact of the COVID-19 pandemic, LTTTS has had several major deal wins across all the verticals. Large deal bookings were also high, led by a marquee USD 100 million-plus deal win in the transportation segment, a USD 45 million deal with a leading EV OEM, and several USD 25 million-plus engagements.

Order Wins

Transportation

- Jaunt Air Mobility (Jaunt) has awarded LTTTS a multi-year USD100 million+ electric air mobility contract. As part of the contract, LTTTS will open an Engineering and R&D Centre in Québec Province for the next-gen electric aircraft manufacturer to provide new product development engineering and design services for the Jaunt Journey eVTOL (electric Vertical Takeoff and Landing) air taxi.

- LTTTS will be supporting the autonomous drive product development program for an American automotive company, by providing R&D and validation and verification services for its suite of robo-taxis. LTTTS will also be setting up an offshore dedicated engineering center in India to support the customer's global roadmap.
- A global tier 1 automotive company has chosen LTTTS as its technology partner in the areas of Power Electronics, Software Platform Development, Controls and Systems.
- LTTTS has won a multi-year deal from a European automotive supplier to support its next-gen In-Vehicle Infotainment (IVI) for multiple product lines encompassing cockpit electronics, display technologies and advanced driver assistance systems. LTTTS will also provide embedded software development, Wi-Fi stack and Bluetooth development for its upcoming platforms.
- Strategic Engineering Partner for a US-based automotive Tier 1 company, to provide engineering services for its Electric Vehicle (EV) product portfolio. As part of the program, LTTTS is setting up an R&D center in Krakow, Poland.
- A US-based EV battery maker has selected LTTTS as its engineering services partner to support its platform and production programs in the areas of systems engineering, software, functional safety, ASPICE and V&V services.
- An American automotive supplier has selected LTTTS as a strategic partner to provide engineering services for their EV and Power Electronics product portfolio. LTTTS is setting up a center of engineering excellence which will be leveraged by the global technology teams in North America, Europe, and Asia.
- A global aerospace and defense company has awarded LTTTS a program to support end-to-end engineering activities in a managed serviced model. The scope of work includes ownership of select R&D, lab activities as well as testing and certification infrastructure projects.
- LTTTS will be providing turnkey hardware engineering support for a transportation and aerospace conglomerate's global urban rail program. Along with customizing signaling platforms specific to regional requirements, LTTTS will also engineer 5G hardware connectivity across multiple transit authorities globally.
- A North American Electric Vehicle OEM selected LTTTS for a multi-year engagement as its engineering design

partner. The scope of work encompasses the entire value chain including vehicle design for all existing as well as new models.

- For an American automotive supplier, LTTs will be expanding its dedicated design center in India to strengthen capacity and capabilities which will be leveraged by the customer's global technology teams. This center will act as the customer's future technology hub.
- A leading automotive parts maker has named LTTs as its engineering partner for providing digital cybersecurity, functional safety and software and hardware development.
- LTTs has been selected by a North American OEM to develop and enhance industry-unique surround camera Advanced Driver Assistance Systems (ADAS).

Industrial Products

- A consumer electronics manufacturer selected LTTs to support its new product development initiatives, quality certifications and validation & verification activities across six of its manufacturing locations in North America.
- Implementing a water and wastewater management system for the beverage plant of a leading food and beverage conglomerate. The sustainability-focused initiative will reduce water wastage and ensure adherence to local regulations.
- A global manufacturer of motion and control technologies selected LTTs as a worldwide strategic transformation partner to implement and support its IoT initiatives. This multi-year contract includes developing and managing its IoT Condition Monitoring platform and integrating various products.
- LTTs has been chosen by an Asian electronic commerce company to support its network testing platform and develop web based applications. LTTs will offer engineering services to the customer in the areas of manual testing, engineering application development and DevOps.
- A global home appliances maker awarded LTTs a program to roll out an end-to-end 'Quality Clinic' initiative to enhance the customer's manufacturing processes, improve asset uptime, provide better quality workspace and increase the overall plant efficiencies.
- A multi-national lighting corporation has awarded LTTs a program to migrate its Smart City legacy application

to a NextGen architecture. LTTs engineers will develop new features and also support in migrating existing end-customers to the new platform.

- A manufacturer of household cleaning supplies has selected LTTs as its end-to-end engineering partner to design and implement machine safety for all their manufacturing sites in US.
- An American industrial technology company has selected LTTs as its engineering services partner for mid of life product support for a suite of product lines catering to the agriculture segment.
- A leading European manufacturer of residential & commercial building products has entrusted LTTs with a strategic, end-to-end digitalization program for its range of products.
- LTTs has been selected as a strategic engineering supplier by a multinational oil field services company, for a range of engineering and technical services for surface and sub-surface equipment and support global operations.
- LTTs has been identified to support an American conglomerate to alleviate their global supply chain challenges. LTTs shall be working closely with the tier-1 and tier-2 suppliers of the customer and help identify and resolve supply chain bottlenecks.

Telecom and Hi-Tech

- A prestigious 5G program to build and operate a fully automated 5G network lab for a leading USA-based software-driven telecom network OEM. LTTs will support the customer to accelerate their growth trajectory in the new-age 5G driven telecom landscape.
- A Hi-Tech client has selected LTTs as their strategic partner to establish their extended product development center for adoption of new-age technologies and accelerate time-to-market.
- LTTs is setting up multiple engineering labs-as-a-service for a leading global technology firm to support the customer's compute, storage, system, software and networking platform validation.
- One of the world's leading technology companies has chosen LTTs as a major engineering partner for its validation & verification requirements across North America for a new line of connectivity and cellular field testing of next generation devices.

- A leading technology company has empaneled LTTTS as a strategic engineering partner for five years for its product and devices portfolio.
- One of the world's leading technology companies has awarded LTTTS with an engagement to design and develop chips for their AR and VR suite of products. LTTTS engineers will provide Managed Engineering services for Design Verification ("DV"), Register-Transfer-Logic ("RTL") Logic Design and Emulation for development of Computer Vision and Imaging Systems.
- A leading semiconductor manufacturer has empaneled LTTTS as a strategic engineering partner for a period of three years to offer engineering services globally to its entire product suite and assist in their digital transformation journey.

Medical Devices

- A leading European Med-tech company named LTTTS as its engineering provider to offer best in class hardware and software product engineering service and help its 'build care as a service' business model by smart enabling their products.
- A multinational eyecare medical devices company has selected LTTTS to provide Validation & Verification engineering support services.

Plant Engineering

- LTTTS has been awarded a multi-year program from a European Oil & Gas Company to create digital twins for all its upstream and downstream assets, to reduce operational costs.
- A multi-year plant engineering contract from a leading global food processing company to provide plant engineering design services for the client's upcoming facilities in Europe and North America.
- LTTTS is establishing a software engineering Centre of Excellence for a European metrology solutions specialist to help in engineering software development for the customer's manufacturing process lines.
- For a middle eastern chemical manufacturing company, LTTTS' engineers will be developing an AI-based Decision Support System for forecasting asset performance using Machine Learning Models that provides early prediction to reduce failures and avoid unplanned maintenance and plant shutdowns. The solution is expected to be implemented at 10 Plants of the customer across the Middle East, US, and Europe.

- A large US based agribusiness and food company has selected LTTTS to carry out detail Engineering work for their USD 250 million capex plant expansion for protein production.

4. Significant Initiatives

LTTTS has continued to invest significant time and effort in strategic initiatives that will propel its technology footprint, engineering infrastructure and human resources, with the objective to provide a differentiated experience to its customers.

- LTTTS released its first Sustainability Report for the year 2020-21, with a roadmap to achieve carbon and water neutrality by 2030. As part of its commitment to building a sustainable business, the Company signed the Science Based Target Initiative pledge during the year. LTTTS has aligned its climate mitigation targets to that of the Paris Agreement – to reach net-zero global emissions by 2050 and limit global warming to 1.5°C.
- LTTTS has been selected as an engineering partner by Mavenir and NVIDIA, to accelerate the adoption of the industry's first converged AI-on-5G. LTTTS will support Mavenir with customization, integration and deployment of AI applications on NVIDIA's AI-on-5G unified Platform.
- Inauguration of the NeXSens Lab at the LTTTS, Bengaluru Campus. The lab will serve LTTTS' global clientele and is equipped with state-of-the-art high-precision tools for catering to all sensorization requirements.
- LTTTS launched a next-gen IoT-based engineering practice on Digital Twins for the manufacturing and industrial sectors. For this, LTTTS collaborated with Microsoft and Bentley Systems to establish a Center of Excellence (CoE) that will address and accelerate the Digital Twin and Digital Thread requirements of new-age manufacturing companies.

5. Environment Health & Safety

LTTTS has aligned its sustainability goals with that of its parent, L&T, with the objective of contributing to the creation of a sustainable world by minimizing environmental impact, maximizing social outreach, and offering sustainable solutions.

As part of its commitment to the environment, LTTTS is also constantly undertaking various focused initiatives in the areas of water and energy conservation. Targeted intervention measures are underway to reduce the Company's overall environmental footprint, with

the stated objective of reaching carbon and water neutrality by 2030.

LTTs is following and implementing all standard industry protocols and best practices to ensure workplace health, safety, and well-being of its workforce of over 20,000 employees.

- Over the past year, the second of the pandemic, LTTs has taken several important measures to protect the health and well-being of its employees. This includes setting up of isolation facilities, inauguration of specialized ambulances, and AnyDOC, a teleconsultation facility to help alleviate anxiety and concerns. The LTTs team has also put in place multiple safety measures to ensure adequate sanitization of office premises, social distancing, and mandatory screening of employees in alignment with the government-mandated safety measures. Details of these initiatives were communicated to the employees through online sessions, webinars, and virtual townhalls by the leadership.
- To ensure workplace safety, LTTs launched a mobile app named weCare that monitors safety and health of employees, enables contact tracing, and keeps employees updated on important communication and medical advisories.

- As part of LTTs’ series of wellness initiatives, yoga and meditation sessions were organized across its global locations. The program was designed to help employees improve their health and wellbeing, while overcoming the stress and anxiety from the fallouts of the pandemic.

6. Risks & Concerns

The Company has a well-defined Risk Management framework for assessment, monitoring, and treatment of risks. This framework is administered by the Enterprise Risk Management organization.

The increasing prevalence of cyber-security threats, incidences of data leakage, malware / ransomware attacks pose a major risk to the organization. Heightened levels of geo-political tensions could also lead to exaggeration of such cyber-risks. The organization has taken mitigation measures for this risk as one of the major programs for upgradation of IT infrastructure and policies. There are concerns regarding higher attrition rates across the industry which has a potential to hamper company’s ability to provide high quality and uninterrupted services to clients. Record high level inflation and margin pressures in client geographies could present risk in the form of deceleration in R&D spend growth. Exchange rate fluctuations can add to volatility in margins.

The key risks for the company and the mitigation plans for the same are listed below:

Key Risks	Mitigation
Cyber Security risks that could lead to data leakage, malware or ransomware attacks, hacking etc. This risk also comes into focus in the context of large number of employees working from home	<ul style="list-style-type: none"> • Deployment of enhanced security software and controls across the organization to further strengthen cyber security • Strict implementation of all secure web gateway, protocols, policies relating to Work from Home, VPN access and implementation of Zero trust architecture • Conduct of Cyber Security awareness campaign for all employees • Periodic assessment of cybersecurity maturity and conduct of threat hunting exercises to identify gaps
Increased attrition levels in line with trends observed in industry	<ul style="list-style-type: none"> • Various measures of employee engagement and professional enrichment are being implemented
Resurgence of pandemic could materially affect revenue growth and profitability. Further there would also be certain segments that may face cyclical downturns.	<ul style="list-style-type: none"> • Well managed WFX program adopted, adequate safety measure and covid appropriate infrastructure provided. • Diversified revenue mix covering different segments and geographies to address cyclical downturn • Cross selling across industry segments capitalizing on the Company’s technology expertise and capabilities developed thereby limiting dependence on any particular industry segment

Key Risks	Mitigation
Inability to innovate and develop new services and solutions to keep up with customer expectations and evolving technologies which could result in lower growth traction	<ul style="list-style-type: none"> • Continuous competency and capability building in leading edge technologies supported by investments in labs and Centers of Excellence prepares the Company to address changing customer requirements • Focus on innovation and development of solutions and accelerators to reduce time-to-market for customers
Exchange rate volatility in various currencies could materially and adversely impact results of operations	<ul style="list-style-type: none"> • Long term cash flow hedges taken to minimize the impact of exchange volatility on Net profit • Regular evaluation of hedging policy by internal Risk Management to assess effectiveness
Risk of inadequate protection of intellectual property rights of our customers can lead to reputational damage and litigation	<ul style="list-style-type: none"> • Robust data security protection and controls to prevent unauthorized access and/or data transfer • Strict physical access controls for employees across customer delivery centers and secure areas • Regular internal audits to comply with customer requirement of confidentiality and data protection
Changes in immigration laws, rules and policies can impact our ability to provide services to customers at foreign locations	<ul style="list-style-type: none"> • Local hiring at multiple locations abroad to reduce the dependency on work visas • Proactive engagement with legislative and regulatory stakeholders to improve internal processes for visa filing
Risks arising due to changes in customer business operations to be more sustainable and environment friendly. Rising risk from inadequate communication on the Company's Sustainability program	<ul style="list-style-type: none"> • The Company has made sustainability related offerings as one of the 6 major growth engines. Adequate business thrust and investments are being made in this sector to match customer requirements and the changing scenario to provide sustainable products and services • The Company has embarked on sustainability journey with a fresh focus on improving on all ESG metrics. The company released its first sustainability report for FY21 and has also announced Carbon and Water neutrality goals

In addition to the above risks the following immediate concerns are being adequately addressed:

On December 4, 2019, officers assigned to the U.S. Department of Homeland Security came to our offices in New Jersey and Illinois seeking information regarding the Company's nonimmigrant visa program. We later learned that this was part of a larger inquiry by the Department of Homeland Security and the South Carolina U.S. Attorney's Office. The Company has retained counsel in the U.S to represent it in this inquiry as well as an expert consulting firm to conduct a review of its nonimmigrant worker visa procedures. The Company has fully cooperated with this inquiry. The government has not filed any charges with respect to the Company.

7. Outlook

LTTs is built on the twin pillars of engineering and technology. The Company continues to strengthen this foundation by leveraging emerging trends that it feels will drive relevance in the marketplace for years to come.

Last year, LTTs identified a set of key focus areas – **the Six Big Bets: Electric Autonomous & Connected Vehicles (EACV), 5G, MedTech, AI & Digital Products, Digital Manufacturing, and Sustainability**. With significant

traction being recorded in each of these six domains over the last year, the Company expects that the momentum will continue to rise as the pace of global post-pandemic recovery accelerates.

During the year, LTTs unveiled eVOLTTs, a first-of-its-kind EV technology demonstrator platform. The Company is also focusing on delivering state-of-the-art telematics and connectivity solutions, cutting-edge infotainment systems, powertrain design services, and end-to-end design and development of automotive components.

LTTs is helping drive private 5G network rollouts for global organizations to achieve seamless connectivity and unlock business value. The Company has also unveiled a state-of-the-art Lab as a Service model to address the emerging requirements of its customers. Its market partnership for AI-on-5G, to be engineered and deployed by LTTs engineers, leverages Mavenir RAN and is powered by Nvidia.

In MedTech, the Company is actively pursuing new avenues to promote digital surgery projects that help ensure faster and more efficient surgery with improved outcomes. Several innovations, including the cuff-less non-invasive BP algorithm, and an enhanced Chest-rAI™ platform leveraging advanced hardware were unveiled during FY'22.

The Company is leveraging its deep domain expertise across the digital ecosystem to drive state-of-the-art digital transformation journeys for its customers. LTTs' platform-led, vertical-focused approach is driving cutting-edge outcomes around embedded AI, AI-enabled test automation, cybersecurity, digital thread, and digital twins.

As the world emerges from the impact of the global pandemic, LTTs is helping industry leaders transform their smart manufacturing and operations. The Company is leveraging its digital manufacturing expertise to streamline the connected value chain, promote digital assets and security, help businesses focus on intelligent sustenance, and ensure continual and profitable transformation journeys.

With a growing number of global organizations defining and declaring their commitment to a sustainable business paradigm, LTTs is helping its customers achieve their Net Zero targets across product circularity and operational paradigms. The Company is active across Energy Transition and Management, Water and Waste Management, Circular Product Design, Digital Interventions, Sustainability Consulting, and Climate Action. Its 100% renewable energy-based EV charging infrastructure has gained worldwide attention as the electric car revolution takes off.

Focused investments continue to be undertaken across each of these key technology areas, accelerating LTTs's core culture of and continuing commitment to innovation. New alliances are being explored to drive and strengthen this journey, as the Company reaffirms its mission of becoming the engineering partner of choice for customers by enabling innovation with world-class technologies, processes, and people – delivering a truly inclusive growth for all stakeholders.

8. Internal Control Systems and their Adequacy

The management has designed internal control systems commensurate with the size and complexity of the business. An internal control system comprises all policies and procedures that taken together, support Company's effective and efficient operation. The company has implemented internal controls that deal with system automation, authorisations, access restrictions, physical security etc. for providing reliable financial and operational information.

9. Significant Factors affecting Our Results of Operations

LTTs business growth depends on the global ER&D spending by corporates, the quantum of ER&D outsourced to third party vendors and the ability of LTTs to develop competencies to address the ER&D needs of its customers. On the operational side, LTTs performance depends on the Utilisation rate of its billable employees, ability to command higher bill rates for its offerings, effective talent management addressing hiring, skilling and retention of high quality resources, management of foreign exchange volatility risk since a significant portion of business is billed in currencies like USD and EUR, and the onsite-offshore revenue mix as profit margins are typically higher if work is performed offshore as compared to onsite.

From a regulatory and compliance standpoint, LTTs business sustainability requires protecting the confidentiality and intellectual property rights of our customers failing which we could be liable for damages, being compliant to the local regulations that include immigration and data protection laws, in every country we are present in.

10. Financial Conditions (Consolidated)

1. Equity Capital

	(₹ million)	
Equity Capital	As at 31-03-2022	As at 31-03-2021
Authorised :		
5,250,000,000 equity shares of ₹ 2 each	10,500	10,500
(Previous year 5,250,000,000 equity shares of ₹ 2 each)		
Issued, subscribed, and fully paid up		
105,532,167 equity shares of ₹ 2 each	211	210
(Previous year: 105,045,823 of ₹ 2 each)		
EQUITY SHARE CAPITAL	211	210

2. Other Equity

	(₹ million)	
Other Equity	As at 31-03-2022	As at 31-03-2021
Retained Earnings	27,713	21,777
Hedging reserve	1,896	1,156
Securities premium	11,396	11,229
Foreign currency translation reserve	225	131
Employee stock options outstanding (Net of deferred compensation)	187	297
Other Items of other comprehensive income	(3)	(69)
Total Other Equity	41,414	34,521

Other equity at the end of March 31, 2022, stood at ₹41,414 million as against ₹34,521 million at the end of at March 31, 2021.

The movement in retained earnings was primarily on account of profit earned during the year offset by dividends declared.

Increase in Securities premium is mainly on account of exercise of share options.

3. Long Term and Short-Term Borrowings

The Company's Long-term and short-term borrowings stood at Nil on March 31, 2022 and 2021 respectively

4. Current liabilities (other than borrowings)

	(₹ million)	
Current liabilities	As at 31-03-2022	As at 31-03-2021
Trade payables	1,720	2,352
Other financial liabilities	4,339	3,617
Other current liabilities	4,937	2,958
Short-term provisions	1,952	1,584
Current tax liabilities	841	471
Total	13,789	10,982

Current liabilities consisting of Trade payables, other financial liabilities, other current liabilities, short term provisions and current tax liabilities stood at ₹ 13,789 million as of March 31, 2022, from ₹ 10,982 million as of March 31, 2021.

Other current liabilities increased due to increase in year-end liabilities mainly towards expense provisions.

Other financial liabilities consist of lease liability, Liabilities for employee compensation etc which mainly increased due to increase in year-end liabilities towards employee related expenses.

5. Non-Current liabilities (other than borrowings)

	(₹ million)	
Non-Current liabilities	As at 31-03-2022	As at 31-03-2021
Lease Liability	4,276	4,015
Other financial liabilities	274	322
Total Non-Current Liabilities	4,550	4,337

Non- Current liabilities consisting of Lease Liability and other financial Liabilities stood at ₹ 4,550 million as of March 31, 2022 from ₹ 4,337 million as of March 31, 2021.

Lease Liability increased on account of increase in lease premise.

Other financial liabilities mainly decreased on account of Forward contract payable.

6. Property, plant and equipment

	(₹ million)	
Property, plant and equipment	As at 31-03-2022	As at 31-03-2021
Property, plant and equipment	2,324	2,063
Right of Use Assets	4,073	4,197
Capital work-in-progress	99	119
Goodwill	5,881	5,827
Other intangible assets	549	737
Net Fixed Assets	12,926	12,943

Additions:

Additions to the gross block in the year ended March 31, 2022, amounted to ₹ 887 million in Right of Use and ₹ 1347 million in Plant property and equipment and Intangible assets, these comprising of ₹ 579 Mn towards Computers; ₹ 428 Mn towards Office and other equipment; ₹ 82 Mn towards Vehicles; ₹ 77 Mn towards Leasehold improvements; ₹ 31 Mn towards Furniture & Fixtures and ₹ 150 Mn towards Specialised Software. The Company has been investing in infrastructure facilities on account of computers, office equipment, expansion of development centres and overseas offices, in line with business growth.

Deductions:

During the year, the Company disposed various assets with a gross block of ₹ 722 million.

Capital work-in-progress:

The Capital expenditure as on March 31, 2022, amounted to ₹ 99 Mn as compared to ₹ 119 Mn as on March 31, 2021. The Capital Work in progress are primarily for Infrastructure facilities.

Goodwill:

On a consolidated basis, carrying value of Goodwill as on March 31, 2022, is ₹ 5881 Mn as compared ₹ 5827 Mn as on March 31, 2021. The increase is basically on account of foreign currency translation.

7. Trade Receivables

Trade Receivables amounted to ₹ 16,959 Million as at March 31, 2022, compared to ₹ 12,346 Million as at March 31, 2021. The day's sales outstanding stood at 94 days as at March 31, 2022 as compared to 83 days as at March 31, 2021.

8. Cash and Bank balance

The Bank balances in India include both rupee accounts and foreign currency accounts. The Bank balances in overseas accounts are maintained to meet the expenditure of the overseas operations.

Deposits with bank represent surplus money deployed in the form of deposits and collaterals kept against open ended bank guarantees issued to customers. The Cash and Bank balance stood at ₹ 6,742 Million as at March 31, 2022 from ₹ 2,327 Million as at March 31, 2021.

9. Current assets (other than Cash and Trade Receivables)

	(₹ million)	
Current assets	As at 31-03-2022	As at 31-03-2021
Investments	13,918	15,149
Other Financial assets	2,564	1,685
Other Current assets	3,068	3,519
Total	19,550	20,353

Investments as at March 31, 2022 amounting to ₹ 13,918 Mn comprises of Mutual funds, Corporate Deposits, Non-Convertible Debentures and Commercial Papers as compared to ₹ 15,149 Mn comprises of Mutual funds and Corporate Deposits as at March 31, 2021. This is basically done to diversify the funds and risks associated to same.

Other financial assets mainly consist of advance to employees, security deposits, forward contract receivable, Unbilled Revenue etc. which increased from ₹ 1,685 Million as of March 31, 2021 to ₹ 2,564 Million as of March 31, 2022. The increase is primarily on account of Unbilled Revenue which moved from ₹ 802 Mn as of March 31, 2021 to ₹ 1,049 Mn as of March 31, 2022. Forward contract receivable also increased from ₹ 792 Mn as of March 31, 2021 to ₹ 1,048 Mn as of March 31, 2022 and said foreign currency forward and options contracts are entered into to mitigate the risk of changes in exchange rates on foreign currency exposures.

Other current assets mainly consist of advance to Suppliers, GST receivables, Unbilled Revenue etc. which decreased from ₹ 3,519 Million as of March 31, 2021 to ₹ 3,068 Million as of March 31, 2022. The decrease is majorly on account of reversal of SEIS benefits as result of Government of India notifying revised guidelines pertaining to SEIS claims, in September 2021.

10. Non-current assets (other than Property, plant and equipment, Goodwill and Deferred Tax)

(₹ million)		
Non- current assets	As at 31-03-2022	As at 31-03-2021
Investments	861	-
Other financial assets	2,364	1,644
Other non-current assets	1,370	1,049
Total	4,595	2,693

Our investments here comprise of Investment fully in corporate deposits. The Company invests after considering counterparty risks based on multiple criteria including Tier I capital, capital adequacy ratio, credit rating, profitability, NPA levels and deposit base of banks and financial institutions and said risks are monitored regularly.

Other Financial assets consist of security deposits, fixed deposits and foreign currency receivable as at March 31, 2022 increased by ₹ 720 Million primarily on account of increase in forward contract receivable

Other Non-current assets comprise of Prepaid Expenses & Income Tax Receivables which increased from ₹ 1,049 Mn as of March 31, 2021 to ₹ 1,370 Mn as of March 31, 2022 and is primarily on account of increase in Income Tax receivables by ₹ 359 Mn. This represents local taxes payable in various countries in which we operate.

11. Net Deferred tax assets / liabilities

(₹ million)		
Non- current assets	As at 31-03-2022	As at 31-03-2021
Deferred tax asset	(138)	(67)
Deferred tax liabilities	809	578

Deferred tax asset and liability is recognised on temporary differences between the tax base of assets and liabilities, and their reported amounts in financial statements, which will result in taxable or deductible amounts in the future and quantified using the tax rates and laws enacted or substantively enacted as at balance sheet date.

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.

12. Results of our operations

The following table shows a breakdown of our consolidated results of operations and each item as a percentage of total income for the years indicated:

Non- current assets	FY 22		FY 21	
	(₹ Million)	% of total income	(₹ Million)	% of total income
Income				
Revenue from operations	65,697	100.0%	54,497	100.0%
Expenses				
Employee benefit expenses	36,505	55.6%	33,550	61.6%
Other Operating expenses	15,043	22.9%	10,873	20.0%
Depreciation and amortisation expenses	2,144	3.3%	2,183	4.0%
Operating Profit (EBIT)	12,005	18.3%	7,891	14.5%
Other income	1,524	2.3%	1,537	2.8%
Finance Costs	437	0.7%	455	0.8%
Profit before extraordinary items and tax	13,092	19.9%	8,973	16.5%
Extraordinary items	-	0.0%	-	0.0%
Profit before tax	13,092	19.9%	8,973	16.5%
Tax Expenses				
- Current tax	3,572	5.4%	2,300	4.2%
- Deferred tax	(86)	-0.1%	8	0.0%
	3,486	5.3%	2,308	4.2%
Profit after Tax	9,606	14.6%	6,665	12.2%
Non-controlling interest	36	0.1%	32	0.1%
Profit for the year	9,570	14.6%	6,633	12.2%

11. Financial Year 2022 compared to Financial Year 2021 (Consolidated)

1. Income

Our revenue from continuing operations increased by 20.6% to ₹65,697 Million for the year ended March 31, 2022 from ₹54,497 Million for the year ended March 31, 2021.

Our USD revenue from continuing operations comprise revenues denominated in USD, in addition to amounts in foreign currencies across our operations, that are converted into USD using the day-end exchange rates for the relevant period. Such revenues increased by 19.5% to USD 880.2 Million for the year ended March 31, 2022 from USD 736.6 Million for the year ended March 31, 2021.

2. Employee benefit expenses

Employee benefit expenses comprise salaries (including overseas staff expenses), share based payment, staff welfare, contributions to provident funds and contributions to gratuity funds.

Our employee benefit expenses increased by 8.8% to ₹36,505 Million for the year ended March 31,

2022 (which represented 55.6% of our revenue from operations for such year) from ₹33,550 Million for the year ended March 31, 2021 (which represented 61.6% of our revenue from operations for such year). This is primarily due to increase in headcount.

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which the Code becomes effective and the related rules to determine the financial impact are published.

3. Other Operating expenses

Other operating expenses primarily comprises of subcontracting and component, technical and consultancy charges, cost of computer software, rent and establishment expenses, travelling expenses, legal and professional charges, overheads charges and miscellaneous expenses.

Our other operating expenses increased by 38.4% to ₹ 15,043 Million for the year ended March 31, 2022 (which represented 22.9% of our revenue from operations for such year) from ₹ 10,873 Million for the year ended March 31, 2021 (which represented 20.0% of our revenue from operations for such year).

The increase is on account of higher subcontracting, consultancy and software costs in addition to travel and administrative costs which were lower in the previous year due to cost control measures taken.

4. Other Income

Our other income primarily consists of income from foreign exchange gains, investment income from mutual funds, interest received, net gain on fair value of investment and miscellaneous income. Other income also includes Export benefits which decreased by ₹ 868 Million in FY 22 (FY 22 : ₹ (320) Million and in FY 21 : ₹ 548 Million) mainly due to changes in SEIS policy by the Government. Income arising from Investment increased to ₹ 794 Million for the year ended March 31, 2022 from ₹ 343 Million for the year ended March 31, 2021 on account of higher cash surplus.

The Company designates foreign exchange forward contracts as hedge instruments in respect of foreign exchange risks. These hedges are accounted for as cash flow hedges. The Company uses hedging instruments that are governed by the policies of the Company which are approved by the Board of Directors, which provide written principles on the use of such financial derivatives consistent with the risk management strategy of the Company.

The hedge instruments are designated and documented as hedges at the inception of the contract. The effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at inception and on an ongoing basis. The ineffective portion of designated hedges are recognised immediately in the statement of profit and loss. The effective portion of change in the fair value of the designated hedging instrument is recognised in the other comprehensive income and accumulated under the heading cash flow hedge reserve.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and

accumulated in equity till that time remains and is recognised in statement of profit and loss when the forecasted transaction ultimately affects the profit or loss. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss accumulated in equity is transferred to the statement of profit and loss.

5. Finance costs

Finance costs comprise bank interest paid and Interest accounted towards IND AS116. Exchange losses on borrowings are also accounted for as part of finance costs.

Our finance costs decreased to ₹ 437 Million for the year ended March 31, 2022 from ₹ 455 Million for the year ended March 31, 2021.

6. Depreciation and amortization

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

Our depreciation and amortisation on tangible and intangible assets decreased to ₹ 2,144 Million for the year ended March 31, 2022 (out of which ₹ 919 Mn accounted as Depreciation on ROU created as per IND AS 116) from ₹ 2,183 Million for the year ended March 31, 2021 primarily due to derecognition of assets created as ROU.

7. Profit before tax

As a result of the above mentioned factors, our profit before extraordinary items and tax increased by 45.9% to ₹ 13,092 Million for the year ended March 31, 2022 (which represented 19.9% of our revenue from operations for such year) as compared to ₹ 8,973 Million for the year ended March 31, 2021 (which represented 16.5% of our revenue from operations for such year).

8. Tax expenses

Tax expenses comprise of current tax and deferred tax. Current income tax is the amount expected to be paid to the tax authorities in accordance with the applicable tax laws in relevant jurisdictions. Deferred income tax reflects the impact of timing differences between taxable income and accounting income.

Our current tax increased to ₹ 3,572 Million for the year ended March 31, 2022 from ₹ 2,300 Million for the year ended March 31, 2021. Our deferred tax credit for the year ended March 31, 2022 was ₹ 86 Million as against our deferred tax charge for the year ended March 31, 2021 of ₹ 8 Million.

Our total tax expense has increased to ₹ 3,486 Million for the year ended March 31, 2022 from ₹ 2,308 Million for the year ended March 31, 2021. The increase in current tax is mainly on account of higher profit before tax and higher effective tax rate.

9. Profit for the year

As a result of the above mentioned factors, our profit increased by 44.3% to ₹ 9,570 Million for the year ended March 31, 2022 from ₹ 6,633 Million for the year ended March 31, 2021.

10. Earnings per share (EPS)

Our Basic EPS before extraordinary items has increased by 43.6% to ₹ 90.92 per share in the year ended March 31, 2022 from ₹ 63.32 per share in the year ended March 31, 2021. The diluted EPS has increased by 44.3% to ₹ 90.74 per share in the year ended March 31, 2022 from ₹ 62.90 per share in the year ended March 31, 2021

12. Key Financial Ratios (Consolidated)

Ratio	₹ million	
	FY 22	FY 21
Days Sales Outstanding (in days)	94	83
Interest Coverage Ratio	356	369
Current Ratio	3.1	3.2
Debt Equity Ratio	0.0	0.0
Operating Profit Margin (%)	18.3%	14.5%
Net Profit Margin (%)	14.6%	12.2%
Return on Net Worth (%)	25%	21%

Explanations for changes in ratios:

- Days Sales Outstanding for the year ended March 31, 2022 went up to 94 days as compared to 83 days for the year March 31, 2021, on account of an increase in Trade receivables to ₹16,959 Million as at March 31, 2022, compared to ₹12,346 Million as at March 31, 2021.
- Interest Coverage ratio is not a relevant metric for the Company as it does not have any debt.
- Operating profit margin increased to 18.3% in FY22 compared to 14.5% in FY21 primarily on account of improved growth, better quality of revenue and measures taken to increase operational efficiencies.
- Net profit margin increased to 14.6% in FY22 as compared to 12.2% in FY21, primarily on account of higher Operating profit margin.

- Return on Net Worth for the year ended March 31, 2022 increased to 25% on account of higher Profit for the year at ₹ 9,570 Million as compared to ₹ 6,633 Million for the year ended March 31, 2021.

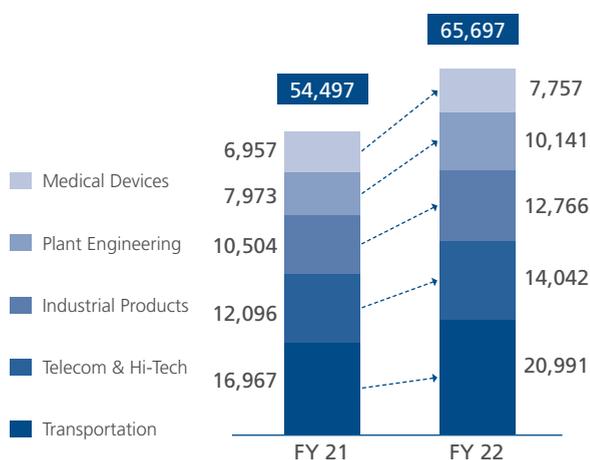
13. Segment reporting (Consolidated)

Our segmental reporting comprises business and geographic segmentation.

Business segmentation

LTTs operates in five industry segments namely Transportation, Telecom & Hitech, Industrial products, Process Industry and Medical devices.

Revenue Contribution By Segments
(₹ million)



Transportation:

Transportation segment is our largest segment by revenue and contributed 32.0% of the company's total revenue in FY 22 vs 31.1% of the total revenue in FY'21. Transportation revenue grew by 23.7% in FY 22 and showed an improvement in operating margin from 14.7% in FY'21 to 18.9% in FY 22. Increase in operating margin is due to better quality of revenue, operational efficiencies and favourable offshore mix.

Telecom & Hi-tech:

Telecom segment is the second largest segment. The segment has contributed 21.4% of the company's total revenue in FY 22 vs 22.2% of the total revenue in FY'21. Telecom revenue grew by 16.1% in FY 22. The operating margin of this segment has increased to 12.9% in FY 22 from 12.0% in FY 21. Increase in

operating margin is due to better quality of revenue and operational efficiencies.

Industrial Products:

The Industrial Products segment is the third largest segment and has contributed 19.4% of the company's total revenue in FY 22 vs 19.3% of the total revenue in FY 21. The segment has shown an uptick in revenue by 21.5% in FY 22. The operating margin of this segment has improved from 27.0% in FY 21 to 29.6% in FY 22. Increase in operating margin is due to better quality of revenue, operational efficiencies and favourable offshore mix.

Plant Engineering:

Plant Engineering contributed 15.4% of the company's total revenue in FY 22 vs 14.6% of the total revenue

in FY 21. The segment has shown a 27.2% growth in revenue in FY 22. The operating margin of this segment has increased from 20.9% in FY 21 to 24.9% in FY 22. Increase in operating margin is due to better quality of revenue and operational efficiencies.

Medical Devices:

Medical Devices segment is the smallest segment and contributed 11.8% of the company's total revenue in FY 22 whereas in FY 21 it was 12.8%. The segment has shown a 11.5% growth in revenue in FY 22. The operating margin of this segment has improved from 30.8% in FY 21 to 32.0% in FY 22. Increase in operating margin is due to better quality of revenue and favourable offshore mix.

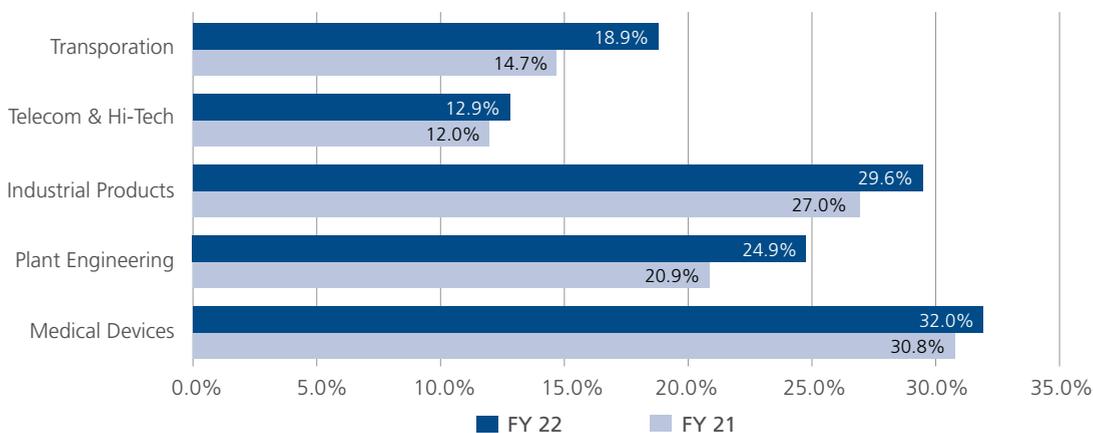
The following table shows a breakdown of our revenue by our business segments for the periods indicated:

(₹ million)

Segments	FY 22		FY 21	
	(₹ Million)	% of total revenue	(₹ Million)	% of total revenue
Transportation	20,991	32.0%	16,967	31.1%
Telecom & Hi-Tech	14,042	21.4%	12,096	22.2%
Industrial Products	12,766	19.4%	10,504	19.3%
Plant Engineering	10,141	15.4%	7,973	14.6%
Medical Devices	7,757	11.8%	6,957	12.8%
Total operating revenue	65,697	100.0%	54,497	100.0%

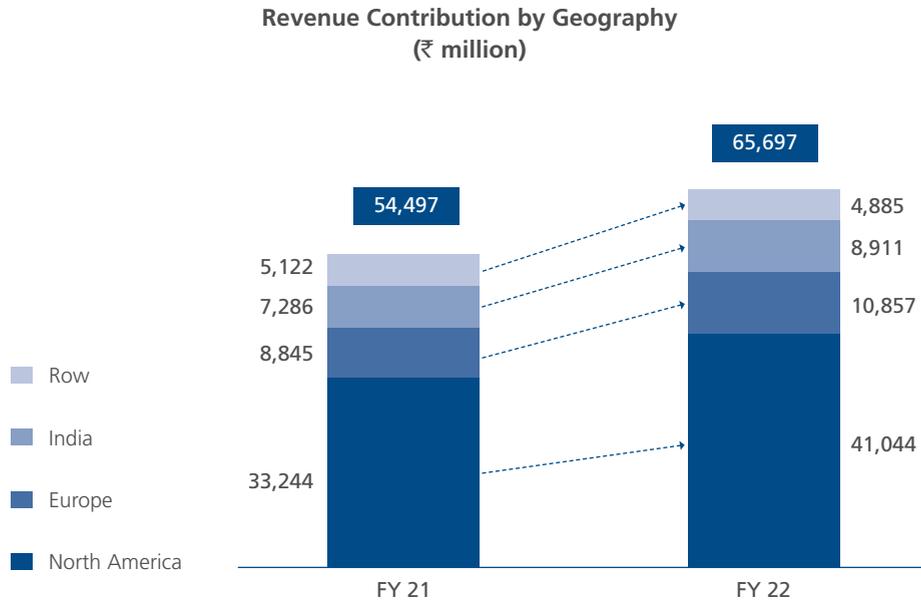
Further, the segment wise operating profits as a percentage to respective segment revenue has been depicted below for the periods indicated:

Segmental Operating Profit Margin



Geographical segmentation:

The revenues are generated from four main geographic markets: North America, Europe, India and Rest of the world. We present our revenues by client billed location, irrespective of the location of the headquarters of the client or the location of the delivery Centre where the work is performed.



Annual Business Responsibility Report

FY 2021-2022

Pursuant to 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are happy to present the Business Responsibility Report for the financial year ended March 31, 2022. This Business Responsibility Report covers the responses across environment, governance and stakeholder relationships of all the business. This report conforms to Business Responsibility Reporting (BRR) requirement of SEBI based on the National Voluntary Guidelines (NVG) released by the Ministry of Corporate Affairs, India.

Through our consistent efforts in utilizing technology and adapting to evolving global scenarios, we strive to positively impact our value chain, employees, suppliers, customers, investors and local communities. Through our CSR activities and several people-oriented policies and initiatives, we endeavour to build a better society. We encourage sustainable practices within and outside the organization by participating in social innovation programmes.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

- Corporate Identity Number (CIN) of the Company: **L72900MH2012PLC232169**
- Name of the Company: **L&T TECHNOLOGY SERVICES LIMITED**
- Registered address: **L&T House, N.M. Marg, Ballard Estate, Mumbai 400 001**
- Website: **www.LTTS.com**
- E-mail id: **investor@ltts.com**
- Financial Year reported : **1st April 2021- 31st March 2022**

Sector(s) that the Company is engaged in (Industrial activity code-Group)	Class	Sub-Class	Description
620	6209	62099	Other information technology and computer services activities wise

- List three key products/services that the Company manufactures/provides (as in balance sheet)

Engineering and Research & Development Services in chosen verticals viz Industrial Products, Telecom & Hi-Tech, Plant Engineering, Transportation and Medical Devices.

- Total number of locations where business activity is undertaken by the Company

I. Number of International Locations - 45

II. Number of National Locations - 7

- Markets served by the Company – Local/State/National/International: **All**

SECTION B: FINANCIAL DETAILS OF THE COMPANY

- Paid up Capital: **₹ 211 million**
- Total Turnover: **₹ 58,737 million**
- Total profit after taxes: **₹ 9,185 million**
- Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax: **more than 2%**
- List of activities in which expenditure in 4 above has been incurred:

(a) Education

(b) Skill development

(c) Healthcare

(d) Water Conservation

(e) Environment

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)

No.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

Yes. At present, less than 30% of the suppliers/distributors participate in BR initiatives

SECTION D: BR INFORMATION

1. (a) Details of Director/Directors responsible for BR

1. DIN Number: **07076149**
2. Name: **Mr. Amit Chadha**
3. Designation: **CEO & Managing Director**

- (b) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	Not applicable
2	Name	Mr. K.N.Prabhakaran
3	Designation	CSR Head
4	Telephone number	+91 22 6892 5257
5	e-mail id	investor@lts.com

2a. Principle-wise (as per NVGS) BR Policy/Policies (Reply in Y/N)

P1- Business should conduct and govern themselves with ethics, transparency and accountability

P2- Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle

P3- Business should promote the well-being of all employees

P4- Business should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

P5- Business should respect and promote human rights

P6- Business should respect protect and make efforts to restore the environment

P7- Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner

P8- Business should support inclusive growth and equitable development

P9- Business should engage with and provide value to their customers and consumers in a responsible manner

Sr. 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	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/international standards? If yes, specify? (50 words)	India based policies are aligned to National Standards. Policies pertaining to GEO NA, Europe & ROW are aligned with the International Standards. (respective GEO)								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director? Signed by the CEO & MD	Y Note 1	Y Note 1	Y Note 1	Y Note 1	Y Note 1	Y Note 1	Y Note 1	Y Note 1	Y Note 1
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	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	Available on Company's Intranet						https://www.lts.cominvestors/corporate-governance	Available on Company's Intranet	
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	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	Y	Y	Y
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

Note 1: As per the approval matrix of the Company.

2b. If answer to the question at serial number 1 against any principle, is 'no', please explain why: (tick up to 2 options):

Sr. 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									Not Applicable
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									Not Applicable
3	The Company does not have financial or manpower resources available for the task									Not Applicable
4	It is planned to be done within next 6 months									Not Applicable
5	It is planned to be done within the next 1 year									Not Applicable
6	Any other reason (please specify)									Not Applicable

3. Governance related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:

Annually

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes.

The Sustainability Report of the Company is published on the website of the Company at https://www.ltts.com/sites/default/files/2022-03/ESG_Report_20_21.pdf

The Company expects its associates to adhere to highest standards of business conduct wherever the Company is present, as customer, supplier or as consultant. All employees are guided by the vision statement & values that reinforce success & reputation of the organization. Each employee of the Company is required to provide an annual declaration of his/her adherence to CoC. The said CoC is also displayed on the website of the Company. Awareness of CoC is a crucial part of induction program for new joiners and receive due notification on introduction of any amendments. Any non-compliance is addressed by a disciplinary committee and subsequently handled with suitable disciplinary actions.

The Company's Code of Conduct addresses bribery, corruption and tax evasion and extends to all group companies, suppliers, contractors, NGOs and other stakeholders. Additionally, the Company has drafted a separate CoC for its suppliers, customers and consultants to follow in order to uphold highest levels of ethical business standards.

SECTION E: PRINCIPLE-WISE PERFORMANCE

PRINCIPLE:1

BUSINESS SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY:

The Company's philosophy of corporate governance originates from L&T Group's unique heritage which views Corporate Governance as fundamental to business. Our philosophy on Corporate Governance is based on ethics, transparency, intellectual integrity, dependability and disclosure practice. Our work culture extols accountability and fairness in our business dealings and our unwavering respect for values and equality, as defined and detailed in the Company's institutionalized Code of Conduct (CoC).

The Company's consolidated CoC mandates all employees, including board members, to constantly ensure that operations abide by our ethics and values. The Chief Executive Officer & Managing Director makes an Annual Declaration to the shareholders regarding the senior management's compliance with the CoC.

The Company recognizes and respects the need to protect individual's personal data, which might be accessed by the Company and its employees during the course of business with its stakeholders, from any unauthorized disclosure and usage. The Company's Privacy Policy, is founded on the principles as set out in the European General Data Protection Regulations (GDPR), duly approved by the Management, to reinforce the Company's commitment to adhere to data privacy and security regulations across various geographies, in which the Company operates. The Privacy Policy of the Company covers key areas such as Data Protection Principles as well as Data Use Guidelines. The Privacy Policy is applicable to all LTTS employees as well as third parties who may be involved in collection, processing, retention, transfer, disclosure and destruction of personal data collected by or on behalf of LTTS. The Company's Data Privacy Officer is authorized for the upkeep of the Privacy Policy in lieu with amended laws as and when applicable.

The Whistle Blower Policy is a vigilance mechanism, which has been implemented since 2014 to report the concerns by the directors and associates about actual or suspected frauds, unethical behaviour or violation of the Company's values or CoC. The Whistle Blower Policy is available on the Company's website. As per the amendments in SEBI (Prohibition of Insider Trading) (Amendment) Regulations in 2018, the Company has implemented a Policy and Procedure for inquiry in case of leak /suspected leak of Unpublished Price Sensitive Information (UPSI). If any employee has a suspect of leakage of UPSI, necessary investigation and action is taken by the Information Leakage Investigation Committee.

'**Ethics Line**' has been created to provide a platform to facilitate the Whistle Blower mechanism. Ethics Line is an independent multi-channel interface to employees to anonymously report unethical conduct/malpractice they may see around them and which are addressed by the Company. It promotes trust, transparency, honest communication and ethical conduct while enabling a safe and impartial expression for the Company to protect its interests.

During the financial year 2021-22, the Company received total 8 complaints via Ethics Line. All the complaints were resolved through appropriate actions taken by the Company.

PRINCIPLE: 2

BUSINESS SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE:

With a vision of "**Engineering a Sustainable Tomorrow through Technology and Innovation,**" LTTs has aligned its operations and offerings with global sustainability standards. We have assessed the United Nations Sustainable Development Goals, identifying seven as being suitable for major engineering intervention. These include SDG 3 (Good Health and Well-being), SDG 6 (Clean Water and Sanitation), SDG 7 (Affordable and Clean Energy), SDG 9 (Industry, Innovation, and Infrastructure), SDG 11 (Sustainable Cities and Communities), SDG 12 (Responsible Consumption and Production), and SDG 13 (Climate Action). The Company is focused on becoming the engineering partner of choice for its customers' Net Zero Goals, through delivering Net Zero in Products, Net Zero in Operations, and targeted digital interventions.

LTTs leverages its deep engineering DNA and innovation mindset to partner with its customers in driving sustainability spanning the global business landscape. This includes services and offerings across:

Circular Product Design

We ensure that sustainability is built into the very design of each product. Our range of services encompasses the entire

manufacturing life cycle – from sustainable material sourcing to environmental impact monitoring after deployment/installation. Key offerings in this segment include circular product designing, engineering and packaging, consulting for LCA, Green product compliance and light weighting.

Energy Transition and Management

At LTTs, we help enterprise customers pivot from conventional energy sources to renewable and clean energy – driving the next frontiers of sustainability environmental protection.

Some of our key offerings in this space are renewable energy designing and engineering solutions, energy digitalization and management solutions, and energy storage systems solutions.

Water and Waste Management

In line with the sixth UN SDG of clean water and sanitation, LTTs is leveraging its technology expertise to help increase consumable water supply and improve existing wastewater treatment and disposal methodologies.

LTTs offers concept design and detail engineering, smart water and waste management solutions to clients across the globe.

Digital and Smart Manufacturing

From automating manufacturing and innovating eco-friendly solutions to managing water, waste, and renewable energy, we fuse sustainability into every aspect of industrial operations. This has helped drive the sustainability goals of some of the largest global enterprises as we move towards a greener future.

LTTs' offerings in the INDUSTRY4.Now framework include UBIQWeise2.0 for robotics, control and automation solutions, Avertle for preventive/predictive maintenance, asset and inventory management solutions, fleet management and plant security.

Climate Action

A foremost imperative at LTTs is to deliver climate-saving action into every industrial process through our expertise across engineering R&D and implementation.

During the year, the Company has invested in Material Testing Center, Smart Water Management, 100% renewable-based electric vehicle charging infrastructure, Green Hydrogen Lab, Green Certification Lab, Battery Testing, Product Electrification, and an Off-board Electric Vehicle Charger.

At LTTs, we understand the need for best-in-class data and dashboard solutions to adequately track on-floor situations. Our cloud-based utility usage monitoring solution, ESM

solution, is specifically designed to help collect data from across locations and visualize them as KPIs through an unified dashboard. Using this solution one of our clients have been able to reduce their global energy consumption by 3% across 35 plants in 13 countries.

LTTS' proprietary building automation framework, i-BEMS, is a system of systems that operates as an enterprise IoT solution and unifies all campus operations under one system using advanced energy analytics and fault diagnostics for energy optimization. With more than 300 + use cases and success stories from across the globe, i-BEMS continues to be the leading solution worldwide for creating smart buildings.

LTTS has released its first Sustainability Report for FY21, and has committed to achieving carbon and water neutrality by 2030. As a reaffirmation of this commitment, the Company has signed the SBTi pledge during the fiscal year. LTTS has implemented various initiatives and plans to ramp up even more in times to come. Details of such sustainability initiatives are elaborated in Principle 6.

Sustainable Sourcing

As part of the Supplier Code of Conduct (CoC) we encourage sustainable sourcing. Various CoC parameters are to be accepted by suppliers to protect and preserve environment, take initiatives to reduce GHG, reduce waste generation, maintain all regulatory permits, licenses & registrations, promote human rights, not engage in activities like forced labor, child employment, discriminatory practices. The suppliers are also required to promote safe and healthy workplace and welfare facilities.

For Non-IT products/services, the Company prefers to source locally and create a win-win scenario. The Company interacts regularly with Suppliers to discuss challenges and to optimize their sustainability activities especially the small and local suppliers who may not have such capabilities. Focused HSE training and wellbeing camps are conducted for such small and local suppliers. All laws and regulatory requirements are adhered to support MSME entities.

We are certified for the social accountability compliance standard of SA 8000, which requires audit of our key suppliers. In compliance with ISO 26262, we have assisted OEMs and Tier 1 suppliers to achieve functional and process safety compliance, while helping in the development and improvement of their software-intensive products.

PRINCIPLE: 3

BUSINESS SHOULD PROMOTE THE WELL-BEING OF ALL EMPLOYEES:

The Company's growth lies in the growth of employees within the organization. The Company's well-being practices create a working environment that supports work-life balance while fulfilling business needs. In the light of the recent pandemic, we have increased our efforts to focus on mental health and well-being. We have partnered with a leading yoga institute and mental wellness institute to ensure that employees have access to wellness facilities such as counselling and spiritual healthcare to lead a fulfilled and a happy life.

Contemporary and competency-based hiring, training & development, rewards and career management with equal opportunity to all irrespective of caste, creed, gender or nationality. Our processes are designed to seamlessly serve the stakeholders and society at large.

We understand internal development of resources is pivotal in improving culture, knowledge, longevity with clients by giving the desired confidence, focused career management resulting into lower attrition. As a result, we have reduced cost of hiring and improved financial performance. We foster a healthy work culture and work place free of any harassment. All our facilities are ergonomically equipped by state of the art infrastructure and a vibrant work environment.

While the journey of investing in our assets started in FY 2017-18, FY 2018-19 saw robust implementation of these initiatives. FY 2019-20 and FY 2020-21, we were able to institutionalize many of these initiatives at organization level. FY 21-22, we introduced new opportunities to appreciate and engage our employees who helped us battle the pandemic and emerge victorious. We have undertaken the following initiatives:

Accelerated Leadership Program (ALP) for Account Delivery Managers & Program Managers is a 12 months intervention program that hones the competencies required to perform their jobs with complete business acumen. Our high potential associates have participated in this program, producing consistently greater business results than before. 90% of them have experienced career enhancement.

Leadership can reach new levels when discovered and nurtured from a younger age. **Young Leadership Program (YLP)** is a 10 month long program that aims at equipping youngsters

with knowledge, essential skills and attitudes which are required to effectively transition to leadership role.

Tapping into our latent potential is the cornerstone of our ability to innovate and stay ahead of competition with leading talent. **CEO Club** creates future leaders – while the product is designed by us, the execution is outsourced to an internationally famed consulting firm to impartially select candidates who can, one day, become world class leaders. The shortlisted candidates are helming unique projects, assignments, job enrichment, vertical career movement and investment as they learn the ropes of leadership in dynamic times.

Gladiate provides the detailed means to identify High Potentials and their development in the Delivery organization for each career stage. There was a need to establish a similar process for the human resource function since HR has been at the center of various transformation programs implemented to steer the organization to the next level.

Our mentoring initiative – **Illuminate** taps into the leadership potential in our task force. Some of our leaders (CXOs & V/H heads) mentor & groom the most suitable candidates across Sales & Delivery organizations for nearly 12 months.

Our quest for development does not stop here, even in a virtual environment in FY 21-22. Our training workshop thrives on unconventional methods like theatrics, AR/VR based, ATL, overseas classroom programs leveraging webinars, which includes behavioral and technical programs that enhance performance & career growth across functions.

To scale up technical training to the next level, our online partners like Coursera, Pluralsight and Simplilearn continue to give employees access to courses & certifications from some of the best International universities like Yale, Stanford, University of Michigan, John Hopkins, Duke University & many more.

We promote proficiency in foreign languages like French, German, Japanese, Mandarin & Spanish under our initiative **GLOCAL** ensuring ease in communication with clients. This has helped us to overcome communication barriers, strengthen relationships with our clientele and act as a bridge between the teams and the clients.

Our initiative **PRISM** aims to create a pool of Internal trainers by leveraging their knowledge & skills to enhance capability of our employees.

During the year, there were no complaints were received under sexual harassment. The demographical bifurcation of our total workforce for the year 2021-22 is provided below:

1.	Total number of employees	22363
2.	Total number of employees hired on temporary/contractual/casual basis	2928
3.	Number of permanent women employees.	4386
4.	Number of permanent employees with disabilities	26
5.	Do you have an employee association that is recognized by management	No
6.	What percentage of your permanent employees is members of this recognized employee association?	NA
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.	None

PRINCIPLE: 4

BUSINESS SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALIZED:

The contribution of shareholders and investors to the growth of the Company is deeply valued, and we work hard to ensure that we deliver positive returns to the stakeholders. The Company maps both internal and external stakeholders along with vulnerable, marginalized and disadvantaged stakeholders. This enables us to understand that our stakeholders comprise a large and mixed community with varied and extended expectations, and LTTS always strives to match their expectations. The stakeholder engagement process is focussed on identifying, prioritizing, engaging and understanding the expectations of our key stakeholders.

LTTS cherishes a rich legacy of building India's social infrastructure using the twin forces of technology and innovation. Our Corporate Social Responsibility (CSR) activities have always been focused on addressing the problems faced by the people in underprivileged areas that have no or limited access to basic amenities such as health, education, water, electricity, and employment.

The Company has a dedicated Corporate Brand Management & Communications department which facilitates an on-going dialogue between the organization and its stakeholders. We continue to engage through established channels for nurturing long-lasting relationships.

External Stakeholders	
Stakeholders	Engagement Models
Media	Press Releases, Quarterly Results, Annual Reports, AGM (Shareholders interaction)
Customers	Regular business interactions, Client satisfaction surveys
Shareholders and Investors	Investor meets, dedicated email id for investor grievances, Press Release, AGM
Community	Through various CSR Activities
Government	Press Release, Quarterly Results, Annual Reports, CSR Report.

Internal Stakeholders	
	Engagement Models
Employees	Welfare initiatives for the employees
	Circulars to update about the organisational development/changes in the organisation structure
	Career development initiatives for all employees
	In-house Magazines and CSR program involvement by the employees

PRINCIPLE: 5

BUSINESS SHOULD RESPECT AND PROMOTE HUMAN RIGHTS:

LTTs' legacy of engineering quality and excellence is strongly embedded in its respect for human values. Respecting, promoting and protecting human rights at workplace is always our top priority and remains to be the staunch focus of the organization. Our grievance redressal system is supplemented by various organizational policies and boosted by an efficient whistle blower mechanism, i.e online Ethics Line. It enables all employees of the Company to voice concerns about unethical behaviour and actual or suspected fraud or leakage of Unpublished Price Sensitive Information (UPSI) without compromising on need for anonymity. Our Code of Conduct, covering Prohibition of Human trafficking and Slavery and Bonded Labour, strictly prohibits all forms of human rights violation including slavery, bonded labour, forced labour, debt bonded labour, child labour and trafficking of labour from any of its establishments to other establishments for conducting business.

Additionally, the Company strictly prohibits involvement of its suppliers, contractors, vendors and any third parties involved directly or indirectly with Company's business for such practices, including protection of women's rights. Our policies also deal with complaints of sexual harassment, where appropriate action is taken to ensure safety and security for the complainants.

Our Code of Conduct reflects the effects of local culture, policies and the ecosystem, and provide the information needed to act with integrity in the workplace and in compliance with laws, regulations and company policies. We ensure that employees are sensitized to human rights clauses by mandating trainings around it, creating awareness using other channels like interactive sessions, intranet channels, policy manuals and posters. New employees are made aware of these policies via an elaborate induction plan.

There were no reported complaints on human rights violations during the year.

PRINCIPLE: 6

BUSINESS SHOULD RESPECT PROTECT AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT:

The Company leverages its deep engineering DNA and innovation mindset to help customers expand the use of renewable energy, drive water conservation measures, reduce carbon emissions, and develop carbon neutral products. The Company has a legacy to give back to the society and to take care of nature, at the same time safety and health of its employees as well as other stake holders is its prime importance. As a result, we try to keep our campuses green and take initiatives which emphasis on greener and sustainable future. To embark upon this journey, we have pledged to align its climate mitigation targets to achieve carbon neutrality with SBTi. We have also released our first Sustainability report for FY21 which replicates our commitment towards a sustainable future.

In Mumbai (Powai) we have moved to a new LEED Platinum certified facility called AMN towers. In Vadodara campus our facility is already established with (IGBC) LEED certified buildings. At Vadodara campus, we switch off HVAC chillers during winter season and use fresh air to maintain temperature in our offices. This has helped in reducing electricity consumption. At Bengaluru campus, the Company has implemented double glazing façade that facilitates less transfer of heat and puts less pressure on the HVAC systems. This helps to reduce consumption of electricity.

We have installed motion sensors in work areas that switch off lights when the facility is not occupied. New row coils have been introduced to increase the efficiency of AHUs (Air Handling Unit). In Mysuru, LED are installed to reduce the power consumption. LED fittings are also installed for streetlights. Occupancy sensors are installed in Mysuru, Chennai and RGA Techpark - Bengaluru.

Waste generated of food leftovers are converted to compost and used as manure for gardening purpose. We are self-sufficient in organic manure production through vermicomposting. As an initiative towards Green environment, usage of single use plastic (SUP) is banned in the company premises. Instead of SUP, glass and stainless-steel bottles are used. Apart from this, we have also stopped the usage of plastic stirrers. Solar panels are being used for street lighting at Baroda office.

We undertake and conserve rainwater at our Vadodara and Mysuru locations by storing them in ponds created specifically for this purpose. We recycle and reuse water through our state of art Water treatment plants and Sewage treatment plants. The Company has set up rainwater pumps across facilities through which we are using treated runaway water for various purposes such as cleaning washroom, road wash, gardening and hand wash. A few other initiatives taken at various campuses of the Company are as below:

- Planted around 1100 saplings at Mysuru and distributed more than 3200 saplings in Vadodara
- We have scheduled one sapling to be planted whenever a new employee joins LTTs in India
- Use of foot operated taps in washrooms to control the wastage of water
- Created percolation pits to recharge ground water to have minimum runaways
- Installed EV Charging stations within the campus at all our facilities
- For employee commute within campus, we have invested in cycles and Electric Vehicle - buggy
- Recreated green vertical garden wall through reuse of discarded wooden scrap and house-keeping chemical empty cans
- Repurposed house-keeping chemical empty can & wooden scraps as walkway path dividers
- Recreated wooden outdoor seating in our campus for employees by using recycled materials

Being an environment concerned company, LTTs has successfully disposed off 42.45 tons of E-Waste during the year through PCB authorised E-waste handlers/recyclers from our respective locations.

Under Water & Environment themes, the Company has carried out certain CSR projects, for restoration of environment. Over the years, we have undertaken strategic social projects to protect and care for the environment. Over the past few months, LTTs has undertaken several interventions including promotion of renewable energy, maintenance of public spaces, reviving lake ecosystems, solid waste management, plantation, and integrated village development. These activities have been conducted in association with NGOs and Trusts across Karnataka, Maharashtra, and Gujarat. Key projects that we've undertaken include:

Revival of a Lake:

Eco-restoring Huvinayakanahalli Lake in Bengaluru through desilting inlet channels, improving water holding capacity of the lake and planting saplings to revive the overall ecosystem was one of the key interventions this year. Additionally, awareness sessions were held to apprise the local community about the importance of the maintenance of the lake ecosystem and to instil a sense of ownership amongst them.

Eco Schools:

In a bid to shift to cleaner forms of energy, we installed 6 KW solar panels in each of the 8 identified Government aided schools. We also formed "Eco clubs" and conducted several sessions and workshops covering various sections of the Environment to generate awareness amongst the students.

A Solid Waste Management project:

Proper waste management and segregation of waste at source is key to avoiding mounting landfills, resulting in hazardous pollution. Through our project in Vadodara, we continued generating awareness on waste management and segregation amongst the local community. By the end of the Financial Year, we collected 13,255 kg of wet waste, 4,058 kg of dry waste and 3,029 kg of plastic waste through our waste collection drive. The plastic waste collected, was recycled into 24 benches and 3,460 paver blocks. The wet waste was also processed into 460 L of Liquid fertilizer.

Plantation:

We planted 57,054 saplings of 94 indigenous varieties of plants in a 4-acre land at Manekpur village in Valsad district of Gujarat. The saplings on attaining maturity, will help sequester around 1500 tonnes of CO₂ annually.

Clean Energy:

We distributed 1470 fuel efficient boilers to local communities dwelling around Protected Areas in Karnataka to reduce their dependence on forest products. Each boiler has a potential of reducing carbon emission of 2 tonnes per year.

Water:

Integrated Watershed Management

We carried out Integrated Watershed Management projects in Tamil Nadu and Gujarat to help replenish parched lands and improve agricultural practices alongside empowering the local community through trainings and workshops. In Tamil Nadu, we carried out two watershed projects that benefitted around 1,550 people through construction of water harvesting structures like check dams, percolation ponds, water absorption trenches, sunken ponds etc. The people were also aided by demonstration and adoption of sustainable farming techniques and various awareness drives, health camps, veterinary camps, and exposure visits.

In Gujarat, our activities benefitted around 2,000 people. We installed 10 solar pumps to irrigate 74 hectares of land, benefitting 157 farmers. 162 farmers were benefitted through agro-horticultural activities like plantation of mango saplings. Advanced soil conservation activities benefitted another set of 351 people. Lastly, several awareness sessions, training workshops and demonstration sessions benefitted 1,331 people.

PRINCIPLE: 7

BUSINESS, WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE PUBLIC ADVOCACY:

The Company actively participates in industrial forums and engages with professional bodies to participate in proactive dialogue and develop an understanding of policies and stakeholders expectations.

The major industry bodies where LTTs participates are:

- 1) NASSCOM ER&D Council, to create an eco-system of collaboration and innovation that will propel India's burgeoning ER&D sector into the next phase of growth
- 2) Confederation of Indian Industry (CII), to promote innovation and engineering excellence in the industry and scientific communities
- 3) Federation of Indian Chambers of Commerce & Industry (FICCI) for a host of various measures to promote trade and commerce

- 4) Institute of Electrical and Electronics Engineers (IEEE), collaborating on a number of events organized by the technology body
- 5) India Electronics & Semiconductor Association, to deliver on-ground activation for enabling innovation, investment and industry leading technology, and
- 6) O-RAN Alliance for driving and defining the latest transformation standards in 5G Technology

The senior leadership team at LTTs offers their expertise and insights during public policy formulation. This includes regulatory compliance in passenger safety, autonomous drive and electrification through ISO 26262, which classifies safety integrity levels based on severity of the fault. Additionally, the Company assists automotive manufacturers to reduce the cost and time required for ISO 26262 compliance.

In compliance with ISO 26262 LTTs has assisted OEMs and Tier 1 suppliers to achieve functional/process safety compliance while assisting in the development and improvement of their software-intensive products.

PRINCIPLE: 8

BUSINESS SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT:

At LTTs, we ensure that our employees have an open, inclusive, and diverse workplace culture that encourages agile thinking and effective decision making. This helps us drive a conducive environment that provides ample scope for innovation and better opportunities, helping nurture and shape the changemakers of tomorrow.

We are an equal opportunity employer and continue to focus on hiring more women professionals for business roles. Our people strategy focuses intensely on talent management, diversity, inclusion, training, upskilling, and the general well-being of our employees. Our well-being practices are crafted to create an environment that supports work-life balance while fulfilling business needs.

The Company has the following corporate policies that support inclusive growth and equitable development:

- Corporate Social Responsibility (CSR) Policy
- Corporate Human Resources Policy
- Code of Conduct
- Anti-corruption Policy
- Prohibition of Bribery, Prohibition of Human trafficking, Slavery and Bonded labour
- Whistle Blower Policy

The Company's CSR Programs focus on contributing to the society and making a meaningful, sustainable and positive impact. The CSR interventions of the Company are based on the CSR Policy of the Company and are in line with the Companies Act, 2013 and the rules made thereunder. The Government and NGO partners enables us to effectively implement our CSR programs. The objective is to contribute positively to society, improve the quality of life, provide sustainable solutions and make a meaningful impact. In order to support inclusive growth and equitable development, we focus on uplifting the quality of life, empowering the marginalised and enhancing the green cover.

As a responsible corporate citizen, LTTs strives for the betterment of the community and environment. The key objective of our CSR policy is to harness our technological expertise and passionate workforce to create a visible impact on society. It is in our DNA to constantly care for people, both within and outside our organization.

Since our inception, we have fostered a culture of caring for our communities. Our CSR program has already touched the lives of many people from economically backward sections of our society and will continue to do so in future. Our CSR policy framework details the mechanism for undertaking various programs in accordance with Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

PRINCIPLE: 9

BUSINESS SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER:

The Company offers design and development solutions throughout the product development chain and provides solutions in the areas of mechanical and manufacturing engineering, embedded systems, process engineering and digital engineering. Ever since formation of our establishment, we have made consistent investments in innovation labs and currently the Company has 89 innovation labs. These include

design tear down labs, digital and communication labs, design studios, automotive labs, electrical and power labs, optical labs and environmental and testing facilities.

The setting up of labs in association with clients instils a differentiating collaborative model culture and helps us retain our clients for multiple years to come. As a recent practice, the Company is bringing R&D innovations closer to the customer by launching virtual clones of our labs starting with the Think Studio in Bengaluru. The virtual walkthrough of our labs allows the customer to view our technologies and capabilities while sitting at home.

In essence, we are the innovation enablers and partners to our clients. We engage with customers through regular customer meets, customer satisfaction surveys, training programs for customer representatives and market-based research. Customer complaints, comments and suggestions are systematically addressed. Consumer satisfaction trends are measured by capturing CSAT Scores & Net Promoter Scores. Our CSAT scores have consistently ranged above 90%. We are continuously on an upward trajectory in terms of customer satisfaction and key attributes like quality and delivery. Our customers are satisfied with our product development efforts and over 99% of our customers have rated us as satisfied, very satisfied or delighted.

The high percentage of our repeat orders (90% repeat business) is a reliable indication of customer satisfaction and confidence in our products, projects and services. There is no case against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of the current financial year.

We believe that our size and scale, multi-domain presence, specialization, practice maturity, and focus on innovation and IP, combined with our ability to handle innovative and complex projects, provides the Company a competitive advantage.

Independent Auditor's Report

To
The Members of
L&T Technology Services Limited

Report on the audit of the standalone financial statements

Opinion

We have audited the accompanying standalone financial statements of **L&T Technology Services Limited** ('the Company'), which comprise the balance sheet as at 31 March 2022, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information ('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 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 31 March 2022, the profit and total comprehensive income, 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 Companies Act, 2013 ('the Act'). Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the independence 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 we have obtained is sufficient and appropriate to provide a basis for our 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 standalone 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.

Key audit matter	How the matter was addressed in our audit
Revenue recognition The Company is primarily in the business of providing technology and engineering services to third parties. The Company is having two models for the purpose of recognition of revenue from contracts for services rendered, which are time and material contracts, and fixed price contracts. For the year ended 31 March 2022, revenue from services amounts to ₹58,737 million (refer note 25 to the standalone financial statements).	Our revenue testing included both testing of the Company's controls as well as substantive audit procedures. Our procedures included: <ul style="list-style-type: none"> • We ensured that revenue recognition method applied was appropriate based on the terms of the agreement with the customer; • We obtained an understanding of the processes and tested relevant controls, which impact the revenue recognition; • For time and material-based contracts: <ol style="list-style-type: none"> i. We obtained appropriate evidence based on the circumstances to conclude whether the hours charged on projects were appropriate;

Key audit matter	How the matter was addressed in our audit
	<ul style="list-style-type: none"> ii. We obtained appropriate evidence based on the circumstances to conclude whether the rate charged per man hours on projects were appropriate; and iii. We verified the revenue based on the hours charged on the projects and approved per hour rate. <ul style="list-style-type: none"> • We considered the appropriateness of disclosures in relation to revenue recognition as detailed in notes 25 and 46 to the standalone financial statements. • For fixed price contracts: <ul style="list-style-type: none"> i. We agreed the total project revenue estimate with customer contracts agreements including amendments as appropriate; ii. We assessed the reliability of management's estimates by comparing actual results of delivered projects to previous estimates; iii. We evaluated management's estimates and assumptions in recognition of the revenue; iv. We verified the revenue based on the stage of completion of the projects; and v. We obtained appropriate evidence based on the circumstances to conclude whether the proportion of completion of projects was appropriate. <p>Based on the procedures performed we consider the amount of revenue recognised to be fairly stated in the standalone financial statements.</p>

Valuation of goodwill

The Company accounted for goodwill at the time of acquisition of certain businesses in earlier years.

As required by the applicable Indian Accounting Standard, goodwill is not amortised but is tested for impairment by management on an annual basis. The impairment is tested using discounted cash flow models. As disclosed in note 2(k) and 5 to the standalone financial statements, there are some sensitive key judgements made in determining the inputs into these models which include:

- Revenue forecasts;
- Operating margins;
- Cash flow forecasts; and
- The discount rate applied to the projected future cash flows.

In addition, the impact of Covid-19 is also considered in the current year.

Accordingly, the impairment test of goodwill is considered to be a key audit matter.

As at 31 March 2022, goodwill amounts to ₹3,891 million (refer note 5 to the standalone financial statements).

Our procedures included:

- We tested the methodology applied for impairment of goodwill;
- We evaluated process by which the future cash flows were drawn up, including comparing them to the latest board approved targets and long-term plans;
- We tested the key underlying assumptions for revenue growth, operating margins, cash flow forecasts, and the discount rate applied to the projected future cash flows;
- We compared the current year actual results included in the impairment model to consider whether forecasts included assumptions that, with hindsight, had been appropriate;
- We evaluated management's assumptions on the impact of Covid-19 on the above matters; and
- We considered the appropriateness of disclosures in relation to impairment assessment as detailed in note 2(k) and 5 to the standalone financial statements.

Based on the procedures performed we consider the goodwill to be fairly stated in the standalone financial statements.

Key audit matter	How the matter was addressed in our audit
Derivative financial instruments and hedge accounting	
<p>Derivative financial instruments are used to manage and hedge foreign currency exchange risks and interest rate risks. These instruments are typically designated as fair value or cash flow hedge relationship. Financial instruments that are not designated in a hedging relationship and where no hedge accounting is applied are measured at fair value through profit and loss.</p> <p>The fair value of the derivative financial instruments is based on valuation models using observable input data.</p> <p>We focused on this area on account of the number of contracts, the forecast by management of net foreign currency exposure in the future, their measurement, the complexity related to hedge accounting, and the potential impact on the statement of profit and loss.</p> <p>In addition, the impact of Covid-19 is also considered for the current year.</p> <p>As at 31 March 2022, the Company has derivative financial assets at fair value of ₹2,611 million and derivative financial liabilities at fair value of ₹235 million (refer note nos. 8, 16, 20, 22, 40(i) and 41(iii) to the standalone financial statements).</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> • We obtained an understanding of the risk management policies and testing key controls for the use, the recognition and the measurement of derivative financial instruments; • We reconciled derivative financial instruments data with third party confirmations; • We compared input data used in the Company's valuation models with independent sources and externally available market data; • We compared valuation of derivative financial instruments with market data or results from alternative, independent valuation models; • We tested on a sample basis the applicability and accuracy of hedge accounting; • We evaluated management's assumptions on the impact of Covid-19 on the above matters; and • We considered the appropriateness of disclosures in relation to financial risk management, derivative financial instruments and hedge accounting to the standalone financial statements. <p>Based on the procedures performed the derivative financial instruments and hedge accounting are fairly stated in the standalone financial statements.</p>
Investment in subsidiaries	
<p>The Company has investments in subsidiaries and the carrying amount of the investments may be affected on account of the impact of the Covid-19 pandemic on their businesses.</p> <p>As at 31 March 2022, the investments in subsidiaries amounted to ₹2,076 million (refer note 6 to the standalone financial statements).</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> • We evaluated process by which the future cash flows were drawn up, including comparing them to the latest board approved targets and long-term plans; • We tested the key underlying assumptions for revenue growth, operating margins, cash flow forecasts, and the discount rate applied to the projected future cash flows; • We evaluated management's assumptions on the future cash flows, in the changed circumstances; and • We considered the appropriateness of disclosures in relation to impairment assessment as detailed in note 6 to the standalone financial statements. <p>Based on the procedures performed we consider the investments to be fairly stated in the standalone financial statements.</p>

Information other than the standalone financial statements and auditor's report thereon

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the director's report including annexures thereto, management discussion and analysis and annual business responsibility report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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.

Management's responsibility 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, total comprehensive income, changes in equity, and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company, and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement 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.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the standalone financial statements

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the 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 the aggregate, make 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 misstatement 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 period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because

the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

- 1 As required by the Companies (Auditor's Report) Order, 2020 ('the Order'), issued by the central government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in 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, based on our audit 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), statement of changes in equity and the statement of cash flow dealt with by this report are in agreement with the relevant books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
 - (g) With respect to the other matters to be included in the auditor's report in accordance with the requirements of section 197(16) of the Act (as

amended), we report that in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and

- (h) With respect to the other matters to be included in the auditor's report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (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 financial statements – refer note 33 to the standalone financial statements;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses – refer note 50 to the standalone financial statements; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company – refer note 51 to the standalone financial statements.
 - iv. (a) Management has represented to us that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from

any person or entity, including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clauses (i) and (ii) of rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. As stated in note 18.9 to the standalone financial statements:
 - (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act;
 - (b) The special dividend declared and paid by the Company during the year is in compliance with section 123 of the Act;
 - (c) The interim dividend declared and paid by the Company during the year is in compliance with section 123 of the Act; and
 - (d) The Board of Directors of the Company have proposed a final dividend for the year which is subject to the approval of the members at the ensuing annual general meeting. The amount of dividend proposed is in accordance with section 123 of the Act.

For **Sharp & Tannan**
Chartered Accountants
Firm's registration no. 109982W

Firdosh D. Buchia
Partner

Membership no. 38332

UDIN: 22038332AHMLBV7349

Mumbai, 21 April 2022

Annexure A to The Independent Auditor's Report

(Referred to in paragraph 1 of 'report on other legal and regulatory requirements' section of our report of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets;
- (B) The Company has maintained proper records showing full particulars of intangible assets;
- (b) The Company has a program of verification to cover all the items of property, plant and equipment and right-of-use assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. Pursuant to the program, certain fixed assets were physically verified during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification;
- (c) The Company does not hold any immovable properties. Accordingly, paragraph 3(i)(c) of the Order is not applicable to the Company;
- (d) The Company has not revalued its property, plant and equipment (including right of use assets) and intangible assets during the year. Accordingly, paragraph 3(i)(d) of the Order is not applicable to the Company; and
- (e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988).
- (ii) (a) The Company does not hold any inventories. Accordingly, paragraph 3(ii)(a) of the order is not applicable to the Company; and
- (b) According to the information and explanations given to us, no working capital limits in excess of ₹5 crores, in aggregate, at any points of time during the year have been sanctioned from banks or financial institutions on the basis of security of current assets. Accordingly, paragraph 3(ii)(b) of the Order is not applicable to the Company.
- (iii) (a) According to the information and explanations given to us, the Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) of the Order is not applicable;
- (b) According to the information and explanations given to us, in our opinion, the investments made during the year are, prima facie, not prejudicial to the Company's interest;
- (c) According to the information and explanations given to us, the Company has not granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties. Accordingly, paragraphs 3(iii)(c), (d), (e) and (f) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Companies Act 2013 in respect of grant of loans, making investments, and providing guarantees and securities, as applicable.
- (v) In our opinion, and according to information and explanations given to us, the Company has not accepted deposits or amounts which are deemed to be deposits, as per the directives issued by the Reserve Bank of India and under the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) According to the information and explanations given to us, the central government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, in our opinion amounts deducted/accrued in the books of account in respect of undisputed statutory dues including goods and service tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and any other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of goods and service tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, and cess were in arrears as at 31 March 2022 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, details of disputed statutory dues referred to in sub-clause (a) above which have not been deposited as at 31 March 2022 are given below:

Name of the statute	Nature of the disputed dues	Amount (₹ million) *	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Disallowance of amortisation of goodwill on acquisition of Product Engineering Services (PES) business disallowance under section 14A@	72	AY 2016-17	Commissioner of Income-Tax (Appeals), Mumbai
Income-tax Act, 1961	ALP adjustment by TPO on account of corporate guarantee commission, Disallowance of any other amount allowable as deduction, disallowance of amortisation on intangible assets, addition on account of notional income, disallowance of deduction claimed under chapter VI-A, addition of custom duty paid as unexplained expenditure, addition of import of goods as unexplained and addition of other income.	526	AY 2017-18	Commissioner of Income-Tax (Appeals), Mumbai
The CST Act, 1956 #	Awaiting acceptance of sales tax CST forms by the authority.	5.83	AY 2016-17	Joint Commissioner of Commercial Taxes (Appeals)-1, Bengaluru

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

@ Amount unpaid is the outstanding demand as per the Department's record without considering the effect of rectification application.

Stay order has been granted.

(viii) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no transactions not recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961 (43 of 1961);

(ix) In our opinion and according to the information and explanations given to us, the Company has not borrowed any funds from any lender. Accordingly, paragraphs 3(ix) (a), (b), (c), (d), (e) and (f) of the Order is not applicable to the Company.

- (x) (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, paragraph 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) According to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year; and
- (b) No report under sub-section (12) of section 143 of the Act has been filed by us in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the central government;
- (c) We have taken into consideration the whistle-blower complaints received by the Company during the year, while determining nature timing and extent of our audit procedures.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable, and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business; and
- (b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures;
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him and hence provisions of section 192 of the Act are not applicable to the Company;
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934;
- (b) According to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Accordingly, paragraph 3(xvi)(b) of the Order is not applicable to the Company;
- (c) According to the information and explanations given to us, Company is not a Core Investment Company as defined in the regulations made by the Reserve Bank of India. Accordingly, paragraph 3(xvi)(c) and (d) of the Order is not applicable to the Company;
- (d) According to the information and explanations given to us, there is no Core Investment Company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly, paragraph 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not incurred cash losses in the financial year, and in the immediately preceding financial year;
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, paragraph 3(xviii) of the Order is not applicable to the Company;
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of balance sheet as and

when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due;

(xx) According to the information and explanations given to us, as per section 135 of the Act, the Company does not have any amount remaining unspent under sub-section (5) of section 135 of the Companies Act.

For **Sharp & Tannan**
Chartered Accountants
Firm's registration no.109982W

Firdosh D. Buchia
Partner
Membership no. 38332
UDIN: 22038332AHMLBV7349

Mumbai, 21 April 2022

Annexure B to The Independent Auditor's Report

(Referred to in paragraph 2(f) of our report of even date)

Report on the internal financial controls under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of L&T Technology Services Limited ('the Company') as of 31 March 2022 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 ('Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by the ICAI. Those standards and the guidance note require that we comply with ethical requirements and

plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of internal financial controls over financial reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone 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 standalone financial statements.

Inherent limitations of internal financial controls over financial reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, 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 ICAI.

For **Sharp & Tannan**
Chartered Accountants
Firm's registration no.109982W

Firdosh D. Buchia
Partner

Mumbai, 21 April 2022

Membership no. 38332
UDIN: 22038332AHMLBV7349

Balance Sheet

as at March 31, 2022

(₹ million)

	Note No.	As at 31-03-2022	As at 31-03-2021
ASSETS:			
I. Non-current assets			
(a) Property, plant and equipment	4	2,242	2,001
(b) Right-of-use assets	4	3,797	4,117
(c) Capital work-in-progress	4	99	119
(d) Goodwill	5	3,891	3,891
(e) Other intangible assets	5	214	187
(f) Financial assets			
(i) Investments	6	2,937	2,076
(ii) Trade receivables	7	-	-
(iii) Other financial assets	8	2,353	1,636
(g) Other non-current assets	10	1,349	1,035
Total non-current assets		16,882	15,062
II. Current assets			
(a) Financial assets			
(i) Investments	11	13,536	14,930
(ii) Trade receivables	12	15,834	11,751
(iii) Cash and cash equivalents	13	1,772	1,426
(iv) Other bank balances	14	4,395	576
(v) Loans	15	-	-
(vi) Other financial assets	16	2,148	1,382
(b) Other current assets	17	2,516	3,074
Total current assets		40,201	33,139
TOTAL ASSETS		57,083	48,201
EQUITY AND LIABILITIES:			
I. Equity			
(a) Equity share capital	18	211	210
(b) Other equity	19	39,605	33,191
Total equity		39,816	33,401
II. Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Lease liability	20	4,052	3,956
(ii) Other financial liabilities	20	120	207
(b) Deferred tax liabilities (net)	9	791	530
Total non-current liabilities		4,963	4,693
Current liabilities			
(a) Financial liabilities			
(i) Short-term borrowings		-	-
(ii) Trade payables			
Due to micro enterprises and small enterprises	21	31	66
Due to others	21	1,223	2,136
(iii) Lease liability	22	431	760
(iv) Other financial liabilities	22	3,147	2,402
(b) Other current liabilities	23	4,813	2,820
(c) Provisions	24	1,911	1,550
(d) Current tax liabilities (net)		748	373
Total current liabilities		12,304	10,107
Total liabilities		17,267	14,800
TOTAL EQUITY AND LIABILITIES		57,083	48,201
Notes forming part of the financial statements	1-52		

As per our report attached
SHARP & TANNAN
Chartered Accountants
Firm's registration no. 109982W
by the hand of

FIRDOSH D. BUCHIA
Partner
Membership no. 38332

Place: Mumbai
Date: April 21, 2022

RAJEEV GUPTA
Chief Financial Officer

Place: Mumbai
Date: April 21, 2022

PRAJAKTA POWLE
Company Secretary
Membership no. A20135

Place: Mumbai
Date: April 21, 2022

AMIT CHADHA
Chief Executive Officer &
Managing Director
(DIN: 07076149)

Place: Mumbai
Date: April 21, 2022

ABHISHEK SINHA
Chief Operating Officer &
Whole-Time Director
(DIN: 07596644)

Place: Mumbai
Date: April 21, 2022

For and on behalf of the Board of Directors of
L&T TECHNOLOGY SERVICES LIMITED

Statement of Profit and Loss

for the year ended March 31, 2022

(₹ million)

	Note No.	Year ended 31-03-2022	Year ended 31-03-2021
Income:			
I. Revenue from operations	25	58,737	49,640
II. Other income (net)	26	1,537	1,743
III. Total income		60,274	51,383
IV. Expenses:			
(a) Employee benefits expenses	27	31,927	30,012
(b) Depreciation and amortisation expenses		1,826	1,737
(c) Other expenses	28	13,619	10,248
(d) Finance costs	29	394	435
Total expenses		47,766	42,432
V. Profit before tax (III - IV)		12,508	8,951
VI. Tax expense:			
(a) Current tax		3,311	2,096
(b) Deferred tax		12	124
Total tax expense	30	3,323	2,220
VII. Profit for the year (V - VI)		9,185	6,731
VIII. Other comprehensive income			
(A) (i) Items that will not be reclassified to the statement of profit and loss			
(a) Remeasurements of the defined benefit plans (net)		88	70
(b) Income tax on remeasurements of the defined benefit plans (net)		(22)	(18)
(B) (i) Items that will be reclassified subsequently to the statement of profit or loss			
(a) Effective portion of gains and losses on hedging instruments in a cash flow hedge		989	3,260
(b) Income tax on effective portion of gains and losses on hedging instruments in a cash flow hedge		(249)	(772)
Total other comprehensive income (net of tax)		806	2,540
IX. Total comprehensive income for the year		9,991	9,271
X. Earnings per equity share			
Equity share of face value of ₹2 each	31		
- Basic (₹)		87.26	64.25
- Diluted (₹)		87.08	63.83
XI. Notes forming part of the financial statements	1-52		

As per our report attached
SHARP & TANNAN
 Chartered Accountants
 Firm's registration no. 109982W
 by the hand of

FIRDOSH D. BUCHIA
 Partner
 Membership no. 38332

Place: Mumbai
 Date: April 21, 2022

RAJEEV GUPTA
 Chief Financial Officer

Place: Mumbai
 Date: April 21, 2022

PRAJAKTA POWLE
 Company Secretary
 Membership no. A20135

Place: Mumbai
 Date: April 21, 2022

AMIT CHADHA
 Chief Executive Officer &
 Managing Director
 (DIN: 07076149)

Place: Mumbai
 Date: April 21, 2022

ABHISHEK SINHA
 Chief Operating Officer &
 Whole-Time Director
 (DIN: 07596644)

Place: Mumbai
 Date: April 21, 2022

For and on behalf of the Board of Directors of
L&T TECHNOLOGY SERVICES LIMITED

Statement of Cash Flows

for the year ended March 31, 2022

(₹ million)

	Year ended 31-03-2022	Year ended 31-03-2021
A. Cash flow from operating activities		
Profit before tax	12,508	8,951
Adjustments for:		
Depreciation and amortisation	1,826	1,737
Interest received	(492)	(150)
Interest paid	394	435
(Profit)/ loss on disposal of property, plant and equipment	(5)	3
(Gain)/ loss on de-recognition of ROU	(35)	(34)
Employee stock option forming part of staff expenses	55	126
Bad debts written off, allowances for bad and doubtful debts and ECL	114	(142)
Income from investments	(285)	(493)
Unrealised foreign exchange loss/(gain)	24	508
Operating profit before working capital changes	14,104	10,941
Changes in working capital		
(Increase)/decrease in trade and other receivables	(4,601)	2,767
Increase/(decrease) in trade and other payables	2,776	1,346
(Increase)/decrease in working capital	(1,825)	4,113
Cash generated from operations	12,279	15,054
Direct taxes paid	(3,286)	(2,383)
Net cash (used in)/from operating activities	8,993	12,671
B. Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets	(1,183)	(724)
Disposal of property, plant and equipment and intangible assets	68	14
(Purchase)/ sales of current investments (net)	1,252	(8,427)
(Purchase)/ sales of non-current investments	(861)	-
Deposits placed/loans given - subsidiaries and third parties	(3,661)	(223)
Capital infusion in subsidiaries	-	(812)
Income received from current investments	165	197
Dividend from subsidiary	-	180
Interest received	334	149
Net cash (used in)/from investing activities	(3,886)	(9,646)

Statement of Cash Flows

for the year ended March 31, 2022

(₹ million)

	Year ended 31-03-2022	Year ended 31-03-2021
C. Cash flow from financing activities		
Equity share capital issued	1	1
Proceeds from/(repayment of) borrowings	-	(239)
Interest paid	(394)	(435)
Lease liability paid	(734)	(667)
Dividend paid	(3,633)	(2,198)
Net cash (used in) / from financing activities	(4,760)	(3,538)
Net (decrease) / increase in cash and cash equivalents	347	(513)
Cash and cash equivalents at beginning of year	1,452	1,965
Cash and cash equivalents at end of year	1,799	1,452

Notes:

- Statement of cash flows has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows" as specified in the Companies (Indian Accounting Standards) Rules, 2015.
- Purchase of property, plant and equipment and intangible assets represents additions to property, plant and equipment and other intangible assets adjusted for movement of capital work-in-progress of (a) capital work-in-progress for property, plant and equipment and (b) intangible assets.
- Cash and cash equivalents included in the statement of cash flows comprise the following:

(₹ million)

	Year ended 31-03-2022	Year ended 31-03-2021
a) Cash and cash equivalents disclosed under current assets [Note 13]	1,772	1,426
b) Other bank balances disclosed under current assets [Note 14]	4,395	576
c) Cash and cash equivalents disclosed under non-current assets [Note 8]	262	2
Total cash and cash equivalents as per balance sheet	6,429	2,004
Add: (i) Unrealised exchange (gain)/loss on cash and cash equivalents [Note 13]	27	26
Less: (ii) Other bank balances disclosed under current assets [Note 14]	4,395	576
Less: (iii) Cash and cash equivalents disclosed under non-current assets [Note 8]	262	2
Total cash and cash equivalents as per cash flow statement	1,799	1,452

- Previous year's figures have been regrouped/reclassified wherever applicable.

As per our report attached
SHARP & TANNAN
 Chartered Accountants
 Firm's registration no. 109982W
 by the hand of

FIRDOSH D. BUCHIA
 Partner
 Membership no. 38332

Place: Mumbai
 Date: April 21, 2022

RAJEEV GUPTA
 Chief Financial Officer

Place: Mumbai
 Date: April 21, 2022

PRAJAKTA POWLE
 Company Secretary
 Membership no. A20135

Place: Mumbai
 Date: April 21, 2022

For and on behalf of the Board of Directors of
L&T TECHNOLOGY SERVICES LIMITED

AMIT CHADHA
 Chief Executive Officer &
 Managing Director
 (DIN: 07076149)

Place: Mumbai
 Date: April 21, 2022

ABHISHEK SINHA
 Chief Operating Officer &
 Whole-Time Director
 (DIN: 07596644)

Place: Mumbai
 Date: April 21, 2022

Statement of Changes in Equity

for the year ended March 31, 2022

A. Equity share capital

(₹ million except stated otherwise)

Particulars	01-04-2021 to 31-03-2022		01-04-2020 to 31-03-2021	
	Number of shares	₹ million	Number of shares	₹ million
Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year	105,045,823	210	104,511,558	209
Add: Shares issued on exercise of employee stock options during the period	486,344	1	534,265	1
Issued, subscribed and fully paid up equity shares outstanding at the end of the period	105,532,167	211	105,045,823	210

B. Other equity

(₹ million)

Particulars	Other equity						Total other equity
	<----- Reserves and surplus----->				Items of other comprehensive income		
	Securities premium account	Employee share options (net)	Retained earnings	Capital reserve	Hedging reserve	Others	
Balance as at 01-04-2021	11,229	296	21,235	(653)	1,156	(72)	33,191
Profit for the year (a)	-	-	9,185	-	-	-	9,185
Other comprehensive income (net of taxes) (b)	-	-	-	-	740	66	806
Total comprehensive income for the year (a+b)	-	-	9,185	-	740	66	9,991
Deemed dividend - ESOP	-	-	(1)	-	-	-	(1)
Dividends	-	-	(3,633)	-	-	-	(3,633)
Employees shares options outstanding	-	(192)	-	-	-	-	(192)
Deferred employee compensation expense	-	82	-	-	-	-	82
Addition/(deduction) during the year	167	-	-	-	-	-	167
Balance as at 31-03-2022	11,396	186	26,786	(653)	1,896	(6)	39,605
Balance as at 01-04-2020	11,043	353	16,704	(653)	(1,332)	(124)	25,991
Profit for the year (c)	-	-	6,731	-	-	-	6,731
Other comprehensive income (net of taxes) (d)	-	-	-	-	2,488	52	2,540
Total comprehensive income for the year (c+d)	-	-	6,731	-	2,488	52	9,271
Deemed dividend - ESOP	-	-	(2)	-	-	-	(2)
Dividends	-	-	(2,198)	-	-	-	(2,198)
Employees shares options outstanding	-	(208)	-	-	-	-	(208)
Deferred employee compensation expense	-	151	-	-	-	-	151
Addition/(deduction) during the year	186	-	-	-	-	-	186
Balance as at 31-03-2021	11,229	296	21,235	(653)	1,156	(72)	33,191

As per our report attached
SHARP & TANNAN
 Chartered Accountants
 Firm's registration no. 109982W
 by the hand of

FIRDOSH D. BUCHIA
 Partner
 Membership no. 38332

Place: Mumbai
 Date: April 21, 2022

RAJEEV GUPTA
 Chief Financial Officer

Place: Mumbai
 Date: April 21, 2022

PRAJAKTA POWLE
 Company Secretary
 Membership no. A20135

Place: Mumbai
 Date: April 21, 2022

For and on behalf of the Board of Directors of
L&T TECHNOLOGY SERVICES LIMITED

AMIT CHADHA
 Chief Executive Officer &
 Managing Director
 (DIN: 07076149)

Place: Mumbai
 Date: April 21, 2022

ABHISHEK SINHA
 Chief Operating Officer &
 Whole-Time Director
 (DIN: 07596644)

Place: Mumbai
 Date: April 21, 2022

Notes forming part of the Standalone Financial Statements

1. Corporate information

L&T Technology Services Limited (“the Company”) is a leading global pure-play engineering research and development (ER&D) services company. ER&D services are a set of services provided to manufacturing, technology, and process engineering companies, to help them develop and build products, processes and infrastructure required to deliver products and services to their end customers.

The Company is a listed public company incorporated and domiciled in India and has its registered office at L&T House, N.M. Marg, Ballard Estate, Mumbai 400 001. As at March 31, 2022, Larsen & Toubro Limited, the holding company owns 73.90% of the Company’s equity share capital.

2. Significant accounting policies

a) Statement of compliance

These standalone financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 (“the Act”) and the Indian Accounting Standards (“Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015 and amendments thereof issued by Ministry of Corporate Affairs under section 133 of the Companies Act, 2013. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations require a different treatment. These financial statements have been approved for issue by the Board of Directors at their meeting held on April 21, 2022.

b) Basis of accounting

These standalone financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values or at amortised cost at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value measurements are categorised as below, based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

- (i) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date;
- (ii) Level 2 inputs are inputs, other than quoted prices included in level 1, that are observable for the asset or liability, either directly or indirectly; and
- (iii) Level 3 inputs are unobservable inputs for the valuation of assets or liabilities.

Above levels of fair value hierarchy are applied consistently and generally, there are no transfers between the levels of the fair value hierarchy unless the circumstances change warranting such transfer.

Accounting policies have been consistently applied except where a new accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

c) Presentation of standalone financial statements

The balance sheet and the statement of profit and loss are prepared in the format prescribed in schedule III to the Act. The statement of cash flows has been prepared under indirect method and presented as per the requirements of Ind AS 7 “Statement of cash flows”. The disclosure requirements with respect to items in 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 Ind AS and the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended.

Amounts in the standalone financial statements are presented in Indian Rupees in million [1 million = 10 lakhs] rounded off to two decimal places as permitted by schedule III to the Companies Act, 2013. Per share data are presented in Indian Rupees to two decimal places.

Notes forming part of the Standalone Financial Statements

d) Operating cycle for current and non-current classification

Operating cycle for the business activities of the Company covers the duration of the project/contract/service and extends up to the realization of receivables within the credit period normally applicable to the respective lines of business.

e) Revenue recognition

Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those services:

- i. Revenue from contracts which are on time and material basis are recognized when services are rendered, and related costs are incurred.
- ii. Revenue from fixed-price contracts where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. The cost expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity.
- iii. Revenues in excess of invoicing are classified as contract assets (unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (unearned revenue).
- iv. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company presents revenue net of discounts, collection charges, indirect taxes and value-added taxes in its statement of profit and loss.
- v. The Company exercises judgement in determining whether the performance obligation is satisfied at a

point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date as per contract.

f) Other income

- i. Interest income is accrued on a time basis by reference to the principal outstanding and the effective interest rate.
- ii. Dividend income is accounted in the period in which the right to receive the same is established.
- iii. Other items of income are accounted as and when the right to receive arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

g) Exceptional items

Exceptional items are those items that management considers, by virtue of its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company.

h) Property, plant and equipment

Property, plant and equipment is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Property, plant and equipment are stated at cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment loss, if any.

PPE not ready for intended use on the date of balance sheet are disclosed as "capital work-in-progress".

Depreciation is provided for property, plant and equipment so as to expense the cost over their estimated useful lives, based on evaluation, using straight-line method. The estimated useful lives and residual value are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Notes forming part of the Standalone Financial Statements

- (i) The estimated useful lives are as mentioned below:

Sr. No.	Asset class	Useful life (in years)
1	Plant and equipment *	12
2	Air-condition and refrigeration *	12
3	Canteen equipment *	8
4	Laboratory equipment *	6
5	Electrical installations	10
6	Computers *	3 – 5
7	Office equipment *	>1 – 4
8	Furniture and fixtures	10
9	Owned vehicles *	7
10	Leasehold improvements	Lease period

*The useful lives for these assets are different from the useful lives as prescribed under part C of schedule II of the Act. Based on technical evaluation, the management believes that the useful lives as given above best represents the period over which the management expects to use these assets.

- (ii) Estimated useful life of following assets is different than useful life as prescribed under part C of schedule II of the Act.

Sr. No.	Category of asset class	Useful life as per schedule II (in years)	Useful life adopted (in years)
1	Plant and equipment	15	12
2	Air-condition and refrigeration	15	12
3	Canteen equipment	15	8
4	Laboratory equipment	10	6
5	Computers	3 – 6	3 - 5
6	Office equipment	5	>1 – 4
7	Owned vehicles	8	7

Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.

- i) **Right-of-use asset**

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling, if any. The right-of-use assets is subsequently measured at cost less any accumulated depreciation and accumulated impairment losses, if any, and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the lease term life of right-of-use asset.

- j) **Intangible assets and amortisation**

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably.

Intangible assets purchased are measured at cost (net of tax/duty credits availed, if any) or fair value as of the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any.

Intangible assets consist of computer software and technical know-how which are amortised on straight line basis over the useful life as given below:

Asset class	Useful life (years)
Specialised software	5
Technical knowhow	4

- k) **Goodwill**

Goodwill represents the excess of consideration paid over the net value of assets acquired. Goodwill is not amortised; however, it is tested for impairment on an annual basis. Refer note I (ii) for accounting policy on impairment of assets.

- l) **Impairment of assets**

- i) **Trade receivables**

The Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable.

Notes forming part of the Standalone Financial Statements

The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward-looking estimates. In addition to the historical pattern of credit loss, the Company has considered the likelihood of increased credit risk and consequential default by customers. In making this assessment, the Company has considered current and anticipated future economic conditions relating to industries/business verticals that the company deals with and the countries where it operates.

ii) Non-financial assets

Tangible and intangible assets

Property, plant and equipment and intangible assets (other than goodwill) are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. 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.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

Goodwill is tested for impairment annually and if events or changes in circumstances indicate that an impairment loss may have occurred. In the impairment test, the carrying amount of the cash generating 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 goodwill related to the cash generating unit.

m) Employee benefits

(i) Short term employee benefits

All employee benefits falling due wholly within twelve months of rendering the service are classified as short-term employee benefits. The benefits like salaries, wages, and short term compensated absences and performance incentives are recognized in the period in which the employee renders the related service.

(ii) Post-employment benefits

a. Defined contribution plan

The Company's contribution to state governed provident fund scheme, employee state insurance scheme and employee pension scheme are classified as defined contribution plans. The contribution paid / payable under the schemes is recognised in the statement of profit and loss in the period in which the employee renders the related service.

b. Defined benefit plans

The employee provident fund schemes are managed by board of trustees established by the Larsen & Toubro Limited, employees' gratuity fund schemes managed by LIC and post-retirement medical benefit scheme are the Company's defined benefit plans. 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, for eligible employees.

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, having maturity periods approximating to the terms of related obligations. In case of funded plans, the fair

Notes forming part of the Standalone Financial Statements

value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognize the obligation on net basis.

Gains or losses on the curtailment or settlement of any defined benefit plan are recognized when the curtailment or settlement occurs. Past service cost is recognized as expense at the earlier of the plan amendment or curtailment and when the Company recognizes related restructuring costs or termination benefits.

Actuarial gains and losses are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Other changes in net defined benefit obligation like current service cost, past service cost, gains and losses on curtailment and net interest expense or income are recognized in the statement of profit and loss.

(iii) Long term employee benefits

The obligation for long term employee benefits like long term compensated absences is recognized in the similar manner as in the case of defined benefit plans as mentioned in (ii) (b) above and compensated absences generated for overseas employees is recognized as per entitlement.

(iv) Social security plans for overseas employees

Employer' contribution payable for overseas employees 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.

For defined benefit plans for overseas employees, the Company provides for post-employment benefits payable as per the laws applicable in the respective countries.

n) Leases

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors.

The Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset. The standard, however, does not require an entity to recognize assets and liabilities for (a) short-term leases (for a period of twelve months or less) and (b) leases of low value assets.

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.

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease period relating to the existing lease contracts

The Company has elected not to apply the requirements of Ind AS 116 leases to short-term leases where lease term is 12 months or less and leases for which the underlying asset is of low value. The lease payments related to these leases are recognised as an expense.

Notes forming part of the Standalone Financial Statements

o) Financial instruments

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

(i) Non-derivative financial assets

a. Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows 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. 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.

b. Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

c. Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and

liabilities at fair value through profit or loss are immediately recognised in profit or loss.

(ii) Non-derivative financial liabilities

Financial liabilities are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within 1 year from balance sheet date, the carrying amount approximate fair value due to short maturity of these instruments.

(iii) Derivative financial instrument

Cash flow hedge

The Company designates foreign exchange forward & options contracts as hedge instruments in respect of foreign exchange risks. These hedges are accounted for as cash flow hedges.

The Company uses hedging instruments that are governed by the policies of the Company which are approved by the Board of Directors, which provide written principles on the use of such financial derivatives consistent with the risk management strategy of the Company.

The hedge instruments are designated and documented as hedges at the inception of the contract.

The effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at inception and on an ongoing basis. The ineffective portion of designated hedges are recognised immediately in the statement of profit and loss.

The effective portion of change in the fair value of the designated hedging instrument is recognised in the other comprehensive income and accumulated under the heading cash flow hedge reserve.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity till that time it remains and is recognised in statement of profit and loss

Notes forming part of the Standalone Financial Statements

when the forecasted transaction ultimately affects the profit or loss. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss accumulated in equity is transferred to the statement of profit and loss.

(iv) De-recognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

p) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, balance with banks, deposits held at call with financial institutions and other deposits with original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

q) Securities premium account

(i) Securities premium includes:

- a. Any share issued for consideration over and above face value.
- b. The fair value of the stock options which are treated as expense, if any, in respect of shares allotted pursuant to the Company's stock options scheme.

(ii) The issue expenses of securities which qualify as equity instruments are written off against securities premium account.

r) Government grants

The Company recognizes government grant only when there is reasonable assurance that conditions attached to them shall be complied with and grants will be received.

s) Borrowing costs

Borrowing costs include interest expense and exchange differences arising on foreign currency borrowings,

to the extent they are regarded as an adjustment to interest costs.

All other borrowing costs are recognized in statement of profit or loss in the period in which they are incurred.

t) Company's stock option scheme

In respect of stock options granted pursuant to the Company's stock options scheme, the excess of fair value of the option over the exercise price 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 a grant lapses after the vesting period, the cumulative discount recognised as expense in respect of such grant is transferred to general reserve.

u) Foreign currencies

The functional currency of the Company is Indian rupee.

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognized in the statement of profit and loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

v) Income-tax

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognized in statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

Current income taxes

The current income tax expense includes income taxes payable by the Company and its branches in India and overseas. The current tax payable by the Company in India is Indian income tax payable for their worldwide

Notes forming part of the Standalone Financial Statements

income after taking credit for tax relief available for export operations in Special Economic Zones (SEZs).

Current income tax payable by overseas branches of the Company is computed in accordance with the tax laws applicable in the jurisdiction in which the respective branch operates. The taxes paid are generally available for set off against the Indian income tax liability of the Company's worldwide income.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of 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.

Deferred income tax asset is recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

For operations carried out in SEZs, deferred tax assets or liabilities, if any, have been established for the tax consequences of those temporary differences between

the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

The Company recognizes interest levied related to income tax assessments in interest expenses.

w) Provisions, contingent liabilities and contingent assets

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if

- i) The Company has a present obligation as a result of a past event;
- ii) A probable outflow of resources is expected to settle the obligation; and
- iii) The amount of the obligation can be reliably estimated

Contingent liability is disclosed in the case of

- i) A present obligation arising from a past event when it is not probable that an outflow of resources will be required to settle the obligation; or
- ii) A possible obligation unless the probability of outflow of resources is remote

Contingent assets are neither recognized nor disclosed.

Notes forming part of the Standalone Financial Statements

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

x) Commitments

Commitments are future liability for contractual expenditure. Commitment are classified and disclosed as follows:

- i) Estimated amounts of contracts remaining to be executed on capital account and not provided for,
- ii) Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

y) Statement of cash flows

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of 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. The Company segregate the cash flows in operating, investing and financing activities.

z) Use of estimates and judgements

The preparation of these standalone financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the standalone financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates include useful lives of property, plant and equipment & intangible assets, allowance for doubtful debts/ advances, future obligations in respect of retirement benefit plans, expected cost of completion of contracts, provision for rectification costs, future cash inflows (net) for hedging purpose, fair value measurement etc.

Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

aa) Investment in subsidiaries

Investments in subsidiaries are measured at cost as per Ind AS 27 - Separate Financial Statements.

bb) Earnings per equity share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average numbers of the equity shares outstanding during the period.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and the weighted average number of equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding 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.

cc) 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 is recognised. The difference between the amount of consideration paid and the net worth of the transferor company is recognised as capital reserve on business combination and is separately disclosed from other capital reserves .

dd) Accounting and reporting information for operating segments

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers.

Notes forming part of the Standalone Financial Statements

The Company's operations predominantly relate to providing end-to-end business solutions to enable clients to enhance business performance. The Company evaluates performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along business segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments and are as set out in the accounting policies.

Revenue and identifiable operating expenses in relation to segments are categorized based on items that are individually identifiable to that segment. Revenue for 'all other segments' represents revenue generated by the Company. Allocated expenses of segments include expenses incurred for rendering services (offsite and onsite) Certain expenses such as depreciation, which form a significant component of total expenses,

are not specifically allocable to specific segments as the underlying assets are used interchangeably. The management believes that it is not practical to provide segment disclosures relating to those costs and expenses, and accordingly these expenses are separately disclosed as "unallocated" and adjusted against the total income of the Company.

Assets and liabilities used in the Company's business are not identified to any of the reportable segments, as these are used interchangeably between segments, and it is not practicable to provide segment disclosures relating to total assets and liabilities.

3. Recent accounting pronouncements

On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022. The Company does not expect the amendment to have any significant impact in its financial statements.

4. Property, plant and equipment

(₹ million)

Particulars	Gross block				Depreciation/amortisation				Net block as at		
	As at 01-04-2021	Additions	Disposals	As at 31-03-2022	As at 01-04-2021	For the year	On disposals	As at 31-03-2022	As at 31-03-2022	As at 31-03-2021	
Leasehold improvements	455	77	2	530	232	69	2	299	231	223	
Plant and equipment	62	-	7	55	53	1	7	47	8	9	
Computers	2,160	548	110	2,598	1,277	478	110	1,645	953	883	
Furniture and fixtures	248	31	33	246	122	23	32	113	133	126	
Vehicles	316	82	65	333	88	52	38	102	231	228	
Office equipments	280	51	39	292	197	46	39	204	88	83	
Electrical installations	171	16	-	187	74	18	-	92	95	97	
Aircondition and refrigeration	147	21	8	160	50	13	8	55	105	97	
Laboratory equipments	368	317	52	633	115	141	19	237	396	253	
Canteen equipments	3	-	-	3	1	-	-	1	2	2	
Total	4,210	1,143	316	5,037	2,209	841	255	2,795	2,242	2,001	
<i>Previous year figures</i>	<i>3,764</i>	<i>702</i>	<i>256</i>	<i>4,210</i>	<i>1,725</i>	<i>723</i>	<i>239</i>	<i>2,209</i>	<i>2,001</i>	<i>2,039</i>	

Right-of-use assets

(₹ million)

Particulars	Gross block				Depreciation/amortisation				Net block as at		
	As at 01-04-2021	Additions	Disposals	As at 31-03-2022	As at 01-04-2021	For the year	On disposals	As at 31-03-2022	As at 31-03-2022	As at 31-03-2021	
Right-of-use	5,576	635	356	5,855	1,459	862	263	2,058	3,797	4,117	
Total	5,576	635	356	5,855	1,459	862	263	2,058	3,797	4,117	
<i>Previous year figures</i>	<i>4,136</i>	<i>2,227</i>	<i>787</i>	<i>5,576</i>	<i>745</i>	<i>876</i>	<i>162</i>	<i>1,459</i>	<i>4,117</i>	<i>3,391</i>	

(₹ million)

Capital work-in-progress	For less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
As at 31-03-2022	42	-	57	-	99
As at 31-03-2021	40	79	-	-	119

As on the date of the balance sheet, there are no capital work-in-progress projects whose completion is overdue or has exceeded the cost, based on approved plan.

5. Goodwill and other intangible assets

(₹ million)

Particulars	Gross block				Depreciation/amortisation				Net block as at		
	As at 01-04-2021	Additions	Disposals	As at 31-03-2022	As at 01-04-2021	For the year	On disposals	As at 31-03-2022	As at 31-03-2022	As at 31-03-2021	
Goodwill*	3,891	-	-	3,891	-	-	-	-	3,891	3,891	
Specialised softwares	1,644	150	-	1,794	1,457	123	-	1,580	214	187	
Technical knowhow	143	-	-	143	143	-	-	143	-	-	
Total	5,678	150	-	5,828	1,600	123	-	1,723	4,105	4,078	
<i>Previous year figures</i>	<i>5,627</i>	<i>51</i>	<i>-</i>	<i>5,678</i>	<i>1,462</i>	<i>138</i>	<i>-</i>	<i>1,600</i>	<i>4,078</i>	<i>4,165</i>	

*Goodwill has been tested for impairment.

Notes forming part of the Standalone Financial Statements

6. Investments - non-current

	(₹ million)	
	As at 31-03-2022	As at 31-03-2021
Unquoted		
a) Investment in equity instruments of subsidiaries (at cost):		
1,520,692 (previous year 1,520,692) equity shares of nominal value of ₹10 each, fully paid in L&T Thales Technology Services Private Limited - Company's holding * - 74% (previous year 74%) - Principal place of business: India	60	60
2,601,000 (previous year 2,601,000) common stock of nominal value of USD 10 each, fully paid in L&T Technology Services LLC - Company's holding * - 100% (previous year 100%) - Principal place of business: USA	1,783	1,783
1,431,736 (previous year 1,431,736) equity shares of nominal value of ₹10 each, fully paid in Graphene Semiconductor Services Private Limited - Company's holding * - 100% (100%) - Principal place of business: India	177	177
60,501 (previous year 60,501) equity shares of nominal value of SGD 1 each, fully paid in Graphene Solutions PTE Ltd. - Company's holding * - 100% (previous year 100%) - Principal place of business: Singapore	3	3
1,00,000 (previous year 1,00,000) equity shares of nominal value of MYR 1 each, fully paid in Graphene Solutions SDN. BHD - Company's holding * - 100% (previous year 100%) - Principal place of business: Malaysia	2	2
Capital investment (previous year holding 100%) in Graphene Solutions Taiwan Limited - Company's holding * - 100% (previous year 100%) - Principal place of business: Taiwan	11	11
50,000 (previous year 50,000) equity shares of nominal value of ₹10 each, fully paid in Seastar Labs Private Limited - Company's holding * - 100% (previous year 100%) - Principal place of business: India	1	1
10,000 (previous year 10,000) equity shares of nominal value of ₹10 each, fully paid in Esencia Technologies India Private Limited - Company's holding * - 100% (previous year 100%) - Principal place of business: India	6	6
Capital investment (previous year holding 100%) in L&T Technology Services (Shanghai) Co. Ltd - Company's holding * - 100% (previous year 100%) - Principal place of business: China	33	33
	2,076	2,076
Aggregate amount of quoted investment		
At book value	-	-
At market value	-	-
Aggregate amount of unquoted investment		
At book value	2,076	2,076
<i>* Voting power is same as the Company's holding % in respective subsidiaries</i>		
b) Corporate Deposits		
Bajaj Finance Ltd.	131	-
HDFC Ltd.	730	-
	861	-
	2,937	2,076

Notes forming part of the Standalone Financial Statements

7. Trade receivables - non-current

	As at 31-03-2022	As at 31-03-2021
Increase in credit risk - unsecured	50	37
	50	37
Less: Allowance for bad and doubtful debt	(50)	(37)
	-	-

(₹ million)

Trade receivable ageing	Less than 6 months	6 Months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Allowance for bad and doubtful debt	Total
As at 31-03-2022	48	1	1	-	-	(50)	-
As at 31-03-2021	36	1	-	-	-	(37)	-

(₹ million)

8. Other financial assets - non-current

	As at 31-03-2022	As at 31-03-2021
Security deposits	528	485
Fixed deposits*	262	2
Foreign currency forward and options contracts	1,563	1,149
	2,353	1,636

(₹ million)

*Includes fixed deposits kept as margin money deposits against bank guarantees.

9. Deferred tax (net)

Description	DTL/(DTA) As at 01-04-2021	Charge/(credit) to P&L	Charge/(credit) to OCI	DTL/(DTA) As at 31-03-2022
Property, plant and equipment and other intangible assets	651	(37)	-	614
Branch profit tax	586	58	-	644
Net gain/(loss) on fair valuation of investments	29	(3)	-	26
Provision for employee benefits	(301)	95	-	(206)
Allowances for doubtful debts	(47)	(13)	-	(60)
Cash flow hedges	387	-	249	636
Leases (Ind AS 116)	(178)	(18)	-	(196)
Other items giving rise to timing differences	(32)	(70)	-	(102)
MAT credit entitlement	(314)	-	-	(314)
Branch deferred tax	(251)	-	-	(251)
Total	530	12	249	791

(₹ million)

Notes forming part of the Standalone Financial Statements

10. Other non-current assets

	(₹ million)	
	As at 31-03-2022	As at 31-03-2021
Prepaid expenses	6	43
Income tax receivable (net)	1,343	992
	1,349	1,035

11. Investments

	(₹ million)	
Financial assets: investments - current	As at 31-03-2022	As at 31-03-2021
a) Quoted mutual funds		
Investment carried at fair value through profit and loss		
Axis Banking & PSU Debt Fund - Direct - Growth	525	504
Axis Liquid Fund - Direct - Growth	-	150
Axis Treasury Advantage Fund - Direct - Growth	-	714
Aditya Birla Sun Life Arbitrage Fund - Direct - Growth	206	-
Aditya Birla SunLife Liquid Fund - Direct - Growth	650	251
Aditya Birla Sun Life Savings Fund - Direct - Growth	-	590
Aditya Birla Sun Life Money Manager Fund - Direct - Growth	415	482
DSP Liquidity Fund - Direct - Growth	653	656
DSP Low Duration Fund - Direct - Growth	-	358
DSP Ultra Short Fund - Direct - Growth	-	324
HSBC Cash Fund - Direct - Growth	-	421
HDFC Ultra Short Term Fund -Direct - DDR	-	612
ICICI Prudential Savings Fund - Direct - Growth	-	708
ICICI Prudential Liquid - Direct - DDR	-	341
Invesco India Corporate Bond Fund - Direct - Growth	331	316
Invesco India Treasury Advantage Fund -Direct - Growth	-	225
Kotak Overnight Fund - Direct - Growth	363	-
Kotak Liquid Fund - Direct - Growth	-	650
Kotak Money Market Fund - Direct - Growth	608	578
L&T Arbitrage Opportunities Fund - Direct - Growth	154	-
L&T Ultra Short Fund - Direct - Growth	-	204
LIC MF Liquid Fund – Direct Growth	-	650
Nippon India Liquid Fund - Direct - Growth	-	656
SBI Magnum Ultra Short Duration Fund - Direct - Growth	-	458
SBI Liquid Fund - Direct - Growth	-	487
Sundaram Banking And PSU Debt Fund - Direct - Growth	-	112
Sundaram Money Fund -Direct - Growth	-	376
Sundaram Liquid Fund -Direct - Growth	250	-
Tata Treasury Advantage Fund - Direct - Growth	-	152
Tata Liquid Fund - Direct - DDR	627	650
Tata Arbitrage Fund - Direct - Growth	206	-
UTI Arbitrage Fund - Direct - Growth	206	-
UTI Treasury Advantage Fund - Direct - Growth	-	205
	5,194	11,830

Notes forming part of the Standalone Financial Statements

		(₹ million)	
Financial assets: investments - current	As at 31-03-2022	As at 31-03-2021	
b) Corporate deposits			
Bajaj Finance Ltd.	920	1,101	
HDFC Ltd.	1,120	1,300	
LIC Housing Finance	1,600	699	
	3,640	3,100	
c) Non-convertible debentures			
Aditya Birla Finance Ltd	264	-	
Kotak Mahindra Prime Ltd	259	-	
Tata Capital Financial Services Ltd	266	-	
HDB Financial Services Ltd	518	-	
L&T Finance Ltd	929	-	
	2,236	-	
d) Commercial papers			
Aditya Birla Finance Ltd	241	-	
Kotak Mahindra Prime Ltd	243	-	
Tata Capital Financial Services Ltd	489	-	
HDFC Securities Ltd	498	-	
ICICI Securities Ltd	995	-	
	2,466	-	
	13,536	14,930	
Aggregate amount of quoted investment at cost	13,417	14,815	
Aggregate amount of quoted investment at market value	13,536	14,930	

12. Trade receivables

		(₹ million)	
	As at 31-03-2022	As at 31-03-2021	
Unsecured, considered good	15,957	11,836	
	15,957	11,836	
Less: Allowance for bad and doubtful debt	(123)	(85)	
	15,834	11,751	

							(₹ million)	
Trade receivable ageing	Less than 6 months	6 Months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Allowance for bad and doubtful debt	Total	
As at 31-03-2022	15,196	442	258	21	40	(123)	15,834	
As at 31-03-2021	11,552	180	36	35	33	(85)	11,751	

Notes forming part of the Standalone Financial Statements

13. Cash and cash equivalents

(₹ million)

	As at 31-03-2022	As at 31-03-2021
Balances with banks	1,260	1,192
Cheques on hand	-	43
Cash on hand	-	-
Remittance in transit	512	191
	1,772	1,426

There are no repatriation restrictions with regard to cash and cash equivalents at the end of reporting period and prior period.

14. Other bank balances

(₹ million)

	As at 31-03-2022	As at 31-03-2021
Fixed deposits with banks		
Maturity more than 3 months but less than 12 months	4,392	574
Earmarked balances with banks - unclaimed dividend	3	2
	4,395	576

15. Loans

(₹ million)

	As at 31-03-2022	As at 31-03-2021
Unsecured, considered good	-	-
	-	-

16. Other financial assets

(₹ million)

	As at 31-03-2022	As at 31-03-2021
Advances to employees	80	41
Security deposits	15	9
Foreign currency forward and options contracts	1,048	792
Loans and advances to related parties	364	35
Other receivables	13	16
Premium receivable on financial guarantee contracts	1	5
Unbilled revenue	652	503
Less: Expected credit loss on unbilled revenue	(25)	(19)
	2,148	1,382

Notes forming part of the Standalone Financial Statements

17. Other current assets

	(₹ million)	
	As at 31-03-2022	As at 31-03-2021
Unbilled revenue	1,234	1,385
Less: Expected credit loss on unbilled revenue	(48)	(53)
	1,186	1,332
Retention money not due	18	20
Advance to suppliers	160	103
Prepaid expenses	908	905
Service tax/GST recoverable	15	64
GST receivable	229	263
Other receivables	-	387
	1,330	1,742
	2,516	3,074

18. Equity share capital

	(₹ million)	
	As at 31-03-2022	As at 31-03-2021
18.1 Authorised :		
5,250,000,000 (previous year: 5,250,000,000) equity shares of ₹ 2 each	10,500	10,500
	10,500	10,500
18.2 Issued, subscribed and fully paid up		
Issued, subscribed and fully paid up equity shares outstanding at the end of the year [10,50,45,823 (previous year: 10,45,11,558) equity shares of ₹ 2 each]	210	209
Add: shares issued on exercise of employee stock options during the period [4,86,344 (previous year: 5,34,265) equity shares of ₹ 2 each]	1	1
Issued, subscribed and fully paid up equity shares outstanding at the end of the period [10,55,32,167 (previous year: 10,50,45,823) equity shares of ₹ 2 each]	211	210
Total issued, subscribed and paid up capital	211	210

18.3 Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. They entitle the holder to participate in the dividends, and to share in the proceeds of the winding up the Company in proportion to the number of and amounts paid on the shares held. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.

18.4 Shareholders holding more than 5% of equity shares as at the end of the period

Equity shares	31-03-2022		31-03-2021	
	No. of shares	% Holding	No. of shares	% Holding
Larsen & Toubro Limited	7,79,86,899	73.90%	7,79,86,899	74.24%
	7,79,86,899		7,79,86,899	

Notes forming part of the Standalone Financial Statements

18.5 Shares reserved for issue under options

Information relating to L&T Technology Services Limited Employee Option Plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in note 18.8

18.6 In the period of five years immediately preceding March 31, 2022:

Aggregate number and class of shares allotted as fully paid up pursuant to contract without payment being received in cash - Nil (previous year: Nil)

Aggregate number and class of shares allotted as fully paid up by way of bonus shares - Nil (previous year: Nil)

Aggregate number and class of shares bought back - Nil (previous year: Nil)

18.7 Capital management

The Company continues its policy of a conservative capital structure which has ensured that it retains the highest credit rating. Low gearing levels also equip the Company with the ability to navigate business stresses on one hand and raise growth capital on the other. This policy also provides flexibility of fund raising options for future, which is especially important in times of global economic volatility. The gross debt equity ratio is 0:1 (as at 31-3-2021: 0:1)

18.8 Share based payments

- i) The objective of the ESOP Scheme, 2016 is to reward those employees who contribute significantly to the Company's profitability and shareholder's value as well as encourage improvement in performance and retention of talent. The options are vested equally over a period of 5 years subject to the discretion of the management and fulfillment of certain conditions.
- ii) The exercise period for the options granted under the ESOP Scheme, 2016 would be seven years (84 months) from the date of grant of options or six years from the date of first vesting or three years (36 months) from the date of retirement/death, whichever is earlier, subject to any change as may be approved by the Board. The exercise price may be decided by the Board, in such manner, during such period, in one or more tranches and on such terms and conditions as it may deem fit, provided that the exercise price per option shall not be less than the par value of the equity share of our Company and shall not be more than the market price as defined in the SEBI (Share Based Employee Benefits) Regulations, 2014 and shall be subject to compliance with accounting policies under the said regulation. The number of shares to be allotted on exercise of options should not exceed the total number of unexercised vested options that may be exercised by the employee.
- iii) Details of grant under ESOP Scheme, 2016 is summarised below:

Series reference	ESOP scheme, 2016	
	2021-22	2020-21
Grant price - ₹	2	2
Grant dates	28-07-2016 onwards	
Vesting commences on	28-07-2017 onwards	
Options granted and outstanding at the beginning of the year	7,32,469	13,22,434
Options lapsed during the year	30,400	76,200
Options granted during the year	-	20,500
Options exercised during the year	4,86,344	5,34,265
Options granted and outstanding at the end of the year-(a)	2,15,725	7,32,469
of (a) above - vested outstanding options	66,605	1,46,929
of (a) above - unvested outstanding options	1,49,120	5,85,540
Weighted average remaining contractual life of options (in years)	0.24	1.99

Notes forming part of the Standalone Financial Statements

- iv) No options were granted to key managerial personnel during the current year (previous year - nil).
- v) The number and weighted average exercise price of stock options are as follows:

Particulars	2021-22		2020-21	
	No. of stock options	Weighted average exercise price (₹)	No. of stock options	Weighted average exercise price (₹)
Options granted and outstanding at the beginning of the year	7,32,469	2	13,22,434	2
Options granted during the year	-	2	20,500	2
Options allotted during the year	4,86,344	2	5,34,265	2
Options lapsed during the year	30,400	2	76,200	2
Options granted and outstanding at the end of the year - (a)	2,15,725	2	7,32,469	2
Options exercisable at the end of the year out of - (a) above	66,605	2	1,46,929	2

- vi) Weighted average share price at the date of exercise for stock options exercised during the year is ₹ 4770.17 per share. (previous year ₹ 1763.19 per share).
- vii) No options expired during the periods covered in the above table.
- viii) Expense on Employee Stock Option Schemes debited to the statement of profit and loss during 2021-22 is ₹ 55 Mn (previous year: ₹ 126 Mn).
- ix) There are no new options granted during the year ended 31-03-2022. The fair value at grant date of options granted during previous year: ₹ 1,378.40. The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, term of option, share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. The model inputs for options granted during the year included:

Particulars	2021-22	2020-21
Weighted average exercise price		2
Grant date		16-Jul-20
Expiry date		16-Jul-27
Weighted average share price at grant date	No new ESOP grant during the year	₹1441.70 per option
Weighted average expected price volatility of company's share		30.42%
Weighted average expected dividend yield over life of option		5.12%
Weighted average risk-free interest		4.55%
Method used to determine expected volatility		The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility based on publicly available information.

Notes forming part of the Standalone Financial Statements

18.9 Dividends

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

The Company declares and pays dividends in Indian rupees. Companies are required to pay/distribute dividend after deducting applicable withholding income taxes. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to with holding tax at applicable rates.

The amount of per share dividend recognized as distribution to equity shareholders in accordance with Companies Act 2013 is as follows:

- During the year ended March 31, 2022, the Company paid the final dividend of ₹ 14.50 per equity share for the year ended March 31, 2021.
- The Company paid, on November 10, 2021 a special dividend of ₹ 10 per equity share and on February 8, 2022 interim dividend of ₹ 10 for the year ended March 31, 2022.
- On April 21, 2022, the Board of Directors of the Company have recommended the final dividend of ₹15 per equity share for the year ended March 31, 2022 subject to approval by the shareholders at the forthcoming annual general meeting. On approval, the total dividend payment based on number of shares outstanding as on March 31, 2022 is expected to be ₹ 1583 million.

19. Other equity

	(₹ million)			
	As at 31-03-2022		As at 31-03-2021	
Securities premium account [note 2(q)]		11,396		11,229
Share options outstanding account [note 2(t)]				
Employee share options outstanding	250		442	
Deferred employee compensation expense	(64)	186	(146)	296
Retained earnings		26,786		21,235
Cash flow hedge reserve [note 2(o)(iii)]		1,896		1,156
Capital reserve on business combination*		(653)		(653)
Other items of other comprehensive income		(6)		(72)
		39,605		33,191

*Capital reserve on business combination : It arises on transfer of business between entities under common control. It represents the difference, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor.

20. Other financial liabilities - non-current

	(₹ million)	
	As at 31-03-2022	As at 31-03-2021
Lease liability	4,052	3,956
Foreign currency forward and options contracts	120	207
	4,172	4,163

Notes forming part of the Standalone Financial Statements

21. Trade payable

(₹ million)

	As at 31-03-2022				
	Upto 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Due to micro and small enterprises	31				31
Due to others*	1,188	33	2	-	1,223
	1,219	33	2	-	1,254

(₹ million)

	As at 31-03-2021				
	Upto 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Due to micro and small enterprises	66	-	-	-	66
Due to others*	2,090	45	-	1	2,136
	2,156	45	-	1	2,202

* Includes dues to subsidiaries and fellow subsidiaries (refer note 45)

22. Other financial liabilities - current

(₹ million)

	As at 31-03-2022	As at 31-03-2021
Lease liability	431	760
Unclaimed dividend	3	2
Due to others		
Liability towards employee compensation	2,800	2,142
Other payables	31	13
Foreign currency forward and options contracts	115	133
Financial guarantee contract	1	5
Suppliers - capital goods/services	197	107
	3,578	3,162

23. Other current liabilities

(₹ million)

	As at 31-03-2022	As at 31-03-2021
Unearned revenue	702	510
Other payables	3,984	2,193
Liability - employee car schemes	127	117
	4,813	2,820

24. Provisions

(₹ million)

	As at 31-03-2022	As at 31-03-2021
Provisions for employee benefits	1,159	1,550
Others (legal matter)	752	-
	1,911	1,550

Notes forming part of the Standalone Financial Statements

25. Revenue from operations

	(₹ million)	
	Year ended 31-03-2022	Year ended 31-03-2021
Engineering and technology services	58,737	49,640
	58,737	49,640

26. Other income

	(₹ million)	
	Year ended 31-03-2022	Year ended 31-03-2021
Export incentive	(320)	548
Foreign exchange gain/ (loss)*	897	391
Profit/ (loss) on disposal of property, plant and equipment	5	(3)
Dividend income and gain/(loss) from mutual fund investments (measured at fair value through profit and loss)	(10)	124
Dividend income from subsidiaries	-	180
Interest income	492	150
Miscellaneous income	178	164
Net gain/(loss) on sale of investment	295	189
	1,537	1,743

* The foreign exchange gain reported above includes gain of ₹ 635 million (previous year: ₹ 591 million gain) being effective portion of the gain/loss on derivative instruments which are designated as cash flow hedges.

27. Employee benefits expenses

	(₹ million)	
	Year ended 31-03-2022	Year ended 31-03-2021
Salaries including overseas staff expenses	30,787	28,820
Contribution to and provision for:		
Contribution to provident and pension fund	636	514
Contribution to gratuity fund	176	163
Share based payments to employees	55	126
Staff welfare expenses	273	389
	31,927	30,012

28. Other expenses

	(₹ million)	
	Year ended 31-03-2022	Year ended 31-03-2021
Subcontracting and component charges	3,829	2,827
Engineering and technical consultancy fees	2,847	1,792
Cost of computer software	1,676	1,396
Travel expenses	1,950	1,082
Rent and establishment expenses	122	149

Notes forming part of the Standalone Financial Statements

	(₹ million)	
	Year ended 31-03-2022	Year ended 31-03-2021
Communication expenses	278	298
Legal and professional charges	480	733
Advertisement and sales promotion expenses	199	146
Recruitment expenses	322	248
Repairs to buildings & machineries	388	361
General repairs and maintenance	177	166
Power and fuel	187	179
Equipment hire charges	32	21
Insurance charges	118	108
Rates and taxes	380	382
Bad debts written off	63	265
Less : Allowance for doubtful debts written back	-	-
Allowances for doubtful debts on trade receivable	51	(363)
ECL on unbilled revenue	-	(43)
Overheads charged by group companies	79	120
Trademark fees	98	82
Corporate social responsibility expenditure	166	157
Commission to Directors	26	25
Miscellaneous expenses	151	117
	13,619	10,248

29. Finance costs

	(₹ million)	
	Year ended 31-03-2022	Year ended 31-03-2021
Bank interest paid	-	2
Interest Expense	-	7
Interest on bill discounting	6	4
Interest on lease liability	388	422
	394	435

30. Provision for taxation

	(₹ million)	
	Year ended 31-03-2022	Year ended 31-03-2021
Current tax		
Current tax on profits for the year	3,311	2,096
Deferred tax	12	124
	3,323	2,220

Notes forming part of the Standalone Financial Statements

31. Basic and diluted EPS

(₹ million except stated otherwise)

	Year ended 31-03-2022	Year ended 31-03-2021
Basic EPS		
Profit after tax	9,185	6,731
Profit attributable to equity shareholders	9,185	6,731
Weighted average no. of equity shares outstanding	10,52,65,550	10,47,60,275
Basic EPS (₹)	87.26	64.25
Diluted EPS		
Profit after tax	9,185	6,731
Profit attributable to equity shareholders	9,185	6,731
Weighted average no. of equity shares outstanding	10,52,65,550	10,47,60,275
Add - No. of potential equity shares	2,12,090	6,89,253
Weighted average no. of equity shares outstanding	10,54,77,640	10,54,49,528
Diluted EPS (₹)	87.08	63.83

32. Estimated amount of contracts remaining to be executed on capital account and not provided for: ₹ 599 million (previous year: ₹ 209 million).

33. Contingent liability

(₹ million)

	Year ended 31-03-2022	Year ended 31-03-2021
Corporate guarantee	1,251	1,206
	1,251	1,206

Corporate bank guarantee of USD 16.5 million (previous year: USD 16.5 million) issued to Bank of America for securing borrowings of L&T Technology Services LLC, USA.

34. Details of payment to auditors

(₹ million)

	Year ended 31-03-2022	Year ended 31-03-2021
Payment to auditors (excluding taxes)		
As auditor :		
Audit fee	1.10	0.96
Taxation matters	0.33	0.29
Company law matters	0.03	0.02
Other services :		
- Limited review	0.78	0.68
- Other services including certification work	1.58	1.82
Re-imbursment of expenses	0.32	0.56
	4.14	4.33

Notes forming part of the Standalone Financial Statements

35. Corporate social responsibility expenditure

- a) As per section 135 of the Act, a company meeting the applicability threshold, needs to spend atleast 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility ('CSR') activities. The Company's CSR ambit covers skill development, water, health & education and environment and it is continuously investing in welfare initiatives and programmes to provide support to people in the communities where the Company has presence. A CSR committee has been formed by the Company as per the Act.
- b) Amount required to be spent by the Company on CSR related activities during the year is ₹ 174 million (previous year: ₹ 156 million).
- c) Amount spent during the year:

(₹ million)

Particulars	Year ended 31-03-2022			Year ended 31-03-2021		
	In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
i) Construction/acquisition of any asset	-	-	-	-	-	-
ii) On purposes other than (i) above (disclosed under note 28 - Other expenses)	166	-	166	141	16	157
iii) On purposes other than (i) above (disclosed under note 27 - Employee benefits expenses)	8	-	8	-	-	-
(iv) Amount shown in balance sheet as part of prepaid CSR spent*	13	-	13	-	-	-
Total	187	-	187	141	16	157

*Out of total CSR amount spent during the year ₹13 million transferred to prepaid CSR spent (which can be used against next 3 year CSR budget) as per rule 7(3) of the Companies (CSR Policy) Rules, 2014.

- d) Details of related party transactions in relation to CSR expenditure as per relevant Accounting standard - ₹ 3.83 million (previous year ₹ 0.8 million) spent on CSR through L&T Public Charitable Trust on Education and Skill development.

36. Particulars in respect of loans and advances in nature of loans to related parties as required by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

(₹ million)

Name of the company	Balance as at		Maximum outstanding during		Percentage to the total Loans and Advances in the nature of loans	
	Year ended 31-03-2022	Year ended 31-03-2021	2021-22	2020-21	2021-22	2020-21
L&T Thales Technology Services Private Limited	-	-	-	90	NA	NA
Seastar Labs Private Limited	-	-	-	2	NA	NA

Note:

- i) Loans to employees (including directors) under various schemes of the Company (such as housing loan etc.) have been considered to be outside the purview of the above requirements.

Notes forming part of the Standalone Financial Statements

37. Financial ratios :

Ratio / Measure	Formula	For year ended 31-03-2022	For year ended 31-03-2021
Current ratio	Current assets / Current liabilities	3.3	3.3
Debt equity ratio	Debt / Total shareholder's equity	NA	NA
Debt service coverage ratio	EBIT / Debt	NA	NA
Return on equity	PAT / Total average equity	25.1%	22.6%
Trade receivables turnover ratio	Revenue from operation / Average trade receivable	4.3	4.0
Trade payable turnover ratio	Adjusted expenses / Average trade payables	7.7	5.0
Net capital turnover ratio	Revenue from operation / Average working capital	2.1	2.2
Net profit %	Net profit / Revenue	15.6%	13.6%
EBITDA %	EBITDA / Revenue	22.5%	18.9%
EBIT %	EBIT / Revenue	19.3%	15.4%
Return on capital employed %	PBIT / Average capital employed	35.2%	31.5%
Return on investment	Interest income, net gain on sale of investment and fair value gain over cost of investment	4.6%	5.2%

Note :

EBIT - Earnings before interest and taxes (excl. other income).

EBITDA - Earnings before interest, taxes, depreciation and amortisation (excl. other income).

PBIT - Profit before interest and taxes.

PAT - Profit after taxes.

Adjusted expenses - Other expense net of CSR expense, bad debts written off and allowances for doubtful debts.

Explanation for variances exceeding 25%:

- Trade payable turnover ratio - increase in business volume as compared to FY 2021.
- EBIT - improved operational margin which was affected negatively due to Covid in FY 2021.

38. Other disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures":

i) Outstanding currency exchange rate hedge instruments:

Forward and options covers taken to hedge exchange rate risk and accounted as cash flow hedge:

(₹ million)

Particulars	As at 31-03-2022				As at 31-03-2021			
	Nominal amount	Average rate* (₹)	Within twelve months	After twelve months	Nominal amount	Average rate (₹)	Within twelve months	After twelve months
(a) Receivable hedges								
US Dollar	70,027	84.14	31,355	38,671	60,949	80.77	27,210	33,738
EURO	5,923	102.13	3,795	2,128	6,587	95.46	2,792	3,795
(b) Payable hedges								
US Dollar	5,923	82.08	3,795	2,128	6,180	79.28	2,385	3,795
EURO	2,648	91.32	1,677	971	2,739	85.61	1,062	1,677

*Average rate is attributable to forward contracts only.

Notes forming part of the Standalone Financial Statements

ii) Carrying amounts of hedge instruments for which hedge accounting is followed:

(₹ million)

Cashflow hedge	As at 31-03-2022			As at 31-03-2021		
	Current	Non-current	Total	Current	Non-current	Total
Other financial assets	1,048	1,563	2,611	792	1,148	1,940
Other financial liabilities	115	120	235	133	207	340
Total	1,163	1,683	2,846	925	1,355	2,280

iii) Break up of hedging reserve

(₹ million)

Cash flow hedging reserve	As at 31-03-2022	As at 31-03-2021
Balance towards continuing hedge	1,533	1,004
Balance for which hedge accounting discontinued	363	152
Total	1,896	1,156

iv) Movement of hedging reserve

(₹ million)

Hedging reserve	2021-22	2020-21
Opening balance	1,156	(1,332)
Changes in fair value of forward and options contracts designated as hedging instruments	1,567	3,336
Amount reclassified to statement of profit and loss where hedge item has become on-balance sheet	(578)	(76)
Tax impact on above	(249)	(772)
Closing balance	1,896	1,156

39. Segment reporting

(a) Description of segments and principal activities

L&T Technology Services Limited (LTS) operates in five industry segments namely - transportation, industrial products, telecom and hi-tech, plant engineering and medical devices. The Company also has five horizontals namely – embedded systems, mechanical, digital manufacturing services, digital products and services and VLSI design services which caters to all the vertical segments.

- 1: Transportation:** Transportation segment partners with OEMs and Tier 1 suppliers serving aerospace, automotive, rail, commercial vehicles, off-highway and polymer segments. The segment delivers end-to-end services from concept to detailed design through manufacturing and sourcing support and helps OEMs develop cost effective vehicles.
- 2: Industrial products:** Industrial products engineering partners with OEM customers across building automation, home and office products, energy, process control and machinery. This segment offers end-to-end product development counsel, leveraging expertise spanning software, electronics, connectivity, mechanical engineering, industrial networking protocols, user interface/user experience (UI/UX), test frameworks and enterprise control solutions.
- 3: Telecom and hi-tech:** Telecom and hi-tech caters to OEM/ODMs, chipset vendors, telecom carriers and ISVs delivering end-to-end embedded software design and development, hardware platform design and development, product maintenance, enhancement and sustenance, testing and validation, system integration for communication and related solutions and systems and field implementation services.

Notes forming part of the Standalone Financial Statements

4: Plant engineering: Process industry segment provides end to end engineering services for leading plant operators across the globe. The industry span and services are broadly for chemical, consumer packaged goods (FMCG) and energy and utility sector clients.

5: Medical devices: Medical devices engineering is a dedicated practice that is revolutionizing delivery of healthcare by providing product development solutions across a variety of Class I, II and III devices, with concept design, embedded systems, hardware and software, mechanical engineering services, application software, value analysis and value engineering, manufacturing engineering and regulatory compliance. Medical device industry comprises of diagnostic, life sciences, surgical, cardiovascular, home healthcare, general medical, and other devices.

The management primarily uses a measure of earnings before interest, tax, depreciation and amortisation (EBITDA, see below) to assess the performance of the operating segments.

(i) Primary segments are defined based on the industries from which revenues are derived and segmental results are as under:

(₹ million)

Particulars	Transportation	Industrial products	Telecom and hi-tech	Plant engineering	Medical devices	Total
Revenue	18,030	12,510	10,564	10,030	7,603	58,737
% to Total	30.7%	21.3%	18.0%	17.1%	12.9%	100.0%
	<i>14,740</i>	<i>10,048</i>	<i>10,050</i>	<i>7,930</i>	<i>6,872</i>	<i>49,640</i>
% to Total	<i>29.7%</i>	<i>20.2%</i>	<i>20.3%</i>	<i>16.0%</i>	<i>13.8%</i>	<i>100.0%</i>
Segment operating profits	3,346	3,807	1,660	2,412	2,347	13,572
% to Revenue	18.6%	30.4%	15.7%	24.0%	30.9%	23.1%
	<i>2,081</i>	<i>2,837</i>	<i>1,177</i>	<i>1,651</i>	<i>2,124</i>	<i>9,870</i>
% to Revenue	<i>14.1%</i>	<i>28.2%</i>	<i>11.7%</i>	<i>20.8%</i>	<i>30.9%</i>	<i>19.9%</i>
Un-allocable expenses (net)						381
						490
Other income						1,537
						1,743
Operating profit						14,728
						11,123
Finance cost						394
						435
Depreciation						1,826
						1,737
Profit before extraordinary items and tax						12,508
						8,951

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

(₹ million)

Particulars	North America	Europe	India	Rest of World	Total
External revenue by location of customers	34,170	10,637	9,053	4,877	58,737
	<i>28,439</i>	<i>8,603</i>	<i>7,526</i>	<i>5,072</i>	<i>49,640</i>

Numbers in italics are for the previous year.

Property, Plant and Equipment ("PPE") used and liabilities contracted for performing the Company's business have not been identified to any of the above reported segments as the PPE and services are used inter-changeably among segments.

(iii) No single customer represents 10% or more of the Company's total revenue for the year ended 31 March 2022 and 2021.

Notes forming part of the Standalone Financial Statements

40. Financial risk management

i) Market risk management

The Company regularly reviews its foreign exchange forward and option positions, both on a standalone basis and in conjunction with its underlying foreign currency related exposures. The Company follows cash flow hedge accounting for highly probable forecasted exposures (HPFE) hence the movement in mark to market (MTM) of the hedge contracts undertaken for such exposures is likely to be offset by contra movements in the underlying exposures values. However, till the point of time that the HPFE becomes an on-balance sheet exposure, the changes in MTM of the hedge contracts are accounted in the balance sheet of the Company. The Company manages its exposures normally for a period of up to three years based on the estimated exposures over that period. As the period increases, the cash flows hedged as a percentage of the total expected cash flows diminish, as there is increased uncertainty of the total cash flows materializing over a longer period of time. The recognition of the gains and losses related to these instruments may not always coincide with the timing of gains and losses related to the underlying economic exposures and, therefore, may adversely affect the Company's financial condition and operating results. Hence, the Company monitors the potential risk arising out of the market factors like exchange rates, interest rates, price of traded investment products etc. on a regular basis. For on balance sheet exposures, the Company monitors the risks on net un-hedged exposures.

ii) Price risk management

The Company's investment policy and strategy are focused on preservation of capital and supporting the Company's liquidity requirements. The Company uses a combination of internal and external management to execute its investment strategy and achieve its investment objectives. The Company typically invests in money market funds, under a limits framework which governs the credit exposure to any one issuer as defined in its investment policy. To provide a meaningful assessment of the price risk associated with the Company's investment portfolio, the Company performed a sensitivity analysis to determine the impact of change in prices of the securities that would have on the value of the investment portfolio assuming a 0.25% move in debt funds and debt securities. Based on the investment position a hypothetical 0.25% change in the fair market value of debt securities would result in a value change of +/- ₹9.72 million as of March 31, 2022, and +/- ₹19.24 million as of March 31, 2021. The investments in money market funds are for the purpose of liquidity management only and are held only overnight and hence not subject to any material price risk.

iii) Foreign currency risk management

In general, the Company is a net receiver of foreign currency. Accordingly, changes in exchange rates, and in particular a strengthening of the Indian Rupee, will negatively affect the Company's net sales and gross margins as expressed in Indian Rupees.

The Company may enter into foreign currency forward contracts with financial institutions to protect against foreign exchange risks associated with certain existing assets and liabilities, certain firmly committed transactions, forecasted future cash flows and net investments in foreign subsidiaries. The Company's practice is to hedge a portion of its material net foreign exchange exposures with tenors in line with the projected exposure based on future business growth. However, the Company may choose not to hedge certain foreign exchange exposures for a variety of reasons, including but not limited to accounting considerations and the prohibitive economic cost of hedging particular exposures. The Company may also not hedge 100% given the uncertainty with business projections and hence the exposure gets hedged progressively in lower amounts.

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

Notes forming part of the Standalone Financial Statements

Company uses a multi-currency correlated value-at-risk (“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. The overnight VAR for the Company at 95% confidence level is ₹ 254 million as of March 31, 2022 and ₹ 316 million as of March 31, 2021.

Actual future gains and losses associated with the Company’s investment portfolio and derivative positions may differ materially from the sensitivity analyses performed as of March 31, 2022 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.

iv) Credit/counter-party risk management

The principal credit risk that the Company is exposed to is non-collection of trade receivables and late collection of receivables leading to credit loss. The risk is mitigated by reviewing creditworthiness of the prospective customers prior to entering into contract and post contracting, through continuous monitoring of collections by a dedicated team.

The Company reviews trade receivables on periodic basis and makes provision for doubtful debts if collection is doubtful. The Company also calculates the expected credit loss (ECL) for non-collection and for delay in collection of receivables. The Company makes additional provision if the ECL amount is higher than the provision made for doubtful debts. In case the ECL amount is lower than the provision made for doubtful debts, the Company retains the provision made for doubtful debts without any adjustment.

The provision for doubtful debts including ECL allowances for non-collection of receivables and delay in collection, on a combined basis, was ₹ 173 million as at March 31, 2022 and ₹ 123 million as at March 31, 2021. The movement in allowances for doubtful accounts comprising provision for both non-collection of receivables and delay in collection is as follows:

	(₹ million)	
	2021-22	2020-21
Opening balance of allowances for doubtful accounts	123	484
Allowances recognized (reversed)	50	(361)
Closing balance of allowances for doubtful accounts	173	123

The percentage of revenue from its top five customers is 18% for 2021-22 (16% for 2020-21).

The counter-party risk that the Company is exposed to is principally for financial instruments taken to hedge its foreign currency risks. The counter-parties are mainly banks and the Company has entered into contracts with the counterparties for all its hedge instruments.

The Company invests its surplus funds in liquid investments and mitigates the risk of counter-party failure by investing with institutions having good credit rating.

v) Liquidity risk management

The Company manages liquidity risk by maintaining sufficient cash and marketable securities and by having access to funding through an adequate amount of committed credit lines.

Notes forming part of the Standalone Financial Statements

Management regularly monitors the position of cash and cash equivalents vis-à-vis projections. Assessment of maturity profiles of financial assets and liabilities including debt financing plans and maintenance of balance sheet liquidity ratios are considered while reviewing the liquidity position.

The Company has no borrowings as on 31 March 2022 but it has credit facilities with banks that will help it to generate funds for the business if required. The contractual maturities of financial assets and financial liabilities is as follows:

(₹ million)

Financial assets	As at 31-03-2022			As at 31-03-2021		
	Less than 1 year	More than 1 year	Total	Less than 1 year	More than 1 year	Total
Investments	13,536	861	14,397	14,930	-	14,930
Trade receivables	15,834	-	15,834	11,751	-	11,751
Other financial assets	1,100	528	1,628	590	485	1,075
Total	30,470	1,389	31,859	27,271	485	27,756

(₹ million)

Financial liabilities	As at 31-03-2022			As at 31-03-2021		
	Less than 1 year	More than 1 year	Total	Less than 1 year	More than 1 year	Total
Trade payables	1,254	-	1,254	2,202	-	2,202
Lease liabilities	431	4,052	4,483	760	3,956	4,716
Other financial liabilities	3,032	-	3,032	2,269	-	2,269
Total	4,717	4,052	8,769	5,231	3,956	9,187

41. Fair value measurements

Financial instruments by category

(₹ million)

	As at 31-03-2022			As at 31-03-2021		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial assets						
Investments (other than those held in subsidiary)						
- Mutual funds	5,194	-	-	11,830	-	-
- Bank fixed deposits	-	-	262	-	-	2
- Corporate deposits	-	-	4,501	-	-	3,100
- Non-convertible Debentures	-	-	2,236	-	-	-
- Commercial papers	-	-	2,466	-	-	-
Loans	-	-	-	-	-	-
Trade receivables	-	-	15,834	-	-	11,751
Cash and cash equivalents	-	-	1,772	-	-	1,426
Other bank balances	-	-	4,395	-	-	576
Derivative financial instruments	-	2,611	-	-	1,941	-
Security deposits	-	-	543	-	-	494
Premium receivable on financial guarantee contracts	-	-	1	-	-	5

Notes forming part of the Standalone Financial Statements

(₹ million)

	As at 31-03-2022			As at 31-03-2021		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Loans - related parties	-	-	364	-	-	35
Advances - to employees	-	-	80	-	-	41
Other receivables	-	-	640	-	-	500
Total financial assets	5,194	2,611	33,094	11,830	1,941	17,930
Financial liabilities						
Borrowings	-	-	-	-	-	-
Trade payables	-	-	1,254	-	-	2,202
Derivative financial instruments	-	235	-	-	340	-
Lease liability	-	-	4,483	-	-	4,717
Supplier ledger - capital goods/ services	-	-	197	-	-	107
Liability towards employee compensation	-	-	2,800	-	-	2,142
Financial guarantee contract	-	-	1	-	-	5
Unclaimed dividend	-	-	3	-	-	2
Other payables	-	-	31	-	-	13
Total financial liabilities	-	235	8,769	-	340	9,188

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

(₹ million)

Financial assets and liabilities measured at fair value - recurring fair value measurements	As at 31-03-2022				As at 31-03-2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Financial investment at FVPL								
-Mutual funds	5,194	-	-	5,194	11,830	-	-	11,830
Financial investment at FVOCI								
Derivative financial instruments	-	2,611	-	2,611	-	1,941	-	1,941
Total financial assets	5,194	2,611	-	7,805	11,830	1,941	-	13,771
Financial liabilities								
Derivative financial instruments	-	235	-	235	-	340	-	340
Total financial liabilities	-	235	-	235	-	340	-	340

Notes forming part of the Standalone Financial Statements

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

There were no transfers between the levels during the year.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) Valuation technique used to determine fair value

Specific valuation technique used to value financial instruments include :

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of forward foreign exchange contracts and principal swap is determined using forward exchange rates at the balance sheet date.

(iii) Valuation processes

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. The fair valuation of level 1 and level 2 classified assets and liabilities are readily available from the quoted prices in the open market and rates available in secondary market respectively. The valuation method applied for various financial assets and liabilities are as follows:

- Quoted price in the primary market (net asset value) considered for the fair valuation of the current investment i.e mutual funds. Gain/(loss) on fair valuation is recognised in statement of profit and loss.
- The carrying amounts of trade receivable, unbilled revenue, trade payable, cash and bank balances, short term loans and advances, statutory dues/receivable, short term borrowing, employee dues are considered to be the same as their fair value owing to their short-term nature.
- The fair value of premium receivable on financial guarantee contract is derived by discounting premium receivable over the period of contract. Thereafter, the same is carried at the amount initially recognised less the cumulative amortisation of income over the period of the contract.
- The fair value of non-current security deposits are calculated by discounting future cash inflows.

(iv) Fair value of financial assets and financial liabilities measured at amortised cost:

The carrying amounts of all financial assets and financial liabilities are considered to be the same as their fair values owing to their short term nature.

Notes forming part of the Standalone Financial Statements

42. Tax reconciliation statement

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

(₹ million)

Sr. No.	Particulars	Year ended 31 March,	
		2022	2021
(a)	Profit before tax	12,508	8,951
(b)	Corporate tax rate as per Income tax Act, 1961	25.17%	34.94%
(c)	Tax on accounting profit	(c)=(a)*(b)	3,148
(d)	(i) Tax effect of exempt non-operating income	-	(63)
	(ii) Tax effect due to non-taxable income for Indian tax purposes	-	(785)
	(iii) Effect of non-deductible expenses	42	24
	(iv) Overseas taxes	119	57
	(v) Tax effect on various other items	14	(141)
	Total effect of tax adjustments [(i) to (v)]	175	(908)
(e)	Tax expense recognised during the year	(e)=(c)-(d)	3,323
(f)	Effective tax rate	(f)=(e)/(a)	26.57%
			24.80%

The applicable Indian statutory tax rate for fiscal year 2022 is 25.17% and fiscal year 2021 is 34.94%.

Overseas taxes are on account of income taxes payable overseas, principally in the United States of America. In India, the Company has benefited from certain tax incentives that the Government of India has provided to the export of software for the units registered under the Special Economic Zones Act, 2005(SEZ). SEZ units which commenced operations on or after April 1, 2005 are eligible for a deduction of 100 percent of profits or gains derived from the export of services for the first five years from the financial year in which the unit commenced the provision of services and 50 percent of such profits or gains for further five years. Upto 50% of such profits or gains is also available for a further five years subject to creation of a Special Economic Zone re-Investment Reserve out of the profit of the eligible SEZ units and utilization of such reserve by the Company for acquiring new plant and machinery for the purpose of its business as per the provisions of the Income-tax Act, 1961.

43. Disclosure pursuant to Ind AS 19 "Employee benefits"

i) Defined contribution plan

The Company has recognised ₹ 1601 million (previous year ₹ 1548 million) towards defined contribution plan as an expense, which includes contribution to social security and employee state insurance scheme in statement of profit and loss account.

ii) Defined benefit plan

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

(₹ million)

	Gratuity plan		Post retirement medical benefit plan		Provident Fund trust managed by the holding company	
	As at 31-3-2022	As at 31-3-2021	As at 31-3-2022	As at 31-3-2021	As at 31-3-2022	As at 31-3-2021
A. Present value of defined benefit obligation						
Wholly funded	982	952	-	-	6,620	5,643
Wholly unfunded	-	-	58	68	-	-
Total (a)	982	952	58	68	6,620	5,643

Notes forming part of the Standalone Financial Statements

(₹ million)

	Gratuity plan		Post retirement medical benefit plan		Provident Fund trust managed by the holding company	
	As at 31-3-2022	As at 31-3-2021	As at 31-3-2022	As at 31-3-2021	As at 31-3-2022	As at 31-3-2021
Less: Fair value of plan assets (b)	881	841	-	-	7,123	6,163
Amount to be recognised as liability or (asset) (a-b)	101	111	-	-	(503)	(520)
B. Amounts reflected in the balance sheet						
Liabilities	101	111	58	68	111	82
Assets	-	-	-	-	-	-
Net liability / (asset)	101	111	58	68	111	82

b) The amounts recognised in statement of profit and loss are as follows:

(₹ million)

	Gratuity plan		Post retirement medical benefit plan		Provident Fund trust managed by the holding company	
	As at 31-3-2022	As at 31-3-2021	As at 31-3-2022	As at 31-3-2021	As at 31-3-2022	As at 31-3-2021
1 Current service cost	164	153	22	24	418	315
2 Interest cost	3	7	4	4	477	414
3 Expected return on plan assets	-	-	-	-	(477)	(414)
4 Actuarial losses / (gains)	-	-	-	-	(35)	(249)
5 Past service cost	-	-	-	-	-	-
6 Actuarial gain/loss not recognized in books	-	-	-	-	35	249
Total expense for the year included in staff cost	167	160	26	28	418	315

c) Amount recorded In other comprehensive income:

(₹ million)

	Gratuity plan		Post retirement medical benefit plan	
	As at 31-3-2022	As at 31-3-2021	As at 31-3-2022	As at 31-3-2021
Opening amount recognized in OCI	200	238	(111)	(80)
Remeasurement during the period due to				
a Changes in financial assumptions	(23)	47	(5)	6
b Changes in demographic assumptions	(13)	(4)	(25)	(12)
c Experience adjustments	1	(80)	(6)	(25)
d Actual return on plan assets less interest on plan assets	(17)	(1)	-	-
e Adjustment to recognize the effect of asset ceiling	-	-	-	-
Closing amount recognized in OCI outside profit and loss account	148	200	(147)	(111)

Notes forming part of the Standalone Financial Statements

- d) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

(₹ million)

	Gratuity plan		Post retirement medical benefit plan		Provident Fund trust managed by the holding company	
	As at 31-3-2022	As at 31-3-2021	As at 31-3-2022	As at 31-3-2021	As at 31-3-2022	As at 31-3-2021
Opening balance of the present value of defined benefit obligation	952	861	68	71	5,644	4,618
Transfer in/(out)	-	-	-	-	275	174
Current service cost	164	153	22	24	418	315
Past service cost	-	-	-	-	-	-
Interest on defined benefit obligation	50	49	4	4	477	414
Remeasurements due to:						
Actuarial loss/(gain) arising from change in financial assumptions	(23)	47	(5)	6	-	-
Actuarial loss/(gain) arising from change in demographic assumptions	(13)	(4)	(25)	(12)	-	-
Actuarial loss/(gain) arising on account of experience changes	1	(80)	(6)	(25)	-	-
Contribution by plan participants	-	-	-	-	787	639
Benefits paid	(150)	(74)	-	-	(981)	(516)
Closing balance of the present value of defined benefit obligation	981	952	58	68	6,620	5,644

The Company expects to contribute ₹ 100 million towards its gratuity plan in FY 2022-23 (₹ 100 million in FY 2021-22)

- e) Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows:

(₹ million)

	Gratuity plan		Post retirement medical benefit plan		Provident Fund trust managed by the holding company	
	As at 31-3-2022	As at 31-3-2021	As at 31-3-2022	As at 31-3-2021	As at 31-3-2022	As at 31-3-2021
Opening balance of the fair value of the plan assets	841	691	-	-	6,164	4,894
Expected return on plan assets	-	-	-	-	477	414
Add / (less) : transfer in/(out)	-	-	-	-	275	174
Add/(less) : actuarial gains/(losses)	-	-	-	-	35	249
Employer contributions	127	181	-	-	405	313
Contributions by plan participants	-	-	-	-	748	636
Interest on plan assets	46	41	-	-	-	-

Notes forming part of the Standalone Financial Statements

(₹ million)

	Gratuity plan		Post retirement medical benefit plan		Provident Fund trust managed by the holding company	
	As at 31-3-2022	As at 31-3-2021	As at 31-3-2022	As at 31-3-2021	As at 31-3-2022	As at 31-3-2021
Remeasurements due to :						
Actual return on plan assets less interest on plan assets	17	1	-	-	-	-
Benefits paid	(150)	(73)	-	-	(981)	(516)
Closing balance of the plan assets	881	841	-	-	7,123	6,164

f) Sensitivity analysis:

	Gratuity plan		Post retirement medical benefit plan	
	As at 31-3-2022	As at 31-3-2021	As at 31-3-2022	As at 31-3-2021
Impact of increase in 100 bps on defined benefit obligation				
Discount rate	-4.24%	-5.14%	-	-
Salary escalation rate	4.43%	5.54%	-	-
Impact of decrease in 100 bps on defined benefit obligation				
Discount rate	4.61%	5.68%	-	-
Salary escalation rate	-4.18%	-5.13%	-	-
Discount rate				
Impact of increase in 100 bps on defined benefit obligation	-	-	-14.01%	-17.47%
Impact of decrease in 100 bps on defined benefit obligation	-	-	18.21%	23.37%
Healthcare costs rate				
Impact of increase in 100 bps on defined benefit obligation	-	-	10.33%	14.33%
Impact of decrease in 100 bps on defined benefit obligation	-	-	-8.41%	-11.55%
Life expectancy				
Impact of increase in 1 year on defined benefit obligation	-	-	1.30%	1.07%
Impact of decrease by 1 year on defined benefit obligation	-	-	-1.36%	-1.11%

- The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated.
- The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Notes forming part of the Standalone Financial Statements

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

	Gratuity plan		Post retirement medical benefit plan	
	As at 31-3-2022	As at 31-3-2021	As at 31-3-2022	As at 31-3-2021
Government of India securities	Scheme with LIC	Scheme with LIC	17.47%	22.17%
State government securities			27.81%	23.13%
Corporate bonds			30.50%	29.38%
Public sector bonds			10.38%	12.60%
Mutual funds			5.23%	5.42%
Fixed deposits under Special Deposit Scheme framed by central government and other allowable investments			8.61%	7.30%

h) Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	As at 31-3-2022	As at 31-3-2021
1 Discount rate:		
(a) Gratuity plan	6.20%	5.70%
(b) Post retirement medical benefit plan	6.20%	5.70%
2 Annual increase in healthcare costs	5.00%	5.00%
3 Salary growth rate	5.50%	5.50%
4 Attrition rate	25% to 40% for various age groups	14% to 23% for various age groups

Risk exposure

i. Gratuity

The Company operates gratuity plan through a trust wherein every employee is entitled to the benefit equivalent to fifteen days last salary drawn for each completed year of service. The same is payable on termination of service or retirement whichever is earlier. The benefit vests after five years of continuous service. The trustees of the plan have outsourced the investment management of the fund to an insurance company. The insurance company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations.

ii. Post retirement medical benefits plan

The post-retirement medical care plan provides for reimbursement of health care costs to certain categories of employees post their retirement. The reimbursement is subject to an overall ceiling sanctioned based on cadre of the employee at the time of retirement. The plan is unfunded. Employees do not contribute to the plan.

Notes forming part of the Standalone Financial Statements

- i) The amounts pertaining to defined benefit plans for the current year are as follows:

	As at 31-3-2022	As at 31-3-2021
(₹ million)		
Gratuity plan (wholly funded/ unfunded)		
1 Defined benefit obligation	982	952
2 Plan assets	881	841
3 (Surplus) / deficit	101	111
Post retirement medical benefit plan (wholly unfunded)		
1 Defined benefit obligation	58	68
Self - managed provident fund plan (wholly funded)		
1 Defined benefit obligation	6,620	5,643
2 Plan assets	7,123	6,163
3 (Surplus) / deficit	(503)	(520)

General descriptions of defined benefit plans:

a Gratuity plan

The Company makes contributions to the employees' group 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, 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.

b 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.

c Provident Fund trust managed by the holding company

The Company's provident fund plan is managed by its holding company through a trust permitted under The Employees' Provident Funds and Miscellaneous Provisions 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.

Employee benefit plan outside India

In January 2018, the Company established the L&T Technology Services 401k Plan (the "Plan") for the benefit of its employees in USA. As allowed under section 401(k) of the Internal Revenue Code, the Plan provides for tax-deferred salary contributions for eligible employees of L&T Technology Services Limited, L&T Technology Services LLC and Esencia Technologies Inc. The Plan allows the employee and Company's contributions to vest 100% immediately. During the year ended March 31, 2022, the Company contributed ₹117 million towards the Plan (Previous year: ₹ 111 million)

Notes forming part of the Standalone Financial Statements

44. Lease liability

(₹ million)

Particulars	Year ended 31 March,	
	2022	2021
1 Classwise right of use assets (office premises)		
Opening balance	4,117	3,391
Addition during the year (net of deletion)	542	1,602
Depreciation during the year	(862)	(876)
Closing balance	3,797	4,117
2 Repayment during the year (lease payment towards lease liability net of finance cost)	(734)	(667)
3 Maturity analysis of lease liability (undiscounted)		
Less than 1 year	1,076	1,114
1 to 5 years	2,827	3,533
More than 5 years	2,322	1,962
Total	6,225	6,609
Closing balance		
Current liability	431	760
Non-current liability	4,052	3,956
	4,483	4,716
4 Amount recognised in statement of profit and loss		
Interest on lease liability	388	422
Rent expense - short term lease	71	96
5 Gain /(loss) on derecognition of lease liability - right-of-use assets		
Closing balance of lease liability as on date of derecognition	125	628
Less: Closing balance of right-of-use assets as on date of derecognition	93	594
Add: Interest free security deposit against lease premise	3	-
Gain/(loss) on derecognition of right-of-use	35	34
6 Lease commitment		
No lease commitments were entered into by the Company (PY ₹ Nil).		

45. Related party disclosure

45 (1) (i) List of related parties over which control exists/exercised

Name	Relationship
L&T Thales Technology Services Private Limited	Subsidiary
L&T Technology Services LLC	Wholly owned subsidiary
Graphene Semiconductor Services Private Limited	Wholly owned subsidiary
Graphene Solutions Pte. Ltd.	Wholly owned subsidiary
Graphene Solution SDN. BHD.	Wholly owned subsidiary
Graphene Solutions Taiwan Limited	Wholly owned subsidiary
Seastar Labs Private Limited	Wholly owned subsidiary
L&T Technology Services (Shanghai) Co. Ltd.	Wholly owned subsidiary
L&T Technology Services (Canada) Ltd.	Wholly owned subsidiary of L&T Technology Services LLC
Orchestra Technology Inc	Wholly owned subsidiary of L&T Technology Services LLC*

*Wholly owned subsidiary of L&T Technology Services LLC w.e.f October 02, 2020.

45 (1) (ii) List of related parties which can exercise control

Name	Relationship
Larsen and Toubro Limited	Holding company

Notes forming part of the Standalone Financial Statements

45 (1) (iii) Key management personnel

Executive directors	Status
Mr. Amit Chadha	Chief Executive Officer & Managing Director
Mr. Abhishek Sinha	Chief Operating Officer & Whole Time Director
Mr. Rajeev Gupta	Chief Financial Officer
Mr. Kapil Bhalla	Company Secretary up to October 29, 2021
Ms. Prajakta Powle	Company Secretary w.e.f. March 17, 2022

Non-executive directors

Mr. Anilkumar Manibhai Naik
Mr. Sekharipuram Narayanan Subrahmanyam
Dr. Keshab Panda

45 (1) (iv) List of related parties with whom there were transactions during the year

Name	Relationship
Larsen & Toubro Limited	Holding company
Larsen & Toubro Infotech Limited	Fellow subsidiary
Larsen & Toubro Infotech Canada Limited	Fellow subsidiary
Larsen & Toubro Infotech GmbH	Fellow subsidiary
L&T Infotech Financial Services Technologies Inc.	Fellow subsidiary
L&T Information Technology Services (Shanghai) Co., Ltd.	Fellow subsidiary
Larsen Toubro Arabia LLC	Fellow subsidiary
Larsen & Toubro Saudi Arabia LLC	Fellow subsidiary
Larsen & Toubro (East Asia) SDN. BHD.	Fellow subsidiary
Servowatch Systems Limited	Fellow subsidiary
L&T Valves Limited	Fellow subsidiary
L&T Overseas Projects Nigeria Limited	Fellow subsidiary
Mindtree Limited	Fellow subsidiary
L&T-Sargent & Lundy Limited	Fellow subsidiary
L&T Technology Services LLC	Subsidiary
L&T Thales Technology Services Private Limited	Subsidiary
Graphene Semiconductor Services Private Limited	Subsidiary
Seastar Labs Private Limited	Subsidiary
Graphene Solutions Taiwan Limited	Subsidiary
Graphene Solutions PTE Ltd	Subsidiary
Graphene Solutions SDN. BHD	Subsidiary
L&T Technology Services (Shanghai) Co. Ltd.	Subsidiary
L&T Technology Services (Canada) Limited	Subsidiary
Orchestra Technology Inc	Subsidiary
L&T Chiyoda Limited	Associate
Larsen & Toubro Public Charitable Trust	Trust being managed by Parent
Larsen & Toubro Hydrocarbon Engineering Limited*	Fellow subsidiary
Esencia Technologies Inc*	Subsidiary

*During the year, L&T Hydrocarbon Engineering Limited is merged with Larsen & Toubro Limited and Esencia Technologies Inc is merged with L&T Technology Services LLC. Hence, transactions for the year ended 31 March 2022 and balances as on 31 March 2022 of L&T Hydrocarbon Engineering Limited and Esencia Technologies Inc are shown under Larsen & Toubro Limited and L&T Technology Services LLC respectively.

Notes forming part of the Standalone Financial Statements

45 (1) (v) Name of post-employment benefit plans with whom transactions were carried out during the year:

Larsen & Toubro Officers & Supervisory Staff Provident Fund

L&T Technology Services Limited Employee Group Gratuity Scheme

45 (1) (vi) Disclosure of related party transactions

Transaction	31-03-2022	31-03-2021
(₹ million)		
Revenue from services		
Holding Company	212	161
- Larsen & Toubro Limited	212	161
Fellow subsidiaries	946	722
- L&T Hydrocarbon Engineering Limited	-	41
- Larsen & Toubro Infotech Limited	898	672
- Mindtree Limited	48	9
Associates	3	16
- L&T Chiyoda Limited	3	16
Subsidiaries	1,142	918
- L&T Thales Technology Services Private Limited	467	368
- L&T Technology Services LLC	594	518
- Esencia Technologies Inc	-	2
- L&T Technology Services (Shanghai) Co. Ltd.	1	28
- L&T Technology Services (Canada) Ltd.	79	2
- Orchestra Technology Inc	1	-
Purchase of services		
Holding Company	52	-
- Larsen & Toubro Limited	52	-
Fellow subsidiaries	557	839
- L&T Hydrocarbon Engineering Limited	-	287
- Larsen & Toubro Infotech Limited	514	532
- L&T-Sargent & Lundy Limited	7	1
- Mindtree limited	36	19
Subsidiaries	1,256	681
- L&T Thales Technology Services Private Limited	-	3
- L&T Technology Services LLC	1,061	643
- Esencia Technologies Inc	-	10
- Graphene Solutions Taiwan Limited	-	3
- Orchestra Technologies Inc	195	22
Rent paid		
Holding Company	247	226
- Larsen & Toubro Limited	247	226
Fellow subsidiaries	22	30
- Larsen & Toubro Infotech Limited	19	18
- Larsen & Toubro Infotech GmbH	2	11
- Larsen & Toubro (East Asia) SDN. BHD	1	1
Subsidiaries	5	15
- L&T Technology Services LLC	5	15

Notes forming part of the Standalone Financial Statements

Transaction	31-03-2022	31-03-2021
		(₹ million)
Interest payable		
Subsidiaries	-	7
- Graphene Semiconductor Services Private Limited	-	7
Services availed by the Company		
Holding Company	197	180
- Larsen & Toubro Limited	197	180
Fellow subsidiaries	23	34
- Larsen & Toubro Infotech Limited	23	34
Subsidiaries	19	8
- L&T Technology Services LLC	19	-
- Esencia Technologies Inc	-	8
Services rendered by the Company		
Holding Company	210	1
- Larsen & Toubro Limited	210	1
Fellow subsidiaries	-	1
- Servowatch Systems Limited	-	1
Subsidiaries	333	571
- L&T Thales Technology Services Private Limited	49	108
- L&T Technology Services LLC	284	451
- Esencia Technologies Inc	-	12
Trademark fees		
Holding Company	99	82
- Larsen & Toubro Limited	99	82
Trade receivable		
Holding Company	149	87
- Larsen & Toubro Limited	149	87
Fellow subsidiaries	258	191
- Larsen & Toubro Infotech Limited	233	179
- L&T Hydrocarbon Engineering Limited	-	9
- Mindtree Limited	25	3
Associates	-	1
- L&T Chiyoda Limited	-	1
Subsidiaries	713	377
- L&T Thales Technology Services Private Limited	91	57
- L&T Technology Services LLC	509	284
- Graphene Semiconductor Services Private Limited	-	2
- Graphene Solutions Taiwan Limited	3	3
- L&T Technology Services (Shanghai) Co. Ltd.	33	29
- Orchestra Technologies Inc	1	-
- L&T Technology Services (canada) Ltd.	76	2
Trade payable		
Holding Company	89	80
- Larsen & Toubro Limited	89	80

Notes forming part of the Standalone Financial Statements

	(₹ million)	
Transaction	31-03-2022	31-03-2021
Fellow subsidiaries	77	454
- Larsen & Toubro Infotech Limited	55	406
- L&T Hydrocarbon Engineering Limited	-	27
- L&T-Sargent & Lundy Limited	3	-
- Larsen & Toubro Infotech GmbH	-	6
- Larsen & Toubro Saudi Arabia LLC	15	9
- Mindtree Limited	4	6
Subsidiaries	393	192
- Esencia Technologies Inc	-	4
- Seastar Labs Private Limited	1	2
- Graphene Solutions Taiwan Limited	-	1
- L&T Technology Services (Canada) Ltd	3	-
- L&T Thales Technology Services Private Limited	1	-
- L&T Technology Services LLC	234	164
- Orchestra Technologies Inc	154	21
Investments in subsidiaries		
Subsidiaries	-	812
- L&T Technology Services LLC	-	812
Advances recoverable		
Holding Company	329	-
- Larsen & Toubro Limited	329	-
Fellow subsidiaries	1	1
- L&T Infotech Financial Services Technologies Inc.	1	-
- L&T Information Technology Services (Shanghai) Co. Ltd.	-	1
Subsidiaries	34	34
- L&T Thales Technology Services Private Limited	-	8
- Graphene Semiconductor Services Private Limited	-	1
- Graphene Solution PTE Limited	20	12
- L&T Technology Services (Shanghai) Co. Ltd.	14	13
Corporate guarantee outstanding as on respective balance sheet date		
Subsidiaries	1,251	1,206
- L&T Technology Services LLC	1,251	1,206
Corporate bank guarantee of USD 16.5 million (previous year USD 16.5 million) issued to Bank of America for securing borrowings of L&T Technology Services LLC, USA		
Interim/final dividend paid - equity		
Holding Company	2,691	1,640
- Larsen & Toubro Limited	2,691	1,640
Dividend received		
Subsidiaries	-	180
- Graphene Semiconductor Services Private Limited	-	180
Compensation to key managerial personnel		
Short-term employee benefits	95	121
Post-employment benefits	1	1
Share-based payment	149	153
Total compensation**	245	275

**Mr. Kapil Bhalla (previous Company Secretary) resigned on Oct 29, 2021, his proportionate compensation has been included in calculation of remuneration of FY22.

Ms. Prajakta Powle (current Company Secretary) joined LTTS on 15th March 2022 and appointed in Board on 17th March 2022, her proportionate compensation has been included in above calculation of FY22.

Notes forming part of the Standalone Financial Statements

Compensation to non-executive directors

Particulars	(₹ million)	
	2021-22	2020-21
Sitting fees	3	2
Commission	26	25
Share-based payment	217	-
Other compensation	43	-
Total compensation	289	27

CSR Expenses

Particulars	(₹ million)	
	2021-22	2020-21
Trust being managed by Parent		
- Larsen & Toubro Public Charitable Trust	4	1

Transactions with trust managed employees provident fund

Particulars	(₹ million)	
	2021-22	2020-21
Towards employer's contribution	405	313
Paid during the year***	1,152	879
Due to trust (year end liability)	111	82

***Includes employer & employee contribution

Transactions with approved gratuity fund

Particulars	(₹ million)	
	2021-22	2020-21
Towards employer's contribution	127	181
Paid during the year	127	181
Due to trust (year end liability)	100	111

46. Disclosure pursuant to Ind AS 115 "Revenue from contract with customers":

a) Disaggregation of revenue

The nature of contract impacts the method of revenue recognition and the contracts are classified as fixed-price contracts and time and material contracts.

i) Revenue by contract type

	(₹ million)	
	For year ended March 31, 2022	For year ended March 31, 2021
Fixed price contracts	17,771	19,189
Time and materials contracts	40,966	30,451
Total	58,737	49,640

ii) Refer note 39 for disaggregation of revenue by industry and geographical segments.

iii) The Company believes that this disaggregation best depicts how the nature, amount, timing of its revenues, and cash flows are affected by industry, market, and other economic factors.

Notes forming part of the Standalone Financial Statements

b) Transaction price allocated to remaining performance obligation

- i) The aggregate value of performance obligations that are completely or partially unsatisfied as of March 31, 2022, other than those meeting the exclusion criteria mentioned below in (ii), is ₹ 8108 million. Out of this, the Company expects to recognize revenue of around 100% within the next one year. Remaining performance obligation estimates are subject to change and are affected by several factors, including changes in the scope of contracts, periodic revaluations, and adjustments for currency.
- ii) The Company has applied practical expedient and has not disclosed information about remaining performance obligations in contracts where the entity has the right to consideration that corresponds directly with the value of entity's performance completed to date, typically those contracts where invoicing is on time and material basis.

c) Movement in contract balances

- i) The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset for time and material jobs where right to consideration is unconditional upon passage of time. Unbilled revenue for fixed price contracts is classified as non financial asset as the contractual right to consideration is dependent on completion of contractual milestones
- ii) Movement in contract asset and contract liability

(₹ million)

Particulars	For year ended March 31, 2022		For year ended March 31, 2021	
	Unbilled revenue	Unearned revenue	Unbilled revenue	Unearned revenue
Opening balance	1,815	510	2,919	467
Revenue recognised during period	1,811	(476)	1,785	(419)
Invoiced during period (incl. translation gain/loss)	(1,813)	668	(2,932)	462
ECL movement Reversal / (Provision)	-	-	43	-
Closing balance	1,813	702	1,815	510

47. Government grants

- A. During the year ended March 31, 2022, the Company has reversed Government grant against export of services, amounting to ₹ 320 million (previous year ₹ 548 million) which is disclosed as export incentive as part of other income.
- B. The Company has received incentives amounting to ₹ 26 million (previous year ₹ Nil) from governments of various countries against money spent on research and development and has accounted for it under other income.
- C. The Company has received government grants amounting to ₹ 34 million (previous year ₹ 57 million) from governments of various countries on compliance with several employment-related conditions consequent to the outbreak of COVID-19 pandemic and accordingly, accounted it as a credit to employee benefits expense.

Notes forming part of the Standalone Financial Statements

- 48. The Company has amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006, [MSMED Act] as at March 31, 2022. The disclosure pursuant to the said act is as under:**

	(₹ million)	
	As at 31-03-2022	As at 31-03-2021
Principal amount due to suppliers under MSMED Act, 2006	31	66
Interest accrued, due to suppliers under MSMED Act on the above amount, and unpaid	-	-
Payment made to suppliers (other than interest) beyond the appointed day during the year	-	-
Interest paid to suppliers under MSMED Act (other than section 16)	-	-
Interest paid to suppliers under MSMED Act section 16	-	-
Interest due and payable towards suppliers under MSMED Act for payments already made	-	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	-	-
Amount of further interest remaining due and payable even in the succeeding years	-	-

Dues to Micro and Small Enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006, have been determined to the extent such parties have been identified on the basis of information collected by the Management.

- 49.** In the year 2019, the U.S. Department of Homeland Security followed by the Assistant United States Attorney's office had initiated an investigation concerning the Company's nonimmigrant visas program. The Govt agencies have sought information, which the Company is providing and thereby fully cooperating on this matter. To date, the US Government agencies have not filed formal allegations or charges against the Company.
- 50.** The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- 51.** There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at March 31, 2022 (previous year: ₹ Nil).
- 52.** Previous year's figures have been regrouped / reclassified wherever necessary.

As per our report attached
SHARP & TANNAN
 Chartered Accountants
 Firm's registration no. 109982W
 by the hand of

FIRDOSH D. BUCHIA
 Partner
 Membership no. 38332

Place: Mumbai
 Date: April 21, 2022

RAJEEV GUPTA
 Chief Financial Officer

Place: Mumbai
 Date: April 21, 2022

PRAJAKTA POWLE
 Company Secretary
 Membership no. A20135

Place: Mumbai
 Date: April 21, 2022

For and on behalf of the Board of Directors of
L&T TECHNOLOGY SERVICES LIMITED

AMIT CHADHA
 Chief Executive Officer &
 Managing Director
 (DIN: 07076149)

Place: Mumbai
 Date: April 21, 2022

ABHISHEK SINHA
 Chief Operating Officer &
 Whole-Time Director
 (DIN: 07596644)

Place: Mumbai
 Date: April 21, 2022

Independent Auditor's Report

To
The Members of
L&T Technology Services Limited

Report on the audit of the consolidated financial statements

Opinion

We have audited the accompanying consolidated financial statements of **L&T Technology Services Limited** ('the Company') and its subsidiaries (the Company and its subsidiaries together referred to as 'the Group'), which comprise the balance sheet as at 31 March 2022, 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 ('the consolidated financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the 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 Company as at 31 March 2022, the consolidated profit and consolidated total comprehensive income, 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 Companies Act, 2013 ('the Act'). Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the independence 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 we have obtained is sufficient and appropriate to provide a basis for our 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 of the current period. 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.

Key audit matter	How the matter was addressed in our audit
<p>Revenue recognition</p> <p>The Group is primarily in the business of providing technology and engineering services to third parties.</p> <p>The Group is having two models for the purpose of recognition of revenue from contracts for services rendered, which are time and material contracts and fixed price contracts.</p> <p>For the year ended 31 March 2022, revenue from services amounts to ₹65,697 million (refer note 24 to the consolidated financial statements)</p>	<p>Our revenue testing included both testing of the Company's controls as well as substantive audit procedures.</p> <p>Our procedures included:</p> <ul style="list-style-type: none"> • We ensured that revenue recognition method applied was appropriate based on the terms of the agreement with the customer; • We obtained an understanding of the processes and tested relevant controls, which impact the revenue recognition; • For time and material-based contracts: <ul style="list-style-type: none"> i. We obtained appropriate evidence based on the circumstances to conclude whether the hours charged on projects were appropriate; ii. We obtained appropriate evidence based on the circumstances to conclude whether the rate charged per man hours on projects were appropriate; and iii. We verified the revenue based on the hours charged on the projects and approved per hour rate. • We considered the appropriateness of disclosures in relation to revenue recognition as detailed in note 24 and 44 to the consolidated financial statements. • For fixed price contracts: <ul style="list-style-type: none"> i. We agreed the total project revenue estimate with customer contracts agreements including amendments as appropriate; ii. We assessed the reliability of management's estimates by comparing actual results of delivered projects to previous estimates; iii. We evaluated management's estimates and assumptions in recognition of the revenue; iv. We verified the revenue based on the stage of completion of the projects; and v. We obtained appropriate evidence based on the circumstances to conclude whether the proportion of completion of projects was appropriate. <p>Based on the procedures performed we consider the amount of revenue recognised to be fairly stated in the consolidated financial statements.</p>

Key audit matter	How the matter was addressed in our audit
<p>Valuation of goodwill</p> <p>The Group accounted for goodwill at the time of acquisition of certain businesses in earlier years and in the current year. As required by the applicable Indian Accounting Standards, goodwill is not amortised but is tested for impairment by management on an annual basis. The impairment is tested using discounted cash flow models. As disclosed in notes 2(m)(ii) and 5 to the consolidated financial statements, there are some sensitive key judgements made in determining the inputs into these models which include:</p> <ul style="list-style-type: none"> • Revenue forecasts; • Operating margins; • Cash flow forecasts; and • The discount rate applied to the projected future cash flows. <p>In addition, the impact of Covid-19 is also considered in the current year.</p> <p>Accordingly, the impairment test of the goodwill is considered to be a key audit matter.</p> <p>As at 31 March 2022, goodwill amounts to ₹5,881 million (refer note 5 to the consolidated financial statements).</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> • We tested the methodology applied for impairment of goodwill; • We evaluated process by which the future cash flows were drawn up, including comparing them to the latest board approved targets and long-term plans; • We tested the key underlying assumptions for revenue growth, operating margins, cash flow forecasts, and the discount rate applied to the projected future cash flows; • We compared the current year actual results included in the impairment model to consider whether forecasts included assumptions that, with hindsight, had been appropriate; • We evaluated management’s assumptions on the impact of Covid-19 on the above matters; and • We considered the appropriateness of disclosures in relation to impairment assessment as detailed in note 2(m)(ii) and 5 to the consolidated financial statements. <p>Based on the procedures performed we consider the goodwill to be fairly stated in the consolidated financial statements.</p>
<p>Derivative financial instruments and hedge accounting</p> <p>Derivative financial instruments are used to manage and hedge foreign currency exchange risks and interest rate risks. These instruments are typically designated in a fair value or cash flow hedge relationship. Financial instruments that are not designated in a hedging relationship and where no hedge accounting is applied are measured at fair value through profit and loss.</p> <p>The fair value of the derivative financial instruments is based on valuation models using observable input data.</p> <p>We focused on this area on account of the number of contracts, the forecast by management of net foreign currency exposure in the future, their measurement, the complexity related to hedge accounting and the potential impact on the statement of profit and loss.</p> <p>In addition, the impact of Covid-19 is also considered for the current year.</p> <p>As at 31 March 2022, the Company has derivative financial assets at fair value of ₹2,611 million and derivative financial liabilities at fair value of ₹235 million (refer note nos. 8, 15, 19, 21, 37(i) and 37(iii) to the consolidated financial statements).</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> • We obtained an understanding of the risk management policies and testing key controls for the use, the recognition and the measurement of derivative financial instruments; • We reconciled derivative financial instruments data with third party confirmations; • We compared input data used in the Group’s valuation models with independent sources and externally available market data; • We compared valuation of derivative financial instruments with market data or results from alternative, independent valuation models; • We tested on a sample basis the applicability and accuracy of hedge accounting; • We evaluated management’s assumptions on the impact of Covid-19 on the above matters; and • We considered the appropriateness of disclosures in relation to financial risk management, derivative financial instruments and hedge accounting to the consolidated financial statements. <p>Based on the procedures performed the derivative financial instruments and hedge accounting are fairly stated in the consolidated financial statements.</p>

Information other than the consolidated financial statements and auditor's report thereon

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the director's report including annexures thereto, management discussion and analysis and annual business responsibility report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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.

Management's responsibility for the consolidated 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total 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, including the Accounting Standards specified under section 133 of the Act. 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 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 consolidated Financial

Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective board of directors of the companies included in the Group are 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.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional 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 financial controls 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 and its subsidiary companies which are companies incorporated in India,

has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 auditor's 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 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 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 the aggregate, make 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 misstatement in the consolidated financial statements.

We communicate with those charged with governance of the Company and such other entities 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 of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matters

We did not audit the financial statements of six subsidiaries whose financial statements reflect Group's share of total assets of ₹6,543 million as at 31 March 2022, Group's share of total revenues of ₹9,288 million, Group's share of total net profit after tax of ₹505 million, total comprehensive income of ₹651 million, and net cash inflows amounting to ₹204 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports 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 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 the reports of the other auditors.

Two of these subsidiaries are located outside India whose financial statements have been prepared in accordance with

accounting principles generally accepted in that country ('local GAAP') and which have been audited by other auditors under generally accepted auditing standards applicable in that country. The Company's management has converted the financial statements of these subsidiaries from local GAAP to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the amounts and disclosures of these subsidiaries are based on the audit reports of the other auditors and the conversion adjustments prepared by management of the Company and audited by us.

The consolidated financial statements include the financial information of five subsidiaries which have not been audited by their auditors, whose financial information reflect Group's share of total assets of ₹181 million as at 31 March 2022, Group's share of total revenues of ₹107 million, Group's share of total net loss after tax of ₹1.52 million, Group's share of total comprehensive loss of ₹0.28 million, and net cash inflows of ₹38 million for the year ended on that date. The financial information of these subsidiaries is unaudited and has 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 subsidiaries is based solely on such unaudited financial information which is certified by the management. In our opinion and according to the information and explanations given to us by the management, the financial information of these subsidiaries are not material to the Group.

Our opinion on the consolidated financial statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statement certified by the management.

Report on other legal and regulatory requirements

1 As required by section 143(3) of the Act, based on our audit 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 of the aforesaid consolidated financial statements;

- (b) In our opinion, proper books of account as required by law relating to preparation of aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books;
- (c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity, and the consolidated statement of cash flow dealt with by this report are in agreement with the relevant 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 Ind AS specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors of the Company and its subsidiaries incorporated in India and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2022 from being appointed as a director in terms of section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A which is based on the auditor's report of the Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
- (g) With respect to the other matters to be included in the auditor's report in accordance with the requirements of section 197(16) of the Act (as amended), we report that in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid

- by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and
- (h) With respect to the other matters to be included in the auditor's report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Group has disclosed the impact of pending litigations on its consolidated financial position in its financial statements – refer note 32 to the consolidated financial statements;
 - ii. the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses – refer note 47 to the consolidated financial statements; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India – refer note 48 to the consolidated financial statements.
 - iv. (a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, including foreign entity ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, performed by us on the Company and its subsidiaries which are subsidiaries incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clauses (i) and (ii) of rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. As stated in note 17.9 to the consolidated financial statements:
- (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act;

- (b) The special dividend declared and paid by the Company during the year is in compliance with section 123 of the Act;
 - (c) The interim dividend declared and paid by the Company during the year is in compliance with section 123 of the Act; and
 - (d) The Board of Directors of the Company have proposed a final dividend for the year which is subject to the approval of the members at the ensuing annual general meeting. The amount of dividend proposed is in accordance with section 123 of the Act
- 2 With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ("CARO") issued by the central government in terms of

section 143(11) of the Act, to be included in the auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and the reports of its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in the CARO reports.

For **Sharp & Tannan**
Chartered Accountants
Firm's registration no.109982W

Firdosh D. Buchia
Partner

Membership no. 38332

UDIN: 22038332AHMLLN9777

Mumbai, 21 April 2022

Annexure A to The Independent Auditor's Report

(Referred to in paragraph 2(f) of our report of even date)

Report on the internal financial controls under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of **L&T Technology Services Limited** ('the Company') as of 31 March 2022 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

The board of directors of the Company, and its subsidiary companies which are 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 ('Guidance note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' responsibility

Our responsibility is to express an opinion on the internal financial control over financial reporting of the Company and its subsidiary companies, which are incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance

about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company and its subsidiary companies, which are incorporated in India.

Meaning of internal financial controls over financial reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated 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 consolidated financial statements.

Inherent limitations of internal financial controls over financial reporting

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

Opinion

In our opinion and to the best of our information and according to explanations given to us, the Company and its subsidiary companies, which are incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, 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 ICAI.

Other matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to three 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 with respect to our reliance on the work done by and the reports of such other auditors.

For **Sharp & Tannan**
Chartered Accountants
Firm's registration no.109982W

Firdosh D. Buchia

Partner

Membership no. 38332

UDIN: 22038332AHMLLN9777

Mumbai, 21 April 2022

Consolidated Balance Sheet

as at March 31, 2022

(₹ million)

	Note No.	As at 31-03-2022	As at 31-03-2021
ASSETS:			
I. Non-current assets			
(a) Property, plant and equipment	4	2,324	2,063
(b) Right-of-use assets	4	4,073	4,197
(c) Capital work-in-progress	4	99	119
(d) Goodwill	5	5,881	5,827
(e) Other intangible assets	5	549	737
(f) Financial assets			
(i) Investments	6	861	-
(ii) Trade receivables	7	-	-
(iii) Other financial assets	8	2,364	1,644
(g) Deferred tax assets (net)	9	138	67
(h) Other non-current assets	10	1,370	1,049
Total non-current assets		17,659	15,703
II. Current assets			
(a) Financial assets			
(i) Investments	11	13,918	15,149
(ii) Trade receivables	12	16,959	12,346
(iii) Cash and cash equivalents	13	2,347	1,751
(iv) Other bank balances	14	4,395	576
(v) Other financial assets	15	2,564	1,685
(b) Other current assets	16	3,068	3,519
Total current assets		43,251	35,026
TOTAL ASSETS		60,910	50,729
EQUITY AND LIABILITIES:			
I. Equity			
(a) Equity share capital	17	211	210
(b) Other equity	18	41,414	34,521
Equity attributable to equity holders of the Company		41,625	34,731
Non-controlling interest		137	101
Total equity		41,762	34,832
II. Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Lease liability	19	4,276	4,015
(ii) Other financial liabilities	19	274	322
(b) Deferred tax liabilities (net)	9	809	578
Total non-current liabilities		5,359	4,915
Current liabilities			
(a) Financial liabilities			
(i) Borrowings		-	-
(ii) Trade payables			
Due to micro enterprises and small enterprises	20	31	66
Due to others	20	1,689	2,286
(iii) Lease liability	21	495	790
(iv) Other financial liabilities	21	3,844	2,827
(b) Other current liabilities	22	4,937	2,958
(c) Provisions	23	1,952	1,584
(d) Current tax liabilities (net)		841	471
Total current liabilities		13,789	10,982
Total liabilities		19,148	15,897
TOTAL EQUITY AND LIABILITIES		60,910	50,729
Notes forming part of the financial statements	1-49		

As per our report attached
SHARP & TANNAN
Chartered Accountants
Firm's registration no. 109982W
by the hand of

FIRDOSH D. BUCHIA
Partner
Membership no. 38332

Place: Mumbai
Date: April 21, 2022

RAJEEV GUPTA
Chief Financial Officer

Place: Mumbai
Date: April 21, 2022

PRAJAKTA POWLE
Company Secretary
Membership no. A20135

Place: Mumbai
Date: April 21, 2022

AMIT CHADHA
Chief Executive Officer &
Managing Director
(DIN: 07076149)

Place: Mumbai
Date: April 21, 2022

ABHISHEK SINHA
Chief Operating Officer &
Whole-Time Director
(DIN: 07596644)

Place: Mumbai
Date: April 21, 2022

For and on behalf of the Board of Directors of
L&T TECHNOLOGY SERVICES LIMITED

Consolidated Statement of Profit and Loss

for the year ended March 31, 2022

(₹ million)

	Note No.	Year ended 31-03-2022	Year ended 31-03-2021
Income:			
I. Revenue from operations	24	65,697	54,497
II. Other income (net)	25	1,524	1,537
III. Total income		67,221	56,034
IV. Expenses:			
(a) Employee benefits expenses	26	36,505	33,550
(b) Depreciation and amortisation expenses		2,144	2,183
(c) Other expenses	27	15,043	10,873
(d) Finance costs	28	437	455
Total expenses		54,129	47,061
V. Profit before tax (III - IV)		13,092	8,973
VI. Tax expense:			
(a) Current tax		3,572	2,300
(b) Deferred tax		(86)	8
Total tax expense	29	3,486	2,308
VII. Profit for the year (V - VI)		9,606	6,665
VIII. Other comprehensive income			
(A) (i) Items that will not be reclassified to the statement of profit and loss			
(a) Remeasurements of the defined benefit plans (net)		89	70
(b) Income tax on remeasurements of the defined benefit plans (net)		(23)	(18)
(B) (i) Items that will be reclassified subsequently to the statement of profit or loss			
(a) Effective portion of gains and losses on hedging instruments in a cash flow hedge		989	3,260
(b) Income tax on effective portion of gains and losses on hedging instruments in a cash flow hedge		(249)	(772)
(c) Exchange differences on the translation of foreign operation		94	(58)
Total other comprehensive income (net of tax)		900	2,482
IX. Total comprehensive income for the year		10,506	9,147
Profit for the year attributable to:			
- Owners of the Company		9,570	6,633
- Non-controlling interest		36	32
Other comprehensive income for the year attributable to:			
- Owners of the Company		900	2,482
- Non-controlling interest		-	-
Total comprehensive income for the year attributable to:			
- Owners of the Company		10,470	9,115
- Non-controlling interest		36	32
X. Earnings per equity share	30		
Equity share of face value of ₹2 each			
- Basic (₹)		90.92	63.32
- Diluted (₹)		90.74	62.90
XI. Notes forming part of the financial statements	1-49		

As per our report attached
SHARP & TANNAN
Chartered Accountants
Firm's registration no. 109982W
by the hand of

FIRDOSH D. BUCHIA
Partner
Membership no. 38332

RAJEEV GUPTA
Chief Financial Officer

PRAJAKTA POWLE
Company Secretary
Membership no. A20135

For and on behalf of the Board of Directors of
L&T TECHNOLOGY SERVICES LIMITED

AMIT CHADHA
Chief Executive Officer &
Managing Director
(DIN: 07076149)

ABHISHEK SINHA
Chief Operating Officer &
Whole-Time Director
(DIN: 07596644)

Place: Mumbai
Date: April 21, 2022

Consolidated Statement of Cash Flows

for the year ended March 31, 2022

(₹ million)

	Year ended 31-03-2022	Year ended 31-03-2021
A. Cash flow from operating activities		
Profit/(loss) before tax (excluding exceptional and extraordinary items)	13,092	8,973
Adjustments for:		
Depreciation and amortisation	2,144	2,183
Interest income	(492)	(155)
Interest paid	437	455
(Profit)/Loss on disposal of property, plant and equipment	(5)	3
(Gain)/Loss on de-recognition of ROU	(35)	(38)
Employee stock option forming part of staff expenses	55	126
Bad debts written off, allowances for bad and doubtful debts and ECL	148	(111)
Investment income	(294)	(315)
Unrealised foreign exchange loss/(gain)	27	482
Operating profit before working capital changes	15,077	11,603
Changes in working capital		
(Increase)/decrease in trade and other receivables	(5,227)	2,884
Increase/(decrease) in trade and other payables	3,775	1,361
(Increase)/decrease in working capital	(1,452)	4,245
Cash generated from operations	13,625	15,848
Direct taxes paid	(3,563)	(2,523)
Net cash (used in)/from operating activities	10,062	13,325
B. Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets	(1,624)	(771)
Disposal of property, plant and equipment and intangible assets	69	15
(Purchase)/ sales of current investments (net)	1,211	(8,613)
(Purchase)/ sales of non-current investments (net)	(861)	-
Deposits placed/loans given (net) - subsidiaries and third parties	(3,743)	(315)
Consideration paid on acquisition of subsidiaries	-	(795)
Cash and cash equivalents acquired pursuant to acquisition of subsidiaries	-	70
Income received from current investments	135	200
Interest received	330	155
Net cash (used in)/from investing activities	(4,483)	(10,054)

Consolidated Statement of Cash Flows

for the year ended March 31, 2022

(₹ million)

	Year ended 31-03-2022	Year ended 31-03-2021
C. Cash flow from financing activities		
Equity share capital issued	1	1
Proceeds from/(repayment of) borrowings	-	(287)
Interest paid	(437)	(455)
Lease liability paid	(913)	(688)
Dividend paid	(3,633)	(2,198)
Net cash (used in) / from financing activities	(4,982)	(3,627)
Net (decrease) / increase in cash and cash equivalents	597	(356)
Cash and cash equivalents at beginning of the period	1,777	2,133
Cash and cash equivalents at end of the period	2,374	1,777

Notes:

- Statement of cash flows has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows" as specified in the Companies (Indian Accounting Standards) Rules, 2015.
- Purchase of property, plant and equipment and intangible assets represents additions to property, plant and equipment and other intangible assets adjusted for movement of capital work-in-progress of (a) capital work-in-progress for property, plant and equipment and (b) intangible assets.
- Cash and cash equivalents included in the statement of cash flows comprise the following:

(₹ million)

	Year ended 31-03-2022	Year ended 31-03-2021
a) Cash and cash equivalents disclosed under current assets [Note 13]	2,347	1,751
b) Other bank balances disclosed under current assets [Note 14]	4,395	576
c) Cash and cash equivalents disclosed under non-current assets [Note 8]	265	5
Total cash and cash equivalents as per balance sheet	7,007	2,332
Add: (i) Unrealised exchange (gain)/loss on cash and cash equivalents [Note 13]	27	26
Less: (ii) Other bank balances disclosed under current assets [Note 14]	4,395	576
Less: (iii) Cash and cash equivalents disclosed under non-current assets [Note 8]	265	5
Total cash and cash equivalents as per cash flow statement	2,374	1,777

- Previous year's figures have been regrouped/reclassified wherever applicable.

As per our report attached
SHARP & TANNAN
 Chartered Accountants
 Firm's registration no. 109982W
 by the hand of

FIRDOSH D. BUCHIA
 Partner
 Membership no. 38332

Place: Mumbai
 Date: April 21, 2022

RAJEEV GUPTA
 Chief Financial Officer

Place: Mumbai
 Date: April 21, 2022

PRAJAKTA POWLE
 Company Secretary
 Membership no. A20135

Place: Mumbai
 Date: April 21, 2022

For and on behalf of the Board of Directors of
L&T TECHNOLOGY SERVICES LIMITED

AMIT CHADHA
 Chief Executive Officer &
 Managing Director
 (DIN: 07076149)

Place: Mumbai
 Date: April 21, 2022

ABHISHEK SINHA
 Chief Operating Officer &
 Whole-Time Director
 (DIN: 07596644)

Place: Mumbai
 Date: April 21, 2022

Consolidated Statement of Changes in Equity

for the year ended March 31, 2022

A. Equity share capital

(₹ million except stated otherwise)

Particulars	01-04-2021 to 31-03-2022		01-04-2020 to 31-03-2021	
	Number of shares	₹ million	Number of shares	₹ million
Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year	105,045,823	210	104,511,558	209
Add: Shares issued on exercise of employee stock options during the period	486,344	1	534,265	1
Issued, subscribed and fully paid up equity shares outstanding at the end of the period	105,532,167	211	105,045,823	210

B. Other equity

(₹ million)

Particulars	<----- Reserves and surplus----->			Items of other comprehensive income			Total other equity	Non-controlling interest	Total
	Securities premium account	Employee share options (net)	Retained earnings	Foreign currency translation reserve	Hedging reserve	Others			
Balance as at 01-04-2021	11,229	297	21,777	131	1,156	(69)	34,521	101	34,622
Profit for the year (a)	-	-	9,570	-	-	-	9,570	36	9,606
Other comprehensive income (net of taxes) (b)	-	-	-	94	740	66	900	-	900
Total comprehensive income for the period (a+b)	-	-	9,570	94	740	66	10,470	36	10,506
Deemed dividend - ESOP	-	-	(1)	-	-	-	(1)	-	(1)
Dividends	-	-	(3,633)	-	-	-	(3,633)	-	(3,633)
Employees shares options outstanding	-	(192)	-	-	-	-	(192)	-	(192)
Deferred employee compensation expense	-	82	-	-	-	-	82	-	82
Addition/(deduction) during the year	167	-	-	-	-	-	167	-	167
Balance as at 31-03-2022	11,396	187	27,713	225	1,896	(3)	41,414	137	41,551
Balance as at 01-04-2020	11,043	354	17,344	189	(1,332)	(121)	27,477	69	27,546
Profit for the year (c)	-	-	6,633	-	-	-	6,633	32	6,665
Other comprehensive income (net of taxes) (d)	-	-	-	(58)	2,488	52	2,482	-	2,482
Total comprehensive income for the year (c+d)	-	-	6,633	(58)	2,488	52	9,115	32	9,147
Deemed dividend - ESOP	-	-	(2)	-	-	-	(2)	-	(2)
Dividends	-	-	(2,198)	-	-	-	(2,198)	-	(2,198)
Employees shares options outstanding	-	(208)	-	-	-	-	(208)	-	(208)
Deferred employee compensation expense	-	151	-	-	-	-	151	-	151
Addition/(deduction) during the year	186	-	-	-	-	-	186	-	186
Balance as at 31-03-2021	11,229	297	21,777	131	1,156	(69)	34,521	101	34,622

As per our report attached
SHARP & TANNAN
 Chartered Accountants
 Firm's registration no. 109982W
 by the hand of

FIRDOSH D. BUCHIA
 Partner
 Membership no. 38332

Place: Mumbai
 Date: April 21, 2022

RAJEEV GUPTA
 Chief Financial Officer

Place: Mumbai
 Date: April 21, 2022

PRAJAKTA POWLE
 Company Secretary
 Membership no. A20135

Place: Mumbai
 Date: April 21, 2022

AMIT CHADHA
 Chief Executive Officer &
 Managing Director
 (DIN: 07076149)

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ABHISHEK SINHA
 Chief Operating Officer &
 Whole-Time Director
 (DIN: 07596644)

Place: Mumbai
 Date: April 21, 2022

For and on behalf of the Board of Directors of
L&T TECHNOLOGY SERVICES LIMITED

Notes forming part of the Consolidated Financial Statements

1. Corporate information

L&T Technology Services Limited (the "Company") along with its subsidiaries (the "Group"), is a leading global pure-play engineering research and development (ER&D) services company. ER&D services are a set of services provided to manufacturing, technology and process engineering companies, to help them develop and build products, processes and infrastructure required to deliver products and services to their end customers.

The Company is a listed public company incorporated and domiciled in India and has its registered office at L&T House, N.M. Marg, Ballard Estate, Mumbai 400 001. As at March 31, 2022, Larsen & Toubro Limited, the holding company, owns 73.90% of the Company's equity share capital.

2. Significant accounting policies

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 ("the Act") and the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and amendments thereof issued by Ministry of Corporate Affairs under section 133 of the Companies Act, 2013. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations require a different treatment. These financials statements have been approved for issue by the Board of Directors at their meeting held on April 21, 2022.

b) Basis of accounting

These consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values or at amortised cost at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value measurements are categorised as below, based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

- (i) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at measurement date;
- (ii) Level 2 inputs are inputs, other than quoted prices included in level 1, that are observable for the asset or liability, either directly or indirectly; and
- (iii) Level 3 inputs are unobservable inputs for the valuation of assets or liabilities.

Above levels of fair value hierarchy are applied consistently and generally, there are no transfers between the levels of the fair value hierarchy unless the circumstances change warranting such transfer.

Accounting policies have been consistently applied except where a new accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

c) Presentation of consolidated financial statements

The consolidated balance sheet and the consolidated statement of profit and loss are prepared in the format prescribed in the schedule III to the Act. The consolidated statement of cash flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in consolidated balance sheet and consolidated statement of profit and loss, as prescribed in the 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 Ind AS and the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended.

Amounts in the consolidated financial statements are presented in Indian Rupees in million [1 million = 10 lakhs] rounded off to two decimal places as permitted by schedule III to the Companies Act, 2013. Per share data are presented in Indian Rupees to two decimals places.

Notes forming part of the Consolidated Financial Statements

d) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Parent Company and its subsidiaries on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. All intra-group assets, liabilities, income, expenses and unrealised profits/losses on intra-group transactions are eliminated on consolidation. The accounting policies of subsidiaries have been harmonised to ensure the consistency with the policies adopted by the Parent Company. The consolidated financial statements have been presented to the extent possible, in the same manner as Parent Company's standalone financial statements.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Parent Company and to the non-controlling interests and have been shown separately in the consolidated financial statements.

e) Business combination/goodwill on consolidation

Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those services:

- i. The Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in the statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date.
- ii. Goodwill on consolidation as on the date of transition represents the excess of cost of acquisition at each point of time of making the investment in the subsidiary over the Group's share in the net worth of a subsidiary. For this purpose, the Group's share of net worth is determined on the basis of the latest financial statements, prior to the acquisition, after making necessary adjustments for material events between the date of such financial

statements and the date of respective acquisition. Goodwill arising on consolidation is not amortised, however, it is tested for impairment. In the event of cessation of operations of a subsidiary, the unimpaired goodwill is written off fully.

- iii. Goodwill represents the excess of consideration paid over the net value of assets acquired. Goodwill is not amortised, but it is tested for impairment at regular intervals. Refer note m (ii) for accounting policy on impairment of asset
- iv. Non-controlling interest represents that part of the total comprehensive income and net assets of subsidiaries attributable to interests which are not owned, directly or indirectly, by the Parent Company.

f) Operating cycle for current and non-current classification

Operating cycle for the business activities of the Group covers the duration of the project/contract/service and extends up to the realization of receivables within the credit period normally applicable to the respective lines of business.

g) Revenue recognition

Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those services:

- a. Revenue from contracts which are on time and material basis are recognized when services are rendered, and related costs are incurred.
- b. Revenue from fixed-price contracts where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. The cost expended (or input) method

Notes forming part of the Consolidated Financial Statements

has been used to measure progress towards completion as there is a direct relationship between input and productivity.

- c. Revenues in excess of invoicing are classified as contract assets (unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (unearned revenue).
- d. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group presents revenue net of discounts, collection charges, indirect taxes and value-added taxes in its statement of profit and loss.
- e. The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date as per contract.

h) Other income

- a. Interest income is accrued on a time proportion basis by reference to the principal outstanding and the effective interest rate.
- b. Dividend income is accounted in the period in which the right to receive the same is established.
- c. Other items of income are accounted as and when the right to receive arises and it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

i) Exceptional items

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Group is treated as an exceptional item and the same is disclosed in the notes to accounts.

j) Property, plant and equipment (PPE)

Property, plant and equipment is recognised when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Property, plant and equipment are stated at cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment loss, if any.

PPE not ready for intended use on the date of balance sheet are disclosed as "capital work-in-progress".

Depreciation is provided for property, plant and equipment so as to expense the cost over their estimated useful lives, based on evaluation, using straight-line method. The estimated useful lives and residual value are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

(i) The estimated useful lives are as mentioned below:

Sr. No.	Asset class	Useful life (in years)
1	Plant and equipment *	12
2	Air-condition and refrigeration *	12
3	Canteen equipment *	8
4	Laboratory equipment *	6
5	Electrical installations *	10
6	Computers *	3 – 5
7	Office equipment *	>1 – 5
8	Furniture and fixtures *	7 – 10
9	Owned vehicles *	7
10	Leasehold improvements	Lease period

* The useful lives for these assets are different from the useful lives as prescribed under part C of schedule II of the Act. Based on technical evaluation, the management believes that the useful lives as given above best represents the period over which the management expects to use these assets.

Notes forming part of the Consolidated Financial Statements

- (ii) Estimated useful life of following assets is different than useful life as prescribed in schedule II of the Companies Act, 2013.

Sr. No.	Category of asset class	Useful life as per schedule II (in years)	Useful life adopted (in years)
1	Plant and equipment	15	12
2	Air-condition and refrigeration	15	12
3	Canteen equipment	15	8
4	Laboratory equipment	10	6
5	Electrical installations	10	10
6	Computers	3 - 6	3 - 5
7	Office equipment	5	1 - 4
8	Furniture and fixtures	10	7 - 10
9	Owned vehicles	8	7

Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.

k) Right-of-use asset

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception comprises of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling, if any. The right-of-use assets is subsequently measured at cost less any accumulated depreciation and accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the lease term life of right-of-use asset.

l) Intangible assets and amortisation

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the Group and the cost of the asset can be measured reliably.

Intangible assets purchased are measured at cost (net of tax/duty credits availed, if any) or fair value as of the date of acquisition, as applicable, less accumulated amortisation and cumulative impairment, if any.

Intangible assets consist of computer software and technical know-how which are amortised over the useful life, on a straight-line basis, as given below:

Asset class	Useful life (years)
Specialised software	3 – 6
Technical knowhow	4
Customer contracts and relationships	4
Tradename	1

m) Impairment of assets

i) Trade receivables

The Group uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward-looking estimates. In addition to the historical pattern of credit loss, the Group has considered the likelihood of increased credit risk and consequential default by customers. In making this assessment, the Group considers current and anticipated future economic conditions relating to industries/ business verticals that the Group deals with and the countries where it operates.

ii) Non-financial assets

Tangible and intangible assets

Property, plant and equipment and intangible assets (other than goodwill) are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable

Notes forming part of the Consolidated Financial Statements

amount (i.e. 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.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss

Goodwill is tested for impairment annually and if events or changes in circumstances indicate that an impairment loss may have occurred. In the impairment test, the carrying amount of the cash generating 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 goodwill related to the cash generating unit.

n) Employee benefits

(i) Short term employee benefits

All employee benefits falling due wholly within twelve months of rendering the service are classified as short-term employee benefits. The benefits like salaries, wages, and short term compensated absences and performance incentives are recognized in the period in which the employee renders the related service.

(ii) Post-employment benefits

a. 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 in the statement of profit and loss in the period in which the employee renders the related service.

b. Defined benefit plans

The provident fund scheme managed by board of trustees established by the Larsen & Toubro Limited, employee's gratuity fund scheme managed by LIC and post-retirement medical benefit scheme are the Group's defined benefit plans. 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, for eligible employees.

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, having maturity periods approximating to the terms of related obligations. In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognize the obligation on net basis.

Gains or losses on the curtailment or settlement of any defined benefit plan are recognized when the curtailment or settlement occurs. Past service cost is recognized as expense at the earlier of the plan amendment or curtailment and when the Group recognizes related restructuring costs or termination benefits.

Actuarial gains and losses are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Other changes in net defined benefit obligation like current service cost, past service cost, gains and losses on curtailment and net interest expense or income are recognized in the statement of profit and loss.

Notes forming part of the Consolidated Financial Statements

(iii) Long term employee benefits

The obligation for long term employee benefits like long term compensation absences is recognized in the similar manner as in the case of defined benefit plans as mentioned in (ii) (b) above and compensated absences generated for overseas employees is recognized as per entitlement.

(iv) Social security plans for overseas employees

Employer's contribution payable for overseas employees 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.

For overseas employees, for defined benefit plans, the Company provides for post-employment benefits payable as per the laws applicable in respective countries.

o) Leases

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors.

The Group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset. The standard, however, does not require an entity to recognize assets and liabilities for (a) short- term leases (for a period of twelve months or less) and (b) leases of low value assets.

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.

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Group has concluded that no changes are required to lease period relating to the existing lease contracts

The Group has elected not to apply the requirements of Ind AS 116 leases to short-term leases where lease term is 12 months or less and leases for which the underlying asset is of low value. The lease payments related to these leases are recognised as an expense.

p) Financial instruments

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

(i) Non-derivative financial assets

a. Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the

Notes forming part of the Consolidated Financial Statements

financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. 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.

b. Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

c. Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

(ii) Non-derivative financial liabilities

Financial liabilities are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within 1 year from balance sheet date, the carrying amount approximate fair value due to short maturity of these instruments.

(iii) Derivative financial instrument

Cash flow hedge

The Group designates foreign exchange forward and options contracts as hedge instruments in respect of foreign exchange risks. These hedges are accounted for as cash flow hedges.

The Group uses hedging instruments that are governed by the policies of the Group which are

approved by the Board of Directors, which provide written principles on the use of such financial derivatives consistent with the risk management strategy of the Group.

The hedge instruments are designated and documented as hedges at the inception of the contract.

The effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at inception and on an ongoing basis. The ineffective portion of designated hedges are recognised immediately in the statement of profit and loss.

The effective portion of change in the fair value of the designated hedging instrument is recognised in the other comprehensive income and accumulated under the heading cash flow hedge reserve.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity till that time remains and is recognised in statement of profit and loss when the forecasted transaction ultimately affects the profit or loss. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss accumulated in equity is transferred to the statement of profit and loss.

(iv) De-recognition

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Group's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

q) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, balance with banks, deposits held at call with financial

Notes forming part of the Consolidated Financial Statements

institutions, other short term highly liquid investments with original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

r) **Securities premium account**

(i) **Securities premium includes:**

- a. Any share issued for consideration over and above face value.
- b. The fair value of the stock options which are treated as expense, if any, in respect of shares allotted pursuant to the Company's stock options scheme.

(ii) **The issue expenses of securities which qualify as equity instruments are written off against securities premium account.**

s) **Government grants**

The Group recognizes government grant only when there is reasonable assurance that conditions attached to them shall be complied with and grants will be received.

t) **Borrowing costs**

Borrowing costs include interest expense and exchange differences arising on foreign currency borrowings, to the extent they are regarded as an adjustment to interest costs.

All other borrowing costs are recognized in statement of profit or loss in the period in which they are incurred.

u) **Company's stock option scheme**

In respect of stock options granted pursuant to the Company's Stock Options Scheme, the excess of fair value of the option over the exercise price 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 a grant lapses after the vesting period, the cumulative discount recognised as expense in respect of such grant is transferred to general reserve.

v) **Foreign currencies**

- (i) The functional currency and presentation currency of the Group is the Indian Rupee (₹).

Functional currency of the Group and foreign operations has been determined based on the primary economic environment in which the Group and its foreign operations operate considering the currency in which funds are generated, spent and retained.

- ii) Transactions in currencies other than the Group's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each balance sheet date, foreign currency monetary items are reported at the prevailing closing spot rate. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated. Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each balance sheet date at the closing spot rate are recognised in the statement of profit and loss in the period in which they arise.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

- iii) Financial statements of foreign operations whose functional currency is other than Indian Rupees are translated into Indian Rupees as follows:
 - a) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
 - b) income and expenses for each income statement are translated at average exchange rates; and
 - c) all resulting exchange differences are recognised in other comprehensive income and accumulated in equity as foreign currency translation reserve for subsequent reclassification to profit or loss on disposal of such foreign operations. The portion of foreign currency translation reserve attributed to non-controlling interest is reflected as part of non-controlling interest.

Notes forming part of the Consolidated Financial Statements

w) Income-tax

Income tax expense comprises current tax expense and the net change in deferred tax during the year. Current and deferred taxes are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current income taxes

The current income tax expense includes income taxes payable by the Group and its branches in India and overseas. The current tax payable by the Group in India is Indian income tax payable for their worldwide income after taking credit for tax relief available for export operations in Special Economic Zones (SEZs).

Current income tax payable by overseas branches and overseas subsidiaries of the Group is computed in accordance with the tax laws applicable in the jurisdiction in which the respective branch operates. The taxes paid are generally available for set off against the Indian income tax liability of the Group's worldwide income.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

Deferred income taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of 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.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

For operations carried out in SEZs, deferred tax assets or liabilities, if any, have been established for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

Deferred tax assets and liabilities are offset when the Group 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 tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

The Group recognizes interest levied related to income tax assessments in interest expenses.

x) Provisions, contingent liabilities and contingent assets

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if:

- i) The Group has a present obligation as a result of a past event;
- ii) A probable outflow of resources is expected to settle the obligation; and
- iii) The amount of the obligation can be reliably estimated

Notes forming part of the Consolidated Financial Statements

Contingent liability is disclosed in the case of

- i) A present obligation arising from a past event when it is not probable that an outflow of resources will be required to settle the obligation; or
- ii) A possible obligation unless the probability of outflow of resources is remote

Contingent assets are neither recognized nor disclosed.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

y) Commitments

Commitments are future liability for contractual expenditure. Commitment are classified and disclosed as follows:

- i) Estimated amounts of contracts remaining to be executed on capital account and not provided for; and
- ii) Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

z) Statement of cash flows

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of 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. The cash flows from operating, investing and financing activities of the Group are segregated.

aa) Use of estimates and judgements

The preparation of these consolidated financial statements in conformity with Ind AS requires that the management of the Group makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the consolidated financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates include useful lives of property, plant and equipment, and intangible assets, allowance for doubtful debts/advances, future obligations in respect of retirement benefit plans, expected cost of completion of contracts, provision for rectification costs, future cash inflows (net) for hedging purpose, fair value measurement etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

bb) Earnings per equity share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average numbers of the equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding 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.

Notes forming part of the Consolidated Financial Statements

aa) The list of subsidiaries and step-down subsidiaries included in the consolidated financial statements is as under:

	Name of the subsidiary company	Country of incorporation	Proportion of ownership (%) as at March 31	
			2022	2021
1	L&T Technology Services LLC *	USA	100	100
2	L&T Thales Technology Services Private Limited	India	74	74
3	Esencia Technologies, Inc.*			
4	Esencia Technology India Private Limited**	India	100	100
5	Graphene Semiconductor Services Private Limited##	India	100	100
6	Graphene Solutions Pte. Ltd.##	Singapore	100	100
7	Graphene Solution SDN. BHD.##	Malaysia	100	100
8	Graphene Solutions Taiwan Limited###	Taiwan	100	100
9	Seastar Labs Private Limited###	India	100	100
10	L&T Technology Services (Shanghai) Co. Limited^	China	100	100
11	L&T Technology Services (Canada) Limited^^	Canada	100	100
12	Orchestra Technology, Inc@	USA	100	100

#The Company acquired 100% stake effective October 15, 2018 in Graphene Semiconductor Services Private Limited, a company incorporated in India and providing end-to-end solutions in semiconductor space.

The Company acquired 100% stake effective October 01, 2019 from Graphene Semiconductor Services Private Limited.

* Esencia Technologies Inc., a wholly owned subsidiary of L&T Technology Services LLC ('LTTS LLC'), was merged with LTTC LLC with effect from 01 October 2021

** The Company acquired 100% stake effective January 01, 2020 from Esencia Technologies, Inc.

^ The Company has been incorporated on August 06, 2019.

^^ The Company has been incorporated on August 22, 2019, which is 100% subsidiary of L&T Technology Services LLC.

@ On October 02, 2020 L&T Technology Services LLC, subsidiary of the Parent Company, acquired Orchestra Technology, Inc.

cc) Accounting and reporting information for operating segments

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. The Group's operations predominantly relate to providing end-to-end business solutions to enable clients to enhance business performance. The Group evaluates performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along business segments. The accounting principles used in the preparation of the consolidated financial statements are consistently applied to record revenue and expenditure in individual segments and are as set out in the accounting policies.

Revenue and identifiable operating expenses in relation to segments are categorized based on items that are individually identifiable to that segment. Revenue for 'all other segments' represents revenue generated by the

Group. Allocated expenses of segments include expenses incurred for rendering services (offsite and onsite) Certain expenses such as depreciation, which form a significant component of total expenses, are not specifically allocable to specific segments as the underlying assets are used interchangeably. The management believes that it is not practical to provide segment disclosures relating to those costs and expenses, and accordingly these expenses are separately disclosed as "unallocated" and adjusted against the total income of the Group.

Assets and liabilities used in the Group's business are not identified to any of the reportable segments, as these are used interchangeably between segments and it is not practicable to provide segment disclosures relating to total assets and liabilities.

3. Recent accounting pronouncements

On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022. The Company does not expect the amendment to have any significant impact in its financial statements.

4. Property, plant and equipment

(₹ million)

Particulars	Gross block					Depreciation/amortisation					Net block as at		
	As at 01-04-2021	Additions	Foreign currency fluctuation	Disposals	As at 31-03-2022	As at 01-04-2021	For the year	Foreign currency fluctuation	On disposals	As at 31-03-2022	As at 31-03-2022	As at 31-03-2021	
Leasehold improvements	457	77	-	2	532	232	69	-	2	299	233	225	
Plant and equipment	62	-	-	7	55	54	1	-	7	48	7	8	
Computers	2,258	579	3	111	2,729	1,341	500	2	111	1,732	997	917	
Furniture and fixtures	249	31	-	33	247	120	23	-	32	111	136	129	
Vehicles	317	82	-	66	333	88	52	-	37	103	230	229	
Office equipments	313	56	1	39	331	211	54	1	39	227	104	102	
Electrical installations	172	16	-	-	188	74	19	-	-	93	95	98	
Aircondition and refrigeration	147	21	-	8	160	49	13	-	8	54	106	98	
Laboratory equipments	370	335	-	52	653	116	143	-	19	240	413	254	
Canteen equipments	4	-	-	-	4	1	-	-	-	1	3	3	
Total	4,349	1,197	4	318	5,232	2,286	874	3	255	2,908	2,324	2,063	
Previous year figures	3,873	736	(3)	257	4,349	1,774	751	-	239	2,286	2,063	2,099	

Right-of-use assets

(₹ million)

Particulars	Gross block					Depreciation/amortisation					Net block as at		
	As at 01-04-2021	Additions	Foreign currency fluctuation	Disposals	As at 31-03-2022	As at 01-04-2021	For the year	Foreign currency fluctuation	On disposals	As at 31-03-2022	As at 31-03-2022	As at 31-03-2021	
Right of use assets	5,731	887	6	404	6,220	1,534	919	5	311	2,147	4,073	4,197	
Total	5,731	887	6	404	6,220	1,534	919	5	311	2,147	4,073	4,197	
Previous year figures	4,274	2,263	(4)	802	5,731	784	915	-	165	1,534	4,197	3,490	

(₹ million)

Capital work-in-progress	For less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
As at 31-03-2022	42	-	57	-	99
As at 31-03-2021	40	79	-	-	119

As on the date of the balance sheet, there are no capital work-in-progress projects whose completion is overdue or has exceeded the cost, based on approved plan.

5. Goodwill and other intangible assets

(₹ million)

Particulars	Gross block					Depreciation/amortisation					Net block as at		
	As at 01-04-2021	Pursuant to business combination*	Additions	Foreign currency fluctuation	Disposals	As at 31-03-2022	As at 01-04-2021	For the year	Foreign currency fluctuation	On disposals	As at 31-03-2022	As at 31-03-2022	As at 31-03-2021
Goodwill	4,213	-	-	54	-	4,267	-	-	-	-	-	4,267	4,213
Goodwill on consolidation	1,614	-	-	-	-	1,614	-	-	-	-	-	1,614	1,614
Goodwill# subtotal(a)	5,827	-	-	54	-	5,881	-	-	-	-	-	5,881	5,827
Specialised softwares	1,684	-	150	1	-	1,835	1,493	125	-	-	1,618	217	191
Technical knowhow	143	-	-	-	-	143	143	-	-	-	143	-	-
Customer Contracts and relationships	1,827	-	-	53	-	1,880	1,281	226	41	-	1,548	332	546
Tradename	106	-	-	-	-	106	106	-	-	-	106	-	-
Non-compete agreements	-	-	-	-	-	-	-	-	-	-	-	-	-
Other intangibles subtotal (b)	3,760	-	150	54	-	3,964	3,023	351	41	-	3,415	549	737
Total (a+b)	9,587	-	150	108	-	9,845	3,023	351	41	-	3,415	6,430	6,564
Previous year figures	8,680	922	56	(71)	-	9,587	2,534	517	(28)	-	3,023	6,564	6,146

* includes assets acquired through business combination refer note 34(iii)

Goodwill has been tested for impairment

Notes forming part of the Consolidated Financial Statements

6. Investments - non-current

(₹ million)

	As at 31-03-2022	As at 31-03-2021
Corporate deposits		
Bajaj Finance Ltd.	131	-
HDFC Ltd.	730	-
	861	-

7. Trade receivables - non-current

(₹ million)

	As at 31-03-2022	As at 31-03-2021
Increase in credit risk - unsecured	50	37
	50	37
Less: Allowance for bad and doubtful debt	(50)	(37)
	-	-

(₹ million)

Trade receivable ageing	Less than 6 months	6 Months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Allowance for bad and doubtful debt	Total
As at 31-03-2022	48	1	1	-	-	(50)	-
As at 31-03-2021	36	1	-	-	-	(37)	-

8. Other financial assets - non-current

(₹ million)

	As at 31-03-2022	As at 31-03-2021
Security deposits	536	490
Fixed deposits*	265	5
Foreign currency forward and options contracts	1563	1,149
	2,364	1,644

*Fixed deposits are placed as margin money deposits against bank guarantees.

Notes forming part of the Consolidated Financial Statements

9. Deferred tax (net)

(₹ million)

Particulars	DTL/(DTA) As at 01-04-2021	Charge/(credit) to P&L	Charge/(credit) to OCI	Foreign currency translation reserve	DTL/(DTA) As at 31-03-2022
Deferred tax assets:					
Property, plant and equipment and other intangible assets	136	(41)	-	5	100
Branch profit tax	-	-	-	-	-
Net gain/(loss) on fair valuation of investments	-	-	-	-	-
Provision for employee benefits	(73)	(46)	-	(3)	(122)
Allowances for doubtful debts	(13)	(8)	-	-	(21)
Cash flow hedges	-	-	-	-	-
Leases (Ind AS 116)	(2)	(1)	-	-	(3)
Other items giving rise to timing differences	(115)	28	-	(5)	(92)
MAT credit entitlement	-	-	-	-	-
Deferred tax assets	(67)	(68)	-	(3)	(138)
Deferred tax liabilities:					
Property, plant and equipment and other intangible assets	698	(67)	-	-	631
Branch profit tax	586	58	-	-	644
Net gain/(loss) on fair valuation of investments	29	(2)	-	-	27
Provision for employee benefits	(302)	95	-	-	(207)
Allowances for doubtful debts	(48)	(13)	-	-	(61)
Cash flow hedges	389	-	249	-	638
Leases (Ind AS 116)	(178)	(18)	-	-	(196)
Other items giving rise to timing differences	(283)	(71)	-	-	(354)
MAT credit entitlement	(313)	-	-	-	(313)
Deferred tax liabilities	578	(18)	249	-	809

10. Other non-current assets

(₹ million)

	As at 31-03-2022	As at 31-03-2021
Prepaid expenses	5	43
Income tax receivable (net)	1365	1,006
	1,370	1,049

11. Investments

(₹ million)

Financial assets: investments - current	As at 31-03-2022	As at 31-03-2021
a) Quoted mutual funds		
Investment carried at fair value through profit and loss		
Axis Banking & PSU Debt Fund - Direct - Growth	525	504
Axis Liquid Fund - Direct - Growth	-	150
Axis Treasury Advantage Fund - Direct - Growth	-	715
Aditya Birla Sun Life Arbitrage Fund - Direct - Growth	206	-
Aditya Birla SunLife Liquid Fund - Direct - Growth	650	251
Aditya Birla Sun Life Savings Fund - Direct - Growth	-	590
Aditya Birla Sun Life Money Manager Fund - Direct - Growth	415	482
DSP Liquidity Fund - Direct - Growth	653	656

Notes forming part of the Consolidated Financial Statements

		(₹ million)	
Financial assets: investments - current	As at 31-03-2022	As at 31-03-2021	
DSP Low Duration Fund - Direct - Growth	-	358	
DSP Ultra Short Fund - Direct - Growth	-	324	
HSBC Cash Fund - Direct - Growth	-	421	
HDFC Ultra Short Term Fund -Direct - Growth	-	612	
ICICI Prudential Savings Fund - Direct - Growth	-	708	
ICICI Prudential Liquid - Direct - DDR	-	341	
Invesco India Corporate Bond Fund - Direct - Growth	331	316	
Invesco India Treasury Advantage Fund -Direct - Growth	-	225	
Kotak Overnight Fund - Direct - Growth	363	-	
Kotak Liquid Fund - Direct - Growth	-	650	
Kotak Money Market Fund - Direct - Growth	608	578	
L&T Arbitrage Opportunities Fund - Direct - Growth	536	218	
L&T Ultra Short Fund - Direct - Growth	-	204	
LIC MF Liquid Fund – Direct Growth	-	650	
Nippon India Liquid Fund - Direct - Growth	-	656	
SBI Liquid Fund - Direct - Growth	-	458	
Sundaram Banking And PSU Debt Fund - Direct - Growth	-	487	
Sundaram Money Fund -Direct - Growth	-	112	
Sundaram Liquid Fund -Direct - Growth	250	376	
Tata Treasury Advantage Fund - Direct - Growth	-	152	
Tata Liquid Fund - Direct - DDR	627	650	
Tata Arbitrage Fund - Direct - Growth	206	-	
UTI Arbitrage Fund - Direct - Growth	206	-	
UTI Treasury Advantage Fund - Direct - Growth	-	205	
	5,576	12,049	
b) Corporate deposits			
Bajaj Finance Ltd.	920	1,101	
HDFC Ltd.	1,120	1,300	
LIC Housing Finance Ltd.	1,600	699	
	3,640	3,100	
c) Non-convertible debentures			
Aditya Birla Finance Ltd	264	-	
Kotak Mahindra Prime Ltd	259	-	
Tata Capital Financial Services Ltd	266	-	
HDB Financial Services Ltd	518	-	
L&T Finance Ltd	929	-	
	2,236	-	
d) Commercial papers			
Aditya Birla Finance Ltd	241	-	
Kotak Mahindra Prime Ltd	243	-	
Tata Capital Financial Services Ltd	489	-	
HDFC Securities Ltd	498	-	
ICICI Securities Ltd	995	-	
	2,466	-	
	13,918	15,149	
Aggregate amount of quoted investment at cost	13,758	15,034	
Aggregate amount of quoted investment at market value	13,918	15,149	

Notes forming part of the Consolidated Financial Statements

12. Trade receivables

(₹ million)

	As at 31-03-2022	As at 31-03-2021
Unsecured, considered good	17,159	12,474
	17,159	12,474
Less: Allowance for bad and doubtful debt	(200)	(128)
	16,959	12,346

(₹ million)

Trade receivable ageing	Less than 6 months	6 Months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Allowance for bad and doubtful debt	Total
As at 31-03-2022	16,619	281	163	45	51	(200)	16,959
As at 31-03-2021	12,297	108	-	35	34	(128)	12,346

13. Cash and cash equivalents

(₹ million)

	As at 31-03-2022	As at 31-03-2021
Balances with banks	1829	1,517
Cheques on hand	-	43
Cash on hand	-	-
Remittance in transit	518	191
	2,347	1,751

There are no repatriation restrictions with regard to cash and cash equivalents at the end of reporting period and prior period.

14. Other bank balances

(₹ million)

	As at 31-03-2022	As at 31-03-2021
Fixed deposits with banks		
Maturity more than 3 months but less than 12 months	4392	574
Earmarked balances with banks - unclaimed dividend	3	2
	4,395	576

15. Other financial assets

(₹ million)

Current	As at 31-03-2022	As at 31-03-2021
Advances to employees	90	54
Security deposits	20	16
Foreign currency forward and options contracts	1048	792
Loans and advances to related parties	331	5
Other receivables	26	16
Unbilled revenue	1074	821
Less: Expected credit loss on unbilled revenue	(25)	(19)
	2,564	1,685

Notes forming part of the Consolidated Financial Statements

16. Other current assets

	(₹ million)	
	As at 31-03-2022	As at 31-03-2021
Unbilled revenue	1612	1,668
Less: Expected credit loss on unbilled revenue	(51)	(55)
	1,561	1,613
Retention money not due	18	20
Advance to suppliers	229	115
Prepaid expenses	933	931
Service tax/GST recoverable	15	93
GST receivable	309	335
Other receivables	3	412
	1,489	1,886
	3,068	3,519

17. Equity share capital

	(₹ million)	
	As at 31-03-2022	As at 31-03-2021
17.1 Authorised :		
5,250,000,000 (previous year: 5,250,000,000) equity shares of ₹2 each	10,500	10,500
	10,500	10,500
17.2 Issued, subscribed and fully paid up		
Issued, subscribed and fully paid up equity shares outstanding at the end of the year [10,50,45,823 (previous year: 10,45,11,558) equity shares of ₹ 2 each]	210	209
Add: shares issued on exercise of employee stock options during the period [4,86,344 (previous year: 5,34,265) equity shares of ₹2 each]	1	1
Issued, subscribed and fully paid up equity shares outstanding at the end of the period [10,55,32,167 (previous year: 10,50,45,823) equity shares of ₹ 2 each]	211	210
Total issued, subscribed and paid up capital	211	210

17.3 Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹2 per share. They entitle the holder to participate in the dividends, and to share in the proceeds of the winding up the Company in proportion to the number of and amounts paid on the shares held. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.

17.4 Shareholders holding more than 5% of equity shares as at the end of the period

Equity shares	31-3-2022		31-03-2021	
	No. of shares	% Holding	No. of shares	% Holding
Larsen & Toubro Limited	7,79,86,899	73.90%	7,79,86,899	74.24%
	7,79,86,899		7,79,86,899	

Notes forming part of the Consolidated Financial Statements

17.5 Shares reserved for issue under options

Information relating to L&T Technology Services Limited Employee Option Plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in note 17.8

17.6 In the period of five years immediately preceding March 31, 2022 :

Aggregate number and class of shares allotted as fully paid up pursuant to contract without payment being received in cash - Nil (previous year: Nil)

Aggregate number and class of shares allotted as fully paid up by way of bonus shares - Nil (previous year: Nil)

Aggregate number and class of shares bought back - Nil (previous year: Nil)

17.7 Capital management

The Company continues its policy of a conservative capital structure which has ensured that it retains the highest credit rating. Low gearing levels also equip the Company with the ability to navigate business stresses on one hand and raise growth capital on the other. This policy also provides flexibility of fund raising options for future, which is especially important in times of global economic volatility. The gross debt equity ratio is 0:1 (as at 31-3-2021: 0:1)

17.8 Share based payments

- i) The objective of the ESOP Scheme, 2016 is to reward those employees who contribute significantly to the Company's profitability and shareholder's value as well as encourage improvement in performance and retention of talent. The options are vested equally over a period of 5 years subject to the discretion of the management and fulfillment of certain conditions.
- ii) The exercise period for the options granted under the ESOP Scheme, 2016 would be seven years (84 months) from the date of grant of options or six years from the date of first vesting or three years (36 months) from the date of retirement/death, whichever is earlier, subject to any change as may be approved by the Board. The exercise price may be decided by the Board, in such manner, during such period, in one or more tranches and on such terms and conditions as it may deem fit, provided that the exercise price per option shall not be less than the par value of the equity share of our Company and shall not be more than the market price as defined in the SEBI (Share Based Employee Benefits) Regulations, 2014 and shall be subject to compliance with accounting policies under the said regulation. The number of shares to be allotted on exercise of options should not exceed the total number of unexercised vested options that may be exercised by the employee.
- iii) Details of grant under ESOP Scheme, 2016 is summarised below:

Series reference	ESOP scheme, 2016	
	2021-22	2020-21
Grant price - ₹	2	2
Grant dates	28-07-2016 onwards	
Vesting commences on	28-07-2017 onwards	
Options granted and outstanding at the beginning of the year	7,32,469	13,22,434
Options lapsed during the year	30,400	76,200
Options granted during the year	-	20,500
Options exercised during the year	4,86,344	5,34,265
Options granted and outstanding at the end of the year-(a)	2,15,725	7,32,469
of (a) above - vested outstanding options	66,605	1,46,929
of (a) above - unvested outstanding options	1,49,120	5,85,540
Weighted average remaining contractual life of options (in years)	0.24	1.99

Notes forming part of the Consolidated Financial Statements

- iv) No options were granted to key managerial personnel during the current year (previous year - nil).
- v) The number and weighted average exercise price of stock options are as follows:

Particulars	2021-22		2020-21	
	No. of stock options	Weighted average exercise price (₹)	No. of stock options	Weighted average exercise price (₹)
Options granted and outstanding at the beginning of the year	7,32,469	2	13,22,434	2
Options granted during the year	-	2	20,500	2
Options allotted during the year	4,86,344	2	5,34,265	2
Options lapsed during the year	30,400	2	76,200	2
Options granted and outstanding at the end of the year - (a)	2,15,725	2	7,32,469	2
Options exercisable at the end of the year out of - (a) above	66,605	2	1,46,929	2

- vi) Weighted average share price at the date of exercise for stock options exercised during the year is ₹4,770.17 per share. (previous year ₹ 1,763.19 per share).
- vii) No options expired during the periods covered in the above table.
- viii) Expense on Employee Stock Option Schemes debited to the statement of profit and loss during 2021-22 is ₹ 55 million (previous year: ₹ 126 million).
- ix) There are no new options granted during the year ended 31-03-2022. The fair value at grant date of options granted during previous year: ₹ 1,378.40. The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, term of option, share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. The model inputs for options granted during the year included:

Particulars	2021-22	2020-21
Weighted average exercise price		2
Grant date		16-Jul-20
Expiry date		16-Jul-27
Weighted average share price at grant date	No new ESOP grant during the year	₹1,441.70 per option
Weighted average expected price volatility of company's share		30.42%
Weighted average expected dividend yield over life of option		5.12%
Weighted average risk-free interest		4.55%
Method used to determine expected volatility		The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility based on publicly available information.

Notes forming part of the Consolidated Financial Statements

17.9 Dividends

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

The Company declares and pays dividends in Indian rupees. Companies are required to pay/distribute dividend after deducting applicable withholding income taxes. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates.

The amount of per share dividend recognized as distribution to equity shareholders in accordance with Companies Act 2013 is as follows:

- During the year ended March 31, 2022, the Company paid the final dividend of ₹14.50 per equity share for the year ended March 31, 2021.
- The Company paid, on November 10, 2021 a special dividend of ₹10 per equity share and on February 8, 2022 interim dividend of ₹10 (previous year ₹7.50) for the year ended March 31, 2022.
- On April 21, 2022, the Board of Directors of the Company have recommended the final dividend of ₹15 (previous year ₹14.50) per equity share for the year ended March 31, 2022 subject to approval by the shareholders at the forthcoming annual general meeting. On approval, the total dividend payment based on number of shares outstanding as on March 31, 2022 is expected to be ₹1583 million.

18. Other equity

	(₹ million)	
	As at 31-03-2022	As at 31-03-2021
Securities premium account [note 2(r)]	11,396	11,229
Share options outstanding account [note 2(u)]		
Employee share options outstanding	250	442
Deferred employee compensation expense	(63)	187
Retained earnings	27,713	21,777
Cash flow hedge reserve [note 2(p)(iii)]	1,896	1,156
Foreign currency translation reserve	225	131
Other items of other comprehensive income	(3)	(69)
	41,414	34,521

The components of other equity include the Group's share in the respective reserves of its subsidiaries. Reserves attributable to non-controlling interest is reported separately in the consolidated balance sheet. Retained earnings comprise Group's share in general reserve and balance of profit and loss.

19. Other financial liabilities - non-current

	(₹ million)	
	As at 31-03-2022	As at 31-03-2021
Lease liability	4276	4,015
Liability towards employee compensation	154	115
Forward contract payable	120	207
	4,550	4,337

Notes forming part of the Consolidated Financial Statements

20. Trade payable

(₹ million)

	As at 31-03-2022				
	Upto 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Due to micro and small enterprises	31	-	-	-	31
Due to others*	1,669	18	-	2	1,689
	1,700	18	-	2	1,720

(₹ million)

	As at 31-03-2021				
	Upto 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Due to Micro and small enterprise	66	-	-	-	66
Due to others*	2,255	27	-	4	2,286
Total	2,321	27	-	4	2,352

*Includes dues to subsidiaries and fellow subsidiaries (refer note 43)

21. Other financial liabilities - current

(₹ million)

	As at 31-03-2022	As at 31-03-2021
Lease liability	495	790
Unclaimed dividend	3	2
Due to others		
Liability towards employee compensation	3392	2,465
Other payables	130	114
Forward contract payable	115	133
Suppliers - capital goods/services	197	107
Liability - employee car schemes	7	6
	4,339	3,617

22. Other current liabilities

(₹ million)

	As at 31-03-2022	As at 31-03-2021
Unearned revenue	747	555
Other payables	4063	2,286
Liability - employee car/computer schemes	127	117
	4,937	2,958

23. Provisions

(₹ million)

	As at 31-03-2022	As at 31-03-2021
Provisions for employee benefits	1,200	1,584
Others (legal matter)	752	-
	1,952	1,584

Notes forming part of the Consolidated Financial Statements

24. Revenue from operations

	(₹ million)	
	Year ended 31-03-2022	Year ended 31-03-2021
Engineering and technology services	65,697	54,497
	65,697	54,497

25. Other income

	(₹ million)	
	Year ended 31-03-2022	Year ended 31-03-2021
Export incentive	(320)	548
Foreign exchange gain/ (loss)*	905	409
Profit/(loss) on disposal of property, plant and equipment	5	(3)
Dividend income and gain/(loss) from mutual fund investments (measured at fair value through profit and loss)	(8)	127
Interest income	492	155
Miscellaneous income	148	113
Net gain/(loss) on sale of investment	302	188
	1,524	1,537

* The foreign exchange gain reported above includes gain of ₹ 635 million (previous year: ₹ 591 million gain) being effective portion of the gain/loss on derivative instruments which are designated as cash flow hedges.

26. Employee benefits expenses

	(₹ million)	
	Year ended 31-03-2022	Year ended 31-03-2021
Salaries including overseas staff expenses	35,354	32,348
Contribution to and provision for:		
Contribution to provident and pension fund	641	519
Contribution to gratuity fund	177	164
Share based payments to employees	55	126
Staff welfare expenses	278	393
	36,505	33,550

Notes forming part of the Consolidated Financial Statements

27. Other expenses

	(₹ million)	
	Year ended 31-03-2022	Year ended 31-03-2021
Subcontracting and component charges	2875	2,307
Engineering and technical consultancy fees	4699	2,593
Cost of computer software	1703	1,423
Travel Expenses	2102	1,156
Rent and establishment expenses	148	183
Communication expenses	298	316
Legal and professional charges	531	803
Advertisement and sales promotion expenses	203	150
Recruitment expenses	408	263
Repairs to buildings and machineries	403	370
General repairs and maintenance	180	167
Power and fuel	190	182
Equipment hire charges	35	25
Insurance charges	124	112
Rates and taxes	386	371
Bad debts written off	63	265
Less : Allowance for doubtful debts written back	23	27
Allowances for doubtful debts on trade receivable	61	(358)
ECL on unbilled revenue	2	(45)
Overheads charged by group companies	106	130
Trademark fees	99	82
Corporate social responsibility expenditure	171	161
Commission to Directors	25	25
Miscellaneous expenses	208	165
	15,043	10,873

28. Finance costs

	(₹ million)	
	Year ended 31-03-2022	Year ended 31-03-2021
Interest expense	34	21
Interest on bill discounting	6	4
Interest on lease liability	397	430
	437	455

Notes forming part of the Consolidated Financial Statements

29. Provision for taxation

(₹ million)

	Year ended 31-03-2022	Year ended 31-03-2021
Current tax		
Current tax on profits for the year	3,572	2,300
Deferred tax		
Decrease/(increase) in deferred tax assets	(55)	39
(Decrease)/increase in deferred tax liabilities	(31)	(31)
	3,486	2,308

30. Basic and diluted EPS

(₹ million except stated otherwise)

	Year ended 31-03-2022	Year ended 31-03-2021
Basic EPS		
Profit after tax	9,570	6,633
Profit attributable to equity shareholders	9,570	6,633
Weighted average no. of equity shares outstanding	10,52,65,550	10,47,60,275
Basic EPS (₹)	90.92	63.32
Diluted EPS		
Profit after tax	9,570	6,633
Profit attributable to equity shareholders	9,570	6,633
Weighted average no. of equity shares outstanding	10,52,65,550	10,47,60,275
Add - No. of potential equity shares	2,12,090	6,89,253
Weighted average no. of equity shares outstanding	10,54,77,640	10,54,49,528
Diluted EPS (₹)	90.74	62.90

31. Estimated amount of contracts remaining to be executed on capital account and not provided for: ₹599 million (previous year: ₹209 million).

32. Contingent liability

(₹ million)

	Year ended 31-03-2022	Year ended 31-03-2021
Corporate guarantee	1,251	1,206
	1,251	1,206

Corporate bank guarantee of USD 16.5 million (previous year: USD 16.5 million) issued to Bank of America for securing borrowings of L&T Technology Services LLC, USA.

Notes forming part of the Consolidated Financial Statements

33. Financial ratios

Ratio / Measure	Formula	Year ended 31-03-2022	Year ended 31-03-2021
Current ratio	Current assets / Current liabilities	3.1	3.2
Debt equity ratio	Debt / Total shareholder's equity	NA	NA
Debt service coverage ratio	EBIT / Debt	NA	NA
Return on equity	PAT / Total average equity	25.1%	21.3%
Trade receivables turnover ratio	Revenue from operation / Average trade receivable	4.5	4.2
Trade payable turnover ratio	Adjusted expenses / Average trade payables	7.2	5.0
Net capital turnover ratio	Revenue from operation / Average working capital	2.5	2.5
Net profit %	Net profit / Revenue	14.6%	12.2%
EBITDA %	EBITDA / Revenue	21.5%	18.5%
EBIT %	EBIT / Revenue	18.3%	14.5%
Return on capital employed %	PBIT / Average capital employed	35.3%	30.1%
Return on investment	Interest income, net gain on sale of investment and fair value gain over cost of investment	5.3%	4.4%

Note:

EBIT - Earnings before interest and taxes (excl. other income).

EBITDA - Earnings before interest, taxes, depreciation and amortisation (excl. other income).

PBIT - Profit before interest and taxes.

PAT - Profit after taxes.

Adjusted expenses - Other expense net of CSR expense, bad debts written off and allowances for doubtful debts.

Explanation for variances exceeding 25%:

1. Trade payable turnover ratio - increase in business volume as compared to FY 2021.
2. EBIT - improved operational margin which was affected negatively due to Covid in FY 2021.

34. Disclosures pursuant to Indian accounting standard (IND AS) 103 "Business combinations":

On 02 October, 2020, the Group acquired 100% stake in Orchestra Technology, Inc (Orchestra). Orchestra is Dallas, Texas based company provides specialists Technology solutions to the clients, mainly in Telecom industry. Orchestra will help bolster Group's offerings in the areas of Network engineering & Enterprise Mobility and next generation digital systems for 5G and IoT networks.

i) Details of purchase consideration:	₹ million
Cash paid	795
Less: Purchase consideration paid towards assumed liabilities included above	(491)
Present value of contingent consideration payable under Share Purchase Agreement (SPA)	185
Total purchase consideration	489

Notes forming part of the Consolidated Financial Statements

ii) Assets acquired and liabilities recognised on date of acquisition:		₹ million
Current Assets		
Trade & other receivables		294
Cash and cash equivalents		70
Current liabilities		
Trade & other payables		(642)
Assumed liabilities		
Borrowings		215
Option termination		276
Identifiable intangibles and tax thereon		
Developed Technologies		40
Customer relationships		395
Customer contracts		35
Trade name		46
Deferred tax liabilities on intangibles		(155)
Net assets		84

iii) Calculation of goodwill:		₹ million
Purchase consideration paid / payable as per (i) above		489
Less: fair value of net assets acquired		(84)
Goodwill (Group's share) as on date of acquisition*		405

* The goodwill is attributable to assembled workforce and future growth of business out of synergies from this acquisition. It will not be deductible for tax purpose.

iv) Details of purchase consideration - cash outflow:		₹ million
Cash consideration		795
Less: Cash and Cash equivalents balance acquired		(70)
Net Cash outflow		725

- v) The gross amount of trade receivable acquired and its fair value is ₹82 million and the amount has been substantially collected.
- vi) The Group has recognised contingent consideration in accordance with terms of share purchase agreement. The maximum contingent consideration under SPA is ₹272 million. Present value of ₹272 million is payable to the promoters of Orchestra upon the achievement of financial targets over a period of 3 years.
- vii) The acquired business of Orchestra Technology Inc contributed revenues of ₹625 million and loss of ₹0.1 million to the group from acquisition date to March 31, 2021. If Orchestra was acquired from April 1, 2020, they would have reported revenue of ₹1,250 million and loss of ₹0.2 million during 2020-21.
- viii) The transaction costs of ₹29 million related to the acquisition have been included in the Statement of Profit & Loss for the year ended March 31, 2021.

Notes forming part of the Consolidated Financial Statements

35. Other disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures":

i) Outstanding currency exchange rate hedge instruments:

Forward and options covers taken to hedge exchange rate risk and accounted as cash flow hedge:

(₹ million)

Particulars	As at 31-03-2022				As at 31-03-2021			
	Nominal amount	Average rate* (₹)	Within twelve months	After twelve months	Nominal amount	Average rate (₹)	Within twelve months	After twelve months
(a) Receivable hedges								
US Dollar	70,027	84.14	31,355	38,671	60,949	80.77	27,210	33,738
EURO	5,923	102.13	3,795	2,128	6,587	95.46	2,792	3,795
(b) Payable hedges								
US Dollar	5,923	82.08	3,795	2,128	6,180	79.28	2,385	3,795
EURO	2,648	91.32	1,677	971	2,739	85.61	1,062	1,677

*Average rate is attributable to forward contracts only.

ii) Carrying amounts of hedge instruments for which hedge accounting is followed:

(₹ million)

Cashflow hedge	As at 31-03-2022			As at 31-03-2021		
	Current	Non- current	Total	Current	Non- current	Total
Other financial assets	1,048	1,563	2,611	792	1,148	1,940
Other financial liabilities	115	120	235	133	207	340
Total	1,163	1,683	2,846	925	1,355	2,280

iii) Break up of hedging reserve

(₹ million)

Cash flow hedging reserve	As at 31-03-2022	As at 31-03-2021
Balance towards continuing hedge	1,533	1,004
Balance for which hedge accounting discontinued	363	152
Total	1,896	1,156

iv) Movement of hedging reserve

(₹ million)

Hedging reserve	2021-22	2020-21
Opening Balance	1,156	(1,332)
Changes in fair value of forward and options contracts designated as hedging instruments	1,567	3,336
Amount reclassified to statement of profit & loss where hedge item has become on-balance sheet	(578)	(76)
Tax impact on above	(249)	(772)
Closing balance	1,896	1,156

Notes forming part of the Consolidated Financial Statements

36. Segment reporting

(a) Description of segments and principal activities

L&T Technology Services Limited (LTTS) operates in five industry segments namely - transportation, industrial products, telecom & hi-tech, plant engineering and medical devices. The Group also has five horizontals namely – embedded systems, mechanical, digital manufacturing services, digital products and services and VLSI design services which caters to all the vertical segments.

- 1: Transportation:** Transportation segment partners with OEMs and Tier 1 suppliers serving aerospace, automotive, rail, commercial vehicles, off-highway and polymer segments. The segment delivers end-to-end services from concept to detailed design through manufacturing and sourcing support and helps OEMs develop cost effective vehicles.
- 2: Industrial products:** Industrial products engineering partners with OEM customers across building automation, home and office products, energy, process control and machinery. This segment offers end-to-end product development counsel, leveraging expertise spanning software, electronics, connectivity, mechanical engineering, industrial networking protocols, user interface/user experience (UI/UX), test frameworks and enterprise control solutions.
- 3: Telecom & hi-tech:** Telecom & hi-tech caters to OEM/ODMs, chipset vendors, telecom carriers and ISVs delivering end-to-end embedded software design and development, hardware platform design and development, product maintenance, enhancement and sustenance, testing and validation, system integration for communication and related solutions and systems and field implementation services.
- 4: Plant engineering:** Process Industry segment provides end to end engineering services for leading plant operators across the globe. The industry span and services are broadly for chemical, consumer packaged goods (FMCG) and energy and utility sector client.
- 5: Medical devices:** Medical devices engineering is a dedicated practice that is revolutionizing delivery of healthcare by providing product development solutions across a variety of Class I, II and III devices, with concept design, embedded systems, hardware and software, mechanical engineering services, application software, value analysis and value engineering, manufacturing engineering and regulatory compliance. Medical device industry comprises of diagnostic, life sciences, surgical, cardiovascular, home healthcare, general medical and other devices.

The management primarily uses a measure of earnings before interest, tax, depreciation and amortisation (EBITDA, see below) to assess the performance of the operating segments.

Notes forming part of the Consolidated Financial Statements

- (i) Primary segments are defined based on the industries from which revenues are derived and segmental results are as under:

(₹ million)

Particulars	Transportation	Industrial products	Telecom and hi-tech	Plant engineering	Medical devices	Total
Revenue	20,991	12,766	14,042	10,141	7,757	65,697
% to Total	32.0%	19.4%	21.4%	15.4%	11.8%	100.0%
	<i>16,967</i>	<i>10,504</i>	<i>12,096</i>	<i>7,973</i>	<i>6,957</i>	<i>54,497</i>
% to Total	<i>31.1%</i>	<i>19.3%</i>	<i>22.2%</i>	<i>14.6%</i>	<i>12.8%</i>	<i>100.0%</i>
Segment operating profits	3,971	3,778	1,813	2,521	2,485	14,568
% to Revenue	18.9%	29.6%	12.9%	24.9%	32.0%	22.2%
	<i>2,496</i>	<i>2,833</i>	<i>1,456</i>	<i>1,667</i>	<i>2,142</i>	<i>10,594</i>
% to Revenue	<i>14.7%</i>	<i>27.0%</i>	<i>12.0%</i>	<i>20.9%</i>	<i>30.8%</i>	<i>19.4%</i>
Un-allocable expenses (net)						419
						520
Other income						1,524
						1,537
Operating profit						15,673
						11,611
Finance cost						437
						455
Depreciation						2,144
						2,183
Profit before extraordinary items and tax						13,092
						8,973

- (ii) Segmental reporting of revenues on the basis of the geographical location of the customers is as under:

(₹ million)

Particulars	North America	Europe	India	Rest of World	Total
External revenue by location of customers	41,044	10,857	8,911	4,885	65,697
	<i>33,244</i>	<i>8,845</i>	<i>7,286</i>	<i>5,122</i>	<i>54,497</i>

Numbers in italics are for the previous year.

Property, Plant and Equipment ("PPE") used and liabilities contracted for performing the Group's business have not been identified to any of the above reported segments as the PPE and services are used inter-changeably among segments.

- (iii) No single customer represents 10% or more of the group's total revenue for the year ended 31 March 2022 and 2021.

37. Financial risk management

i) Market risk management

The Group regularly reviews its foreign exchange forward and option positions, both on a standalone basis and in conjunction with its underlying foreign currency related exposures. The Group follows cash flow hedge accounting for highly probable forecasted exposures (HPFE) hence the movement in mark to market (MTM) of the hedge contracts undertaken for such exposures is likely to be offset by contra movements in the underlying exposures values. However, till the point of time that the HPFE becomes an on-balance sheet exposure, the changes in MTM of the hedge contracts are accounted in the balance sheet of the Group. The Group manages its exposures normally for a

Notes forming part of the Consolidated Financial Statements

period of up to three years based on the estimated exposures over that period. As the period increases, the cash flows hedged as a percentage of the total expected cash flows diminish, as there is increased uncertainty of the total cash flows materializing over a longer period of time. The recognition of the gains and losses related to these instruments may not always coincide with the timing of gains and losses related to the underlying economic exposures and, therefore, may adversely affect the Group's financial condition and operating results. Hence, the Group monitors the potential risk arising out of the market factors like exchange rates, interest rates, price of traded investment products etc. on a regular basis. For on balance sheet exposures, the Group monitors the risks on net un-hedged exposures.

ii) Price risk management

The Group's investment policy and strategy are focused on preservation of capital and supporting the Group's liquidity requirements. The Group uses a combination of internal and external management to execute its investment strategy and achieve its investment objectives. The Group typically invests in money market funds, under a limits framework which governs the credit exposure to any one issuer as defined in its investment policy. To provide a meaningful assessment of the price risk associated with the Group's investment portfolio, the Group performed a sensitivity analysis to determine the impact of change in prices of the securities that would have on the value of the investment portfolio assuming a 0.25% move in debt funds and debt securities. Based on the investment position a hypothetical 0.25% change in the fair market value of debt securities would result in a value change of +/- ₹9.12 million as of March 31, 2022, and +/- ₹19.63 million as of March 31, 2021. The investments in money market funds are for the purpose of liquidity management only and are held only overnight and hence not subject to any material price risk.

iii) Foreign currency risk management

In general, the Group is a net receiver of foreign currency. Accordingly, changes in exchange rates, and in particular a strengthening of the Indian Rupee, will negatively affect the Group's net sales and gross margins as expressed in Indian Rupees.

The Group may enter into foreign currency forward contracts with financial institutions to protect against foreign exchange risks associated with certain existing assets and liabilities, certain firmly committed transactions, forecasted future cash flows and net investments in foreign subsidiaries. The Group's practice is to hedge a portion of its material net foreign exchange exposures with tenors in line with the projected exposure based on future business growth. However, the Group may choose not to hedge certain foreign exchange exposures for a variety of reasons, including but not limited to accounting considerations and the prohibitive economic cost of hedging particular exposures. The Group may also not hedge 100% given the uncertainty with business projections and hence the exposure gets hedged progressively in lower amounts.

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 value-at-risk ("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. The overnight VAR for the Group at 95% confidence level is ₹264 million as of March 31, 2022 and ₹309 million as of March 31, 2021.

Actual future gains and losses associated with the Group's investment portfolio and derivative positions may differ materially from the sensitivity analyses performed as of March 31, 2022 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.

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iv) Credit/counter-party risk management

The principal credit risk that the Group is exposed to is non-collection of trade receivables and late collection of receivables leading to credit loss. The risk is mitigated by reviewing creditworthiness of the prospective customers prior to entering into contract and post contracting, through continuous monitoring of collections by a dedicated team.

The Group reviews trade receivables on periodic basis and makes provision for doubtful debts if collection is doubtful. The Group also calculates the expected credit loss (ECL) for non-collection and for delay in collection of receivables. The Group makes additional provision if the ECL amount is higher than the provision made for doubtful debts. In case the ECL amount is lower than the provision made for doubtful debts, the Group retains the provision made for doubtful debts without any adjustment.

The provision for doubtful debts including ECL allowances for non-collection of receivables and delay in collection, on a combined basis, was ₹250 million as at March 31, 2022 and ₹165 million as at March 31, 2021. The movement in allowances for doubtful accounts comprising provision for both non-collection of receivables and delay in collection is as follows:

	(₹ million)	
	2021-22	2020-21
Opening balance of allowances for doubtful accounts	165	493
Allowances recognized (reversed)	85	(328)
Closing balance of allowances for doubtful accounts	250	165

The percentage of revenue from its top five customers is 17% for 2021-22 (15% for 2020-21).

The counter-party risk that the Group is exposed to is principally for financial instruments taken to hedge its foreign currency risks. The counter-parties are mainly banks and the Group has entered into contracts with the counterparties for all its hedge instruments.

The Group invests its surplus funds in liquid investments and mitigates the risk of counter-party failure by investing with institutions having good credit rating.

v) Liquidity risk management

The Group manages liquidity risk by maintaining sufficient cash and marketable securities and by having access to funding through an adequate amount of committed credit lines.

Management regularly monitors the position of cash and cash equivalents vis-à-vis projections. Assessment of maturity profiles of financial assets and liabilities including debt financing plans and maintenance of balance sheet liquidity ratios are considered while reviewing the liquidity position.

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

Financial assets	As at 31-03-2022			As at 31-03-2021		
	Less than 1 year	More than 1 year	Total	Less than 1 year	More than 1 year	Total
Investments	13,918	861	14,779	15,149	-	15,149
Trade receivables	16,959	-	16,959	12,346	-	12,346
Other financial assets	1,516	536	2,052	893	490	1,383
Total	32,393	1,397	33,790	28,388	490	28,878

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(₹ million)

Financial liabilities	As at 31-03-2022			As at 31-03-2021		
	Less than 1 year	More than 1 year	Total	Less than 1 year	More than 1 year	Total
Trade payables	1,720	-	1,720	2,352	-	2,352
Lease liabilities	495	4,276	4,771	790	4,015	4,805
Other financial liabilities	3,729	154	3,883	2,694	115	2,809
Total	5,944	4,430	10,374	5,836	4,130	9,966

38. Fair value measurements

Financial instruments by category

(₹ million)

	As at 31-03-2022			As at 31-03-2021		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial assets						
Investments						
- Mutual funds	5,576	-	-	12,049	-	-
- Bank fixed deposits	-	-	265	-	-	5
- Corporate deposits	-	-	4,501	-	-	3,100
- Non-convertible debentures	-	-	2,236	-	-	-
- Commercial papers	-	-	2,466	-	-	-
Trade receivables	-	-	16,959	-	-	12,346
Cash and cash equivalents	-	-	2,347	-	-	1,751
Other bank balances	-	-	4,395	-	-	576
Derivative financial instruments	-	2,611	-	-	1,941	-
Security deposits	-	-	556	-	-	506
Loans - related parties	-	-	331	-	-	5
Advances - to employees	-	-	90	-	-	54
Other receivables	-	-	1,075	-	-	818
Total financial assets	5,576	2,611	35,221	12,049	1,941	19,161
Financial liabilities						
Trade payables	-	-	1,720	-	-	2,352
Derivative financial instruments	-	235	-	-	340	-
Lease liability	-	-	4,771	-	-	4,805
Supplier ledger - capital goods/ services	-	-	197	-	-	107
Liability towards employee compensation	-	-	3,546	-	-	2,580
Unclaimed dividend	-	-	3	-	-	2
Other payables	-	-	137	-	-	120
Total financial liabilities	-	235	10,374	-	340	9,966

Notes forming part of the Consolidated Financial Statements

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

(₹ million)

Financial assets and liabilities measured at fair value - recurring fair value measurements	As at 31-03-2022				As at 31-03-2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Financial investment at FVPL								
-Mutual Funds	5,576	-	-	5,576	12,049	-	-	12,049
Financial investment at FVOCI								
Derivative financial instruments	-	2,611	-	2,611	-	1,941	-	1,941
Total financial assets	5,576	2,611	-	8,187	12,049	1,941	-	13,990
Financial liabilities								
Derivative financial instruments	-	235	-	235	-	340	-	340
Total financial liabilities	-	235	-	235	-	340	-	340

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

There were no transfers between the levels during the year.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) Valuation technique used to determine fair value

Specific valuation technique used to value financial instruments include :

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of forward foreign exchange contracts and principal swap is determined using forward exchange rates at the balance sheet date.

(iii) Valuation processes

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. The fair valuation of level 1 and level 2 classified assets and liabilities are readily available from the quoted prices in the open market and rates available in secondary market respectively. The valuation method applied for various financial assets and liabilities are as follows:

- Quoted price in the primary market (net asset value) considered for the fair valuation of the current investment i.e mutual funds. Gain/(loss) on fair valuation is recognised in statement of profit and loss.

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- The carrying amounts of trade receivable, unbilled revenue trade payable, cash and bank balances, short term loans and advances, statutory dues/receivable, short term borrowing, employee dues are considered to be the same as their fair value owing to their short-term nature.
- The fair value of premium receivable on financial guarantee contract is derived by discounting premium receivable over the period of contract. Thereafter, the same is carried at the amount initially recognised less the cumulative amortisation of income over the period of the contract.
- The fair value of non-current security deposits are calculated by discounting future cash inflows.

(iv) Fair value of financial assets and financial liabilities measured at amortised cost:

The carrying amounts of all financial assets and financial liabilities are considered to be the same as their fair values owing to their short term nature.

39. Tax reconciliation statement

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

Sr. No.	Particulars	(₹ million)	
		Year ended 31 March,	
		2022	2021
(a)	Profit before tax	13,092	8,973
(b)	Corporate tax rate as per Income tax Act, 1961	25.17%	34.94%
(c)	Tax on accounting profit (c)=(a)*(b)	3,295	3,136
(d)	(i) Tax effect of exempt non-operating income	-	(63)
	(ii) Tax effect due to non-taxable income for Indian tax purposes	-	(785)
	(iii) Effect of non-deductible expenses	51	35
	(iv) Overseas taxes	143	69
	(v) Tax effect on various other items	(3)	(84)
	Total effect of tax adjustments [(i) to (v)]	191	(828)
(e)	Tax expense recognised during the year (e)=(c)-(d)	3,486	2,308
(f)	Effective tax rate (f)=(e)/(a)	26.63%	25.72%

The applicable Indian statutory tax rate for fiscal year 2022 is 25.17% and fiscal year 2021 is 34.94%.

Overseas taxes are on account of income taxes payable overseas, principally in the United States of America. In India, the Company has benefited from certain tax incentives that the Government of India has provided to the export of software for the units registered under the Special Economic Zones Act, 2005(SEZ). SEZ units which commenced operations on or after April 1, 2005 are eligible for a deduction of 100 percent of profits or gains derived from the export of services for the first five years from the financial year in which the unit commenced the provision of services and 50 percent of such profits or gains for further five years. Upto 50% of such profits or gains is also available for a further five years subject to creation of a Special Economic Zone re-Investment Reserve out of the profit of the eligible SEZ units and utilization of such reserve by the Company for acquiring new plant and machinery for the purpose of its business as per the provisions of the Income-tax Act, 1961.

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40. Disclosure pursuant to Ind AS 19 "Employee benefits"

i) Defined contribution plan

The Company has recognised ₹1835 million (previous year ₹1703 million) as Provident Fund Contribution towards defined contribution plan as an expense in the Profit and Loss Account.

ii) Defined benefit plan

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

	Gratuity plan		Post retirement medical benefit plan		Provident Fund trust managed by the holding company	
	As at	As at	As at	As at	As at	As at
	31-3-2022	31-3-2021	31-3-2022	31-3-2021	31-3-2022	31-3-2021
A. Present value of defined benefit obligation						
Wholly funded	982	952	-	-	6,620	5,643
Wholly unfunded	5	6	58	68	-	-
Total (a)	987	958	58	68	6,620	5,643
Less: Fair value of plan assets (b)	881	841	-	-	7,123	6,163
Amount to be recognised as liability or (asset) (a-b)	106	117	58	68	(503)	(520)
B. Amounts reflected in the balance sheet						
Liabilities	106	117	58	68	111	82
Assets	-	-	-	-	-	-
Net liability / (asset)	106	117	58	68	111	82

b) The amounts recognised in statement of profit and loss are as follows:

	Gratuity plan		Post retirement medical benefit plan		Provident Fund trust managed by the holding company	
	As at	As at	As at	As at	As at	As at
	31-3-2022	31-3-2021	31-3-2022	31-3-2021	31-3-2022	31-3-2021
1 Current service cost	165	154	22	24	418	315
2 Interest cost	4	8	4	4	477	414
3 Expected return on plan assets	-	-	-	-	(477)	(414)
4 Actuarial losses / (gains)	-	-	-	-	(35)	(249)
5 Past service cost	-	-	-	-	-	-
6 Actuarial gain/loss not recognized in books	-	-	-	-	35	249
Total expense for the year included in staff cost	169	162	26	28	418	315

Notes forming part of the Consolidated Financial Statements

c) Amount recorded In other comprehensive income:

(₹ million)

	Gratuity plan		Post retirement medical benefit plan	
	As at 31-3-2022	As at 31-3-2021	As at 31-3-2022	As at 31-3-2021
Opening amount recognized in OCI outside Profit and Loss Account	193	232	(111)	(80)
Remeasurement during the period due to				
a Changes in financial assumptions	(22)	46	(5)	6
b Changes in demographic assumptions	(13)	(4)	(25)	(13)
c Experience adjustments	(1)	(80)	(6)	(24)
d Actual return on plan assets less interest on plan assets	(17)	(1)	-	-
e Adjustment to recognize the effect of asset ceiling	-	-	-	-
Closing amount recognized in OCI outside profit and loss account	140	193	(147)	(111)

d) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

(₹ million)

	Gratuity plan		Post retirement medical benefit plan		Provident Fund trust managed by the holding company	
	As at 31-3-2022	As at 31-3-2021	As at 31-3-2022	As at 31-3-2021	As at 31-3-2022	As at 31-3-2021
Opening balance of the present value of defined benefit obligation	958	866	68	70	5,643	4,617
Transfer in/(Out)	-	-	-	-	276	174
Current service cost	165	154	22	24	418	315
Past service cost	-	-	-	-	-	-
Interest on defined benefit obligation	50	49	4	4	477	414
Remeasurements due to :						
Actuarial loss/(gain) arising from change in financial assumptions	(22)	46	(5)	6	-	-
Actuarial loss/(gain) arising from change in demographic assumptions	(13)	(3)	(24)	(12)	-	-
Actuarial loss/(gain) arising on account of experience changes	(1)	(80)	(6)	(24)	-	-
Contribution by Plan Participants	-	-	-	-	787	639
Benefits paid	(150)	(74)	-	-	(981)	(516)
Closing balance of the present value of defined benefit obligation	987	958	59	68	6,620	5,643

The Company expects to contribute ₹ 100 million towards its gratuity plan in FY 2022-23 (₹ 100 million in FY 2021-22)

Notes forming part of the Consolidated Financial Statements

- e) Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows:

(₹ million)

	Gratuity plan		Post retirement medical benefit plan		Provident Fund trust managed by the holding company	
	As at 31-3-2022	As at 31-3-2021	As at 31-3-2022	As at 31-3-2021	As at 31-3-2022	As at 31-3-2021
Opening balance of the fair value of the plan assets	841	691	-	-	7,196	4,894
Expected return on plan assets	-	-	-	-	477	414
Add / (less) : transfer in/(out)	-	-	-	-	276	174
Add/(less) : actuarial gains/(losses)	-	-	-	-	35	249
Employer contributions	127	183	-	-	404	313
Contributions by plan participants	-	-	-	-	748	636
Interest on plan assets	46	42	-	-	-	-
Remeasurements due to :						
Actual return on plan assets less interest on plan assets	17	1	-	-	-	-
Benefits paid	(150)	(76)	-	-	(981)	516
Closing balance of the plan assets	881	841	-	-	8,155	7,196

- f) Sensitivity analysis:

	Gratuity plan		Post retirement medical benefit plan	
	As at 31-3-2022	As at 31-3-2021	As at 31-3-2022	As at 31-3-2021
Impact of increase in 100 bps on defined benefit obligation				
Discount rate	-4.24% to -6.59%	-5.14% to -6.70%	-	-
Salary escalation rate	4.43% to 6.86%	5.54% to 7.55%	-	-
Impact of decrease in 100 bps on defined benefit obligation				
Discount rate	4.61% to 7.43%	5.68% to 7.58%	-	-
Salary escalation rate	-4.18% to -6.71%	-5.13% to -6.80%	-	-
Discount rate				
Impact of increase in 100 bps on defined benefit obligation	-	-	-14.01%	-17.47%
Impact of decrease in 100 bps on defined benefit obligation	-	-	18.21%	23.37%
Healthcare costs rate				
Impact of increase in 100 bps on defined benefit obligation	-	-	10.33%	14.33%
Impact of decrease in 100 bps on defined benefit obligation	-	-	-8.41%	-11.55%
Life expectancy				
Impact of increase in 1 year on defined benefit obligation	-	-	1.30%	1.07%
Impact of decrease by 1 year on defined benefit obligation	-	-	-1.36%	-1.11%

Notes forming part of the Consolidated Financial Statements

- i. The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated.
- ii. The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

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

	Gratuity plan		Post retirement medical benefit plan	
	As at 31-3-2022	As at 31-3-2021	As at 31-3-2022	As at 31-3-2021
Government of India securities	Scheme with LIC	Scheme with LIC	17.47%	22.17%
State government securities			27.81%	23.13%
Corporate bonds			30.50%	29.38%
Public sector bonds			10.38%	12.60%
Mutual funds			5.23%	5.42%
Fixed deposits under Special Deposit Scheme framed by central government and other allowable investments			8.61%	7.30%

h) Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	As at 31-3-2022	As at 31-3-2021
1 Discount rate:		
(a) Gratuity plan	5.7% to 6.20%	5.7% to 6.15%
(b) Post retirement medical benefit plan	6.20%	5.70%
2 Annual increase in healthcare costs	5.00%	5.00%
3 Salary growth rate	5.50%	5% to 6%
4 Attrition rate	1% to 40% for various age groups	1% to 25% for various age groups

Risk exposure

i. Gratuity

The Company operates gratuity plan through a trust wherein every employee is entitled to the benefit equivalent to fifteen days last salary drawn for each completed year of service. The same is payable on termination of service or retirement whichever is earlier. The benefit vests after five years of continuous service. The trustees of the plan have outsourced the investment management of the fund to an insurance company. The insurance company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations.

Notes forming part of the Consolidated Financial Statements

ii. Post retirement medical benefits plan

The post-retirement medical care plan provides for reimbursement of health care costs to certain categories of employees post their retirement. The reimbursement is subject to an overall ceiling sanctioned based on cadre of the employee at the time of retirement. The plan is unfunded. Employees do not contribute to the plan.

i) The amounts pertaining to defined benefit plans for the current year are as follows:

	As at 31-3-2022	As at 31-3-2021
		(₹ million)
Gratuity plan (wholly funded/ unfunded)		
1 Defined benefit obligation	987	958
2 Plan assets	881	841
3 (Surplus) / deficit	106	117
Post retirement medical benefit plan (wholly unfunded)		
1 Defined benefit obligation	58	68
Self - managed provident fund plan (wholly funded)		
1 Defined benefit obligation	6,620	5,643
2 Plan assets	7,123	6,163
3 (Surplus) / deficit	(503)	(520)

General descriptions of defined benefit plans:

a Gratuity plan

The Company makes contributions to the employees' group 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, 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.

b 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.

c Provident Fund trust managed by the holding company

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.

Notes forming part of the Consolidated Financial Statements

Employee benefit plan outside India

In January 2018, the Company established the L&T Technology Services 401k Plan (the "Plan") for the benefit of its employees in USA. As allowed under section 401(k) of the Internal Revenue Code, the Plan provides for tax-deferred salary contributions for eligible employees of L&T Technology Services Limited, L&T Technology Services LLC and Esencia Technologies Inc. The Plan allows the employee and Company's contributions to vest 100% immediately. During the year ended March 31, 2022, the Company contributed ₹ 142 million towards the Plan (Previous year: ₹ 136 million).

41. Lease liability

Particulars	(₹ million)	
	As at 31-03-2022	As at 31-03-2021
1 Classwise right of use assets (office premises)		
Opening balance	4,197	3,490
Addition during the year (net of deletion)	788	1,626
Depreciation during the year	(919)	(915)
FCTR impact	7	(4)
Closing balance	4,073	4,197
2 Repayment during the year (lease payment towards lease liability net of finance cost)	(913)	(688)
3 Maturity analysis of lease liability (undiscounted)		
Less than 1 year	1,100	1,148
1 to 5 years	3,010	3,596
More than 5 years	2,402	1,962
Total	6,512	6,706
Closing balance		
Current liability	495	790
Non-current liability	4,276	4,015
Total	4,771	4,805
4 Amount recognised in statement of profit and loss		
Interest on lease liability	398	430
Rent expense - short term lease	77	112
5 Gain /(loss) on derecognition of lease liability - right-of-use assets		
Closing balance of Lease Liability as on date of derecognition	125	645
Less: Closing balance of right-to-use as on date of derecognition	93	607
Add: Interest free security deposit against lease premise	3	-
Gain /(loss) on derecognition of right-to-use	35	38
6 Lease commitment		
No lease commitments were entered into by the Company (PY ₹ Nil).		

Notes forming part of the Consolidated Financial Statements

42. Additional information required by schedule III

Additional disclosure pursuant to schedule III to the Companies Act, 2013 as at 31-03-2022

(₹ million)

Name of the entity	Net assets i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ million)	As % of consolidated profit or loss	Amount (₹ million)	As % of consolidated profit or loss	Amount (₹ million)	As % of consolidated profit or loss	Amount (₹ million)
A – Parent								
L&T Technology Services Limited	91.86%	39,816	95.05%	9,185	89.56%	806	94.58%	9,991
B – Subsidiaries								
(i) Indian subsidiaries								
L&T Thales Technology Services Private Limited	1.19%	515	1.40%	135	0.11%	1	1.29%	136
Graphene Semiconductor Services Private Limited	0.25%	110	0.01%	1	-	-	0.01%	1
Esencia Technologies India Private Limited	0.01%	6	-	-	-	-	-	-
Seastar Lab Private Limited	-	1	-0.01%	(1)	-	-	-	(1)
(ii) Foreign subsidiaries								
L&T Technology Services LLC (Consolidated)	6.62%	2,867	3.45%	334	10.33%	93	4.04%	427
Graphene Solutions PTE Ltd.	0.01%	5	-0.01%	(1)	-	-	-0.01%	(1)
Graphene Solutions SDN. BHD	-	1	-	-	-	-	-	-
Graphene Solutions Taiwan Limited	0.01%	2	-0.01%	(1)	0.00%	-	-0.01%	(1)
L&T Technology Services (Shanghai) Co. Ltd	0.05%	23	0.11%	11	0.00%	-	0.10%	11
Subtotal (A+B)	100%	43,346	100%	9,663	100%	900	100%	10,563
a. Adjustments arising out of consolidation		(1,584)		(57)		-		(57)
b. Non-controlling interests in all subsidiaries		(137)		(36)		-		(36)
Total owners's share		41,625		9,570		900		10,470

Notes forming part of the Consolidated Financial Statements

Additional disclosure pursuant to schedule III to the Companies Act, 2013 as at 31-03-2021

(₹ million)

Name of the entity	Net assets i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ million)	As % of consolidated profit or loss	Amount (₹ million)	As % of consolidated profit or loss	Amount (₹ million)	As % of consolidated profit or loss	Amount (₹ million)
A – Parent								
L&T Technology Services Limited	91.87%	33,401	97.52%	6,731	102.32%	2,540	98.79%	9,271
B – Subsidiaries								
(i) Indian subsidiaries								
L&T Thales Technology Services Private Limited	1.04%	379	1.81%	125	-	-	1.33%	125
Graphene Semiconductor Services Private Limited	0.30%	108	0.10%	7	-	-	0.07%	7
Esencia Technologies India Private Limited	0.02%	6	-	-	-	-	-	-
Seastar Lab Private Limited	-	1	0.05%	4	-	-	0.04%	4
(ii) Foreign subsidiaries								
L&T Technology Services LLC (Consolidated)	6.71%	2,441	0.75%	52	-2.32%	(58)	-0.06%	(6)
Graphene Solutions PTE Ltd.	0.02%	6	-0.05%	(4)	-	-	-0.04%	(4)
Graphene Solutions SDN. BHD	-	1	-	-	-	-	-	-
Graphene Solutions Taiwan Limited	0.01%	3	-0.06%	(4)	-	-	-0.04%	(4)
L&T Technology Services (Shanghai) Co. Ltd.	0.03%	11	-0.12%	(9)	-	-	-0.09%	(9)
Subtotal (A+B)	100%	36,357	100%	6,902	100%	2,482	100%	9,384
a. Adjustments arising out of consolidation		(1,525)		(237)		-		(237)
b. Non-controlling interests in all subsidiaries		(101)		(32)		-		(32)
Total owners's share		34,731		6,633		2,482		9,115

Notes forming part of the Consolidated Financial Statements

43. Related party disclosure

43 (1) (i) List of related parties over which control exists/exercised

Name	Relationship
L&T Thales Technology Services Private Limited	Subsidiary
L&T Technology Services LLC	Wholly owned subsidiary
Graphene Semiconductor Services Private Limited	Wholly owned subsidiary
Graphene Solutions Pte. Ltd.	Wholly owned subsidiary
Graphene Solution SDN. BHD.	Wholly owned subsidiary
Graphene Solutions Taiwan Limited	Wholly owned subsidiary
Seastar Labs Private Limited	Wholly owned subsidiary
L&T Technology Services (Shanghai) Co. Ltd.	Wholly owned subsidiary
L&T Technology Services (Canada) Ltd.	Wholly owned subsidiary of L&T Technology Services LLC
Orchestra Technology Inc	Wholly owned subsidiary of L&T Technology Services LLC*

*Wholly owned subsidiary of L&T Technology Services LLC w.e.f October 02, 2020.

43 (1) (ii) List of related parties which can exercise control

Name	Relationship
Larsen and Toubro Limited	Holding company

43 (1) (iii) Key management personnel

Executive directors	Status
Mr. Amit Chadha	Chief Executive Officer & Managing Director
Mr. Abhishek Sinha	Chief Operating Officer & Whole Time Director
Mr. Rajeev Gupta	Chief Financial Officer
Mr. Kapil Bhalla	Company Secretary up to October 29, 2021
Ms. Prajakta Powle	Company Secretary w.e.f. March 17, 2022

Non-executive directors

Mr. Anilkumar Manibhai Naik
Mr. Sekharipuram Narayanan Subrahmanyam
Dr. Keshab Panda

43 (1) (iv) List of related parties with whom there were transactions during the year

Name	Relationship
Larsen & Toubro Limited	Holding company
Larsen & Toubro Infotech Limited	Fellow subsidiary
Larsen & Toubro Infotech Canada Limited	Fellow subsidiary
Larsen & Toubro Infotech GmbH	Fellow subsidiary
L&T Information Technology Services (Shanghai) Co., Ltd.	Fellow subsidiary
L&T Infotech Financial Services Technologies Inc.	Fellow subsidiary
Larsen Toubro Arabia LLC	Fellow subsidiary
Servowatch Systems Limited	Fellow subsidiary
L&T Infotech Financial Services Technologies Inc.	Fellow subsidiary
Larsen & Toubro (East Asia) SDN. BHD.	Fellow subsidiary
L&T Valves Limited	Fellow subsidiary
Larsen & Toubro Saudi Arabia LLC	Fellow subsidiary
L&T Overseas Projects Nigeria Limited	Fellow subsidiary
Mindtree Limited	Fellow subsidiary

Notes forming part of the Consolidated Financial Statements

Name	Relationship
L&T-Sargent & Lundy Limited	Fellow subsidiary
L&T Chiyoda Limited	Associate
Larsen & Toubro Public Charitable Trust	Trust being managed by Parent
L&T Hydrocarbon Engineering Limited*	Fellow subsidiary
Esencia Technologies Inc*	Wholly owned subsidiary of L&T Technology Services LLC

*During the year, L&T Hydrocarbon Engineering Limited is merged with Larsen & Toubro Limited and Esencia Technologies Inc is merged with L&T Technology Services LLC. Hence, transactions for the year ended 31 March 2022 and balances as on 31 March 2022 of L&T Hydrocarbon Engineering Limited and Esencia Technologies Inc are shown under Larsen & Toubro Limited and L&T Technology Services LLC respectively.

43 (1) (v) Name of post-employment benefit plans with whom transactions were carried out during the year:

Larsen & Toubro Officers & Supervisory Staff Provident Fund

L&T Technology Services Limited Employee Group Gratuity Scheme

43 (1) (vi) Disclosure of related party transactions

Transaction	31-03-2022	31-03-2021
(₹ million)		
Revenue from services		
Holding Company	212	161
- Larsen & Toubro Limited	212	161
Fellow subsidiaries	946	722
- L&T Hydrocarbon Engineering Limited	898	672
- Larsen & Toubro Infotech Limited	-	41
- Mindtree Limited	48	9
Associates	3	16
- L&T Chiyoda Limited	3	16
Purchase of services		
Holding Company	52	-
- Larsen & Toubro Limited	52	-
Fellow subsidiaries	621	891
- Larsen & Toubro Infotech Limited	515	540
- L&T Hydrocarbon Engineering Limited	-	287
- L&T-Sargent & Lundy Limited	7	1
- Mindtree limited	99	63
Rent paid		
Holding Company	247	226
- Larsen & Toubro Limited	247	226
Fellow subsidiaries	22	30
- Larsen & Toubro Infotech Limited	19	18
- Larsen & Toubro Infotech GmbH	2	11
- Larsen & Toubro (East Asia) SDN. BHD.	1	1
Rent Received		
Fellow subsidiaries	2	2
- Larsen & Toubro Infotech Limited	2	2
Guarantee Charges		
Holding company	3	3
- Larsen & Toubro Limited	3	3

Notes forming part of the Consolidated Financial Statements

Transaction	31-03-2022	31-03-2021
(₹ million)		
Services availed by the Company		
Holding company	198	181
- Larsen & Toubro Limited	198	181
Fellow subsidiaries	23	44
- Larsen & Toubro Infotech Limited	23	44
Services rendered by the Company		
Holding company	216	2
- Larsen & Toubro Limited	216	2
Fellow subsidiaries	-	1
- Servowatch Systems Limited	-	1
Trademark fees		
Holding company	99	82
- Larsen & Toubro Limited	99	82
Trade receivable		
Holding company	157	87
- Larsen & Toubro Limited	157	87
Fellow subsidiaries	259	191
- Larsen & Toubro Infotech Limited	234	179
- L&T Hydrocarbon Engineering Limited	-	9
- Mindtree Limited	25	3
Associate	-	1
- L&T Chiyoda Limited	-	1
Trade payable		
Holding company	90	81
- Larsen & Toubro Limited	90	81
Fellow subsidiaries	94	458
- Larsen & Toubro Infotech Limited	55	410
- L&T Hydrocarbon Engineering Limited	-	27
- Larsen & Toubro Infotech GmbH	-	6
- L&T-Sargent & Lundy Limited	3	-
- Larsen & Toubro Saudi Arabia LLC	15	9
- Mindtree Limited	21	6
Advances recoverable		
Holding company	329	-
- Larsen & Toubro Limited	329	-
Fellow subsidiaries	1	2
- L&T Infotech Financial Services Technologies Inc.	1	-
- L&T Information Technology Services (Shanghai) Co., Ltd.	-	1
- Larsen & Toubro Infotech Limited	-	1
Interim/final dividend paid - equity		
Holding company	2,691	1,640
- Larsen & Toubro Limited	2,691	1,640
Compensation to key managerial personnel		
Short-term employee benefits	95	121
Post-employment benefits	1	1
Employee share-based payment	149	153
Total compensation**	245	275

**Mr. Kapil Bhalla (previous Company Secretary) resigned on October 29, 2021, his proportionate compensation has been included in calculation of remuneration of FY22.

Ms. Prajakta Powle (current Company Secretary) joined LTTTS on March 15, 2022 and appointed in Board on March 17, 2022, her proportionate compensation has been included in above calculation of FY22.

Notes forming part of the Consolidated Financial Statements

Compensation to non-executive directors

Particulars	(₹ million)	
	2021-22	2020-21
Sitting fees	3	2
Commission	26	25
Share-based payment	217	-
Other compensation	43	-
Total compensation	289	27

CSR Expenses

Particulars	(₹ million)	
	2021-22	2020-21
Trust being managed by Parent		
- Larsen & Toubro Public Charitable Trust	4	1

Transactions with trust managed employees provident fund

Particulars	(₹ million)	
	2021-22	2020-21
Towards employer's contribution	405	313
Paid during the year***	1,152	879
Due to trust (year end liability)	111	82

***Includes employer & employee contribution

Transactions with approved gratuity fund

Particulars	(₹ million)	
	2021-22	2020-21
Towards employer's contribution	127	181
Paid during the year	127	181
Due to trust (year end liability)	100	111

44. Disclosure pursuant to Ind AS 115 "Revenue from contract with customers":

a) Disaggregation of revenue

The nature of contract impacts the method of revenue recognition and the contracts are classified as fixed-price contracts and time and material contracts.

i) Revenue by contract type

	(₹ million)	
	For year ended March 31, 2022	For year ended March 31, 2021
Fixed price contracts	18,979	20,495
Time and materials contracts	46,718	34,002
Total	65,697	54,497

ii) Refer note 36 for disaggregation of revenue by industry and geographical segments.

iii) The Group believes that this disaggregation best depicts how the nature, amount, timing of its revenues, and cash flows are affected by industry, market, and other economic factors.

Notes forming part of the Consolidated Financial Statements

b) Transaction price allocated to remaining performance obligation

- i) The aggregate value of performance obligations that are completely or partially unsatisfied as of March 31, 2022, other than those meeting the exclusion criteria mentioned below in (ii), is ₹8,470 million (for previous year ₹10,497 million). Out of this, the Group expects to recognize revenue of around 100% within the next one year. Remaining performance obligation estimates are subject to change and are affected by several factors, including changes in the scope of contracts, periodic revaluations, and adjustments for currency.
- ii) The Group has applied practical expedient and has not disclosed information about remaining performance obligations in contracts where the entity has the right to consideration that corresponds directly with the value of entity's performance completed to date, typically those contracts where invoicing is on time and material basis.

c) Movement in contract balances

- i) The Group classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset for time and material jobs where right to consideration is unconditional upon passage of time. Unbilled revenue for fixed price contracts is classified as non financial asset as the contractual right to consideration is dependent on completion of contractual milestones.
- ii) Movement in contract asset and contract liability

(₹ million)

Particulars	For year ended March 31, 2022		For year ended March 31, 2021	
	Unbilled revenue	Unearned revenue	Unbilled revenue	Unearned revenue
Opening balance	2,415	555	3,510	512
Revenue recognised during period	2,482	(520)	2,303	(470)
Invoiced during period (incl. translation gain/loss)	(2,308)	712	(3,524)	506
ECL movement*	(2)	-	45	-
Translation Gain/loss	23	-	(14)	-
Due to business combination	-	-	95	7
Closing balance	2,610	747	2,415	555

*ECL movement is revalued figure.

45. Government grants

- A. During the year ended March 31, 2022, the Group has reversed Government grant against export of services, amounting to ₹320 million (previous year ₹548 million) which is disclosed as export incentive as part of other income.
- B. The Group has received incentives amounting to ₹26 million (previous year ₹ Nil) from governments of various countries against money spent on research and development and has accounted for it under other income.
- C. The Group has received government grants amounting to ₹34 million (previous year ₹57 million) from governments of various countries on compliance with several employment-related conditions consequent to the outbreak of COVID-19 pandemic and accordingly, accounted it as a credit to employee benefits expense.

Notes forming part of the Consolidated Financial Statements

- 46.** In December 2019, the U.S. Department of Homeland Security and later the Assistant United States Attorney's office had initiated an investigation concerning the Company's nonimmigrant visas program. The Govt agencies have sought information, which the Company is providing and thereby fully cooperating on this matter. To date, the US Government agencies have not filed formal allegations or charges against the Company.
- 47.** The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- 48.** There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at March 31, 2022.
- 49.** Previous year's figures have been regrouped / reclassified wherever necessary.

As per our report attached
SHARP & TANNAN
Chartered Accountants
Firm's registration no. 109982W
by the hand of

For and on behalf of the Board of Directors of
L&T TECHNOLOGY SERVICES LIMITED

FIRDOSH D. BUCHIA

Partner
Membership no. 38332

Place: Mumbai
Date: April 21, 2022

RAJEEV GUPTA

Chief Financial Officer

Place: Mumbai
Date: April 21, 2022

PRAJAKTA POWLE

Company Secretary
Membership no. A20135

Place: Mumbai
Date: April 21, 2022

AMIT CHADHA

Chief Executive Officer &
Managing Director
(DIN: 07076149)

Place: Mumbai
Date: April 21, 2022

ABHISHEK SINHA

Chief Operating Officer &
Whole-Time Director
(DIN: 07596644)

Place: Mumbai
Date: April 21, 2022

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES/ASSOCIATE COMPANIES/JOINT VENTURES

(₹ million)												
Sr no	Particulars	L&T Thales Technology Services Private Limited	L&T Technology Services LLC	Orchestra Technology Inc.	L&T Technology Services (Canada) Limited	Esencia Technologies India Private Limited	Graphene Semiconductor Services Private Limited	Graphene Solutions Pte. Ltd	Graphene Solution SDN. BHD	Graphene Solutions Taiwan Limited	Seastar Labs Private Limited	L&T Technology Services (Shanghai) Co. Ltd
	The date since when subsidiary was acquired / incorporated	June 26, 2014	June 26, 2014	October 2, 2020	August 20, 2019	June 1, 2017	October 15, 2018	August 06, 2019				
	Financial year ending on	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
	Relationship	Subsidiary of L&T Technology Services Limited	Wholly owned subsidiary of L&T Technology Services Limited	Wholly owned subsidiary of L&T Technology Services LLC	Wholly owned subsidiary of L&T Technology Services LLC	Wholly owned subsidiary of L&T Technology Services Limited	Wholly owned subsidiary of L&T Technology Services Limited	Wholly owned subsidiary of L&T Technology Services Limited	Wholly owned subsidiary of L&T Technology Services Limited	Wholly owned subsidiary of L&T Technology Services Limited	Wholly owned subsidiary of L&T Technology Services Limited	Wholly owned subsidiary of L&T Technology Services Limited
	Currency	INR	US\$	US\$	CAD	INR	INR	SGD	MYR	TWD	INR	CNY
	Exchange rate on the last day of financial year	1.00	75.79	75.79	60.49	1.00	1.00	55.97	18.03	2.69	1.00	11.70
1	Share capital	21	1,783	495	0.4	0.1	14	3	2	13	1	38
2	Reserves	494	1,314	(343)	(9.2)	5.8	96	2	-	(10)	-	2
3	Non-current liabilities	-	470	-	-	-	1	-	-	-	-	-
4	Current liabilities	237	1,295	658	79	0	1	22	-	5	1	15
5	Total equity and liabilities (1+2+3+4)	752	4,862	810	70	6	112	27	2	8	2	55
6	Non-current assets	50	2,565	160	-	-	3	-	-	-	-	-
7	Current assets	702	2,297	650	70	6	109	27	2	8	2	55
8	Total assets (6+7)	752	4,862	810	70	6	112	27	2	8	2	55
9	Investments included in non-current assets (6 above)	-	1,016	-	-	-	-	-	-	-	-	-
10	Investments included in current assets (7 above)	275	-	-	-	-	107	-	-	-	-	-
11	Revenue from operations	919	6,692	1,677	65	-	-	6	-	-	-	31
12	Profit before taxation	182	664	(63)	(10)	-	2	(1)	-	(1)	(1)	12
13	Provision for taxation	47	231	-	-	-	1	-	-	-	-	-
14	Profit after taxation	135	433	(63)	(10)	-	1	(1)	-	(1)	(1)	12
15	Interim dividend - equity	-	-	-	-	-	-	-	-	-	-	-
16	Interim dividend - preference	-	-	-	-	-	-	-	-	-	-	-
17	Proposed dividend - equity	-	-	-	-	-	-	-	-	-	-	-
18	Proposed dividend - preference	-	-	-	-	-	-	-	-	-	-	-
19	% of share holding	74%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Glossary

3D	Three Dimensional
5G	The 5 th generation cellular network technology
“ACT” or “The Act”	The Companies Act, 2013
AD	Autonomous Drive
ADAS	Advanced Driver Assistance System
AGM	Annual General Meeting
AI	Artificial Intelligence
AR	Augmented Reality
ASEAN	Association of Southeast Asian Nations
ASIC	Application-Specific Integrated Circuit
AUTOSAR	AUTomotive Open System ARchitecture; a development partnership of automotive interested parties founded in 2003
BCP	Business Continuity Process
BPM	Business Process Management
BRR	Business Responsibility Reporting
BSE	Bombay Stock Exchange
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CoE	Centre of Excellence
Current Ratio	Ratio of Current Assets by Current Liabilities
CrossPoll!novation	Enabling the design and development of innovative products by leveraging multi-vertical, cross industrial expertise
CII	Confederation of Indian Industry
CAPEX	Capital Expenditure
CGU	Cash Generating Unit
CPG	Consumer Packaged Goods
CSAT	Customer Satisfaction
CSR	Corporate Social Responsibility
DAP	Digital Advisory Practice
DSO	Days of Sales Outstanding is the Ratio of Trade Receivable to the Revenue, multiplied by 365
Debt Equity Ratio	Ratio of Total Debt to Shareholder Equity
DevOps	A set of practices combining software development (Dev) and IT operations (Ops)
Digital Engineering	Digital Engineering enables development of smart and connected products that can create enhanced experiences and optimized functionalities for its end users
Digital Twin	Digital replica or representation of physical objects or systems
DMS	Digital Manufacturing Services
DPS	Digital Products and Services
EACV	Electric Autonomous Connected Vehicle
EBIT	Earnings Before Interest and Taxes
EBITDA	Earnings Before Interest Tax Depreciation Amortization
ECL	Expected Credit Loss

EPC	Engineering, Procurement, and Construction
EPCM	Engineering, Procurement, and Construction Management
EPS	Earnings Per Share
ePowertrain	Electric Powertrain
ER&D	Engineering Research & Development
ESOP	Scheme, 2016 L&T Technology Services Limited Employee Stock Option Scheme 2016
EV	Electric Vehicles
FIFO	FIFO or First In, First Out is an asset-management and valuation method
F.R.U.G.A.L. Manufacturing	F.R.U.G.A.L. Manufacturing: Flexible, Remote, Unconventional, Glocal and Agile - LTTS' manufacturing offerings based on the pillars of social distancing, business continuity and business sustainability
GEA	Global Engineering Academy
GEC	Global Engineering Centre
Holding Company	Larsen & Toubro Limited
HUF	Hindu Undivided Family
i-BEMS	Intelligent Building Experience Management System is LTTS' IoT-based smart building framework
IC	Integrated Circuit
IFCCI	Indo-French Chamber of Commerce and Industry
IND AS	Indian Accounting Standards
Industry 4.0	Transformation in manufacturing technologies leveraging automation, data analytics, IoT, cloud computing and cognitive computing
IndustryX.Now	The ecosystem of connected factories, industrial automation, and Sourcing and Value Engineering as a Service (SVaaS)
Interest Coverage Ratio	Ratio of Operating Profit to Interest Expense
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
IoT	Internet of Things
IIoT	Industrial Internet of Things
IPO	Initial Public Offering
ISO	International Organization for Standardization
ISV	Independent Software Vendor
IVD	In Vitro Diagnostics are medical devices used to perform tests on samples derived from the human body
LODR	Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015
LTE	Long-Term Evolution
"LTTS", "our company", "The Company" or "Parent Company"	L&T Technology Services Limited
MCA	Ministry of Corporate Affairs
Metaverse	A simulated digital environment that uses augmented reality (AR), virtual reality (VR), and blockchain, along with concepts from digital media, to create spaces for rich user interaction
mIoT	Medical Internet of Things
ML	Machine Learning
MSME	Ministry of Micro, Small and Medium Enterprises
MSMDE Act	The Micro, Small and Medium Enterprises Development Act, 2006

M2M	Machine to Machine
NASSCOM	National Association of Software and Services Companies
nBIoT	Narrow band IoT
Net Profit Margin	Ratio of Net Profit to Revenue
NFV	Network Function Virtualization
NGO	Non-Governmental Organization
NPTEL	National Program on Technology Enhanced Learning
NRC	Nomination and Remuneration Committee
NRI	Non-Resident Indian
NSDL	National Securities Depository Limited
NSE	National Stock Exchange
NVG	National Voluntary Guidelines
NVG-SEE	National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of the Business
O-RAN	Open Radio Access Network Alliance
OAVM	Other Audio-Visual Means
OCI	Other Comprehensive Income
OEM	Original Equipment Manufacturer
OPM	Operating Profit Margin
OTT	Over the Top
PAT	Profit After Tax
Phygital	A Combination of Physical and Digital systems
PLM	Product Lifecycle Management
RDK	Reference Design Kit
Return on Net Worth	Ratio of Net Profit to Average Shareholder equity
Return on Equity	Ratio of Net Profit to Average Shareholder equity
RTA	Registrar and Transfer Agents
R&D	Research and Development
SDN	Software Defined Networking
SBEB Regulations	Securities & Exchange Board of India (Share Based Employee Benefit) Regulations, 2014
SEZ	Special Economic Zone
SME	Small and Medium Enterprises
SRC	Stakeholders' Relationship Committee
SRT	Secure Reliable Transport
STB	Set-top Box
STPI	Software Technology Parks of India
SVYM	Swamy Vivekananda Youth Movement
Time-to-market	Duration of time taken from conceiving a product to making it available for sale
UI/UX	User Interface/User Experience
USA	United State of America
USP	Unique selling point - a distinguishing features of something to make it more appealing
VLSI	Very Large-Scale Integration
VR	Virtual Reality
VRF	Systems Variable Refrigerant Flow Systems
WFH	Work From Home

L&T Technology Services Limited

Registered Office:

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Mumbai-400 001, Maharashtra, India.

For Additional Information About

L&T Technology Services Log on to www.LTTS.com

Reach us at investor@LTTS.com