

B. K. Khare & Co.

Chartered Accountants

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

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

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

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid year to date standalone annual financial results:

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

Basis for Opinion

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

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

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

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these standalone annual financial results that give a true and fair view of the net profit/loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy

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and completeness of the accounting records, relevant to the preparation and presentation of the standalone annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone annual financial results, the Management and the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

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

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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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.

Other Matter

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

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



Padmini Khare Kaicker
Partner
Membership Number: 044784
UDIN: 20044784AAAAAT3181
Mumbai, May 19, 2020



LARSEN & TOUBRO INFOTECH LIMITED

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

CIN : L72900MH1996PLC104693

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

₹ million

		Quarter ended			Year ended	
		March 31 2020	December 31 2019	March 31 2019	March 31 2020	March 31 2019
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Income from operations					
	Revenue from operations	28,251	26,345	23,333	101,842	89,072
	Other income (Refer Note 5)	724	656	693	4,217	3,290
	Total income	28,975	27,001	24,026	106,059	92,362
2	Expenses					
	a) Employee benefits expense	16,107	15,492	13,308	59,828	51,287
	b) Operating expenses	6,253	5,565	5,327	21,736	19,316
	c) Finance costs	194	185	10	720	43
	d) Depreciation & Amortization expense	577	543	230	2,084	881
	e) Other expenses (Refer Note 7)	542	370	364	1,621	1,238
	Total expenses	23,673	22,155	19,239	85,989	72,765
3	Profit before tax (1-2)	5,302	4,846	4,787	20,070	19,597
4	Tax expense					
	a) Current tax	859	797	1,222	3,530	4,476
	b) Deferred tax	284	384	(39)	1,016	370
	Total tax expense	1,143	1,181	1,183	4,546	4,846
5	Net profit after tax (3-4)	4,159	3,665	3,604	15,524	14,751
6	Other comprehensive income	(3,031)	(1)	1,298	(4,381)	258
7	Total comprehensive income (5+6)	1,128	3,664	4,902	11,143	15,009
8	Paid-up equity share capital (Face value : ₹1 per share)	174	174	174	174	174
9	Other equity	52,114	50,931	46,961	52,114	46,961
10	Earnings per share (Refer Note 8)					
	a) Basic (in ₹)	23.90	21.05	20.78	89.31	85.31
	b) Diluted (in ₹)	23.69	20.87	20.54	88.45	84.11

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

₹ million

	As at March 31, 2020	As at March 31, 2019
	(Audited)	(Audited)
ASSETS		
Non-current assets		
(a) Property, plant and equipment	3,809	2,816
(b) Right of use assets	7,352	-
(c) Capital work-in-progress	381	31
(d) Other intangible assets	354	331
(e) Intangible assets under development	19	51
(f) Financial assets:		
(i) Investments	6,550	5,198
(ii) Loans	551	467
(iii) Other financial assets	118	1,606
(g) Deferred tax assets (net)	2,135	1,564
(h) Income tax assets (net)	742	768
(i) Other non-current assets	1,291	1,029
Total non-current assets	23,302	13,861
Current assets		
(a) Financial assets:		
(i) Investments	22,185	17,402
(ii) Trade receivables	21,767	17,293
(iii) Unbilled revenue	4,151	5,450
(iv) Cash and cash equivalents	3,605	2,131
(v) Other bank balances	109	23
(vi) Loans	164	63
(vii) Other financial assets	1,575	1,669
(b) Income tax assets (Net)	6	37
(c) Other current assets	6,303	4,337
Total current assets	59,865	48,405
TOTAL ASSETS	83,167	62,266
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	174	174
(b) Other equity	52,114	46,961
Total equity	52,288	47,135
Liabilities		
Non-current liabilities		
(a) Financial Liabilities	2,485	34
(b) Lease liabilities	7,223	-
(c) Provisions	325	289
Total non-current liabilities	10,033	323
Current liabilities		
(a) Financial liabilities		
(i) Trade payables		
Due to micro and small enterprises	79	3
Due to other than micro and small enterprises	6,763	4,460
(ii) Other financial liabilities	6,531	5,760
(b) Lease liabilities	1,182	-
(c) Other current liabilities	3,737	2,323
(d) Provisions	2,481	2,017
(e) Income tax liabilities (net)	73	245
Total current liabilities	20,846	14,808
TOTAL EQUITY AND LIABILITIES	83,167	62,266

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

Particulars	Year ended	Year ended
	March 31, 2020 (Audited)	March 31, 2019 (Audited)
A. Cash flow from operating activities		
Net profit after tax	15,524	14,751
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation and amortisation	2,084	881
Income tax expense	4,546	4,846
Expense recognised in respect of equity settled stock option	319	281
Realised gain from current investment	(1,037)	(743)
Unrealised gain from current investment	(179)	(247)
Interest received	(51)	(8)
Interest expense	720	43
Provision for doubtful debts (net)	198	228
Unrealised foreign exchange (gain)/loss, net	371	374
Dividend received from subsidiaries	(901)	(408)
Gain on transfer of business and liquidation of subsidiary	(53)	-
Net loss/(gain) on sale of property, plant and equipment	9	13
Operating profit before working capital changes	21,550	20,011
Changes in working capital		
(Increase)/decrease in trade receivables & unbilled revenue	(2,524)	(1,811)
(Increase)/decrease in other receivables	(2,649)	(3,913)
Increase/(decrease) in trade & other payables	3,716	2,450
(Increase)/decrease in working capital	(1,457)	(3,274)
Cash generated from operations	20,093	16,737
Income taxes paid	(3,652)	(4,262)
Net cash (used in) / generated from operating activities	16,441	12,475
B. Cash flow from investing activities		
Purchase of fixed assets	(2,437)	(1,258)
Sale of fixed assets	34	29
(Purchase)/sale of current investments	(4,603)	(4,512)
Payment towards business acquisition	(743)	-
Investment in subsidiary	-	(2,239)
(Purchase)/sale of other non-current investments	(1)	-
Transfer of business to subsidiary	53	-
Liquidation of subsidiary	3	-
Dividend received from subsidiaries	901	408
(Loan given to)/repaid by subsidiaries	(77)	(6)
Realised income from current investments	1,037	743
Interest received	51	8
Net cash (used in) / generated from investing activities	(5,782)	(6,827)
C. Cash flow from financing activities		
Proceeds from issue of share capital	-	3
Deposit under Credit support agreement received/(paid)	(2,104)	(589)
Payment towards lease liabilities	(1,369)	-
Interest paid	(33)	(25)
Dividend paid	(4,864)	(4,499)
Tax on dividend paid	(815)	(842)
Net cash (used in) / generated from financing activities	(9,185)	(5,952)
Net increase/(decrease) in cash and cash equivalents	1,474	(304)
Effect of exchange differences on translation of foreign currency cash and cash equivalents	86	(41)
Cash and cash equivalents at beginning of the period	2,154	2,498
Cash and cash equivalents at end of the period	3,714	2,154

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

1. The audited standalone financial results of the Company for the year ended March 31, 2020 have been reviewed by the Audit Committee of the Board and approved by the Board of Directors at its meeting held on May 19, 2020.
2. Results for the quarter and year ended March 31, 2020 are in compliance with Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs as prescribed under section 133 of the Companies Act, 2013.
3. Effective April 1, 2019, the Company has adopted Ind AS 116 'Leases', w.r.t. lease contracts outstanding on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Accordingly, financial results for the quarter and year ended March 31, 2019 have not been retrospectively adjusted.
4. The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues, right of use assets and intangible assets. In estimating the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements, has used internal and external sources of information including credit reports and related information, economic forecasts and consensus estimates from market sources on the expected performance of the Company. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.
5. Other income for the year ended March 31, 2020 and March 31, 2019 includes dividend received from subsidiaries of ₹ 901 million and ₹ 408 million respectively. No dividend was received from subsidiaries for the quarter ended March 31, 2020, December 31, 2019 and March 31, 2019.
6. During the quarter ended March 31, 2020, 101,345 equity shares and during year ended March 31, 2020, 616,685 equity shares of ₹ 1 each fully paid up were allotted on exercise of stock options by employees in accordance with the Company's employee stock option schemes.
7. Other expenses for the quarter and year ended March 31, 2020 includes ₹ 180 Mn towards contribution to Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund for COVID-19 relief measures.
8. Earnings per share for the quarters ended March 31, 2020, December 31, 2019 and March 31, 2019 are not annualised.
9. In accordance with Ind AS 108 'Operating Segment', the Company has disclosed Segment information on consolidated basis which is available as part of the audited consolidated financial results of the Company available on its website (www.intinfotech.com) and on the websites of BSE (www.bseindia.com) and NSE (www.nseindia.com).
10. The Board of Directors at its meeting held on May 19, 2020, has recommended a final dividend of ₹ 15.50 per equity share (Face value ₹ 1) for the financial year 2019-20.

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

for Larsen & Toubro Infotech Limited

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

Sanjay Jalona
Chief Executive Officer & Managing Director

New Jersey, USA, May 19, 2020